IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024 AND INDEPENDENT AUDITOR'S REVIEW REPORT

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the General Assembly of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2024 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 9 April 2025

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IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

ASSETS	Notes	Reviewed 30 June 2024	Audited 31 December 2023	Audited 31 December 2022
CURRENT ASSETS				
Cash and cash equivalents	5	11,812,946	9,016,458	13,288,553
Financial investments	30	287,950	294,629	246,997
Trade receivables	7	20,880,063	20,794,571	20,491,053
- Trade receivables from related parties	*6*	*6,346,807*	*5,601,061*	*4,283,094*
- Trade receivables from third parties	*7*	*14,533,256*	*15,193,510*	*16,207,959*
Inventories	*10*	3,535,298	2,880,704	1,778,867
Other receivables	8	10,561,629	3,602,617	2,444,024
- Other receivables from related parties	*6*	*10,251,130*	*2,839,816*	*1,839,753*
- Other receivables from third parties	*8*	*310,499*	*762,801*	*604,271*
Prepaid expenses	9	4,005,750	2,285,908	2,316,573
- Prepaid expenses from related parties	*6*	*84,376*	*59,094*	*318,653*
- Prepaid expenses from third parties	*9*	*3,921,374*	*2,226,814*	*1,997,920*
Derivatives	30	276,297	312,302	374,204
Contract assets	12	3,236,069	789,148	3,364,191
- Due from customers under construction contracts from related parties	*6*	*3,203,671*	*754,334*	*2,638,629*
- Due from customers under construction contracts from third parties	*12*	*32,398*	*34,814*	*725,562*
Receivables from service concession arragements	11	32,986,033	27,932,946	25,762,868
Current income tax assets	29	51,617	48,108	27,293
Other current assets	21	1,665,610	1,778,568	1,717,701
TOTAL CURRENT ASSETS		**89,299,262**	**69,735,959**	**71,812,324**
NON-CURRENT ASSETS				
Other receivables	8	712,892	778,528	3,506,309
- Other receivables from related parties	*6*	*322,186*	*360,260*	*2,955,794*
- Other receivables from third parties	*8*	*390,706*	*418,268*	*550,515*
Receivables from service concession arragements	11	47,707,724	72,658,979	98,803,438
Investments accounted using the equity method	4	19,185,551	16,113,099	3,756,428
Property, plant and equipment	13	39,025,202	37,210,527	35,988,541
Intangible assets	14	5,706,393	5,856,479	6,278,160
Goodwill	18	3,510,992	3,510,992	3,510,992
Right of use assets	15	1,391,337	1,598,931	1,701,412
Prepaid expenses	9	142,671	402,314	255,234
- Prepaid expenses from third parties		*142,671*	*402,314*	*255,234*
Derivatives	30	*313,165*	*281,150*	*505,274*
Contract assets		-	-	*96,081*
- Due from customers under construction contracts from third parties		-	-	*96,081*
Deferred tax assets	29	5,389,628	4,127,031	859,596
Other non-current assets	21	3,253,435	2,323,038	1,293,010
TOTAL NON-CURRENT ASSETS		**126,338,990**	**144,861,068**	**156,554,475**
TOTAL ASSETS		**215,638,252**	**214,597,027**	**228,366,799**

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

LIABILITIES	Notes	Reviewed 30 June 2024	Audited 31 December 2023	Audited 31 December 2022
CURRENT LIABILITIES				
Short-term borrowings	16	2,599,840	2,260,681	1,936,173
Short-term portion of long-term borrowings	16	16,622,543	15,312,374	19,305,932
Short-term lease liabilities	17	243,470	451,789	433,085
Trade payables	7	15,676,644	17,926,171	20,227,807
- Trade payables to related parties	*6*	*2,005,607*	*3,283,039*	*6,911,695*
- Trade payables to third parties	*7*	*13,671,037*	*14,643,132*	*13,316,112*
Payables related to employee benefits		1,378,991	730,938	399,430
Derivatives	30	658	74,137	412,672
Contract liabilities	12	3,733,580	3,009,300	2,644,898
- Due to customers under construction from related parties	*6*	-	*172,492*	-
- Due to customers under construction from third parties	*12*	*3,733,580*	*2,836,808*	*2,644,898*
Deferred revenue	9	11,998,563	8,655,306	1,615,852
- Deferred revenue to related parties	*6*	*7,162,648*	*5,588,987*	*692,216*
- Deferred revenue to third parties	*9*	*4,835,915*	*3,066,319*	*923,636*
Other payables	8	5,108,546	5,584,310	5,132,278
- Other payables to related parties	*6*	*1,811,020*	*1,946,444*	*574,175*
- Other payables to third parties	*8*	*3,297,526*	*3,637,866*	*4,558,103*
Short-term provision	19	1,072,745	1,085,978	362,828
- Short-term provision for employee benefits		*222,216*	*127,987*	*85,259*
- Other short-term provision		*850,529*	*957,991*	*277,569*
Corporate tax payable	29	130,459	235,914	1,702,088
Other current liabilities	21	1,148,960	1,426,588	3,177,537
TOTAL CURRENT LIABILITIES		**59,714,999**	**56,753,486**	**57,350,580**
NON-CURRENT LIABILITIES				
Long-term borrowings	16	27,505,856	36,759,150	52,123,522
Long-term lease liabilities	17	317,623	452,184	767,401
Trade payables	7	-	-	3,050,342
- Trade payables to third parties		-	-	*3,050,342*
Derivatives	30	473	1,804	3,009
Long-term provisions	19	2,369,395	2,946,378	335,202
- Provision for employment benefits		*416,847*	*365,112*	*335,202*
- Other long-term provisions		*1,952,548*	*2,581,266*	-
Other payables	8	1,479,135	4,674,995	3,694,195
- Other payables to related parties	*6*	*1,363,157*	*4,431,388*	*3,472,318*
- Other payables to third parties	*8*	*115,978*	*243,607*	*221,877*
Deferred revenue	9	1,644,005	2,949,657	2,257,433
- Deferred revenue to related parties	*6*	*116,573*	*403,212*	*607,309*
- Deferred revenue to third parties	*9*	*1,527,432*	*2,546,445*	*1,650,124*
Deferred tax liabilities	29	3,795,446	2,643,599	8,144,377
TOTAL NON-CURRENT LIABILITIES		**37,111,933**	**50,427,767**	**70,375,481**
TOTAL LIABILITIES		**96,826,932**	**107,181,253**	**127,726,061**

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023	Audited 31 December 2022
EQUITY				
Equity attributable to owners of the company		**97,460,742**	**92,428,168**	**89,528,402**
Share capital	22	112,172	112,172	112,172
Share capital adjustments	22	523,395	523,395	523,395
Other shares	22	(562,454)	-	-
Treasury shares	22	-	(8,345,875)	-
Other comprehensive income and expenses that will not be reclassified to profit or loss		2,225,903	3,738,300	3,953,325
- Gains on revaluation of property, plant and equipment		*2,443,439*	*3,874,795*	*4,011,087*
- Accumulated loss on remeasurement of defined benefit plans		*(217,536)*	*(136,495)*	*(57,762)*
Other comprehensive income or expenses that will be reclassified to profit or loss		41,521,948	48,690,816	52,321,609
- Other comprehensive income shares of investments accounted using the equity method		*53,672*	*40,212*	*137,923*
- Currency translation reserves		*41,366,054*	*48,559,650*	*51,912,209*
- Hedging reserves		*102,222*	*90,954*	*271,477*
Legal reserves	22	86,761	86,761	86,761
Retained earnings		46,310,479	36,044,671	11,596,367
Net profit for the period		7,242,538	11,577,928	20,934,773
Non-controlling Interests		**21,350,578**	**14,987,606**	**11,112,336**
TOTAL EQUITY		**118,811,320**	**107,415,774**	**100,640,738**
TOTAL LIABILITIES AND EQUITY		**215,638,252**	**214,597,027**	**228,366,799**

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

PROFIT OR LOSS	Notes	Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
Revenue	23	48,122,744	34,300,603
Cost of sales (-)	24	(41,927,317)	(29,524,984)
Gross profit		**6,195,427**	**4,775,619**
Marketing expenses (-)	26	(17,022)	(15,728)
General administrative expenses (-)	26	(1,707,703)	(1,544,583)
Other income from operating activities	27	1,839,724	3,884,301
Other expenses from operating activities (-)	27	(5,635,485)	(9,933,743)
Operating profit / (loss)		**674,941**	**(2,834,134)**
Income from investing activities	25	1,323,981	932,185
Expense from investing activities (-)	25	(34,654)	(182,701)
Share on profit of investments accounted for using the equity method	4	1,244,438	(1,325,822)
OPERATING PROFIT / (LOSS) BEFORE FINANCE EXPENSE		**3,208,706**	**(3,410,472)**
Financial income	28	4,714,311	6,314,216
Financial expenses (-)	28	(5,611,207)	(12,901,070)
Net monetary gains		6,923,074	3,303,751
PROFIT / (LOSS) BEFORE TAX		**9,234,884**	**(6,693,575)**
Tax expenses	**29**	**(63,072)**	**(2,151,262)**
Income tax expense (-)	29	(190,631)	(199,732)
Deferred tax income / (expense)	29	127,559	(1,951,530)
PROFIT / (LOSS) FOR THE PERIOD		**9,171,812**	**(8,844,837)**
Profit for the Period Attributable to:			
Owners of the company		7,242,538	(7,016,136)
Non-controlling interests		1,929,274	(1,828,701)
		9,171,812	**(8,844,837)**
OTHER COMPREHENSIVE INCOME / (LOSS)		**(7,289,712)**	**13,076,375**
Items that may be reclassified in profit or loss:			
Change in currency translation difference		(7,234,275)	13,129,659
Change in fair value of cash flow hedges		(378)	(501,750)
Other comprehensive income shares of investments accounted using the equity method		29,443	392,342
Taxes related to items that may be reclassified in profit or loss:			
Change in fair value of cash flow hedges		94	100,350
Items that may not be reclassified in profit or loss:			
Remeasurement of defined benefit obligation		(112,794)	(55,283)
Taxes related to items that may not be reclassified in profit or loss:			
Remeasurement of defined benefit obligation		28,198	11,057
Total comprehensive income:		**1,882,100**	**4,231,538**
Total comprehensive income attributable to:			
Owners of the company		(22,289)	6,233,853
Non-controlling interest		1,904,389	(2,002,315)

The accompanying notes form an integral part of these condensed consolidated financial statements.

IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

					Accumulated other comprehensive income or expenses that will be reclassified to profit or loss			Accumulated other comprehensive income or expenses that will not be reclassified to profit or loss							
	Share capital	Share capital adjustments	Other shares	Treasury shares	Currency translation reserves	Other comprehensive income shares of investments accounted using the equity method	Hedging reserves	Gains on revaluation of property, plant and equipment	Accumulated gain/(loss) on remeasurement of defined benefit plans	Restricted reserves	Retained earnings	Net profit / (loss) for the period	Equity attributable to owners of the company	Non-controlling interest	Total
Balances at 1 January 2023	**112,172**	**523,395**	**-**	**-**	**51,912,209**	**137,923**	**271,477**	**4,011,087**	**(57,762)**	**86,761**	**11,596,367**	**20,934,773**	**89,528,402**	**11,112,336**	**100,640,738**
Transfer	-	-	-	-	-	-	-	(253,749)	-	-	21,188,522	(20,934,773)	-	-	-
Total comprehensive income	-	-	-	-	13,100,121	317,879	(126,511)	-	(41,500)	-	-	(7,016,136)	6,233,853	(2,002,315)	4,231,538
Capital increase/(decrease) in subsidiaries (*)	-	-	-	(8,345,875)	-	-	-	-	-	-	-	-	(8,345,875)	-	(8,345,875)
Balance as of 30 June 2023	**112,172**	**523,395**	**-**	**(8,345,875)**	**65,012,330**	**455,802**	**144,966**	**3,757,338**	**(99,262)**	**86,761**	**32,784,889**	**(7,016,136)**	**87,416,380**	**9,110,021**	**96,526,401**
Balances at 1 January 2024	**112,172**	**523,395**	**-**	**(8,345,875)**	**48,559,650**	**40,212**	**90,954**	**3,874,795**	**(136,495)**	**86,761**	**36,044,671**	**11,577,928**	**92,428,168**	**14,987,606**	**107,415,774**
Transfer	-	-	-	-	-	-	-	(95,114)	-	-	11,673,042	(11,577,928)	-	-	-
Total comprehensive income	-	-	-	-	(7,199,759)	13,460	6,243	-	(84,771)	-	-	7,242,538	(22,289)	1,904,389	1,882,100
Capital increase/(decrease) in subsidiaries (**)	-	-	(1,345,875)	8,345,875	6,152	-	(22)	-	-	-	(2,515)	-	7,003,615	2,230	7,005,845
Transactions with non-controlling interest (***)	-	-	783,421	-	11	-	5,047	(1,336,242)	3,730	-	(1,404,719)	-	(1,948,752)	4,456,353	2,507,601
Balance as of 30 June 2024	**112,172**	**523,395**	**(562,454)**	**-**	**41,366,054**	**53,672**	**102,222**	**2,443,439**	**(217,536)**	**86,761**	**46,310,479**	**7,242,538**	**97,460,742**	**21,350,578**	**118,811,320**

(*) The Company purchased 9% of the Company's shares from IC Holding for TRY8,345,875 and accounted as tresuary shares.

(**) (i) The Company sold the 9% of its own interest to its shareholders for amount of TRY7,000,000. TRY1,345,875 of difference has been accounted in other shares in the consolidated financial position.
(ii) Capital increase amounting to TRY5,845 for İstanbul Lojistikpark Depo Kiralama Hizmetleri A.Ş. has been paid by non-controlling interest in 9 January 2024.
(iii) The Company has engaged in unilateral capital contribution in 15 May 2024 for its subsidiary IC İçtaş Zafer Uluslararası Havaalanı Yatırım ve İşletme A.Ş., and increased its rate of share from 80.28% to 85.92%.

(***) (i) 20.03% of shares of IC Enterra Yenilenebilir Enerji Yatırımları A.Ş. has been offered to public as of 4 April 2024. Total equity effect of this initial public offering is amounted to TRY2,513,711.
(ii) 1.34% of shares of Trabzon Enerji Üretim ve Ticaret A.Ş. has been purchased by the Group for TRY6,110.

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
A. Cash flows from operating activities		**8,847,323**	**11,535,969**
Profit (loss) for the year		9,171,812	(8,844,837)
Adjustments related to reconciliation of loss for the year		**(324,489)**	**20,380,806**
Income tax expense from continuing operations	29	63,072	2,151,262
Adjustments related to financial expenses	28	2,679,178	2,959,097
Adjustments related to interest income	25	(1,266,100)	(819,302)
Adjustments related to interest income from service concession arrangements	11	(5,875,926)	(6,419,698)
Adjustments related to financial assets	11	2,832,329	3,257,126
Collections due to service concession arrangements	11	15,356,644	14,907,349
Investments for service concession arrangements		(532,270)	(785,779)
Unrealised foreign exchange losses on financial liabilities	16, 17	2,421,304	8,442,362
Adjustments related to income from financial investments	25	(35,096)	(73,754)
Other adjustments related to receivables from service concession agreements		(2,795,857)	(1,318,102)
Adjustmens related to changes in financial assets		41,775	(2,162,096)
Adjustments related to increase in inventories		(654,594)	(994,583)
Adjustments related to decrease in trade receivables		(1,642,476)	1,569,338
Adjustments related to increase in other receivables and assets related with operations		(2,165,169)	(503,550)
Adjustments related to increase in contract assets and liabilities		(1,722,641)	(3,002,042)
Adjustments related to increase in trade payables		(2,248,538)	(1,930,289)
Adjustments related to decrease/(increase) in other payables and liabilities related with operations		(1,263,594)	7,267,570
Adjustments related to amortization and depreciation expenses	13, 14, 15	1,415,892	1,462,105
Adjustments related to impairments		(34,531)	(30,527)
Adjustments related to provisions		(180,635)	102,688
Adjustments related to share on profit of investments accounted for using the equity method	4	(1,244,438)	1,325,822
Adjustments related to fair value gains and losses from derivative instruments	28	(213,917)	(454,402)
Loss from sale of property, plant and equipments	25	(14,584)	143,572
Adjustments related to losses related to business combinations	25	-	-
Adjustments related to monetary gains		(2,906,864)	(3,017,227)
Other adjustments related to profit for the year		26,453	-
Taxes paid		(299,595)	(1,643,210)
Retirement obligation payments		(64,311)	(52,924)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
B. Cash flows from investing activities:		**(3,415,495)**	**(231,499)**
Proceeds from sale of property, plant and equipment		73,914	72,898
Payments for property, plant and equipment	13	(2,853,496)	(1,068,392)
Payments for intangible assets	14	(77,897)	(4,911)
Interest received		1,246,666	768,906
Capital increase in joint ventures	4	(1,798,571)	-
Paymets for acquisiton of shares of subsidiary		(6,111)	-
C. Cash flows from financing activities		**(1,584,429)**	**(20,062,918)**
Proceeds from borrowings	16	6,560,865	558,397
Payments for borrowings	16	(7,848,733)	(9,485,427)
Payments for financial lease agreements	17	(287,925)	(234,620)
Interest paid		(2,736,264)	(3,009,795)
Capital increase		2,513,711	-
Proceeds from derivative instruments		217,060	454,402
Payments for derivative instruments		(3,143)	-
Payments for Company's acqusition of own interest		-	(8,345,875)
D. Effect of foreign currency translation on cash and cash equivalents		**340,906**	**830,059**
E. Effect of inflation on cash and cash equivalents		**(1,411,251)**	**(1,342,302)**
F. Net increase in cash and cash equivalents (A+B+C+D+E)		**2,777,054**	**(9,270,691)**
G. Cash and cash equivalents at the beginning of the year	**5**	**8,937,547**	**13,281,497**
Cash and cash equivalents at the end of the year (F+G)	**5**	**11,714,601**	**4,010,806**

The accompanying notes form an integral part of these condensed consolidated financial statements.

1. ORGANIZATION AND OPERATIONS OF THE GROUP

IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. ("the Company" or "İçtaş İnşaat") was established as İbrahim Çeçen Company in 1969 which was changed as İçtaş İbrahim Çeçen İnşaat Sanayi Ticaret A.Ş. in 1980. In 2004, name of the Company has become IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.. The Company's field of activity comprises housing, business centers, public buildings, hotels, health facilities, schools, military buildings and camps, power plants, turn-key industrial buildings, roads, bridges, seaports, airports, potable water facilities, waste water treatment plants, irrigation system constructions with superstructure-infrastructure rehabilitation and renovation works. The head office of the Company is located in İstanbul.

The Company together with its subsidiaries is referred to as "Group".

Group's ultimate controlling party is Çeçen family.

As of 30 June 2024, the operations of the entities included in consolidation are summarized below:

Treysan Prefabrik Çelik Yapılar Sanayi ve Ticaret A. Ş. ("Treysan")

Treysan, was established in 1975 in Ankara. Treysan is serving the companies in oil/gas sector, construction companies, military organizations, armies and relief organizations by providing temporary and permanent prefabricated camp solutions.

ICA İçtaş Altyapı Yavuz Sultan Selim Köprüsü ve Kuzey Çevre Otoyolu Yatırım ve İşletme A.Ş. ("Üçüncü Köprü İşletme or 3rd Bridge")

Üçüncü Köprü İşletme has been established on 16 May 2013. The main operations of 3. Bridge are, the operating and maintaining of "3rd Bosphorus Bridge and Motorways between Odayeri-Paşaköy". At the end of the concession period, bridge and highway will be transfered to the state within the Build-Operate-Transfer model. The operations of the bridge and motorways started on 26 August 2016.

Üçüncü Köprü İşletme has received a Change Order in order to design, finance, construct and operate Kilyos Tunnel as a connection from the existing Çayırbaşı Tunnel to Uskumruköy Junction. The Implementation Contract was amended in accordance with the aforementioned Change Order, and the operation period has been extended for 398 days as per Article 12 of the Implementation Contract as per the cost of the said Change Order. Üçüncü Köprü İşletme has contractual liability against to KGM in order to complete the project. The tunnel construction started in 2023, and the project is carried out by İçtaş İnşaat, according to the contract, construction will be completed in 48 months.

IC İçtaş Sakarya Karasu Limanı Yatırım ve İşletme A.Ş. ("Karasu Limanı")

Karasu Limanı was established on 2011 in order to operate with Build-Operate-Transfer model which will be transfered to the state. Contract time is 19 years 2 months in total as 1 year 6 months for investing and 17 years 8 months for operating. Construction process started in 2015 and completed in 2017.

IC İçtaş Zafer Uluslararası Havalimanı Yatırım ve İşletme A.Ş. ("IC Zafer")

IC Zafer was established on 26 January 2011 in order to construct Zafer International Airport and maintain the operating activities of the airport for 32 years 11 months. The airport started to operate in 2012.

IC Çeşme Marina Yatırım A.Ş. ("Çeşme Marina")

IC Çeşme Marina Yatırım A.Ş. was established to build and operate yacth port of Çeşme. The other main shareholder of IC Çeşme Marina is Maris Marine Limited with 26% shares. The operation duration is 49 years according to the agreement.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

İçtaş İşletme ve Ticaret A.Ş. ("İçtaş İşletme")

İçtaş İşletme was established on 7 December 2011 in order to participate in the privatization bid of Trakya Elektrik Dağıtım A.Ş. ("Tredaş"). The share purchase agreement was signed on 30 December 2011 and İçtaş İşletme took over 100% of the Tredaş shares for a consideration of USD575,000,000. Tredaş and Trakya Elektrik Parekende A.Ş. ("Trepaş") which was established with a partial split, operates in Edirne, Tekirdağ and Kırklareli and providers electricity distribution service more than 1.5 million consumers.

IC İçtaş Enerji Yatırım Holding A.Ş. ("IC Enerji Yatırım")

The main activity of the IC Enerji Yatırım is the establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer. In 2014 the Company took over all shares of IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş. In addition, the main operation of the Company is the wholesale and direct sale of the electric energy and/or capacity to eligible customers and exporting and importing activities of it within the scope of provisions of the "Wholesale License" under the Electricity Market Licensing Regulation published by the Energy Market Regulatory Authority ("EMRA"). On 29 April 2020, İçtaş Mühendislik ve Yapı A.Ş. and IC Enerji Yatırım were merged under IC Enerji Yatırım.

IC Enterra Yenilenebilir Enerji A.Ş. ("IC Enterra")

IC Enterra Yenilenebilir Enerji A.Ş. was established on 13 March 2019. The main activity of IC Enterra is the establishment, commissioning, leasing, production of electricity and sale of generated electricity.

IC Enterra started trading on Borsa Istanbul Yıldız market on 4 April 2024 with public float rate of 20.03%.

İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş. ("İçtaş Yenilenebilir")

İçtaş Enerji Üretim ve Ticaret A.Ş. was established on 2 February 1998. In May 2007, AES Corporation (AES) has acquired 51% shares of İçtaş Enerji Üretim and Ticaret A.Ş. As a result of the aquistion the name of the Company had changed to AES-IC İçtaş Enerji Üretim ve Ticaret A.Ş. ("AES-IC"). On 3 October 2012 the Company took over the shares owned by AES Enerji Limited in AES-IC. The registered name of IC İçtaş Enerji Üretim ve Ticaret A.Ş. has been changed as IC İçtaş Hidroelektrik ve Termik Enerji Üretim ve Ticaret A.Ş with the Trade Registry Gazette of 30 June 2015. The registered name of IC İçtaş Hidroelektrik ve Termik Enerji Üretim ve Ticaret A.Ş has been changed to İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş. with the Trade Registry Gazette of 5 March 2018. İçtaş Yenilenebilir deals with electricity generation. İçtaş Yenilenebilir owns 98.76% (31 December 2023: 97.42%, 31 December 2022: 97.42%) of Trabzon Enerji.

Trabzon Enerji Üretim ve Ticaret A.Ş. ("Trabzon Enerji")

Trabzon Enerji Üretim ve Ticaret A.Ş. was established on 8 February 2005 in Trabzon. The main activity of Trabzon Enerji Üretim ve Ticaret A.Ş. is that establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

Güneş Enerji Üretim ve Ticaret A.Ş. ("Güneş Enerji")

IC İçtaş Güneş Enerji ve Ticaret A.Ş. was established on 21 July 2022 in Ankara. The Company is carrying out the establishment, operation and rental activities of the electricity generation plant, generation of the electricity and the sales of the generated electricity and/or its capacity to the customers.

IC İçmak İnşaat Makina Ticaret ve Lojistik A.Ş. ("IC İçmak")

IC İçmak was established in 1987 in Ankara. The main activity of the company comprises of purchase, sale, import and export of machine and equipment.

IC İçtaş Saudi Arabia Company ("İçtaş Arabia")

IC Içtaş Saudi Arabia Company (" the Company") is a limited liability company registered in Kingdom of Saudi Arabia. The Company is wholly owned by IC Içtaş Inşaat Sanayi ve Ticaret A.Ş. The objective of the Company is construction of buildings and road works in accordance with Saudi Arabian General Investment Authority ("SAGIA"). As of 30 June 2023, the Company has participation in an unincorporated joint arrangement, RTCC-IC Ictas Joint Venture, with a participation share of 50% (31 December 2022: 50% participation share).

IC İçtaş US INC. ("İçtaş USA")

IC İçtaş US Inc is the company formed pursuant to a Joint Venture Agreement signed with Tishman Realty & Construction Company for the construction of Turkish Cultural Center, in New York. It was completed at the end of 2021.

IC İçtaş Köprü ve Üst Yapı İnş. A.Ş. ("ICA - WHSD")

IC İçtaş Köprü ve Üst Yapı İnş. A.Ş. ("ICA-WHSD") was established on 21 October 2011 in Ankara in order to construct middle part of the West Highway of St. Petersburg, Russia. The highway was opened on 2 December 2016. The company completed its project and it does not have an ongoing project.

IC Içtaş Otoyol İnş. San. Tic.A.Ş. ("ICA-M11")

Ic Içtaş Otoyol İnş. San. Tic.A.Ş. ("ICA-M11") was established on July 2015 in order to construct Russia's Moscow-St. Petersburg highway project section 7&8. Under the Project that will be constructed as EPC; construction of a 140 km of 2x3- and 2x4-lane motorway, 18 bridges, 46 viaducts and 1 tunnel is scheduled and it was completed in October 2019. The company currently does not have an ongoing project.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

IC İçtaş Nükleer ve Endüstriyel Tesisler Yapim A.Ş. ("IC - Nükleer")

The main activity of the Company is the construction project of T-26 tunnel project. T-26 tunnel is the tunnel on the Ankara-İstanbul high speed rail line between Bozüyük and Bilecik. The tunnel is expected to save 14 minutes of time of the high speed trains on the line.

In addition to the construction work of the T26 Tunnel, the Company has been working as the main subcontractor in the Akkuyu Nuclear Power Plant Construction Project since October 2022. The completion year of the project is planned as 2027.

İçtaş Russia LLC ("İçtaş Russia LLC")

The company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. on May 2019. The company's main field of activity is highway constructions and was established to enter tenders in Russia.

IC İçtaş Ağır Endüstriyel Tesisler ve Enerji Tesisleri İmalatları Yapım Anonim Şirketi ("İçtaş Ağır Endüstriyel")

This company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. on December 2020. The company's main field of activity is the manufacture of steel/iron tubes, pipes, hollow profiles and related fittings.

IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş. ("İçtaş Uluslararası")

IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş. was established in 2012 to carry out international construction activities. The Company, was a partner of the consortium in Bulgaria between 2011 and 2014 that deals with the construction work of Burgas Airport. The Company does not have an ongoing project.

IC İçtaş Havacılık A.Ş. ('İçtaş Havacılık')

Established on 9 March 2021, it provides services on air passenger transportation (touristy, sightseeing and non-scheduled ones) (including air taxi transportation) from and to the Istanbul region.

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. ("İçtaş Altyapı Bakım")

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. (former IC İçtaş Egis Otoyol İşletme A.Ş.) was established by IC İçtaş Altyapı Yatırımları ve İşletme A.Ş. and EGIS Road Operation SA ("EGIS")on 16 June 2016. Based on the Agreement made between the Company and IC Altyapı İşletme ve Ticaret A.Ş. ("IC Altyapı İşletme") on 25 August 2016, the Company has undertaken all operation and maintenance ("O&M") services relating to operation, repair and maintenance of the Northern Marmara Motorway (including the Third Bosphorus Bridge) Odayeri - Paşaköy Section on behalf of IC Altyapı İşletme. The Company was jointly controlled by IC Altyapı İşletme and EGIS until 19 November 2021. Due to the purchase of the shares of EGIS on 19 November 2021, İçtaş Altyapı Bakım became a subsidiary of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. with 100% direct share.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

IC İçtaş Madencilik ve Ticaret A.Ş. ("İçtaş Madencilik")

IC İçtaş Madencilik ve Ticaret A.Ş. ("İçtaş Madencilik") was established on 19 September 2023 in Ankara. The main business activity of the company is to engage in the exploration, production, processing, export, and import of any kind of minerals recognized as such by national and international regulations, and not limited to, but including, their trade. The company operates in both domestic and international mining activities, obtaining all necessary permits, licenses, and privileges related to these activities. It is involved in leasing, subleasing, acquiring, and transferring such rights. The company also establishes various facilities related to its mining operations and sells the products obtained from these activities domestically and internationally.

Troia Wind S.R.L ("Troia Wind")

Troia Wind was incorporated at 21 September 2023 in Merano (BZ) Italy. The Corporate Purpose of Troia Wind Srl. is the production, marketing and sale of electricity generating from renewable sources. IC İçtaş Enerji Yatırım Holding A.Ş. has acquired 51% of the shares of Troia Wind S.r.l at 27 October 2023. IC İçtaş Enerji Yatırım Holding A.Ş. transferred its shares (51% shares of Troia Wind S.R.L.) to IC Enterra at 11 June 2024.

Bovino Wind S.R.L ("Bovino Wind")

Bovino Wind was incorporated at 21 September 2023 in Merano (BZ) Italy. The Corporate Purpose of Bovino Wind Srl. is the production, marketing and sale of electricity generating from renewable sources. IC İçtaş Enerji Yatırım Holding A.Ş. has acquired 51% of the shares of Bovino Wind S.R.L at 27 October 2023.

İstanbul Lojistikpark Depo Kiralama Hizmetleri Anonim Şirketi ("İstanbul Lojistikpark")

İstanbul Lojistikpark was incorporated on 10 November 2023. The main activity of İstanbul Lojistikpark is to establish, operate, rent or lease all kinds of logistics facilities, purchase, sell, import and export the necessary vehicles and all kinds of materials, to provide logistics support and consultancy services.

IC Toptan Enerji Ticaret A.Ş. ("IC Toptan")

IC Toptan was established on 2 April 2024 and registered in Turkey. The main operation of IC Toptan is the wholesale and direct sale of the electric energy.

Eterna Green S.R.L. ("Eterna Green")

Eterna Green was founded on 14 March 2024, based in Milan by IC Enerji Yatırım and 100% of the shares of Eterna Green were taken over by IC Enterra on 27 May 2024. Eterna Green will develop renewable energy projects in Italy. Eterna Green has applied for connection rights to the Italian Transmission System Operator Terna for the Serracapriola wind power plant project with a capacity of 57.6 MW in Italy. If the processes are completed successfully, the investment is planned to start in 2026 and the Serracapriola Wind Power Plant project will be put into operation in 2027.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Operations

IC Limak Adi Ortaklığı ("IC-Limak Adi Ortaklığı")

IC-Limak AO was formed as an ordinary partnership of Limak İnşaat Sanayi ve Ticaret A.Ş. ("Limak") and IC İçtaş Enerji Yatırım Holding A.Ş. ("IC Enerji Yatırım") under the laws of Turkey. The entity is jointly controlled by Limak and the IC Enerji Yatırım. IC-Limak AO mainly carries out renewal, renovation, improvement, repair and maintenance work and management of strip mining activities of Yeniköy and Kemerköy coal fired power plants, jointly controlled by the same groups.

Joint Operations (Continued)

IC İçtaş TSM Adi Ortaklığı ("IC TSM AO")

This joint venture was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. and TSM Enerji İnşaat Sanayi Ltd. Şti on July 2020. The object of the Ordinary Partnership is, under the Engineering, Procurement & Construction of the Power Units 1, 2, 3, 4 of the Akkuyu Nuclear Power Plant, to rent, make available to use or benefit whether or not in exchange of a fee, to sell any equipment and material to EPC Contractor or other third parties to be determined by the Parties, and to execute the all other works that will be overtaken by the joint agreement of the Parties.

China CAMC Engineering CO LDT-IC İçtaş İnşaat A.Ş. ("China CAMC IC İçtaş")

The company was established in 2019 and 99.99% owned by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. The objective of the joint operation is construction of 26 new wells to expand the gas storage area for Tuz Gölü Underground Natural Gas Storage Facility Expansion Project ("the Project"). The project volume is 1.2 billion USD and it is expected to be completed in 2024.

İçtaş Kalyon Astaldi İzmir Otoyol Yapım Adi Ortalığı ("İKA AO")

İçtaş Kalyon Astaldi İzmir Otoyol Yapım Adi Ortalığı started operations on 3 April 2017. The main activity of the joint operation is construction of İzmir Menemen-Aliağa-Çandarlı highway project. The company is no longer in operation and all of its activities and operations have ceased in 2022.

Cengiz IC İçtaş Belen Adi Ortaklığı ("CİB AO")

Cengiz IC İçtaş Belen Adi Ortaklığı was established in 2007. The main activity of the joint operation is construction, maintenance and repair of Ankara-İstanbul high speed railway.

Cengiz IC İçtaş Belen T26 Adi Ortaklığı ("CİB-T26 AO")

Cengiz IC İçtaş Belen Adi Ortaklığı was established in 2017. The main activity of the joint operation is to repair the deformations occurring in T26 tunnel and to remove the TBM machine stuck from the tunnel.

Makyol İçtaş Kalyon Astaldi Adi Ortaklığı ("MİKA AO")

The main activity of this joint operation is to construct Kirazlı-Halkalı Metro Line. However, it is not operational as of reporting date.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Operations (Continued)

RTCC - IC İçtaş Joint Venture ("RTCC-IC")

RTCC-Ic Ictas Joint Venture is an unincorporated joint venture (the "Joint Venture" or "UJV"), formed pursuant to a Joint Venture Agreement (the "Agreement") between Al Rashid Trading & Contracting Company and Ic İçtaş Saudi Arabia LLC (collectively "Co-venturers") on 28 February 2017. King Khalid International Airport expansion project (the "Project") was assigned by the General Authority of Civil Aviation to the Co-venturers and covers the development of terminals 1, 2, 3 and 4 of King Khalid International Airport.

SCI Adi Ortaklığı ("SCI AO")

This joint operation was established by Salini Impregilo SPA Turkey Branch, CCN Altyapı Yatırımları ve İnşaat A.Ş., and IC İçtaş İnşaat Sanayi and Ticaret A.Ş on September 2019. The company's main field of activity is the construction of Gaziantep Şehir Hastanesi which is completed in 2023.

MİA Adi Ortaklığı ("MİA AO")

This joint operation was established by Makyol İnşaat ve Ticaret A.Ş., İçtaş İnşaat Sanayi ve Ticaret A.Ş., and Astur İnşaat Sanayi ve Ticaret A.Ş on August 2017. The company's main field of activity is the construction of the 3rd stage of the M7: Kabataş-Mahmutbey metro line. In 2022, the project is transferred to İçtaş İnşaat Sanayi ve Ticaret A.Ş. and continues as of reporting date.

CRCC-CMC-Cengiz-IC İçtaş Hızlı Tren Adi Ortaklığı ("CCCI Hızlı Tren AO")

This joint venture was established by China Railway Construction Corporation (CRCC), IC İçtaş İnşaat Sanayi ve Ticaret A.Ş., Cengiz İnşaat Sanayi ve Ticaret A.Ş., and China National Machinery Import & Export Corp. (CMC) on December 2008. The company's main field of activity is engineering and consultancy activities for transportation projects.

Joint Ventures

Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. ("Yeniköy-Kemerköy")

The main activity of Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. is generation of the electricity and the sales of generated electricty. The Company was established on 8 October 2014. The Company was established by Limak Yatırım Enerji Üretim İşletme Hizmetleri, İnşaat A.Ş. and IC İçtaş Enerji Yatırım Holding A.Ş. with equal shares.

Kemerköy Liman Hizmetleri A.Ş. ("Kemerköy Liman")

The main operation of Kemerköy Liman Hizmetleri A.Ş. is harbor management. The Company was established on 8 October 2014 by Limak Yatırım Enerji Üretim İşletme Hizmetleri and İnşaat A.Ş. and IC İçtaş Enerji Yatırım Holding A.Ş with equal rates.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Ventures (Continued)

Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ("Muğla Yapı")

The main activity of Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş. is production of construction materials. Shares of İçtaş Mühendislik ve Yapı A.Ş. is transferred to IC İçtaş Enerji Yatırım Holding A.Ş. on November 2018.

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. ("İKA Otoyol İşletme")

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. was established on 3 April 2017. The main operation of İKA is the operations and maintaining of "İzmir Menemen-Aliağa-Çandarlı highway". The project involves construction of 88 km of 2x2 and 2x2 lane motorway, 11 bridges, 10 viaducts.

Titan2 IC İçtaş İnşaat A.Ş. ("Titan2 IC İçtaş")

Titan2 IC İçtaş İnşaat A.Ş. was established in 2019. The main activity of the company is design, construction of the main part of the nuclear power plant facilities and supply of equipment for Akkuyu Nuclear Power Plant project ("the Project") in Mersin. The project started with the mobilization as of May 2019 and it is expected to be fully completed in 2028.

Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi ("Akkuyutst")

Akkuyutst was established on 28 January 2019 in Mersin. The main activity of the Company is production of concrete to be used in Akkuyu Nuclear Power Plant project in Mersin.

İçtur Servis Limited Şirketi ("İçtur Servis")

This company was established by IC İçmak Makina İnşaat ve Lojistik Anonim Şirketi and Titan - Servis Limited Şirketi on August 2020. The company's main field of activity is to provide provision for food, cleaning and accommodation services.

IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş. ("İçtaş Endüstriyel")

This company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş on June 2020. The company's main field of activity is the manufacture of steel/iron tubes, pipes, hollow profiles and related fittings.

2.1 Basis of the Presentation

The Company and its subsidiaries or joint ventures in Turkey maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with Statements of IFRS.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of the Presentation (Continued)

Financial reporting in hyperinflationary economies

Since the beginning of 2021, inflation in Turkey has increased significantly. With the cumulative effect of increase in inflation in recent three years, it has become necessary for entities operating in Turkey to apply International Accounting Standards ("IAS") 29 - Financial Reporting in Hyperinflationary Economies for accounting periods ending on or after 30 June 2022.

Adjustments have been made in accordance with the terms of IAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the changes in the general purchasing power of the Turkish Lira as of 30 June 2024. The terms of IAS 29 require that financial statements prepared in the currency in the economy with hyperinflation should be expressed the terms of the measurement unit valid at the balance sheet date and the amounts in previous periods should be arranged in the same way. One of the requirements for the application of IAS 29 is a three-year compound inflation rate approaching or exceeding 100%. Coefficient obtained from Consumer Price Index in Turkey published by TUIK (Turkish Statistical Institue).

	30 June 2024	31 December 2023	31 December 2022	31 December 2021
Index	2,319.29	1,859.38	1,128.45	686.95
Adjustment coefficient	1.00000	1.24735	2.05529	3.37621
Three-year compound inflation rate	324%	268%	156%	74%

The following is a summary of the main items for the above-mentioned adjustments:

- Monetary assets and liabilities are not adjusted as they are presented in the current purchasing power as of the balance sheet date.

- Non-monetary assets and liabilities are restated in terms of the current measuring unit at the balance sheet date, using the increase in the general price index from the transaction date when they arose to the balance sheet date.

- The prior year comparatives are restated in terms of the current measuring unit at the end of the latest balance sheet date. The current year conversion factor is applied to the prior year financial statements.

- All items in the consolidated statement of profit or loss and other comprehensive income are expressed in terms of the current measuring unit at the balance sheet date.

2.2 Statement of Complience

The condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard, Interim Financial Reporting ("IAS 34"). The Group's condensed consolidated financial statements do not contain all necessary explanations and disclosures presented in the year-end financial statements, therefore, should be read in conjunction with the annual financial statements for the year ended 31 December 2023 prepared in accordance with International Financial Reporting Standards ("IFRS").

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Functional Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

The subsidiaries, joint ventures and joint operations whose functional currency is not Turkish Lira are presented below;

Entity Name	Functional Currency
IC İçtaş Zafer Uluslararası Havalimanı Yatırım ve İşletme A.Ş.	EUR
IKA İzmir Otoyol Yatırım ve İşletme A.Ş.	EUR
IC İçtaş Otoyol İnşaat Sanayi ve Ticaret A.Ş.	RUB
IC İçtaş Köprü ve Üst Yapı İnş. A.Ş.	RUB
IC İçtaş Saudi Arabia LLC.	SAR
RTCC - IC İçtaş Joint Venture	SAR
China Camc Engineeering Co.Ltd-IC İçtaş İnş.San.Tic.A.Ş. Adi Ortaklığı	USD
Titan2 IC İçtaş İnşaat A.Ş.	USD
IC İçtaş USA Inc.	USD
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	USD
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	USD
İçtur Servis Limited Şirketi	USD
AECOM Tishman IC İçtaş Joint Venture	USD
ICA İçtaş Altyapı Yavuz Sultan Selim Köprüsü ve Kuzey Çevre Otoyolu Yatırım ve İşletme A.Ş.	USD
İçtaş TSM Adi Ortaklığı	USD
IC İçtaş Vietnam Branch	USD
IC İçtaş Romania Branch	RON
IC İçtaş Russia Branch	RUB
İçtaş Russia LLC	RUB
IC İçtaş Astaldi Simple Partnership	RUB
Troia Wind S.R.L.	EUR
Bovino Wind S.R.L.	EUR
Eterna Green S.R.L.	EUR

In preparing the financial statements of the individual entities, according to IAS 21, transactions in currencies other than Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Any related exchange component of that gain or loss is recognized in the translation reserve accounts under the equity.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Functional Currency (Continued)

According to IAS 21, balances of the balance sheet are revaluated according to Turkish Central Bank buying rates:

	30 June 2024	31 December 2023	31 December 2022
EUR - TRY for the period	35.1284	32.5739	19.9349
USD - TRY for the period	32.8262	29.4382	18.6983
RUB - TRY for the period	0.3819	0.3261	0.2595
SAR - TRY for the period	8.7501	7.8501	4.9717

According to IAS 21, balances of the profit or loss statement are revaluated according to average rates in the year:

	1 January - 30 June 2024	1 January - 30 June 2023
EUR - TRY for the period	34.1597	21.4721
USD - TRY for the period	31.5854	19.8612
RUB - TRY for the period	0.3461	0.2564
SAR - TRY for the period	8.4228	5.1631

2.4 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year consolidated financial statement, comparative information is reclassed, and significant change are disclosed if necessary.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Basis of Consolidation

The details of the Company's fully consolidated subsidiaries and affiliates at 30 June 2024, 31 December 2023 and 2022 are as follows:

Subsidiaries	Principal Activity	Proportion of ownership interest	Proportion of voting power held (*) 30 June 2024	Proportion of ownership interest	Proportion of voting power held (*) 31 December 2023	Proportion of ownership interest	Proportion of voting power held (*) 31 December 2022
IC İçtaş Zafer Uluslararası Havaalanı Yatırım ve İşletme A.Ş.	Airport management	85.92%	85.92%	80.28%	80.28%	80.28%	80.28%
ICA İçtaş Altyapı Yavuz Sultan Selim Köprüsü ve Kuzey Çevre Otoyolu Yatırım ve İşletme A.Ş.	Management	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçmak Makine İnşaat ve Lojistik A.Ş.	Construction	97.14%	97.14%	97.14%	97.14%	97.14%	97.14%
IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş.	Construction	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%
IC İçtaş Nükleer ve Endüstriyel Tesisler Yapim A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçtaş Saudi Arabia Company	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC Ictas US Inc.	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçtaş Köprü ve Üst Yapı İnş. A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçtaş Otoyol İnş. San. Tic.A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçtaş Astaldi Simple Partnership	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
İçtaş Russia LLC	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC Toptan Enerji Ticaret A.Ş. (2)	Energy	-	100.00%	-	-	-	-
IC İçtaş Enerji Yatırım Holding A.Ş.	Energy	45.64%	45.64%	45.64%	45.64%	36.64%	36.64%
IC İçtaş Madencilik ve Ticaret A.Ş.	Energy	-	45.64%	-	45.64%	-	-
Renergia S.R.L. (2)	Energy	-	45.64%	-	-	-	-
IC Enterra Yenilenebilir Enerji Yatırımları A.Ş.	Energy	-	36.50%	8.81%	50.43%	8.81%	42.22%
İçtaş Güneş Enerji A.Ş	Energy	-	36.50%	-	50.43%	36.64%	36.64%
Troia Wind S.R.L. (1)	Energy	-	18.61%	-	23.28%	-	-
Bovino Wind S.R.L. (1)	Energy	-	18.61%	-	23.28%	-	-
Eterna Green S.R.L. (2)	Energy	-	45.64%	-	-	-	-
İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş.	Energy	-	36.50%	-	50.43%	-	42.22%
Trabzon Enerji Üretim ve Ticaret A.Ş.	Energy	-	36.05%	-	49.13%	-	41.13%
İçtaş İşletme ve Ticaret A.Ş.	Energy	79.17%	79.17%	79.17%	79.17%	75.72%	75.72%
Trakya Elektrik Dağıtım A.Ş.	Energy	-	79.17%	-	79.17%	-	75.72%
Trakya Elektrik Perakende Satış A.Ş.	Energy	-	79.17%	-	79.17%	-	75.72%
Treysan Prefabrik Çelik Yapılar San. ve Tic. A.Ş.	Industry	53.41%	53.41%	53.41%	53.41%	53.41%	53.41%
Treysan Dış Ticaret A.Ş.	Industry	-	100.00%	-	100.00%	-	100.00%
IC İçtaş Ağır Endüstriyel A.Ş.	Industry	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçtaş Sakarya Karasu Limanı Yatırım ve İşletme A.Ş.	Port Management	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC Çeşme Marina Yatırım A.Ş.	Tourism	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
IC İçtaş Havacılık A.Ş.	Aviation	-	100.00%	-	100.00%	-	100.00%
ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş.	Infrastructure management	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
İstanbul Lojistikpark Depo Kiralama Hizm. A.Ş. (1)	Infrastructure management	-	51.00%	-	51.00%	-	-

(*) Proportion of voting power represents the indirect share of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş..
(1) The companies have been established in 2023.
(2) The companies have been established in first half year of 2024

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Basis of Consolidation (Continued)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Basis of Consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in associates and joint ventures

The details of the Company's interest in joint ventures at 30 June 2024, 31 December 2023 and 2022 are as follows:

		30 June 2024		31 December 2023		31 December 2022	
Joint Ventures	**Principal Activity**	**Proportion of ownership interest**	**Proportion of voting power held**	**Proportion of ownership interest**	**Proportion of voting power held**	**Proportion of ownership interest**	**Proportion of voting power held**
Yeniköy Kemerköy	Energy	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Kemerköy Liman	Port Management	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
IKA Otoyol İşletme	Highway Management	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Muğla Yapı Malzemeleri	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Titan2 IC İçtaş İnşaat A.Ş. Akkuyutst Endüstriyel Üretim	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
İnşaat ve Ticaret Ltd.Şti.	Production	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
İçtur Servis	Service	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
İçtaş Endüstriyel Boru Loj. ve Çelik İmalat A.Ş.	Industry	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
AECOM Tishman	Construction	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Basis of Consolidation (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or a joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or a joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture.

Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group's interest in the joint venture.

Interest in joint operations

The details of the Company's interest in joint operations at 30 June 2024, 31 December 2023 and 2022 are as follows:

		30 June 2024		31 December 2023		31 December 2022	
Joint Operations	Principal Activity	Proportion of ownership interest	Proportion of voting power held	Proportion of ownership interest	Proportion of voting power held	Proportion of ownership interest	Proportion of voting power held
Cengiz-IC İçtaş-Belen Adi Ortaklığı	Construction	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%
IC İçtaş İnşaat ve Ticaret A.Ş. Göçay A.Ş. İş Ortaklığı	Construction	-	-	-	-	50.00%	50.00%
MİKA Adi Ortaklığı	Construction	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
IKA İzmir Otoyol Yapım Adi Ortaklığı	Construction	-	-	-	-	50.00%	50.00%
MİA Adi Ortaklığı	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
CRCC-CMC-Cengiz-IC İçtaş Hızlı Tren Adi Ortaklığı	Construction	-	-	30.00%	30.00%	30.00%	30.00%
Cengiz-IC İçtaş-Belen T-26 Adi Ortaklığı	Construction	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%
RTCC - IC İçtaş Joint Venture	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
China CAMC Engineering CO LDT- IC İçtaş İnş. San. Tic. A.Ş. Adi Ortaklığı	Construction	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
SCI Adi Ortaklığı	Construction	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
İçtaş TSM Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
IC-Limak Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.

Its expenses, including its share of any expenses incurred jointly.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Basis of Consolidation (Continued)

Interest in joint operations (Continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IAS applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

2.6 Changes in Accounting Policies, Estimates and Errors

Any change in the accounting policies resulted from the first time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.7 Application of New and Revised International Financial Reporting Standards (IFRSs)

a) Standards, amendments and interpretations applicable as at 30 June 2024:

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Application of New and Revised International Financial Reporting Standards (IFRSs) (Continued)

- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The said standard changes did not have any significant impact on the financial status and performance of the Group.

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024:

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available) These amendments:

  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

- **IFRS 18 Presentation and Disclosure in Financial Statements;**effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, managementdefined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Application of New and Revised International Financial Reporting Standards (IFRSs) (Continued)

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group will assess the impacts of the above amendments on its operations and implement the necessary ones.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of consolidation financial statements in compliance with TFRS, requires the use of certain assumptions and significant accounting estimates that will affect the explanatory notes on assets and liabilities, contingent assets and liabilities, and income and expense items. Although these estimates based on Management's best estimates within the framework of current events and actions, actual results may differ from the estimates. The assumptions and significant accounting estimates used in the preparation of the condensed consolidated financial statements for the six-month interim period ended 30 June 2024 have not changed compared to those used in the previous year.

4. INTERESTS IN OTHER ENTITIES

Joint Ventures

Details of significant joint ventures:

Joint ventures mentioned in Note 2.5 are accounted for using the equity method of accounting in these consolidated financial statements.

Summarised financial information in respect of the Group's significant joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS adjusted by the Group for equity accounting purposes.

Group's share in net asset value of investments under the equity method is as of 30 June 2024 as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
30 June 2024									
Current assets	2,142,628	2,659,014	1,473,335	2,995,617	96,135,678	157	4,766,729	844	110,174,002
Non-current assets	71,059,519	11,489,337	1,224,062	615,099	10,737,129	183,827	494,527	42,979	95,846,479
Short-term liabilities	17,978,190	1,548,859	1,583,504	2,562,232	104,403,663	265	3,452,202	4,211	131,533,126
Long-term liabilities	26,271,678	7,656,993	20,498	36,679	1,955,002	-	175,408	-	36,116,258
Total Equity	28,952,279	4,942,499	1,093,395	1,011,805	514,142	183,719	1,633,646	39,612	38,371,097
Net assets of the joint venture	28,952,279	4,942,499	1,093,395	1,011,805	514,142	183,719	1,633,646	39,612	38,371,097
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	
Carrying amount of the Group's interest	**14,476,140**	**2,471,250**	**546,698**	**505,903**	**257,071**	**91,860**	**816,823**	**19,806**	**19,185,551**

4. INTERESTS IN OTHER ENTITIES (Continued)

The impact of investments under the equity method in the consolidated profit and loss statement for the six month period ended 30 June 2024 is as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
1 January - 30 June 2024									
Revenue	5,209,119	93,181	1,209,374	2,558,582	34,418,881	-	3,935,756	-	47,424,893
Profit/(loss) from continuing operations	336,537	1,707,326	1,351	125,628	(53,713)	(48,494)	432,314	(12,073)	2,488,876
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	
Group's s hare in profit from continuing operations	**168,269**	**853,663**	**676**	**62,814**	**(26,857)**	**(24,247)**	**216,157**	**(6,037)**	**1,244,438**

The movement of investments under the equity method for the six month period ended 30 June 2024 is as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
Balance as of 1 January 2024	**12,478,978**	**1,960,677**	**591,084**	**493,386**	**337,124**	**116,107**	**109,900**	**25,843**	**16,113,099**
Capital increase	1,798,571	-	-	-	-	-	-	-	1,798,571
Share on profit of investments accounted for using the equity method	168,269	853,663	676	62,814	(26,857)	(24,247)	216,157	(6,037)	1,244,438
Other comprehensive income shares of investments accounted using the equity method	30,322	(343,090)	(45,062)	(50,297)	(53,196)	-	490,766	-	29,443
Balance as of 30 June 2024	**14,476,140**	**2,471,250**	**546,698**	**505,903**	**257,071**	**91,860**	**816,823**	**19,806**	**19,185,551**

4. INTERESTS IN OTHER ENTITIES (Continued)

Group's share in net asset value of investments under the equity method is as of 31 December 2023 as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
31 December 2023									
Current assets	2,724,661	2,557,664	1,468,494	2,591,239	79,897,939	418	3,045,602	660	92,286,677
Non-current assets	72,423,764	12,638,624	1,388,816	697,146	10,060,616	232,053	491,453	53,610	97,986,082
Short-term liabilities	17,497,856	965,826	1,661,066	2,220,001	86,883,443	257	3,076,521	2,586	112,307,556
Long-term liabilities	32,692,613	10,309,108	14,075	81,614	2,400,864	-	240,734	-	45,739,008
Total Equity	24,957,956	3,921,354	1,182,169	986,770	674,248	232,214	219,800	51,684	32,226,195
Net assets of the joint venture	24,957,956	3,921,354	1,182,169	986,770	674,248	232,214	219,800	51,684	32,226,195
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	
Carrying amount of the Group's interest	**12,478,978**	**1,960,677**	**591,084**	**493,386**	**337,124**	**116,107**	**109,900**	**25,843**	**16,113,099**

The impact of investments under the equity method in the consolidated profit and loss statement for the six month ended 30 June 2023 is as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
1 January - 30 June 2023									
Revenue	10,489,434	85,099	1,163,565	1,965,350	23,885,749	-	2,972,686	-	40,561,883
Profit/(loss) from continuing operations	(3,375,791)	(290,745)	134,781	74,166	332,826	(5,655)	481,311	(2,536)	(2,651,643)
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	
Group's s hare in profit from continuing operations	**(1,687,896)**	**(145,373)**	**67,391**	**37,083**	**166,413**	**(2,828)**	**240,656**	**(1,268)**	**(1,325,822)**

4. INTERESTS IN OTHER ENTITIES (Continued)

The movement of investments under the equity method for the six month period ended 30 June 2023 is as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
Balance as of 1 January 2023	**2,093,570**	**548,145**	**378,415**	**340,166**	**258,553**	**15,887**	**118,143**	**3,549**	**3,756,428**
Share on profit of investments accounted for using the equity method	(1,687,896)	(145,373)	67,391	37,083	166,413	(2,828)	240,656	(1,268)	(1,325,822)
Other comprehensive income shares of investments accounted using the equity method	111,344	54,233	76,787	60,500	3,408	-	86,070	-	392,342
Balance as of 30 June 2023	**517,018**	**457,005**	**522,593**	**437,749**	**428,374**	**13,059**	**444,869**	**2,281**	**2,822,948**

Group's share in net asset value of investments under the equity method is as of 31 December 2022 as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
31 December 2022									
Current assets	12,200,904	3,184,088	1,509,890	3,269,559	58,048,466	359	3,187,493	955	81,401,714
Non-current assets	55,579,953	13,655,993	886,687	744,964	8,499,952	31,815	514,350	7,881	79,921,595
Short-term liabilities	18,922,782	1,508,725	1,548,221	3,298,193	63,597,045	400	3,214,059	1,738	92,091,163
Long-term liabilities	44,670,935	14,235,066	91,528	35,997	2,434,266	-	251,496	-	61,719,288
Total Equity	4,187,140	1,096,290	756,828	680,333	517,107	31,774	236,288	7,098	7,512,858
Net assets of the joint venture	4,187,140	1,096,290	756,828	680,333	517,107	31,774	236,288	7,098	7,512,858
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	
Carrying amount of the Group's interest	**2,093,570**	**548,145**	**378,415**	**340,166**	**258,553**	**15,887**	**118,143**	**3,549**	**3,756,428**

5. CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023	31 December 2022
Cash on hand	2,657	2,643	3,908
Cash on deposit	10,377,302	8,113,483	12,941,204
- Demand deposits	*877,014*	*2,171,780*	*3,686,190*
- Time deposits	*9,500,288*	*5,941,703*	*9,255,014*
Other cash equivalents	1,432,987	900,332	343,441
	11,812,946	**9,016,458**	**13,288,553**
Less: interest income accruals	(98,345)	(78,911)	(7,056)
	11,714,601	**8,937,547**	**13,281,497**

As at 30 June 2024, maturity of time deposits is between 1 to 61 days (31 December 2023: 1 to 35 days, 31 December 2022: 1 to 35 days). Interest rates (%) applicable to the time deposits according to their denominations are disclosed below:

	30 June 2024	31 December 2023	31 December 2022
TRY	38.50 - 59.75	11.00 - 35.00	11.00 - 27.00
USD	2.00	1.00	0.10 - 2.50
EUR	0.01 - 0.70	None	0.01 - 0.70
SAR	5.00	None	5.00

6. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries and joint operations, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Trade receivables received from related parties arise mainly from sales transaction. Trade receivables are interest free. Other receivables from related parties arise mainly from financing requirements. Interest is charged on other receivables with an average of market rates.

Trade payables to related parties arise mainly from purchase transaction. Trade payables are interest free and without guarantee. Other payables to related parties arise mainly from financing requirements. Interest is charged on other payables with an average of market rates.

Details of transactions between the Group and other related parties are disclosed below.

6. RELATED PARTY TRANSACTIONS (Continued)

	30 June 2024								
	Receivables			Payables					
	Current		Non-current	Current		Current	Current	Non-current	
Balances with related parties	Trading	Non-trading	Non-trading	Trading	Non-trading	Prepaid expenses	Deferred revenue	Deferred revenue	Contract assets
Titan2 IC İçtaş İnşaat A.Ş.	2,982,252	2,595	-	1,148,610	825,765	-	6,683,825	-	3,061,140
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	2,460,523	1,828,003	-	75,363	-	-	278,454	-	-
İçtur Servis Ltd. Şti.	382,082	795	-	290,832	-	-	-	-	-
IC İçtaş Endüstriyel Boru Lojistik Ve Çelik İmalatları A.Ş.	271,303	-	-	232,539	2	-	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	106,387	-	-	128,738	640	-	-	-	-
IC-Limak Adi Ortaklığı	76,889	-	-	-	-	-	-	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	45,191	-	-	-	45,633	-	-	-	142,531
IC İçtaş Gayrimenkul Yatırımları A.Ş.	1,484	86,547	-	8	-	-	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	689	604,703	-	37,847	48,724	-	-	-	-
Mika Adi Ortaklığı	647	41,359	-	-	1	173	257	8,298	-
İçtur Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	353	-	-	8,077	64,476	47,700	193,095	108,275	-
CCN Altyapı Yatırımları ve İnş. A.Ş.	25	12,165	-	141	-	36,503	-	-	-
CCN Yatırım Holding A.Ş.	-	331,793	320,142	-	-	-	-	-	-
SCI Adi Ortaklığı	-	75,755	-	-	-	-	-	-	-
CCN Özel Güvenlik Hizmetleri A.Ş.	-	-	-	44,712	-	-	-	-	-
CCN Servis İşletme ve Yönetim A.Ş.	-	-	-	25,909	-	-	-	-	-
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	-	-	-	9,467	448,617	-	5,061	-	-
İçtaş TSM Adi Ortaklığı	-	-	-	29	315,146	-	-	-	-
Shareholders	-	7,168,627	-	-	42,479	-	-	-	-
Others	18,982	98,788	2,044	3,335	19,537	-	1,956	-	-
	6,346,807	**10,251,130**	**322,186**	**2,005,607**	**1,811,020**	**84,376**	**7,162,648**	**116,573**	**3,203,671**

6. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2023										
	Receivables			Payables							
	Current		Non-current	Current		Non-current	Current	Current	Non-current		
Balances with related parties	Trading	Non-trading	Non-trading	Trading	Non-trading	Non-trading	Prepaid expenses	Deferred revenue	Deferred revenue	Contract assets	Contract liabilities
Titan2 IC İçtaş İnşaat A.Ş.	2,385,224	230,403	-	1,133,710	369,642	-	-	5,500,051	-	682,043	172,492
Yeniköy Kemerköy Elektrik Üretim ve Tic. A.Ş.	2,281,343	2,009,006	-	711,586	-	-	-	21,552	311,482	-	-
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	371,366	1	-	353,374	2	-	-	-	-	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	144,229	-	-	-	48,519	-	-	-	-	72,291	-
İçtur Servis Limited Şirketi	122,703	867	-	527,250	-	-	-	-	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Tic. Ltd. Şti.	122,008	-	-	287,389	49	-	-	-	-	-	-
Icr Jv- Ictas Rıyad Jv	70,659	-	-	-	-	-	-	-	-	-	-
İçtur Yiyecek ve İçecek Hizmetleri Tur. San. ve Tic. A.Ş.	64,978	-	-	63,238	33,273	-	-	67,064	81,380	-	-
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	6,880	-	-	59,477	-	393,846	-	-	-	-	-
CCN Altyapı Yatırımları ve İnş. A.Ş.	2,440	1,867	-	176	3,677	-	58,880	-	-	-	-
IC İçtaş Gayrimenkul Yatırımları A.Ş.	1,661	78,180	-	10	-	-	-	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	1,045	380	-	2,140	96,532	-	-	-	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	868	12	-	67,777	951,243	-	-	-	-	-	-
Mika Adi Ortaklığı	807	49,116	-	-	1	-	214	320	10,350	-	-
CCN Yatırım Holding A.Ş.	-	371,736	359,015	-	-	-	-	-	-	-	-
İçtaş TSM Adi Ortaklığı	-	-	-	56	343,344	-	-	-	-	-	-
SCI Adi Ortaklığı	-	92,563	-	-	-	-	-	-	-	-	-
CCN Özel Güv. Hizm. A.Ş.	-	-	-	55,258	-	-	-	-	-	-	-
Shareholders	-	16	-	-	54,552	4,037,542	-	-	-	-	-
Others	24,850	5,669	1,245	21,598	45,610	-	-	-	-	-	-
	5,601,061	**2,839,816**	**360,260**	**3,283,039**	**1,946,444**	**4,431,388**	**59,094**	**5,588,987**	**403,212**	**754,334**	**172,492**

6. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2022									
	Receivables			Payables						
	Current		Non-current	Current		Non-current	Current	Current	Non-current	
Balances with related parties	Trading	Non-trading	Non-trading	Trading	Non-trading	Non-trading	Prepaid expenses	Deferred revenue	Deferred revenue	Contract assets
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	2,231,046	-	1,012,970	5,570,978	-	-	-	48,189	416,945	-
Titan2 IC İçtaş İnşaat A.Ş.	1,006,322	563,480	-	1,159,835	-	230,994	-	570,843	38,499	2,435,813
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	417,209	8,835	-	1,876	4	-	230,188	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	198,125	183,066	-	16,788	-	-	-	-	-	-
İçtur Servis Limited Şirketi	159,192	54,251	-	104	-	-	-	-	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	126,453	-	-	60	-	53,793	-	-	-	202,816
Icr Jv- Ictas Rıyad Jv	61,239	-	-	-	-	-	-	-	-	-
İçtaş TSM Adi Ortaklığı	41,327	-	-	24,816	-	443,393	-	-	-	-
CCN Hastahane Hizmetleri ve İşletmeleri A.Ş.	15,629	-	-	-	-	-	-	-	-	-
Ccn Altyapı ve Yat.ve İnş. A.Ş.	7,061	398,634	366,580	20,362	3,281	-	87,858	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	2,972	2	1,508,889	10,390	-	-	-	-	-	-
Mika Adi Ortaklığı	2,290	64,901	-	29	-	-	354	528	17,055	-
IC İçtaş Gayrimenkul Yatırımları A.Ş.	1,804	443,433	-	17	-	411,597	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	1,050	7	-	1,272	340,872	-	-	-	-	-
İçtur Yiyecek ve İçecek Hizmetleri Tur. San. ve Tic. A.Ş.	631	83,809	-	17,435	-	346,266	-	72,656	134,810	-
CCN Özel Güvenlik Hizmetler A.Ş.	-	-	-	59,121	-	-	-	-	-	-
SCI Adi Ortaklığı	-	25,314	-	-	-	-	-	-	-	-
IC Antbel Belek Turizm Yatırımları A.Ş.	-	-	-	15,825	-	209,729	-	-	-	-
Shareholders	259	145	52,994	-	217,754	1,776,405	-	-	-	-
Others	10,485	13,876	14,361	12,787	12,264	141	253	-	-	-
	4,283,094	**1,839,753**	**2,955,794**	**6,911,695**	**574,175**	**3,472,318**	**318,653**	**692,216**	**607,309**	**2,638,629**

6. RELATED PARTY TRANSACTIONS (Continued)

	1 January - 30 June 2024					
Transactions wtih related parties	**Purchases**	**Sales**	**Interest income**	**Interest expense**	**Other income**	**Other expense**
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	1,835,882	16,986	-	-	193	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	594,678	-	-	-	85,132	-
İçtur Servis Ltd. Şti.	533,799	111,119	41	-	116	-
Titan2 IC İçtaş İnşaat A.Ş.	326,578	9,122,995	5,654	1,902	7,975	12
IC İbrahim Çeçen Yatırım Holding A.Ş.	174,605	354	19,152	-	116	83
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	127,684	2,811,289	-	-	-	-
CCN Özel Güvenlik Hizmetleri A.Ş.	83,447	-	-	-	145	14,952
CCN Servis İşletme ve Yönetim A.Ş.	28,840	-	-	-	-	8,018
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	17,881	232,541	-	-	-	-
İçtur Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	15,699	178,837	-	1,219	-	33
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	7,331	5,355	377	-	-	202
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	5,842	30,801	-	77,624	-	165
IC İçtaş-IC İçmak Yapıtürk Konut Yapım A.O.	214	4,928	-	-	-	-
IC Antbel Belek Turizm Yatırımları A.Ş.	35	12,869	-	328	-	4
İçtaş TSM Adi Ortaklığı	10	295,880	-	-	-	-
IKA İzmir Otoyol Yatırım ve İşletme A.Ş.	-	4,774	-	-	55	-
IC İçtaş Gayrimenkul Yatırımları A.Ş.	-	-	20,489	-	-	-
IC-Limak Adi Ortaklığı	-	-	-	-	57,022	-
Shareholders	-	4	-	-	-	-
Others	267	139	315	-	201	72
Total	**3,752,792**	**12,828,871**	**46,028**	**81,073**	**150,955**	**23,541**

6. RELATED PARTY TRANSACTIONS (Continued)

	1 January - 30 June 2023					
Transactions wtih related parties	**Purchases**	**Sales**	**Interest income**	**Interest expense**	**Other income**	**Other expense**
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	7,412,959	2,623,103	-	-	1	-
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	1,267,698	4,352	96	-	345	-
Titan2 IC İçtaş İnşaat A.Ş.	536,350	5,507,091	31,520	1,925	3	1,273
İçtur Servis Limited Şirketi	436,555	37,856	5,072	-	1,752	280
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	348,508	33,972	1,109	-	572	1,392
IC İbrahim Çeçen Yatırım Holding A.Ş.	106,355	587	-	-	-	155
IC İbrahim Çeçen Vakıf Eğitim Sağlık İnşaat Taahhüt Ticaret A.Ş.	102,882	-	-	-	-	889
CCN Özel Güvenlik Hizmetleri A.Ş.	71,528	-	-	-	-	980
İçtaş TSM Adi Ortaklığı	37,326	-	-	-	12,702	-
İçtur Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	33,090	156,513	-	3,192	-	165
CCN Servis İşletme ve Yönetim A.Ş.	30,818	66	-	-	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	11,380	269,421	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	3,814	20,494	-	20,158	-	966
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	3,791	46,585	-	53	-	-
IC Antbel Belek Turizm Yatırımları A.Ş.	-	11,927	-	12,695	-	253
IKA İzmir Otoyol Yatırım ve İşletme A.Ş.	-	11,191	287	-	-	-
IC İçtaş Gayrimenkul Yatırımları A.Ş.	-	-	10,279	2,050	-	-
Shareholders	497	-	25	-	-	-
Others	476	18	77	-	1	1,499
Total	**10,404,027**	**8,723,176**	**48,465**	**40,073**	**15,376**	**7,852**

7. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

Short-term trade receivables	30 June 2024	31 December 2023	31 December 2022
Trade receivables	7,972,246	7,063,956	8,933,425
Trade receivables from related parties (Note 6)	6,346,807	5,601,061	4,283,094
Due receivables from grantor	4,728,305	6,373,436	5,987,929
Retention receivables from third parties	2,261,118	2,306,613	2,008,103
Trade receivable impairment (-)	(428,413)	(550,495)	(721,498)
	20,880,063	**20,794,571**	**20,491,053**

As of 30 June 2024, trade receivables amounting to TRY20,880,063 (31 December 2023: TRY20,794,571, 31 December 2022: TRY20,491,053) is neither past due nor impaired. The average trade receivables turnover in days on rendering services, construction contracts, electricity sales and sales of goods is between 15-60 days. No interest is charged for the overdue trade receivables except retail electricity receivables. Monthly 1.60% interest was charged to electricity retail receivables.

Collaterals that are received in relation to trade receivables that are neither past due nor impaired is as follows:

	30 June 2024	31 December 2023	31 December 2022
Guarantee letters	2,015,683	1,703,617	1,336,115
	2,015,683	**1,703,617**	**1,336,115**

The nature of the risk and level in the trade receivables are presented in Note 31.

Movements of the impairments for the receivables are as follows:

	2024	2023
Opening as of 1 January	**550,495**	**721,498**
Charge for the year (Note 27)	90,214	150,503
Currency translation differences	(19,045)	19,748
Collections (Note 27)	(55,683)	(119,976)
Monetary gain	(137,568)	(98,575)
Closing as of 30 June	**428,413**	**673,198**

7. TRADE RECEIVABLES AND PAYABLES (Continued)

b) Trade payables

As at the balance sheet date, trade payables of the Group summarized below:

Short-term trade payables	30 June 2024	31 December 2023	31 December 2022
Trade payables (*)	13,671,037	14,643,132	13,316,112
Due to related parties (Note 6)	2,005,607	3,283,039	6,911,695
	15,676,644	**17,926,171**	**20,227,807**

Long-term trade payables	30 June 2024	31 December 2023	31 December 2022
Trade payables (*)	-	-	3,050,342
	-	**-**	**3,050,342**

The average trade payables turnover in days on purchases of the Group is 144 days (31 December 2023: 101 days, 31 December 2022: 100 days) and no interest is charged by vendors on the balances in due.

(*) Amounting to TRY2,327,942 (USD66,270) of the trade payables are related to purchases of 3. Bosphorus Bridge shares from Astaldi S.p.A.. Under the İçtaş-Astaldi Settlement Agreement, as a result of the aforesaid sale, the 3. Bosphorus Bridge's assets also include the related consideration of USD315 million, and the obligation to pay İçtaş İnşaat, by way of compensation, an amount of USD100 million (the İçtaş İnşaat Compensation), in order to settle any reason for mutual dispute and claims, as well as any credit and debt positions, in relation to the termination of any relationship with İçtaş İnşaat.

İçtaş-Astaldi Settlement Agreement

The debit and credit relationships between the 3. Bosphorus Bridge and İçtaş İnşaat are governed by the settlement agreement signed on 20 June 2019 and was amended following the authorisation given by the Court within the composition with creditors procedure on 21 November 2019 (the İçtaş-Astaldi Settlement Agreement).

USD48,208 of the debt is paid on 20 August 2024. Remaining part of the settlement is expected to be paid on first half year of 2025.

8. OTHER RECEIVABLES AND PAYABLES

a) Other receivables

Short-term other receivables	30 June 2024	31 December 2023	31 December 2022
Other receivables from related parties (Note 6)	10,251,130	2,839,816	1,839,753
Other receivables from third parties	280,194	738,767	586,677
Deposits and guarantees given	12,402	15,195	14,527
Due from personnel	17,903	8,839	3,067
	10,561,629	**3,602,617**	**2,444,024**

8. OTHER RECEIVABLES AND PAYABLES (Continued)

Long-term other receivables	30 June 2024	31 December 2023	31 December 2022
Other receivables from related parties (Note 6)	322,186	360,260	2,955,794
Deposits and guarantees given	29,644	26,183	42,548
Other receivables	361,062	392,085	507,967
	712,892	**778,528**	**3,506,309**

b) Other payables

Short-term other payables	30 June 2024	31 December 2023	31 December 2022
Deposits and guarantees received (**)	2,291,860	2,256,759	1,936,284
Other payables to related parties (Note 6)	1,811,020	1,946,444	574,175
Taxes and dues payable	503,525	253,684	767,358
Other payables to third parties	502,141	1,065,945	1,032,705
Liabilities related to the sponsorship agreement (*)	-	-	770,022
Other	-	61,478	51,734
	5,108,546	**5,584,310**	**5,132,278**

Long-term other payables	30 June 2024	31 December 2023	31 December 2022
Other payables to related parties (Note 6)	1,363,157	4,431,388	3,472,318
Payables to TEDAŞ	115,978	160,963	221,877
Other payables to third parties	-	82,644	-
	1,479,135	**4,674,995**	**3,694,195**

(*) As of 28 February 2022, İçtaş İnşaat has acquired 8.81% shares of The European Bank for Reconstruction and Development ("EBRD") on IC Enterra amounting to USD24,507. On 28 February 2022, İçtaş İnşaat paid USD4,507 and the remaining amount is paid on 28 February 2023.

(**) The Group receives deposits from customers upon their subscription on behalf of TEDAŞ. According to the TOR Agreement signed with TEDAŞ, TREPAŞ is obliged to keep deposits refunded as updated and the net balance of TRY1,161,512 (31 December 2023: TRY1,093,746, 31 December 2022: TRY968,884) deposits received and paid will be paid back to TEDAŞ at the end of the license period in year 2036.

9. PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid expenses

Short-term prepaid expenses	30 June 2024	31 December 2023	31 December 2022
Order advances given (*)	3,437,195	1,920,930	1,435,520
Prepaid expenses for the following months	415,805	277,351	549,770
Order advances given to related parties	84,376	59,094	318,653
Job advances	68,374	28,533	12,630
	4,005,750	**2,285,908**	**2,316,573**

(*) As of 30 June 2024, TRY1,441,942 of order advances are given to subcontractors for the construction of Long Thanh Airport in Vietnam (31 December 2023: None, 31 December 2022: None), TRY800,998 given to subcontractors for the construction of King Khaled International Airport (31 December 2023: TRY612,260, 31 December 2022: TRY14,929) and TRY433,512 given to subcontractors for the construction of Tuz Gölü Underground Natural Gas Storage Facility Expansion (31 December 2023: TRY278,138, 31 December 2022: TRY385,768)

Long term prepaid expenses	30 June 2024	31 December 2023	31 December 2022
Order advances given	84,368	269,004	-
Prepaid expenses for the following years	58,303	133,310	255,234
	142,671	**402,314**	**255,234**

b) Deferred revenue

Short term deferred revenue	30 June 2024	31 December 2023	31 December 2022
Orders received from related parties (*)	7,063,637	5,521,922	619,560
Order advances received (**)	4,431,685	2,828,940	848,743
Deferred revenue from related parties	99,011	67,065	72,656
Deferred income from third parties	80,323	94,290	74,893
Other income accruals	323,907	143,089	-
	11,998,563	**8,655,306**	**1,615,852**

(*) As of 30 June 2024, TRY6,683,825 of order advances received from related parties consists of advances received from Titan2 IC İçtaş İnşaat A.Ş. for Akkuyu Nuclear Power Plant project (31 December 2023: TRY5,500,051, 31 December 2022: TRY570,843).

(**) As of 30 June 2024, TRY458,748 of the amount consists of China Camc - IC İçtaş Adi Ortaklığı's advances received from BOTAŞ A.Ş for Tuz Gölü Natural Gas Storage Facility Project. (31 December 2023: TRY473,574, 31 December 2022: TRY404,108). As of 30 June 2024 TRY2,033,519 is received for Long Thanh Airport in Vietnam (31 December 2023: TRY1,057,571).

9. PREPAID EXPENSES AND DEFERRED INCOME (Continued)

Long term deferred revenue	30 June 2024	31 December 2023	31 December 2022
Order advances received (***)	1,237,659	1,931,090	1,388,604
Deferred revenue from related parties	108,275	81,380	134,809
Deferred income from third parties	41,310	44,488	65,177
Orders received from related parties	8,298	321,832	472,500
Other income accruals	248,463	570,867	196,343
	1,644,005	**2,949,657**	**2,257,433**

(***) As of 30 June 2024, TRY520,315 of the amount consists of received advances of China Camc - IC İçtaş Adi Ortaklığı (31 December 2023: TRY857.389, 31 December 2022: TRY1,327,168) and TRY982,347 of received advances of IC Içtaş İşletme (31 December 2023: TRY1,226,592, 31 December 2022: TRY390,406).

10. INVENTORIES

	30 June 2024	31 December 2023	31 December 2022
Raw materials and equipments	3,011,123	2,323,872	1,291,206
Other inventories	419,702	416,317	394,572
Work in process	70,349	110,422	68,571
Finished goods	29,546	24,593	18,603
Trade goods	4,578	5,500	5,915
	3,535,298	**2,880,704**	**1,778,867**

11. RECEIVABLES FROM SERVICE CONCESSION ARRANGEMENTS

The reconciliation of the receivables from service concession arrangements are as follows:

	2024	2023
1 January	**106,965,361**	**130,554,235**
Investments	532,270	785,779
Collections	(15,356,644)	(14,907,349)
Financial income	5,875,926	6,419,698
Operational revenue	1,196,979	1,253,489
Construction income	1,598,878	64,613
Adjustment to the financial asset (Note 27) (*)	(2,832,329)	(3,257,126)
Translation gain / (loss)	(11,220,904)	16,007,991
Monetary loss	(1,337,475)	(1,009,292)
30 June	**85,422,062**	**135,912,038**

(*) This amount refers to difference between actual toll income collection and estimated toll income collection in the amortised cost model defined with respect to the framework of IFRIC 12 ('Service concession arrangements') financial asset model.

12. CONSTRUCTION CONTRACTS

Recognized and included in the accompanying consolidated financial statements as amounts due:

	30 June 2024	31 December 2023	31 December 2022
Income related to on-going projects-net	77,655,548	61,527,757	51,711,045
Less: progress billings	(78,153,059)	(63,747,909)	(50,895,671)
	(497,511)	**(2,220,152)**	**815,374**

Recognized and included in the accompanying consolidated financial statements as amounts due:

	30 June 2024	31 December 2023	31 December 2022
From customers under construction contracts	3,236,069	789,148	3,460,272
To customers under construction contracts	(3,733,580)	(3,009,300)	(2,644,898)
	(497,511)	**(2,220,152)**	**815,374**

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Leasehold improvements	HEPP (*)	Construction in progress	Total
Cost value										
Opening balance as of 1 January 2024	82,306	754,687	2,522,711	1,001,298	944,271	101,564	1,533,288	31,379,136	2,141,934	40,461,195
Additions	-	19,890	995,284	21,699	20,643	979	4,250	4,707	1,786,044	2,853,496
Disposals	-	(79,889)	(99,140)	(111,875)	(3,524)	(19,654)	-	-	-	(314,082)
Translation gain	(1,806)	(6,273)	(37,660)	(18,675)	(27,867)	(1,279)	-	-	-	(93,560)
Closing balance as of 30 June 2024	**80,500**	**688,415**	**3,381,195**	**892,447**	**933,523**	**81,610**	**1,537,538**	**31,383,843**	**3,927,978**	**42,907,049**
Accumulated depreciation and impairment (-)										
Opening balance as of 1 January 2024	-	(495,264)	(1,027,314)	(469,987)	(740,171)	(23,264)	(494,668)	-	-	(3,250,668)
Charge for the period	-	(10,767)	(91,503)	(61,253)	(29,681)	(597)	(40,989)	(727,532)	-	(962,322)
Disposals	-	79,889	98,243	54,173	2,793	19,654	-	-	-	254,752
Translation gain	-	5,990	31,543	12,192	25,387	1,279	-	-	-	76,391
Closing balance as of 30 June 2024	**-**	**(420,152)**	**(989,031)**	**(464,875)**	**(741,672)**	**(2,928)**	**(535,657)**	**(727,532)**	**-**	**(3,881,847)**
Net book value as of 30 June 2024	**80,500**	**268,263**	**2,392,164**	**427,572**	**191,851**	**78,682**	**1,001,881**	**30,656,311**	**3,927,978**	**39,025,202**

(*) Property, plant and equipment used in Hydroelectric Power Plants.

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land improvements and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Leasehold improvements	HEPP (*)	Construction in progress	Total
Cost value										
Opening balance as of 1 January 2023	52,815	1,114,441	1,645,573	710,328	837,664	132,426	1,502,182	33,417,787	222,565	39,635,781
Additions	-	5,852	756,639	16,568	64,393	580	20,034	6,981	197,345	1,068,392
Disposals	-	(300,004)	(224,933)	(39,117)	(32,029)	(22,115)	-	-	(176,082)	(794,280)
Translation gain	-	(55,654)	(48,769)	(741)	57,249	(5,025)	-	-	22,933	(30,007)
Closing balance as of 30 June 2023	**52,815**	**764,635**	**2,128,510**	**687,038**	**927,277**	**105,866**	**1,522,216**	**33,424,768**	**266,761**	**39,879,886**
Accumulated depreciation and impairment (-)										
Opening balance as of 1 January 2023	-	(856,210)	(1,210,095)	(430,548)	(682,501)	(55,452)	(412,434)	-	-	(3,647,240)
Charge for the period	-	(15,440)	(69,592)	(53,429)	(95,733)	(508)	(40,840)	(699,670)	-	(975,212)
Disposals	-	295,594	214,262	32,429	13,413	22,112	-	-	-	577,810
Translation gain	-	65,401	48,802	(3,138)	24,326	5,025	-	-	-	140,416
Closing balance as of 30 June 2023	**-**	**(510,655)**	**(1,016,623)**	**(454,686)**	**(740,495)**	**(28,823)**	**(453,274)**	**(699,670)**	**-**	**(3,904,226)**
Net book value as of 30 June 2023	**52,815**	**253,980**	**1,111,887**	**232,352**	**186,782**	**77,043**	**1,068,942**	**32,725,098**	**266,761**	**35,975,660**

(*) Property, plant and equipment used in Hydroelectric Power Plants.

Depreciation expense of TRY941,618 has been charged to cost of sales (30 June 2023: TRY942,088) and TRY20,704 to administrative and operating expenses (30 June 2023: TRY33,124)

14. INTANGIBLE ASSETS

	Transfer of operating rights	Customers contracts and relationships	Rights	Other intangible assets	Total
Cost value					
Opening balance as of 1 January 2024	4,738,533	6,436,377	42,995	241,186	11,459,091
Additions	-	-	204	77,693	77,897
Translation gain	-	-	(2,512)	(12,199)	(14,711)
Closing balance as of 30 June 2024	**4,738,533**	**6,436,377**	**40,687**	**306,680**	**11,522,277**
Accumulated amortisation and impairment (-)					
Opening balance as of 1 January 2024	(2,274,550)	(3,089,535)	(34,569)	(203,958)	(5,602,612)
Charge for the year	(94,850)	(128,836)	(1,793)	(1,988)	(227,467)
Translation gain	-	-	2,010	12,185	14,195
Closing balance as of 30 June 2024	**(2,369,400)**	**(3,218,371)**	**(34,352)**	**(193,761)**	**(5,815,884)**
Net book value as of 30 June 2024	**2,369,133**	**3,218,006**	**6,335**	**112,919**	**5,706,393**

14. INTANGIBLE ASSETS (Continued)

	Transfer of operating rights	Customers contracts and relationships	Rights	Other intangible assets	Total
Cost value					
Opening balance as of 1 January 2023	4,738,533	6,436,377	55,855	205,790	11,436,555
Additions	-	-	481	4,430	4,911
Disposals	-	-	(10,873)	-	(10,873)
Translation gain	-	-	1,009	17,752	18,761
Closing balance as of 30 June 2023	**4,738,533**	**6,436,377**	**46,472**	**227,972**	**11,449,354**
Accumulated amortisation and impairment (-)					
Opening balance as of 1 January 2023	(2,084,968)	(2,832,025)	(40,762)	(200,640)	(5,158,395)
Charge for the year	(128,832)	(94,848)	(13,878)	(1,832)	(239,390)
Disposals	-	-	10,873	-	10,873
Translation gain	-	-	9,470	(17,641)	(8,171)
Closing balance as of 30 June 2023	**(2,213,800)**	**(2,926,873)**	**(34,297)**	**(220,113)**	**(5,395,083)**
Net book value as of 30 June 2023	**2,524,733**	**3,509,504**	**12,175**	**7,859**	**6,054,271**

Amortization expense of TRY2,740 has been charged to cost of sales (30 June 2023: TRY13,975) and TRY224,727 to administrative and operating expenses (30 June 2023: TRY225,415).

15. RIGHT OF USE ASSETS

The details of the right of use assets balances as of 30 June 2024 is as follows:

	Forest usage rights	Vehicles	Land	Buildings	Machinery and equipment	Total
Cost value						
Opening balance as of 1 January 2024	120,238	853,138	236,844	166,389	985,258	2,361,867
Additions	14,436	7,485	29,300	6,321	7,649	65,191
Disposals	(1,146)	(19,842)	-	(66,862)	-	(87,850)
Closing balance as of 30 June 2024	**133,528**	**840,781**	**266,144**	**105,848**	**992,907**	**2,339,208**
Accumulated depreciation and impairment (-)						
Opening balance as of 1 January 2024	(8,077)	(320,694)	(20,616)	(64,035)	(349,514)	(762,936)
Charge for the year	(753)	(87,986)	(3,371)	(9,414)	(124,579)	(226,103)
Disposals	1,146	19,842	-	20,180	-	41,168
Closing balance as of 30 June 2024	**(7,684)**	**(388,838)**	**(23,987)**	**(53,269)**	**(474,093)**	**(947,871)**
Net book value as of 30 June 2024	**125,844**	**451,943**	**242,157**	**52,579**	**518,814**	**1,391,337**

15. RIGHT OF USE ASSETS (Continued)

The details of the right of use assets balances as of 30 June 2023 is as follows:

	Forest usage rights	Vehicles	Land	Buildings	Machinery and equipment	Total
Cost value						
Opening balance as of 1 January 2023	70,709	821,424	192,838	135,014	854,493	2,074,478
Additions	18,269	39,239	44,008	7,615	-	109,131
Disposals	(10,797)	(5,975)	-	-	-	(16,772)
Closing balance as of 30 June 2023	**78,181**	**854,688**	**236,846**	**142,629**	**854,493**	**2,166,837**
Accumulated depreciation and impairment (-)						
Opening balance as of 1 January 2023	(5,972)	(164,383)	(14,542)	(42,109)	(146,060)	(373,066)
Charge for the year	(1,046)	(141,008)	(3,038)	(9,489)	(92,922)	(247,503)
Disposals	991	4,829	-	-	-	5,820
Closing balance as of 30 June 2023	**(6,027)**	**(300,562)**	**(17,580)**	**(51,598)**	**(238,982)**	**(614,749)**
Net book value as of 30 June 2023	**72,154**	**554,126**	**219,266**	**91,031**	**615,511**	**1,552,088**

Amortization expense of TRY159,035 has been charged to cost of sales (30 June 2023: TRY199,489) and TRY67,068 to administrative and operating expenses (30 June 2023: TRY48,014).

16. BANK BORROWINGS

	30 June 2024	31 December 2023	31 December 2022
Short-term bank borrowings	2,599,840	2,260,681	1,936,173
Current portion of long-term bank borrowings	16,622,543	15,312,374	19,305,932
Total short-term bank borrowings	**19,222,383**	**17,573,055**	**21,242,105**

	30 June 2024	31 December 2023	31 December 2022
Long-term bank borrowings	27,505,856	36,759,150	52,123,522
Total long-term bank borrowings	**27,505,856**	**36,759,150**	**52,123,522**

The details of borrowings are as follows:

		30 June 2024	
Currency	**Interest rates (%)**	**Current**	**Non-Current**
USD	6.50 - 11.45	8,643,233	17,861,210
EUR	4.90 - 11.00	3,620,746	1,775,966
TRY	37.57 - 66.35	1,092,032	901,966
USD	Libor + 1.15 - 7,30	4,891,116	5,967,812
EUR	Libor + 3.60 - 5.80	783,673	425,796
TRY	Libor + 3.10 - 6.50	191,583	573,106
		19,222,383	**27,505,856**

		31 December 2023	
Currency	**Interest rates (%)**	**Current**	**Non-Current**
USD	2.05-10.75	9,847,177	17,794,784
EUR	4.90-11.00	1,097,103	2,666,753
TRY	22.50-62.50	614,194	150,772
USD	Libor + 4.00-7.50	5,163,945	14,982,512
EUR	Libor + 3.60-5.80	623,376	520,653
TRY	Libor + 3.10-17.25	227,260	643,676
		17,573,055	**36,759,150**

		31 December 2022	
Currency	**Interest rates (%)**	**Current**	**Non-Current**
USD	2.05-9.95	10,547,958	28,140,490
EUR	4.10-7.00	1,900,566	3,075,728
TRY	17.50-49.50	1,736,308	-
USD	Libor + 2.63-6.50	4,692,514	18,223,386
EUR	Libor + 3.60-5.80	2,050,419	1,153,609
TRY	Libor + 3.10-6.50	314,340	1,530,309
		21,242,105	**52,123,522**

16. BANK BORROWINGS (Continued)

The redemption of borrowings is as follows:

	30 June 2024	31 December 2023	31 December 2022
Within 1 year	19,222,383	17,573,055	21,242,105
1-2 years	13,139,922	14,253,591	14,766,032
2-3 years	7,150,766	13,454,616	14,549,554
3-4 years	2,888,668	3,624,324	13,757,269
4-5 years	1,848,613	2,333,292	3,748,872
More than 5 years	2,477,887	3,093,327	5,301,795
	46,728,239	**54,332,205**	**73,365,627**

The reconciliation of the liabilities arising from bank loans is as follows:

	2024	2023
Balance as of 1 January	**54,332,205**	**73,365,627**
Proceeds from borrowings	6,560,865	558,397
Payment of borrowings (-)	(7,848,733)	(9,485,427)
Translation gain	(3,142,076)	4,515,661
Exchange in foreign currency differences	2,389,270	8,220,115
Change in accruals	(90,301)	(108,246)
Monetary gain	(5,472,991)	(4,022,271)
Balance as of 30 June	**46,728,239**	**73,043,856**

Fair value of Group's liabilities approximates their carrying amounts.

İçtaş Yenilenebilir

İçtaş Yenilenebilir is obliged to fulfill certain financial indicators yearly accordance with the credit agreement. The financial indicator is the Debt Service Coverage Ratio ("DSCR"), which should be 1.10: 1. The DSCR represents the ratio of total cash flow from operations of the period to the period debt service amount. The calculation of the DSCR is to be submitted to the creditors within 150 days following the year-end reporting period with the financial report.

İçtaş İşletme

Tredaş and İçtaş İşletme are obliged to fulfill certain financial indicators in accordance with the loan agreement. On and after the first calculation date, the historic DSCR for the previous calculation period and the projected DSCR in each calculation period until the discharge date should be at least 1.10:1. On each calculation date, Tredaş and İçtaş İşletme shall provide to the Increditor Agent a Compliance Certificate evidencing compliance with the ratios. The calculation of the DSCR has to be submitted to the creditors within 120 days following the reporting period with the financial report.

16. BANK BORROWINGS (Continued)

IC Zafer

Zafer Uluslararası Havalimanı is subject to covenant clauses, whereby the Company is required to meet certain key performance indicators. According to the agreement the Company shall ensure that; the annual debt service cover ratio ("DSCR") as at the second date of each calendar year falling after the last day of the Availability Period applicable to the Senior Commercial Facility but before the buy-down date is greater than or equal to 1, thereafter the annual debt service cover ratio as at each calculation date is greater than or equal to 1.2; and the debt to equity ratio as at each utilization date is no greater than 3. If, as at the relevant Calculation Date or a Utilisation Date (as the case may be), the Borrower is not in compliance with the Annual Debt Service Cover Ratio or the Debt to Equity Ratio in accordance with conditions stated above, the Lenders and the Borrower shall consult with one another for a period not exceeding 45 (forty five) /days commencing on the date on which the Financial Report evidencing such non-compliance was delivered to the Facility Agent.

3rd Bridge

Loan agreement amounting to USD2,738,000,000 is signed on 29 August 2013 with Türkiye Garanti Bankası A.Ş., Malta Branch (as the Facility Agent) and amended from time to time for financing the construction of Third Bosphorus Bridge and the Odayeri-Paşaköy section of the Northern Marmara Motorway. The fixed interest rate of the loan is 6.5% in USD. Repayment of the loan principal commenced on 30 June 2017 and will continue until 15 August 2026.

The 3rd Bridge's loan is subject to covenant clauses, whereby the 3rd Bridge is required to meet certain key performance indicators. According to the agreement the Company shall ensure that; the Annual Actual Debt Service Cover Ratio ("DSCR") as in the each Calculation Period is at least 1.1, thereafter the annual projected debt service cover ratio as in each calculation period is at least 1.1; and the Loan Life Cover Ratio as in each calculation period is at least 1.1. As of 31 December 2023 and 30 June 2024, the borrower has complied with the covenants mentioned above.

17. LEASE LIABILITIES

	30 June 2024	31 December 2023	31 December 2022
Short-term lease liabilities	243,470	451,789	433,085
Long-term lease liabilities	317,623	452,184	767,401
Total lease liabilities	**561,093**	**903,973**	**1,200,486**

The reconciliation of the liabilities arising from leases is as follows:

	2024	2023
Balance as of 1 January	**903,973**	**1,200,486**
Additions	65,191	109,131
Payments	(287,925)	(234,620)
Disposals	(19,240)	(5,451)
Foreign currency differences	32,034	222,247
Interest expense	33,215	57,548
Monetary gain	(166,155)	(224,503)
Balance as of 30 June	**561,093**	**1,124,838**

18. GOODWILL

The details of the Goodwill balances as of 30 June 2024, 31 December 2023 and 2022 are as follows:

	30 June 2024	31 December 2023	31 December 2022
Trakya Elektrik Perakende Satış A.Ş.	2,022,215	2,022,215	2,022,215
Trakya Elektrik Dağıtım A.Ş.	1,488,777	1,488,777	1,488,777
	3,510,992	**3,510,992**	**3,510,992**

As a result of taking over the operating rights of Trakya Elektrik Dağıtım A.Ş. within the scope of privatization of electricity distributing companies by İçtaş İşletme ve Ticaret A.Ş. on 30 December 2011, TRY3,510,992 portion of the total difference between the purchase price and the nominal share price has been accounted as goodwill in the consolidated financial statements.

19. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	30 June 2024	31 December 2023	31 December 2022
Short-term portion of provison for excess operating expenses	710,017	794,236	-
Provisions for unused vacation	222,216	127,987	85,259
Provision for lawsuit	62,882	87,952	197,310
Provisions for warranty	70,981	67,510	66,536
Provision for costs	6,649	8,293	13,723
	1,072,745	**1,085,978**	**362,828**

Long-term provisions	30 June 2024	31 December 2023	31 December 2022
Long-term portion of provison for excess operating expenses	1,952,548	2,581,266	-
Provisions for employment termination benefits	416,847	365,112	335,202
	2,369,395	**2,946,378**	**335,202**

19. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

a) Provision for lawsuit

The movement of provision for lawsuit is as follows:

	2024	2023
Balance as of 1 January	**87,952**	**197,310**
Period charge	1,526	42,303
Cancelled provision	(996)	(11,617)
Payments	(8,365)	(18,192)
Currency translation differences	-	(326)
Monetary gain	(17,235)	(30,909)
Balance as of 30 June	**62,882**	**178,569**

Provision of lawsuits, are allocated on possible cash outflows related to the case. Provision as of 30 June 2024, it is calculated after the evaluation by the group management which the case is possible to result against the Group.

b) Provison for excess operating expenses

The movement of provison for excess operating expenses is as follows:

	2024	2023
Balance as of 1 January	**3,375,502**	**-**
Cancelled provision	(340,976)	-
Currency translation differences	(371,961)	-
Balance as of 30 June	**2,662,565**	**-**

c) Contingent assets and liabilities

Contingent assets	**30 June 2024**	**31 December 2023**	**31 December 2022**
Guarantee letter received	2,015,683	1,703,617	1,336,115
	2,015,683	**1,703,617**	**1,336,115**

Contingent liabilities	**30 June 2024**	**31 December 2023**	**31 December 2022**
Contingencies	75,036,373	84,174,816	84,558,620
Guarantee letter given	43,430,397	9,255,464	45,435,605
	118,466,770	**93,430,280**	**129,994,225**

20. COMMITMENTS

Guarantees- Pledges -Mortgages ("GPM")

Guarantees-Pledges-Mortgages ("GPM") position of the Group as of 30 June 2024, 31 December 2023 and 2022.

30 June 2024	TRY equivalent	TRY	USD	EURO	SAR	Other
A. Total amount of GPM given on behalf of the legal entity	14,314,415	9,647,932	80,849	-	179,404	435,120
- *Letters of guarantee*	14,314,415	9,647,932	80,849	-	179,404	435,120
B. Total amount of GPM given against the subsidiaries included in full consolidation	85,816,625	3,994,146	2,304,390	171,686	-	-
- *Letters of guarantee*	10,780,252	2,750,746	122,787	113,425	-	-
- *Contingencies*	75,036,373	1,243,400	2,181,603	58,261	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-	-
D. Total amount of other GPM given	18,335,730	433,828	544,374	-	-	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	18,335,730	433,828	544,374	-	-	-
- *Letters of guarantee*	18,335,730	433,828	544,374	-	-	-
- *Contingencies*	-	-	-	-	-	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-	-
Total	**118,466,770**	**14,075,906**	**2,929,613**	**171,686**	**179,404**	**435,120**

31 December 2023	TRY equivalent	TRY	USD	EURO	SAR	Other
A. Total amount of GPM given on behalf of the legal entity	3,273,819	2,311,807	2,780	31	28,038	9,316
- *Letters of guarantee*	3,273,819	2,311,807	2,780	31	28,038	9,316
B. Total amount of GPM given against the subsidiaries included in full consolidation	89,044,281	3,826,665	2,187,252	93,624	-	-
- *Letters of guarantee*	4,869,465	2,583,265	5,649	35,363	-	-
- *Contingencies*	84,174,816	1,243,400	2,181,603	58,261	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-	-
D. Total amount of other GPM given	1,112,180	347,254	18,459	-	-	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	1,112,180	347,254	18,459	-	-	-
- *Letters of guarantee*	1,112,180	347,254	18,459	-	-	-
- *Contingencies*	-	-	-	-	-	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-	-
Total	**93,430,280**	**6,485,726**	**2,208,491**	**93,655**	**28,038**	**9,316**

20. COMMITMENTS (Continued)

31 December 2022	TRY equivalent	TRY	USD	EURO	SAR	Other
A. Total amount of GPM given on behalf of the legal entity	6,955,529	1,840,053	46,706	2,547	52,500	356,911
- *Letters of guarantee*	6,955,529	1,840,053	46,706	2,547	52,500	356,911
B. Total amount of GPM given against the subsidiaries included in full consolidation	95,622,690	2,655,161	2,071,999	164,793	-	1,766,263
- *Letters of guarantee*	11,064,070	1,411,761	4,146	106,532	-	1,766,263
- *Contingencies*	84,558,620	1,243,400	2,067,853	58,261	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-	-
D. Total amount of other GPM given	27,416,006	333,116	671,088	21,797	-	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	27,416,006	333,116	671,088	21,797	-	-
- *Letters of guarantee*	27,416,006	333,116	671,088	21,797	-	-
- *Contingencies*	-	-	-	-	-	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-	-
Total	**129,994,225**	**4,828,330**	**2,789,793**	**189,137**	**52,500**	**2,123,174**

21. OTHER ASSETS AND LIABILITIES

a) Other current assets

	30 June 2024	31 December 2023	31 December 2022
Carried forward VAT	993,443	743,507	924,505
Income accruals	513,909	705,844	615,768
Other	158,258	329,217	177,428
	1,665,610	**1,778,568**	**1,717,701**

b) Other non-current assets

	30 June 2024	31 December 2023	31 December 2022
Prepaid taxes and dues	1,980,635	1,548,811	701,829
Income accruals	1,271,014	771,820	590,886
Other	1,786	2,407	295
	3,253,435	**2,323,038**	**1,293,010**

21. OTHER ASSETS AND LIABILITIES (Continued)

c) Other current liabilities

	30 June 2024	31 December 2023	31 December 2022
Expense accruals	603,609	702,174	2,045,654
Taxes and funds payable	529,467	559,375	874,547
Other liabilities	15,884	165,039	257,336
	1,148,960	**1,426,588**	**3,177,537**

22. SHARE CAPITAL AND LEGAL RESERVES

a) Capital

The composition of the Group's share capital as of 30 June 2024, 31 December 2023 and 2022 are as follows:

	30 June 2024		31 December 2023		31 December 2022	
Shareholders	**(%)**	**TRY**	**(%)**	**TRY**	**(%)**	**TRY**
Fırat ÇEÇEN	23.53	26,396	21.56	24,181	21.56	24,181
Serhat ÇEÇEN	23.53	26,396	20.18	22,633	20.18	22,633
Salih ÇEÇEN	23.53	26,396	20.18	22,633	20.18	22,633
İbrahim ÇEÇEN	22.53	25,271	13.21	14,820	13.21	14,820
Murat ÇEÇEN	0.95	1,068	0.95	1,068	0.95	1,068
Yıldırım AKDEMİR	0.05	58	0.05	58	0.05	58
İçtur Yiyecek ve İçecek Hizmetleri Turizm San. ve Tic. A.Ş.	-	-	9.00	10,096	-	-
IC İçtaş İnşaat Sanayi ve Tic. A.Ş.	-	-	9.00	10,096	-	-
IC İçtaş Enerji Yatırım Holding	4.84	5,431	4.84	5,431	4.84	5,431
IC İbrahim Çeçen Yatırım Holding A.Ş.	1.03	1,156	1.03	1,156	19.03	21,348
Capital	**100**	**112,172**	**100.00**	**112,172**	**100.00**	**112,172**
Inflation adjustment		523,395		523,395		523,395
		635,567		**635,567**		**635,567**

The total number of ordinary shares authorized, as at 30 June 2024, is 112,172,407 shares (31 December 2023: 112,172,407, 31 December 2022: 112,172,407) with a par value of TRY0.001 per share.

22. SHARE CAPITAL AND LEGAL RESERVES (Continued)

b) Legal reserves

	30 June 2024	31 December 2023	31 December 2022
Legal reserves	86,761	86,761	86,761
	86,761	**86,761**	**86,761**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

b) Treasury shares

	30 June 2024	31 December 2023	31 December 2022
Treasury shares (-)	-	8,345,875	-
	-	**8,345,875**	**-**

The Company purchased 9% of the Company's shares from IC Holding for TRY8,345,875 and accounted as treasury shares on 2 January 2023. These shares have been sold to shareholders 5 April 2024 for TRY7,000,000. As a result, TRY1,345,875 of difference has been accounted in other shares in the consolidated financial position.

c) Other shares

	30 June 2024	31 December 2023	31 December 2022
Other shares	(562,454)	-	-
	(562,454)	**-**	**-**

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are accounted for as a deduction from equity, net of any related income tax effects. As a resut of initial public offering of IC Enterra, TRY783,421 has been accounted in other shares.

TRY1,345,875 of loss sale of repurchased shares has been accounted in other shares in the consolidated financial position.

23. REVENUE

	1 January - 30 June 2024	1 January - 30 June 2023
Non-construction income	28,761,180	22,872,195
Construction income	19,361,564	11,428,408
	48,122,744	**34,300,603**

Details of non-construction income are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Energy sales and distribution services income	25,040,140	18,477,589
Highway O&M revenue	2,044,431	1,505,543
Sale of raw materials and trade goods	1,062,768	1,228,706
Prefabricated and steel income	203,662	1,266,585
Ports and marine management services	320,803	292,684
Other	89,376	101,088
	28,761,180	**22,872,195**

24. COST OF SALES

	1 January - 30 June 2024	1 January - 30 June 2023
Cost of energy sales and distribution services	(23,560,454)	(16,194,057)
Construction costs	(16,753,107)	(10,892,428)
Cost of sale of raw materials and trade goods	(928,774)	(1,005,805)
Cost of prefabricated and steel containers and buildings	(207,821)	(1,030,564)
Cost of ports and marine management services	(139,279)	(121,935)
Other	(337,882)	(280,195)
	(41,927,317)	**(29,524,984)**

25. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities as of 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Interest income	1,266,100	819,302
Gains on sales of property, plant and equipment	22,785	39,129
Financial asset revaluation income	35,096	73,754
	1,323,981	**932,185**

The details of expenses from investing activities as of 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Losses related disposals of right of use assets	(26,453)	-
Losses on sales of property, plant and equipment	(8,201)	(182,701)
	(34,654)	**(182,701)**

26. ADMINISTRATIVE, OPERATING AND MARKETING EXPENSES

a) Details of administrative and operating expenses

	1 January - 30 June 2024	1 January - 30 June 2023
Employee benefit expenses	(639,854)	(486,234)
Depreciation and amortization expenses	(312,499)	(306,553)
Consulting and lawsuit expenses	(372,803)	(363,800)
Initial public offering expenes	(81,765)	-
Outsourcing expenses	(70,270)	(72,052)
Taxes, dues and fees	(52,231)	(66,678)
Maintanence expenses	(33,120)	(28,325)
Travel expenses	(25,765)	(18,656)
Insurance expenses	(18,414)	(14,859)
Donations expenses	(2,718)	(106,510)
Other	(98,264)	(80,916)
	(1,707,703)	**(1,544,583)**

26. ADMINISTRATIVE, OPERATING AND MARKETING EXPENSES (Continued)

b) Details of marketing expenses

	1 January - 30 June 2024	1 January - 30 June 2023
Employee benefit expenses	(11,166)	(9,269)
Advertisement expenses	(3,864)	(5,449)
Travelling expenses	(1,253)	(380)
Consultancy expenses	(423)	(435)
Other	(316)	(195)
	(17,022)	**(15,728)**

27. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the periods ended 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Foreign exchange gain from operating activities	1,186,236	3,512,389
Late fee income	141,335	168,364
Adjustments to financial assets (Note 11) (*)	120,747	-
Rent income	80,736	14,114
Reversal of unneccessary doubtful debt provision	55,683	119,976
Reversal of provision for lawsuits	8,036	10,762
Consultancy income	1,318	2,423
Other	245,633	56,273
	1,839,724	**3,884,301**

The details of other expense from operating activities for the periods ended 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Foreign exchange loss from operating activities	(2,044,705)	(6,004,422)
Adjustment to financial asset (Note 11) (*)	(2,953,076)	(3,257,126)
Other operating expenses related to highways and airport	(245,247)	(10,612)
Late fee expenses	(106,026)	(139,095)
Provision expense for doubtful receivables (Note 7)	(90,214)	(150,503)
Other	(196,217)	(371,985)
	(5,635,485)	**(9,933,743)**

(*) This amount refers to difference between actual toll income collection and estimated toll income collection in the amortised cost model defined with respect to the framework of IFRIC 12 ('Service concession arrangements') financial asset model.

28. FINANCE INCOME AND EXPENSES

a) Financial income

	1 January - 30 June 2024	1 January - 30 June 2023
Income from service concession arrangements	4,284,356	4,976,187
Income from derivative instruments	217,060	454,402
Foreign exchange gain from financial activities	212,827	794,024
Other financial income	68	89,603
	4,714,311	**6,314,216**

b) Financial expense

	1 January - 30 June 2024	1 January - 30 June 2023
Foreign exchange loss from financial activities	(2,712,180)	(9,796,210)
Interest expense on bank loans	(2,565,065)	(2,859,292)
Interest expenses to related parties	(80,898)	(42,257)
Interest expense on lease liabilities	(33,215)	(57,548)
Loss from derivative instruments	(3,143)	-
Other financial expense	(216,706)	(145,763)
	(5,611,207)	**(12,901,070)**

29. INCOME TAXES

Current tax asset liabilities:	30 June 2024	31 December 2023	31 December 2022
Current corporate tax provision	190,631	431,623	1,829,609
Less: prepaid taxes and funds	(111,789)	(243,817)	(154,814)
	78,842	**187,806**	**1,674,795**

Tax expense comprises of:	1 January - 30 June 2024	1 January - 30 June 2023
Corporate tax expense	190,631	199,732
Deferred tax expense relating to temporary differences	(127,559)	1,951,530
	63,072	**2,151,262**

29. INCOME TAXES (Continued)

Corporate tax

The Company and its subsidiaries located in Turkey is subject to Turkish corporate taxes. Corporate tax provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and deducting exempt income, non-taxable income and other incentives (previous years losses, if any, and investment incentives utilized, if preferred).

The effective tax rate in 2024 is 25% (30 June 2023: 20%). The effective tax rates of other countries are used for the calculation of corporate taxes at those countries.

Investment Incentives

The revoked phrase "only attributable to 2006, 2007 and 2008" stated in Provisional Article 69 of Income Tax Law No: 193 with the effect of Article 5 of Law No: 6009 after having published in the Official Gazette No: 27659 as at 1 August 2010 and the Constitutional Court's issued resolution no: 2009/144 published in the Official Gazette as at 8 January 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of undeductible and carry forward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period's income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation. The application had been canceled with the announcement mentioned at Law No:6009 as at 18 February 2012.

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

Tax rates used in the calculation of deferred tax assets and liabilities as of 30 June 2024 and 31 December 2023 are %25. Tax rate used in the calculation of deferred tax assets and liabilities as of 31 December 2022 is %20.

Group recognized TRY1,199,367 (31 December 2023: TRY4,859,255, 31 December 2022: TRY3,583,506) of deferred tax asset over carry forward tax losses.

According to the temporary Article 33 of the Tax Procedure Law, in the financial statements dated 30 June 2024, the tax effects arising from the inflation adjustment of corporate taxes are included in the deferred tax calculation as of 31 December 2023.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

29. INCOME TAXES (Continued)

	30 June 2024	31 December 2023	31 December 2022
Tax losses carried forward	1,199,367	4,859,255	3,583,506
Tax incentives	1,119,595	-	-
Depreciation/ amortization differences of property, plant and equipment and other intangible assets	(3,584,955)	(4,537,575)	(7,471,220)
Foreign exchange valuation	508,031	499,561	422,336
Service concession arrangements adjustment	2,571,453	338,950	(3,760,568)
Adjustments related to construction contracts	(333,754)	244,282	127,823
Derivative financial instruments	(40,046)	(21,797)	(208,562)
Other	154,491	100,756	21,904
	1,594,182	**1,483,432**	**(7,284,781)**

As of 30 June 2024, 31 December 2023 and 2022, the expiry dates of prior year losses for which deferred tax assets have not been recognised are as follows:

	30 June 2024	31 December 2023	31 December 2022
2023	-	-	2,407,468
2024	28,350	540,210	1,577,164
2025	67,264	646,238	2,865,678
2026	1,089,863	1,705,620	9,017,390
2027	1,322,031	1,656,877	3,847,011
2028	2,355,313	2,946,818	-
2029	130,199	-	-
	4,993,020	**7,495,763**	**19,714,711**

Movement of deferred tax assets / (liabilities) for the periods ended 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Opening balance	**1,483,432**	**(7,284,781)**
Tax expense/income recognized in OCI	28,292	111,407
Translation effect	(45,101)	(693,324)
Tax income recognized in profit or loss	127,559	(1,951,530)
Closing balance	**1,594,182**	**(9,818,228)**

29. INCOME TAXES (Continued)

Total charge for the year can be reconciled to the accounting profit as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Profit before tax	9,234,884	(6,693,575)
Domestic income tax rate (%)	25	20
Tax at the domestic income tax rate	(2,308,721)	1,338,715
Tax effects of		
- non-tax-deductible expenses	(572,845)	(896,765)
- income exempt from tax	806,943	113,157
- equity method accounting	311,110	(265,164)
- net effect of carry forward tax losses	(476,811)	840,169
- unused tax losses not accounted as deferred tax assets	(32,550)	(2,880,403)
- usage of tax losses not accounted as deferred tax assets	300,342	280,784
- consolidation adjustments exempt from tax	351,560	(297,898)
- effect of permanent differences	(4,411)	2,230,082
- monetary gain/loss	47,281	492,899
- currency impact on non-monetary items and other	1,515,030	(3,106,838)
	(63,072)	**(2,151,262)**

30. FINANCIAL INSTRUMENTS

a) Financial assets

Short-term financial assets	**30 June 2024**	**31 December 2023**	**31 December 2022**
Receivables from service concession arrangements	32,986,033	27,932,946	25,762,868
Foreign currency linked deposits	-	41,815	231,501
Restricted bank deposits	38	47	79
Other	287,912	252,767	15,417
	33,273,983	**28,227,575**	**26,009,865**

Long term financial assets	**30 June 2024**	**31 December 2023**	**31 December 2022**
Receivables from service concession arrangements	47,707,724	72,658,979	98,803,438
	47,707,724	**72,658,979**	**98,803,438**

30. FINANCIAL INSTRUMENTS (Continued)

b) Derivative financial instruments

	30 June 2024		31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Short term	276,297	658	312,302	74,137	374,204	412,672
Long term	313,165	473	281,150	1,804	505,274	3,009
	589,462	**1,131**	**593,452**	**75,941**	**879,478**	**415,681**

Currency Derivatives:

Group utilizes currency derivatives to hedge significant future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

Interest Derivatives (Cash Flow Hedges):

The Group is exposed to interest rate risk and manages the exposure of a certain part of the loan by entering into interest rate swap contracts.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency position

	30 June 2024				
	USD	EUR	RUB	Other	Total TRY Equivalent
Cash and cash equivalents	550	211	1,643	1,554,389	1,580,483
Trade receivables	118,799	28,589	-	5,351,882	10,255,888
Other receivables	47,213	12,874	5,067	1,391,763	3,395,764
Bank borrowings	(15,858)	(4,896)	-	-	(693,794)
Trade payables	(36,078)	(741)	-	(350,551)	(1,563,064)
Other payables	(1,055)	(579)	-	(184,959)	(240,029)
Lease liabilities	-	(333)	-	-	(11,719)
Net foreign currency position	**113,571**	**35,125**	**6,710**	**7,762,524**	**12,723,529**

	31 December 2023				
	USD	EUR	RUB	Other	Total TRY Equivalent
Cash and cash equivalents	77,807	1,250	530	595,596	3,650,974
Trade receivables	92,507	45,566	4,987	175,649	5,469,352
Other receivables	24,495	5,483	-	333,172	1,537,812
Bank borrowings	(561,063)	(102,245)	-	-	(24,801,057)
Trade payables	(160,273)	(11,839)	(129)	(184,663)	(6,608,089)
Other payables	(38,373)	(22,486)	(15)	(147,049)	(2,510,292)
Lease liabilities	-	(15,238)	-	-	(620,252)
Net foreign currency position	**(564,900)**	**(99,509)**	**5,373**	**772,705**	**(23,881,552)**

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency position (Continued)

	31 December 2022				
	USD	EUR	RUB	Other	Total TRY Equivalent
Cash and cash equivalents	163,952	28,017	254	49,425	7,550,376
Trade receivables	34,047	57,703	-	93,093	3,863,981
Other receivables	92,415	6,457	144,705	291,434	4,492,258
Bank borrowings	(609,343)	(175,763)	-	-	(30,673,848)
Trade payables	(186,474)	(12,047)	(34,738)	(762,178)	(9,258,936)
Other payables	(127,846)	(23,970)	(120,393)	(372,888)	(6,737,340)
Lease liabilities	-	(18,664)	-	-	(766,079)
Net foreign currency position	**(633,249)**	**(138,267)**	**(10,172)**	**(701,114)**	**(31,529,588)**

a) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies which give rise to foreign exchange exposure. This risk is managed by counterbalancing the foreign currency denominated assets and liabilities.

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and EUR.

The following table details the Group's sensitivity to a 20% (31 December 2023: 20%, 31 December 2022: 20%) increase and decrease in the USD and EUR exchange rates. 20% (31 December 2023: 20%, 2022: 20%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates (31 December 2023: 20%, 31 December 2022: 20%).

The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

	USD			EUR		
	30 June 2024	31 December 2023	31 December 2022	30 June 2024	31 December 2023	31 December 2022
Effect of change in exchange rate	744,995	(4,158,660)	(4,880,001)	246,694	(810,854)	(1,136,416)

	RUB			Other		
	30 June 2024	31 December 2023	31 December 2022	30 June 2024	31 December 2023	31 December 2022
Effect of change in exchange rate	512	437	(1,301)	1,552,505	192,767	(288,199)

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the equity balance.

The capital structure of the Group consists of debt, which includes the payables to Privatization Administration, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Board of Directors establishes the policies, procedures, parameters and rules for capital risk management and develops risk management strategies accordingly. The objective of the Group is to limit the exposure to various risks while ensuring that the Group has sufficiently using its capital to maximize net sales income.

The Group's overall strategy did not change significantly over the years.

The Group monitors capital on the basis of the dept/capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total payables (including financial, trade and other payables as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The dept/capital ratios at 30 June 2024, 31 December 2023 and 2022 are as follows:

	30 June 2024	31 December 2023	31 December 2022
Total debt	72,212,067	85,815,094	111,949,790
Less: Cash and cash equivalents	(11,812,946)	(9,016,458)	(13,288,553)
Net debt	**60,399,121**	**76,798,636**	**98,661,237**
Total equity	118,811,320	107,415,774	100,640,738
Total capital	**179,210,441**	**184,214,410**	**199,301,975**
Net debt/total capital (%)	**33.70**	**41.69**	**49.50**

c) Financial risk factors

The Group's activities expose it to a variety of financial risks: interest risk, credit risk, foreign exchange risk and liquidity risk. The Board identifies, and evaluates financial risks in close co-operation with the Group's operating units. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Furthermore, group uses financial derivatives to be protected from different financial risks.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
30 June 2024	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	6,346,807	14,533,256	10,573,316	701,205	10,377,302	589,462
- Secured portion of maximum credit risk guarantee or etc. (**)	-	2,015,683	-	-	-	-
A. Net book value of not due or not impaired financial assets	6,346,807	14,533,256	10,573,316	701,205	10,377,302	589,462
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	428,413	-	-	-	-
- Impairment (-)	-	(428,413)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(**) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management (Continued)

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
31 December 2023	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	5,601,061	15,193,510	3,200,076	1,181,069	8,113,483	593,452
- Secured portion of maximum credit risk guarantee or etc. (**)	-	1,703,617	-	-	-	-
A. Net book value of not due or not impaired financial assets	5,601,061	15,193,510	3,200,076	1,181,069	8,113,483	593,452
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	550,495	-	-	-	-
- Impairment (-)	-	(550,495)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(**) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management (Continued)

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
31 December 2022	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	4,283,094	16,207,959	4,795,547	1,154,786	12,941,204	879,478
- Secured portion of maximum credit risk guarantee or etc. (**)	-	1,336,115	-	-	-	-
A. Net book value of not due or not impaired financial assets	4,283,094	16,207,959	4,795,547	1,154,786	12,941,204	879,478
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	721,498	-	-	-	-
- Impairment (-)	-	(721,498)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(**) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

- Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

- Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data. The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available, estimate is made based on discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

	30 June 2024		31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Level 2						
- Derivative financial instruments	589,462	1,131	593,452	75,941	879,478	415,681
Level 3						
- HEPPs (*)	-	-	31,379,136	-	33,417,787	-
	589,462	**1,131**	**31,972,588**	**75,941**	**34,297,265**	**415,681**

(*) As at 31 December 2023 and 31 December 2022, the fair value of HEPPs belonging to the Group have been determined by using "the Income Capitilization Approach-Discounted Cash Flow Analysis method (Level 3).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 30 June 2024 is as follows:

30 June 2024		Total cash outflow	Less than			More than
		according to contract	3 months	3-12 months	1-5 years	5 years
Contractual Maturity Analysis	**Carrying value**	**(I+II+III+IV)**	**(I)**	**(II)**	**(III)**	**(IV)**
Non-derivative financial liabilities						
Bank loans	46,728,239	56,913,460	9,611,058	11,723,076	32,011,051	3,568,275
Lease liabilities	561,093	856,978	73,441	193,173	343,265	247,099
Trade payables	15,676,644	15,676,644	4,611,264	11,065,380	-	-
Other payables	6,587,681	6,603,852	2,826,430	2,285,406	1,488,312	3,704
Other liabilities	1,148,960	1,148,960	-	1,148,960	-	-
Total liabilities	**70,702,617**	**81,199,894**	**17,122,193**	**26,415,995**	**33,842,628**	**3,819,078**

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2023 is as follows:

31 December 2023		Total cash outflow	Less than			More than
		according to contract	3 months	3-12 months	1-5 years	5 years
Contractual Maturity Analysis	**Carrying value**	**(I+II+III+IV)**	**(I)**	**(II)**	**(III)**	**(IV)**
Non-derivative financial liabilities						
Bank loans	54,332,205	67,525,053	9,877,751	11,746,672	41,579,393	4,321,237
Lease liabilities	903,973	1,512,994	199,802	228,351	401,191	683,650
Trade payables	17,926,171	17,941,069	243,095	17,697,974	-	-
Other payables	10,259,305	10,259,305	-	5,584,310	4,674,995	-
Other liabilities	1,426,588	1,426,588	-	1,426,588	-	-
Total liabilities	**84,848,242**	**98,665,009**	**10,320,648**	**36,683,895**	**46,655,579**	**5,004,887**

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2022 is as follows:

31 December 2022		Total cash outflow	Less than			More than
		according to contract	3 months	3-12 months	1-5 years	5 years
Contractual Maturity Analysis	**Carrying value**	**(I+II+III+IV)**	**(I)**	**(II)**	**(III)**	**(IV)**
Non-derivative financial liabilities						
Bank loans	73,365,627	85,728,010	8,915,695	14,878,645	55,168,857	6,764,813
Lease liabilities	1,200,486	1,968,395	124,439	338,097	864,631	641,228
Trade payables	23,278,149	23,352,093	477,373	19,824,378	3,050,342	-
Other payables	8,826,473	8,826,473	-	5,132,278	3,694,195	-
Other liabilities	3,177,537	3,177,537	-	3,177,537	-	-
Total liabilities	**109,848,272**	**123,052,508**	**9,517,507**	**43,350,935**	**62,778,025**	**7,406,041**

32. EVENTS AFTER THE BALANCE SHEET DATE

1) Shares of Çeşme Marina owned by the Company is sold to IC Gayrimenkul Yatırımları A.Ş. on 1 November 2024 for amount of TRY1,007,959.

2) The 3rd Bridge fully received the payment for the guaranteed revenue of six months of 2024 on 30 July 2024 as TRY4,611,493 (USD139,950)

……..….

IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 AND INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 21 August 2024

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IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

ASSETS	Notes	Audited 31 December 2023	Audited 31 December 2022	Audited 31 December 2021
CURRENT ASSETS				
Cash and cash equivalents	5	7,228,491	10,653,428	4,723,817
Financial investments	30	236,204	198,017	145,210
Trade receivables	7	16,670,999	16,427,669	18,192,184
- Trade receivables from related parties	*6*	*4,490,368*	*3,433,755*	*2,679,718*
- Trade receivables from third parties	*7*	*12,180,631*	*12,993,914*	*15,512,466*
Inventories	*10*	2,309,459	1,426,117	1,081,981
Other receivables	8	2,888,216	1,959,373	1,392,784
- Other receivables from related parties	*6*	*2,276,679*	*1,474,929*	*309,891*
- Other receivables from third parties	*8*	*611,537*	*484,444*	*1,082,893*
Prepaid expenses	9	1,832,612	1,857,196	3,317,656
- Prepaid expenses from related parties	*6*	*47,376*	*255,464*	*500,308*
- Prepaid expenses from third parties	*9*	*1,785,236*	*1,601,732*	*2,817,348*
Derivatives	30	250,372	299,999	2,754,032
Contract assets	12	632,659	2,697,071	4,262,768
- Due from customers under construction contracts from related parties	*6*	*604,749*	*2,115,388*	*3,932,058*
- Due from customers under construction contracts from third parties	*12*	*27,910*	*581,683*	*330,710*
Receivables from service concession arragements	11	22,393,832	20,654,081	21,893,458
Current income tax assets	29	38,568	21,881	87,486
Other current assets	21	1,425,877	1,377,080	2,603,060
TOTAL CURRENT ASSETS		**55,907,289**	**57,571,912**	**60,454,436**
NON-CURRENT ASSETS				
Other receivables	8	624,145	2,811,007	1,198,906
- Other receivables from related parties	*6*	*288,820*	*2,369,659*	*677,033*
- Other receivables from third parties	*8*	*335,325*	*441,348*	*521,873*
Receivables from service concession arragements	11	58,250,675	79,210,677	114,509,842
Investments accounted using the equity method	4	12,917,865	3,011,527	1,716,057
Property, plant and equipment	13	29,831,665	28,851,999	18,994,243
Intangible assets	14	4,695,137	5,033,198	5,411,519
Goodwill	18	2,814,761	2,814,761	2,814,761
Right of use assets	15	1,281,862	1,364,021	920,726
Prepaid expenses	9	322,535	204,621	340,707
- Prepaid expenses from third parties		*322,535*	*204,621*	*340,707*
Derivatives	30	*225,398*	*405,078*	-
Contract assets		-	*77,028*	*28,777*
- Due from customers under construction contracts from third parties		-	*77,028*	*28,777*
Deferred tax assets	29	3,308,639	689,138	563,873
Other non-current assets	21	1,862,379	1,036,606	842,098
TOTAL NON-CURRENT ASSETS		**116,135,061**	**125,509,661**	**147,341,509**
TOTAL ASSETS		**172,042,350**	**183,081,573**	**207,795,945**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

LIABILITIES	Notes	Audited 31 December 2023	Audited 31 December 2022	Audited 31 December 2021
CURRENT LIABILITIES				
Short-term borrowings	16	1,812,387	1,552,229	12,572,543
Short-term portion of long-term borrowings	16	12,275,924	15,477,558	15,889,285
Short-term lease liabilities	17	362,199	347,204	190,699
Trade payables	7	14,371,404	16,216,625	12,338,917
- Trade payables to related parties	*6*	*2,632,011*	*5,541,103*	*1,775,374*
- Trade payables to third parties	*7*	*11,739,393*	*10,675,522*	*10,563,543*
Payables related to employee benefits		585,993	320,223	317,366
Derivatives	30	59,436	330,839	271,757
Contract liabilities	12	2,412,555	2,120,414	5,139,768
- Due to customers under construction from related parties	*6*	*138,287*	-	*64,230*
- Due to customers under construction from third parties	*12*	*2,274,268*	*2,120,414*	*5,075,538*
Deferred revenue	9	6,938,956	1,295,428	5,421,972
- Deferred revenue to related parties	*6*	*4,480,689*	*554,949*	*4,392,502*
- Deferred revenue to third parties	*9*	*2,458,267*	*740,479*	*1,029,470*
Other payables	8	4,476,939	4,114,545	6,192,632
- Other payables to related parties	*6*	*1,560,463*	*460,316*	*2,138,774*
- Other payables to third parties	*8*	*2,916,476*	*3,654,229*	*4,053,858*
Short-term provision	19	870,628	290,879	372,983
- Short-term provision for employee benefits		*102,607*	*68,352*	*56,340*
- Other short-term provision		*768,021*	*222,527*	*316,643*
Corporate tax payable	29	189,132	1,364,563	237,951
Other current liabilities	21	1,143,695	2,547,430	693,256
TOTAL CURRENT LIABILITIES		**45,499,248**	**45,977,937**	**59,639,129**
NON-CURRENT LIABILITIES				
Long-term borrowings	16	29,469,796	41,787,407	60,261,908
Long-term lease liabilities	17	362,516	615,225	688,454
Trade payables	7	-	2,445,458	3,730,747
- Trade payables to third parties		-	*2,445,458*	*3,730,747*
Derivatives	30	1,446	2,412	382,195
Long-term provisions	19	2,362,110	268,731	176,834
- Provision for employment benefits		*292,710*	*268,731*	*176,834*
- Other long-term provisions		*2,069,400*	-	-
Other payables	8	3,747,942	2,961,635	5,805,875
- Other payables to related parties	*6*	*3,552,642*	*2,783,756*	*4,450,672*
- Other payables to third parties	*8*	*195,300*	*177,879*	*1,355,203*
Deferred revenue	9	2,364,739	1,809,783	2,785,272
- Deferred revenue to related parties	*6*	*323,255*	*486,879*	*781,714*
- Deferred revenue to third parties	*9*	*2,041,484*	*1,322,904*	*2,003,558*
Deferred tax liabilities	29	2,119,372	6,529,344	23,691,882
TOTAL NON-CURRENT LIABILITIES		**40,427,921**	**56,419,995**	**97,523,167**
TOTAL LIABILITIES		**85,927,169**	**102,397,932**	**157,162,296**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022	Audited 31 December 2021
EQUITY				
Equity attributable to owners of the company		**74,099,623**	**71,774,886**	**53,530,293**
Share capital	22	112,172	112,172	27,000
Share capital adjustments	22	397,362	397,362	331,263
Treasury shares	22	(6,690,885)	-	-
Other comprehensive income and expenses				
that will not be reclassified to profit or loss		2,996,994	3,169,379	-
- Gains on revaluation of property, plant and equipment		*3,106,422*	*3,215,687*	-
- Accumulated loss on remeasurement				
of defined benefit plans		*(109,428)*	*(46,308)*	-
Other comprehensive income or expenses that will				
be reclassified to profit or loss		39,035,408	41,946,213	44,084,595
- Other comprehensive income shares of investments				
accounted using the equity method		*32,238*	*110,573*	*343,459*
- Currency translation reserves		*38,930,252*	*41,617,997*	*44,071,437*
- Hedging reserves		*72,918*	*217,643*	*(330,301)*
Legal reserves	22	69,556	69,556	69,556
Retained earnings		28,896,996	9,296,805	9,017,879
Net profit for the period		9,282,020	16,783,399	-
Non-controlling Interests		**12,015,558**	**8,908,755**	**(2,896,644)**
TOTAL EQUITY		**86,115,181**	**80,683,641**	**50,633,649**
TOTAL LIABILITIES AND EQUITY		**172,042,350**	**183,081,573**	**207,795,945**

The accompanying notes form an integral part of these consolidated financial statements.

IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

PROFIT OR LOSS	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Revenue	23	63,170,229	63,519,467
Cost of sales (-)	24	(54,678,306)	(52,094,261)
Gross profit		**8,491,923**	**11,425,206**
Marketing expenses (-)	26	(24,042)	(23,648)
General administrative expenses (-)	26	(2,325,700)	(1,941,280)
Other income from operating activities	27	6,117,502	7,692,725
Other expenses from operating activities (-)	27	(15,224,343)	(15,356,219)
Operating profit		**(2,964,660)**	**1,796,784**
Income from investing activities	25	1,029,691	445,113
Expense from investing activities (-)	25	(120,166)	(64,795)
Share on profit of investments accounted for using the equity method	4	10,067,524	1,147,908
OPERATING PROFIT BEFORE FINANCE EXPENSE		**8,012,389**	**3,325,010**
Financial income	28	8,491,006	10,329,147
Financial expenses (-)	28	(14,972,795)	(17,305,289)
Net monetary gains		11,431,548	12,525,279
PROFIT BEFORE TAX		**12,962,148**	**8,874,147**
Tax expenses	**29**	**6,855,636**	**13,420,238**
Income tax expense	29	(346,032)	(1,466,797)
Deferred tax income	29	7,201,668	14,887,035
PROFIT FOR THE PERIOD		**19,817,784**	**22,294,385**
Profit for the Period Attributable to:			
Owners of the company		9,282,020	16,783,399
Non-controlling interests		10,535,764	5,510,986
OTHER COMPREHENSIVE INCOME		**(4,157,293)**	**7,318,873**
Items that may be reclassified in profit or loss:			
Change in currency translation difference		(2,678,708)	(2,490,243)
Change in fair value of cash flow hedges		(377,121)	1,159,867
Other comprehensive income shares of investments accounted using the equity method		(161,187)	147,562
Taxes related to items that may be reclassified in profit or loss:			
Change in fair value of cash flow hedges		68,984	(231,973)
Items that may not be reclassified in profit or loss:			
Gains on revaluation of property, plant and equipment		(544,493)	10,992,175
Remeasurement of defined benefit obligation		(97,387)	(75,100)
Taxes related to items that may not be reclassified in profit or loss:			
Gains on revaluation of property, plant and equipment		(394,416)	(2,198,435)
Remeasurement of defined benefit obligation		27,035	15,020
Total comprehensive income:		**15,660,491**	**29,613,258**
Total comprehensive income attributable to:			
Owners of the company		5,912,963	17,828,662
Non-controlling interest		9,747,528	11,784,596

The accompanying notes form an integral part of these consolidated financial statements.

IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

				Accumulated other comprehensive income or expenses that will be reclassified to profit or loss			Accumulated other comprehensive income or expenses that will not be reclassified to profit or loss							
	Share capital	Share capital adjustments	Treasury shares	Currency translation reserves	Other comprehensive income shares of investments accounted using the equity method	Hedging reserves	Gains on revaluation of property, plant and equipment	Accumulated gain/(loss) on remeasurement of defined benefit plans	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to owners of the company	Non-controlling interest	Total
Balances at 1 January 2022	**27,000**	**331,263**	**-**	**44,071,437**	**343,459**	**(330,301)**	**-**	**-**	**69,556**	**9,017,879**	**-**	**53,530,293**	**(2,896,644)**	**50,633,649**
Total comprehensive income	-	-	-	(2,453,440)	(232,886)	562,210	3,215,687	(46,308)	-	-	16,783,399	17,828,662	11,784,596	29,613,258
Capital increase in subsidiaries (*)	85,172	66,099	-	-	-	-	-	-	-	-	-	151,271	6,178	157,449
Transactions with non-controlling interest (**)	-	-	-	-	-	(14,266)	-	-	-	278,926	-	264,660	14,625	279,285
Balance as of 31 December 2022	**112,172**	**397,362**	**-**	**41,617,997**	**110,573**	**217,643**	**-**	**3,215,687**	**(46,308)**	**69,556**	**9,296,805**	**16,783,399**	**71,774,886**	**8,908,755**	**80,683,641**
Balances at 1 January 2023	**112,172**	**397,362**	**-**	**41,617,997**	**110,573**	**217,643**	**3,215,687**	**(46,308)**	**69,556**	**9,296,805**	**16,783,399**	**71,774,886**	**8,908,755**	**80,683,641**
Transfer	-	-	-	-	-	-	(391,058)	-	-	17,174,457	(16,783,399)	-	-	-
Total comprehensive income	-	-	-	(2,687,738)	(127,475)	(142,341)	(348,383)	(63,120)	-	-	9,282,020	5,912,963	9,747,528	15,660,491
Capital increase/(decrease) in subsidiaries (***)	-	-	(6,690,885)	-	-	-	-	-	-	-	-	(6,690,885)	617,687	(6,073,198)
Transactions with non-controlling interest (****)	-	-	-	(7)	49,140	(2,384)	630,176	-	-	2,425,734	-	3,102,659	(7,258,412)	(4,155,753)
Balance as of 31 December 2023	**112,172**	**397,362**	**(6,690,885)**	**38,930,252**	**32,238**	**72,918**	**3,106,422**	**(109,428)**	**69,556**	**28,896,996**	**9,282,020**	**74,099,623**	**12,015,558**	**86,115,181**

(*) TRY6,178 of the amount is related to the capital increase received by İçtaş Güneş Enerji A.Ş.

(**) The European Bank for Reconstruction and Development ("EBRD") shares on IC Enterra Yenilenebilir Enerji A.Ş. was acquired by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş as of 28 February 2022

(***) The Company purchased 9% of the Company's shares from IC Holding for TRY6,690,885 and accounted as tresuary shares. TRY613,993 of the non-controlling interest amount is related to the capital increase received by IC İçtaş Enerji Yatirim Holding A.Ş.

(****) On 31 Augut 2023 the Company bought 9% of shares of IC İçtaş Enerji Yatirim Holding A.Ş. for TRY4,155,753.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
A. Cash flows from operating activities		**25,110,209**	**31,417,325**
Profit for the year		19,817,784	22,294,385
Adjustments related to reconciliation of loss for the year		**5,292,425**	**9,122,940**
Income tax expense from continuing operations	29	(6,855,636)	(13,420,238)
Adjustments related to financial expenses	25, 28	4,390,525	5,475,718
Adjustments related to interest income		(937,477)	(379,441)
Adjustments related to interest income from service concession arrangements	11	(8,371,791)	(11,128,942)
Adjustments related to financial assets	11	4,485,042	7,985,401
Collections due to service concession arrangements	11	20,250,885	22,463,019
Investments for service concession arrangements		(1,850,832)	(948,590)
Unrealised foreign exchange losses on financial liabilities	16, 17	10,127,514	9,707,808
Other adjustments related to receivables from service concession agreements		(4,557,910)	(2,205,369)
Adjustmens related to changes in financial assets		(38,187)	(52,807)
Adjustments related to increase in inventories		(883,342)	(344,136)
Adjustments related to decrease in trade receivables		882,608	636,649
Adjustments related to increase in other receivables and assets related with operations		290,119	354,187
Adjustments related to increase in contract assets and liabilities		3,293,973	4,302,157
Adjustments related to increase in trade payables		(4,290,679)	2,592,419
Adjustments related to decrease/(increase) in other payables and liabilities related with operations		6,209,220	(7,716,192)
Adjustments related to amortization and depreciation expenses	13, 14, 15	2,185,750	1,471,310
Adjustments related to impairments		(69,387)	(98,277)
Adjustments related to provisions		2,331,607	133,506
Adjustments related to share on profit of investments accounted for using the equity method	4	(10,067,524)	(1,147,908)
Adjustments related to fair value gains and losses from derivative instruments		(1,314,359)	3,150,548
Loss from sale of property, plant and equipments	25	40,802	1,980
Adjustments related to monetary gains		(8,353,801)	(11,408,333)
Taxes paid		(1,538,150)	(274,580)
Retirement obligation payments		(66,545)	(26,949)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
B. Cash flows from investing activities:		**(6,483,051)**	**210,111**
Proceeds from sale of property, plant and equipment		123,831	568,387
Proceeds from sale of intangible assets		-	3,528
Payments for property, plant and equipment	13	(3,298,471)	(530,722)
Payments for intangible assets	14	(32,529)	(33,143)
Interest received		879,871	373,913
Paymets for acquisiton of shares of subsidiary		(4,155,753)	(171,852)
C. Cash flows from financing activities		**(19,981,788)**	**(21,203,565)**
Proceeds from borrowings	16	2,988,233	8,658,574
Payments for borrowings	16	(14,726,466)	(23,666,345)
Payments for financial lease agreements	17	(373,798)	(255,760)
Interest paid		(2,690,735)	(5,835,056)
Capital increase		617,687	157,449
Proceeds from derivative instruments		895,740	26,833
Payments for derivative instruments		(1,564)	(289,260)
Payments for Company's acqusition of own interest		(6,690,885)	-
D. Effect of foreign currency translation on cash and cash equivalents		**(106,472)**	**(342,581)**
E. Effect of inflation on cash and cash equivalents		**(2,021,441)**	**(4,157,207)**
F. Net increase in cash and cash equivalents (A+B+C+D+E)		**(3,482,543)**	**5,924,083**
G. Cash and cash equivalents at the beginning of the year	**5**	**10,647,771**	**4,723,688**
Cash and cash equivalents at the end of the year (F+G)	**5**	**7,165,228**	**10,647,771**

The accompanying notes form an integral part of these consolidated financial statements.

1. ORGANIZATION AND OPERATIONS OF THE GROUP

IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. ("the Company" or "İçtaş İnşaat") was established as İbrahim Çeçen Company in 1969 which was changed as İçtaş İbrahim Çeçen İnşaat Sanayi Ticaret A.Ş. in 1980. In 2004, name of the Company has become IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.. The Company's field of activity comprises housing, business centers, public buildings, hotels, health facilities, schools, military buildings and camps, power plants, turn-key industrial buildings, roads, bridges, seaports, airports, potable water facilities, waste water treatment plants, irrigation system constructions with superstructure-infrastructure rehabilitation and renovation works. The head office of the Company is located in İstanbul.

The Company together with its subsidiaries is referred to as "Group".

Group's ultimate controlling party is Çeçen family.

As of 31 December 2023, the operations of the entities included in consolidation are summarized below:

Treysan Prefabrik Çelik Yapılar Sanayi ve Ticaret A. Ş. ("Treysan")

Treysan, was established in 1975 in Ankara. Treysan is serving the companies in oil/gas sector, construction companies, military organizations, armies and relief organizations by providing temporary and permanent prefabricated camp solutions.

ICA İçtaş Altyapı Yavuz Sultan Selim Köprüsü ve Kuzey Çevre Otoyolu Yatırım ve İşletme A.Ş. ("Üçüncü Köprü İşletme or 3rd Bridge")

Üçüncü Köprü İşletme has been established on 16 May 2013. The main operations of 3. Bridge are, the operating and maintaining of "3rd Bosphorus Bridge and Motorways between Odayeri-Paşaköy". At the end of the concession period, bridge and highway will be transfered to the state within the Build-Operate-Transfer model. The operations of the bridge and motorways started on 26 August 2016.

Üçüncü Köprü İşletme has received a Change Order in order to design, finance, construct and operate Kilyos Tunnel as a connection from the existing Çayırbaşı Tunnel to Uskumruköy Junction. The Implementation Contract was amended in accordance with the aforementioned Change Order, and the operation period has been extended for 398 days as per Article 12 of the Implementation Contract as per the cost of the said Change Order. Üçüncü Köprü İşletme has contractual liability against to KGM in order to complete the project. The tunnel construction started in 2023, and the project is carried out by İçtaş İnşaat, according to the contract, construction will be completed in 48 months.

IC İçtaş Sakarya Karasu Limanı Yatırım ve İşletme A.Ş. ("Karasu Limanı")

Karasu Limanı was established on 2011 in order to operate with Build-Operate-Transfer model which will be transfered to the state. Contract time is 19 years 2 months in total as 1 year 6 months for investing and 17 years 8 months for operating. Construction process started in 2015 and completed in 2017.

IC İçtaş Zafer Uluslararası Havalimanı Yatırım ve İşletme A.Ş. ("IC Zafer")

IC Zafer was established on 26 January 2011 in order to construct Zafer International Airport and maintain the operating activities of the airport for 32 years 11 months. The airport started to operate in 2012.

IC Çeşme Marina Yatırım A.Ş. ("Çeşme Marina")

IC Çeşme Marina Yatırım A.Ş. was established to build and operate yacth port of Çeşme. The other main shareholder of IC Çeşme Marina is Maris Marine Limited with 26% shares. The operation duration is 49 years according to the agreement.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

İçtaş İşletme ve Ticaret A.Ş. ("İçtaş İşletme")

İçtaş İşletme was established on 7 December 2011 in order to participate in the privatization bid of Trakya Elektrik Dağıtım A.Ş. ("Tredaş"). The share purchase agreement was signed on 30 December 2011 and İçtaş İşletme took over 100% of the Tredaş shares for a consideration of USD575,000,000. Tredaş and Trakya Elektrik Parekende A.Ş. ("Trepaş") which was established with a partial split, operates in Edirne, Tekirdağ and Kırklareli and providers electricity distribution service more than 1.5 million consumers.

IC İçtaş Enerji Yatırım Holding A.Ş. ("IC Enerji Yatırım")

The main activity of the IC Enerji Yatırım is the establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer. In 2014 the Company took over all shares of IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş. In addition, the main operation of the Company is the wholesale and direct sale of the electric energy and/or capacity to eligible customers and exporting and importing activities of it within the scope of provisions of the "Wholesale License" under the Electricity Market Licensing Regulation published by the Energy Market Regulatory Authority ("EMRA"). On 29 April 2020, İçtaş Mühendislik ve Yapı A.Ş. and IC Enerji Yatırım were merged under IC Enerji Yatırım.

IC Enterra Yenilenebilir Enerji A.Ş. ("IC Enterra")

IC Enterra Yenilenebilir Enerji A.Ş. was established on 13 March 2019. The main activity of IC Enterra is the establishment, commissioning, leasing, production of electricity and sale of generated electricity.

İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş. ("İçtaş Yenilenebilir")

İçtaş Enerji Üretim ve Ticaret A.Ş. was established on 2 February 1998. In May 2007, AES Corporation (AES) has acquired 51% shares of İçtaş Enerji Üretim and Ticaret A.Ş. As a result of the aquistion the name of the Company had changed to AES-IC İçtaş Enerji Üretim ve Ticaret A.Ş. ("AES-IC"). On 3 October 2012 the Company took over the shares owned by AES Enerji Limited in AES-IC. The registered name of IC İçtaş Enerji Üretim ve Ticaret A.Ş. has been changed as IC İçtaş Hidroelektrik ve Termik Enerji Üretim ve Ticaret A.Ş with the Trade Registry Gazette of 30 June 2015. The registered name of IC İçtaş Hidroelektrik ve Termik Enerji Üretim ve Ticaret A.Ş has been changed to İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş. with the Trade Registry Gazette of 5 March 2018. İçtaş Yenilenebilir deals with electricity generation. İçtaş Yenilenebilir owns 97.42% (31 December 2022: 97.42%) of Trabzon Enerji.

Trabzon Enerji Üretim ve Ticaret A.Ş. ("Trabzon Enerji")

Trabzon Enerji Üretim ve Ticaret A.Ş. was established on 8 February 2005 in Trabzon. The main activity of Trabzon Enerji Üretim ve Ticaret A.Ş. is that establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

İkisu Enerji Üretim ve Ticaret A.Ş. ("İkisu Enerji")

İkisu was established on 2 August 2013 in Ankara. The main activity of İkisu is that establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer.

As at 22 July 2022 the Company is liquidated and ceased its operations.

Güneş Enerji Üretim ve Ticaret A.Ş. ("Güneş Enerji")

IC İçtaş Güneş Enerji ve Ticaret A.Ş. was established on 21 July 2022 in Ankara. The Company is carrying out the establishment, operation and rental activities of the electricity generation plant, generation of the electricity and the sales of the generated electricity and/or its capacity to the customers.

IC İçmak İnşaat Makina Ticaret ve Lojistik A.Ş. ("IC İçmak")

IC İçmak was established in 1987 in Ankara. The main activity of the company comprises of purchase, sale, import and export of machine and equipment.

IC İçtaş Saudi Arabia Company ("İçtaş Arabia")

IC Içtaş Saudi Arabia Company (" the Company") is a limited liability company registered in Kingdom of Saudi Arabia. The Company is wholly owned by IC Içtaş Inşaat Sanayi ve Ticaret A.Ş. The objective of the Company is construction of buildings and road works in accordance with Saudi Arabian General Investment Authority ("SAGIA"). As of 30 June 2023, the Company has participation in an unincorporated joint arrangement, RTCC-IC Ictas Joint Venture, with a participation share of 50% (31 December 2022: 50% participation share).

IC İçtaş US INC. ("İçtaş USA")

IC İçtaş US Inc is the company formed pursuant to a Joint Venture Agreement signed with Tishman Realty & Construction Company for the construction of Turkish Cultural Center, in New York. It was completed at the end of 2021.

IC İçtaş Köprü ve Üst Yapı İnş. A.Ş. ("ICA – WHSD")

IC İçtaş Köprü ve Üst Yapı İnş. A.Ş. ("ICA-WHSD") was established on 21 October 2011 in Ankara in order to construct middle part of the West Highway of St. Petersburg, Russia. The highway was opened on 2 December 2016. The company completed its project and it does not have an ongoing project.

IC Içtaş Otoyol İnş. San. Tic.A.Ş. ("ICA-M11")

Ic Içtaş Otoyol İnş. San. Tic.A.Ş. ("ICA-M11") was established on July 2015 in order to construct Russia's Moscow-St. Petersburg highway project section 7&8. Under the Project that will be constructed as EPC; construction of a 140 km of 2x3- and 2x4-lane motorway, 18 bridges, 46 viaducts and 1 tunnel is scheduled and it was completed in October 2019. The company currently does not have an ongoing project.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

IC İçtaş Nükleer ve Endüstriyel Tesisler Yapim A.Ş. ("IC - Nükleer")

The main activity of the Company is the construction project of T-26 tunnel project. T-26 tunnel is the tunnel on the Ankara-İstanbul high speed rail line between Bozüyük and Bilecik. The tunnel is expected to save 14 minutes of time of the high speed trains on the line.

In addition to the construction work of the T26 Tunnel, the Company has been working as the main subcontractor in the Akkuyu Nuclear Power Plant Construction Project since October 2022. The completion year of the project is planned as 2027.

İçtaş Russia LLC ("İçtaş Russia LLC")

The company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. on May 2019. The company's main field of activity is highway constructions and was established to enter tenders in Russia.

IC İçtaş Ağır Endüstriyel Tesisler ve Enerji Tesisleri İmalatları Yapım Anonim Şirketi ("İçtaş Ağır Endüstriyel")

This company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. on December 2020. The company's main field of activity is the manufacture of steel/iron tubes, pipes, hollow profiles and related fittings.

IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş. ("İçtaş Uluslararası")

IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş. was established in 2012 to carry out international construction activities. The Company, was a partner of the consortium in Bulgaria between 2011 and 2014 that deals with the construction work of Burgas Airport. The Company does not have an ongoing project.

IC İçtaş Havacılık A.Ş. ('İçtaş Havacılık')

Established on 9 March 2021, it provides services on air passenger transportation (touristy, sightseeing and non-scheduled ones) (including air taxi transportation) from and to the Istanbul region.

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. ("İçtaş Altyapı Bakım")

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. (former IC İçtaş Egis Otoyol İşletme A.Ş.) was established by IC İçtaş Altyapı Yatırımları ve İşletme A.Ş. and EGIS Road Operation SA ("EGIS")on 16 June 2016. Based on the Agreement made between the Company and IC Altyapı İşletme ve Ticaret A.Ş. ("IC Altyapı İşletme") on 25 August 2016, the Company has undertaken all operation and maintenance ("O&M") services relating to operation, repair and maintenance of the Northern Marmara Motorway (including the Third Bosphorus Bridge) Odayeri - Paşaköy Section on behalf of IC Altyapı İşletme. The Company was jointly controlled by IC Altyapı İşletme and EGIS until 19 November 2021. Due to the purchase of the shares of EGIS on 19 November 2021, İçtaş Altyapı Bakım became a subsidiary of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. with 100% direct share.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

IC İçtaş Madencilik ve Ticaret A.Ş. ("İçtaş Madencilik")

IC İçtaş Madencilik ve Ticaret A.Ş. ("İçtaş Madencilik") was established on 19 September 2023 in Ankara. The main business activity of the company is to engage in the exploration, production, processing, export, and import of any kind of minerals recognized as such by national and international regulations, and not limited to, but including, their trade. The company operates in both domestic and international mining activities, obtaining all necessary permits, licenses, and privileges related to these activities. It is involved in leasing, subleasing, acquiring, and transferring such rights. The company also establishes various facilities related to its mining operations and sells the products obtained from these activities domestically and internationally.

Troia Wind S.R.L ("Troia Wind")

Troia Wind was incorporated at 21 September 2023 in Merano (BZ) Italy. The Corporate Purpose of Troia Wind Srl. is the production, marketing and sale of electricity generating from renewable sources. IC İçtaş Enerji Yatırım Holding A.Ş. has acquired 51% of the shares of Troia Wind S.r.l at 27 October 2023. IC İçtaş Enerji Yatırım Holding A.Ş. transferred its shares (51% shares of Troia Wind S.r.l.) to IC Enterra Yenilenebilir Enerji A.Ş. at 11 June 2024.

Bovino Wind S.R.L ("Bovino Wind")

Bovino Wind was incorporated at 21 September 2023 in Merano (BZ) Italy. The Corporate Purpose of Bovino Wind Srl. is the production, marketing and sale of electricity generating from renewable sources. IC İçtaş Enerji Yatırım Holding A.Ş. has acquired 51% of the shares of Bovino Wind S.r.l at 27 October 2023.

İstanbul Lojistikpark Depo Kiralama Hizmetleri Anonim Şirketi ("İstanbul Lojistikpark")

İstanbul Lojistikpark was incorporated on 10 November 2023. The main activity of İstanbul Lojistikpark is to establish, operate, rent or lease all kinds of logistics facilities, purchase, sell, import and export the necessary vehicles and all kinds of materials, to provide logistics support and consultancy services.

Joint Operations

IC Limak Adi Ortaklığı ("IC-Limak Adi Ortaklığı")

IC-Limak AO was formed as an ordinary partnership of Limak İnşaat Sanayi ve Ticaret A.Ş. ("Limak") and IC İçtaş Enerji Yatırım Holding A.Ş. ("IC Enerji Yatırım") under the laws of Turkey. The entity is jointly controlled by Limak and the IC Enerji Yatırım. IC-Limak AO mainly carries out renewal, renovation, improvement, repair and maintenance work and management of strip mining activities of Yeniköy and Kemerköy coal fired power plants, jointly controlled by the same groups.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Operations (Continued)

IC İçtaş TSM Adi Ortaklığı ("IC TSM AO")

This joint venture was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. and TSM Enerji İnşaat Sanayi Ltd. Şti on July 2020. The object of the Ordinary Partnership is, under the Engineering, Procurement & Construction of the Power Units 1, 2, 3, 4 of the Akkuyu Nuclear Power Plant, to rent, make available to use or benefit whether or not in exchange of a fee, to sell any equipment and material to EPC Contractor or other third parties to be determined by the Parties, and to execute the all other works that will be overtaken by the joint agreement of the Parties.

China CAMC Engineering CO LDT-IC İçtaş İnşaat A.Ş. ("China CAMC IC İçtaş")

The company was established in 2019 and 99.99% owned by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. The objective of the joint operation is construction of 26 new wells to expand the gas storage area for Tuz Gölü Underground Natural Gas Storage Facility Expansion Project ("the Project"). The project volume is 1.2 billion USD and it is expected to be completed in 2024.

İçtaş Kalyon Astaldi İzmir Otoyol Yapım Adi Ortalığı ("İKA AO")

İçtaş Kalyon Astaldi İzmir Otoyol Yapım Adi Ortalığı started operations on 3 April 2017. The main activity of the joint operation is construction of İzmir Menemen-Aliağa-Çandarlı highway project. The company is no longer in operation and all of its activities and operations have ceased in 2022.

Cengiz IC İçtaş Belen Adi Ortaklığı ("CİB AO")

Cengiz IC İçtaş Belen Adi Ortaklığı was established in 2007. The main activity of the joint operation is construction, maintenance and repair of Ankara-İstanbul high speed railway.

Cengiz IC İçtaş Belen T26 Adi Ortaklığı ("CİB-T26 AO")

Cengiz IC İçtaş Belen Adi Ortaklığı was established in 2017. The main activity of the joint operation is to repair the deformations occurring in T26 tunnel and to remove the TBM machine stuck from the tunnel.

Makyol İçtaş Kalyon Astaldi Adi Ortaklığı ("MİKA AO")

The main activity of this joint operation is to construct Kirazlı-Halkalı Metro Line. However, it is not operational as of reporting date.

RTCC - IC İçtaş Joint Venture ("RTCC-IC")

RTCC-Ic Ictas Joint Venture is an unincorporated joint venture (the "Joint Venture" or "UJV"), formed pursuant to a Joint Venture Agreement (the "Agreement") between Al Rashid Trading & Contracting Company and Ic İçtaş Saudi Arabia LLC (collectively "Co-venturers") on 28 February 2017. King Khalid International Airport expansion project (the "Project") was assigned by the General Authority of Civil Aviation to the Co-venturers and covers the development of terminals 1, 2, 3 and 4 of King Khalid International Airport.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Operations (Continued)

SCI Adi Ortaklığı ("SCI AO")

This joint operation was established by Salini Impregilo SPA Turkey Branch, CCN Altyapı Yatırımları ve İnşaat A.Ş., and IC İçtaş İnşaat Sanayi and Ticaret A.Ş on September 2019. The company's main field of activity is the construction of Gaziantep Şehir Hastanesi which is completed in 2023.

MİA Adi Ortaklığı ("MİA AO")

This joint operation was established by Makyol İnşaat ve Ticaret A.Ş., İçtaş İnşaat Sanayi ve Ticaret A.Ş., and Astur İnşaat Sanayi ve Ticaret A.Ş on August 2017. The company's main field of activity is the construction of the 3rd stage of the M7: Kabataş-Mahmutbey metro line. In 2022, the project is transferred to İçtaş İnşaat Sanayi ve Ticaret A.Ş. and continues as of reporting date.

CRCC-CMC-Cengiz-IC İçtaş Hızlı Tren Adi Ortaklığı ("CCCI Hızlı Tren AO")

This joint venture was established by China Railway Construction Corporation (CRCC), IC İçtaş İnşaat Sanayi ve Ticaret A.Ş., Cengiz İnşaat Sanayi ve Ticaret A.Ş., and China National Machinery Import & Export Corp. (CMC) on December 2008. The company's main field of activity is engineering and consultancy activities for transportation projects.

Joint Ventures

Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. ("Yeniköy-Kemerköy")

The main activity of Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. is generation of the electricity and the sales of generated electricty. The Company was established on 8 October 2014. The Company was established by Limak Yatırım Enerji Üretim İşletme Hizmetleri, İnşaat A.Ş. and IC İçtaş Enerji Yatırım Holding A.Ş. with equal shares.

Kemerköy Liman Hizmetleri A.Ş. ("Kemerköy Liman")

The main operation of Kemerköy Liman Hizmetleri A.Ş. is harbor management. The Company was established on 8 October 2014 by Limak Yatırım Enerji Üretim İşletme Hizmetleri and İnşaat A.Ş. and IC İçtaş Enerji Yatırım Holding A.Ş with equal rates.

Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ("Muğla Yapı")

The main activity of Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş. is production of construction materials. Shares of İçtaş Mühendislik ve Yapı A.Ş. is transferred to IC İçtaş Enerji Yatırım Holding A.Ş. on November 2018.

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. ("İKA Otoyol İşletme")

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. was established on 3 April 2017. The main operation of İKA is the operations and maintaining of "İzmir Menemen-Aliağa-Çandarlı highway". The project involves construction of 88 km of 2x2 and 2x2 lane motorway, 11 bridges, 10 viaducts.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Ventures (Continued)

Titan2 IC İçtaş İnşaat A.Ş. ("Titan2 IC İçtaş")

Titan2 IC İçtaş İnşaat A.Ş. was established in 2019. The main activity of the company is design, construction of the main part of the nuclear power plant facilities and supply of equipment for Akkuyu Nuclear Power Plant project ("the Project") in Mersin. The project started with the mobilization as of May 2019 and it is expected to be fully completed in 2028.

Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi ("Akkuyutst")

Akkuyutst was established on 28 January 2019 in Mersin. The main activity of the Company is production of concrete to be used in Akkuyu Nuclear Power Plant project in Mersin.

İçtur Servis Limited Şirketi ("İçtur Servis")

This company was established by IC İçmak Makina İnşaat ve Lojistik Anonim Şirketi and Titan - Servis Limited Şirketi on August 2020. The company's main field of activity is to provide provision for food, cleaning and accommodation services.

IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş. ("İçtaş Endüstriyel")

This company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş on June 2020. The company's main field of activity is the manufacture of steel/iron tubes, pipes, hollow profiles and related fittings.

2.1 Basis of the Presentation

The Company and its subsidiaries or joint ventures in Turkey maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with Statements of IFRS.

Financial reporting in hyperinflationary economies

Since the beginning of 2021, inflation in Turkey has increased significantly. With the cumulative effect of increase in inflation in recent three years, it has become necessary for entities operating in Turkey to apply International Accounting Standards ("IAS") 29 - Financial Reporting in Hyperinflationary Economies for accounting periods ending on or after 30 June 2022.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of the Presentation (Continued)

Financial reporting in hyperinflationary economies (Continued)

Adjustments have been made in accordance with the terms of IAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the changes in the general purchasing power of the Turkish Lira as of 31 December 2023. The terms of IAS 29 require that financial statements prepared in the currency in the economy with hyperinflation should be expressed the terms of the measurement unit valid at the balance sheet date and the amounts in previous periods should be arranged in the same way. One of the requirements for the application of IAS 29 is a three-year compound inflation rate approaching or exceeding 100%. Coefficient obtained from Consumer Price Index in Turkey published by TUIK (Turkish Statistical Institue).

	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Index	1,859.38	1,128.45	686.95	504.81
Adjustment coefficient	1.00000	1.64773	2.70672	3.68333
Three-year compound inflation rate	268%	156%	74%	54%

The following is a summary of the main items for the above-mentioned adjustments:

- Monetary assets and liabilities are not adjusted as they are presented in the current purchasing power as of the balance sheet date.

- Non-monetary assets and liabilities are restated in terms of the current measuring unit at the balance sheet date, using the increase in the general price index from the transaction date when they arose to the balance sheet date.

- The prior year comparatives are restated in terms of the current measuring unit at the end of the latest balance sheet date. The current year conversion factor is applied to the prior year financial statements.

- All items in the consolidated statement of profit or loss and other comprehensive income are expressed in terms of the current measuring unit at the balance sheet date.

2.2 Functional Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Functional Currency

The subsidiaries, joint ventures and joint operations whose functional currency is not Turkish Lira are presented below;

Entity Name	Functional Currency
IC İçtaş Zafer Uluslararası Havalimanı Yatırım ve İşletme A.Ş.	EUR
IKA İzmir Otoyol Yatırım ve İşletme A.Ş.	EUR
IC İçtaş Otoyol İnşaat Sanayi ve Ticaret A.Ş.	RUB
IC İçtaş Köprü ve Üst Yapı İnş. A.Ş.	RUB
IC İçtaş Saudi Arabia LLC.	SAR
RTCC - IC İçtaş Joint Venture	SAR
China Camc Engineeering Co.Ltd-IC İçtaş İnş.San.Tic.A.Ş. Adi Ortaklığı	USD
Titan2 IC İçtaş İnşaat A.Ş.	USD
IC İçtaş USA Inc.	USD
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	USD
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	USD
İçtur Servis Limited Şirketi	USD
AECOM Tishman IC İçtaş Joint Venture	USD
ICA İçtaş Altyapı Yavuz Sultan Selim Köprüsü ve Kuzey Çevre Otoyolu Yatırım ve İşletme A.Ş.	USD
İçtaş TSM Adi Ortaklığı	USD
IC İçtaş Romania Branch	RON
IC İçtaş Russia Branch	RUB
İçtaş Russia LLC	RUB
IC İçtaş Astaldi Simple Partnership	RUB
Troia Wind S.R.L.	EUR
Bovino Wind S.R.L.	EUR

In preparing the financial statements of the individual entities, according to IAS 21, transactions in currencies other than Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Any related exchange component of that gain or loss is recognized in the translation reserve accounts under the equity.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Functional Currency (Continued)

According to IAS 21, balances of the balance sheet are revaluated according to Turkish Central Bank buying rates:

	31 December 2023	31 December 2022	31 December 2021
EUR - TRY for the period	32.5739	19.9349	15.0867
USD - TRY for the period	29.4382	18.6983	13.3290
RUB - TRY for the period	0.3261	0.2595	0.1770
SAR - TRY for the period	7.8501	4.9717	3.5501

According to IAS 21, balances of the profit or loss statement are revaluated according to average rates in the year:

	31 December 2023	31 December 2022	31 December 2021
EUR - TRY for the period	25.7198	17.3591	10.4408
USD - TRY for the period	23.7482	16.5512	8.8557
RUB - TRY for the period	0.2757	0.2495	0.1196
SAR - TRY for the period	6.3329	4.4507	2.3645

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year consolidated financial statement, comparative information is reclassed, and significant change are disclosed if necessary.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation

The details of the Company's fully consolidated subsidiaries and affiliates at 31 December 2023, 2022 and 2021 are as follows:

Subsidiaries	Principal Activity	Proportion of ownership interest	Proportion of voting power held (*) 31 December 2023	Proportion of ownership interest	Proportion of voting power held (*) 31 December 2022	Proportion of ownership interest	Proportion of voting power held (*) 31 December 2021
IC İçtaş Zafer Uluslararası Havaalanı Yatırım ve İşletme A.Ş.	Aviation	80.28%	80.28%	80.28%	80.28%	80.28%	80.28%
IC İçmak Makine İnşaat ve Lojistik A.Ş.	Construction	97.14%	97.14%	97.14%	97.14%	97.14%	97.14%
IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş.	Construction	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%
IC İçtaş Nükleer ve Endüstriyel Tesisler Yapim A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ICA Içtaş Altyapı Yavuz Sultan Selim Köprüsü ve Kuzey Çevre Otoyolu Yatırım ve İşletme A.Ş.	Management	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçtaş Saudi Arabia Company	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC Ictas US Inc.	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçtaş Köprü ve Üst Yapı İnş. A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçtaş Otoyol İnş. San. Tic.A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Trakya Elektrik Dağıtım A.Ş.	Electricity distrubution	-	100.00%	-	100.00%	-	100.00%
Trakya Elektrik Perakende Satış A.Ş.	Electricity Retail	-	100.00%	-	100.00%	-	100.00%
İçtaş İşletme ve Ticaret A.Ş.	Energy	75.72%	100.00%	75.72%	100.00%	75.72%	100.00%
IC İçtaş Enerji Yatırım Holding A.Ş. (8)	Energy	45.64%	45.64%	36.64%	36.64%	36.64%	36.64%
İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş.	Energy	-	50.43%	-	42.22%	-	42.22%
IC Enterra Yenilenebilir Enerji Yatırımları A.Ş.	Energy	8.81%	50.43%	8.81%	42.22%	-	42.22%
IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş. (2)	Energy	-	-	-	36.64%	-	36.64%
Trabzon Enerji Üretim ve Ticaret A.Ş.	Energy	-	49.13%	-	41.13%	-	41.14%
İçtaş Güneş Enerji A.Ş	Energy	-	50.43%	36.64%	36.64%	-	-
IC İçtaş Madencilik ve Ticaret A.Ş. (4)	Energy	-	45.64%	-	-	-	-
Troia Wind S.R.L. (5)	Energy	-	23.28%	-	-	-	-
Bovino Wind S.R.L. (6)	Energy	-	23.28%	-	-	-	-
İkisu Enerji Üretim ve Ticaret A.Ş. (1)	Energy	-	-	-	-	-	33.42%
Barış Rüzgar Üretim ve Ticaret A.Ş. (3)	Energy	-	-	-	-	-	36.64%
Treysan Prefabrik Çelik Yapılar San. ve Tic. A.Ş.	Industry	53.41%	53.41%	53.41%	53.41%	53.41%	53.41%
Treysan Dış Ticaret A.Ş.	Industry	-	100.00%	-	100.00%	-	100.00%
IC İçtaş Ağır Endüstriyel A.Ş.	Industry	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC İçtaş Sakarya Karasu Limanı Yatırım ve İşletme A.Ş.	Port Management	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IC Çeşme Marina Yatırım A.Ş.	Tourism	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
IC İçtaş Havacılık A.Ş.	Aviation	-	100.00%	-	100.00%	-	100.00%
ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş.	Infrastructure management	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
İstanbul Lojistikpark Depo Kiralama Hizm. A.Ş. (7)	Infrastructure management	-	51.00%	-	-	-	-
IC İçtaş Astaldi Simple Partnership	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
İçtaş Russia LLC	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(*) Proportion of voting power represents the indirect share of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş..
(1) The Company has been liquidated as of 22 July 2022.
(2) On 11 September 2022, IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş. and IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. merged under IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.
(3) The Company has been liquidated as of 2 August 2022.
(4) The Company has been established in 2023.
(5) The Company has been established in 2023
(6) The Company has been established in 2023
(7) The Company has been established in 2023
(8) The Company's 9% of shares have been bought from the non-controlling interest on 31 Augut 2023.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in associates and joint ventures

The details of the Company's interest in joint ventures at 31 December 2023, 2022 and 2021 are as follows:

		31 December 2023		31 December 2022		31 December 2021	
Joint Ventures	**Principal Activity**	**Proportion of ownership interest**	**Proportion of voting power held**	**Proportion of ownership interest**	**Proportion of voting power held**	**Proportion of ownership interest**	**Proportion of voting power held**
Yeniköy Kemerköy	Energy	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Kemerköy Liman	Port Management	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
IKA Otoyol İşletme	Highway Management	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Muğla Yapı Malzemeleri	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Titan2 IC İçtaş İnşaat A.Ş. Akkuyutst Endüstriyel Üretim	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
İnşaat ve Ticaret Ltd.Şti.	Production	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
İçtur Servis	Service	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
İçtaş Endüstriyel Boru Loj. ve Çelik İmalat A.Ş.	Industry	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
AECOM Tishman	Construction	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or a joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or a joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture.

Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group's interest in the joint venture.

Interest in joint operations

The details of the Company's interest in joint operations at 31 December 2023, 2022 and 2021 are as follows:

		31 December 2023		31 December 2022		31 December 2021	
Joint Operations	Principal Activity	Proportion of ownership interest	Proportion of voting power held	Proportion of ownership interest	Proportion of voting power held	Proportion of ownership interest	Proportion of voting power held
Cengiz-IC İçtaş-Belen Adi Ortaklığı	Construction	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%
IC İçtaş İnşaat ve Ticaret A.Ş. Göçay A.Ş. İş Ortaklığı	Construction	-	-	-	-	50.00%	50.00%
MİKA Adi Ortaklığı	Construction	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
IKA İzmir Otoyol Yapım Adi Ortaklığı	Construction	-	-	-	-	50.00%	50.00%
MİA Adi Ortaklığı	Construction	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
CRCC-CMC-Cengiz-IC İçtaş Hızlı Tren Adi Ortaklığı	Construction	-	-	30.00%	30.00%	30.00%	30.00%
Cengiz-IC İçtaş-Belen T-26 Adi Ortaklığı	Construction	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%
RTCC - IC İçtaş Joint Venture	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
China CAMC Engineering CO LDT-IC İçtaş İnş. San. Tic. A.Ş. Adi Ortaklığı	Construction	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
SCI Adi Ortaklığı	Construction	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
İçtaş TSM Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
IC-Limak Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

Interest in joint operations (Continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IAS applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

2.5 Changes in Accounting Policies, Estimates and Errors

Any change in the accounting policies resulted from the first time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.6 Application of New and Revised International Financial Reporting Standards (IFRSs)

a) Standards, amendments and interpretations applicable as at 31 December 2023:

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

- **Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

- **Amendment to IAS 12 - International tax reform ;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

The said standard changes did not have any significant impact on the financial status and performance of the Group.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Application of New and Revised International Financial Reporting Standards (IFRSs) (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:

- **Amendment to IAS 1 - Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

- **Amendment to IFRS 16 - Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The Group will assess the impacts of the above amendments on its operations and implement the necessary ones.

2.7 Significant Accounting Policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements

a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) Has control or joint control over the reporting entity;
(ii) Has significant influence over the reporting entity; or
(iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Related Parties (Continued)

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(i) The entity is controlled or jointly controlled by a person identified in (a).
(ii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Transaction with related parties, a transfer regardless of whether a price is charged resources, services or obligations between the reporting entity and related party.

Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' which cannot exceed one year from the acquisition date, about facts and circumstances that existed at the acquisition date.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. The Group has chosen the "pooling of interest" method in the accounting of business combinations regarding under common control, in accordance with the hierarchy in IAS 8, in order to eliminate the differences in accounting policies ("IAS") observed in the country of operation.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

a. Sale of goods

Group has started to implement IFRS 15 "Revenue from contracts with customers" specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Revenue (Continued)

The Group evaluates the goods and services that it has committed in each contract with the customers and determines each commitment to transfer the said products or services as a separate performance obligation. For each performance obligation, it is determined at the beginning of the contract that the performance of the performance obligation will be satisfied in time or at a point of time. If the Group transfers the control of a goods or service over time and thus fulfills the performance obligations related to the related sales over time, it measures the progress of the satisfaction of the performance obligations in full and takes the proceeds to the financial statements. The Group, as it satisfies the performance obligation by transferring a committed product or service to its customer, records the transaction price corresponding to this performance obligation as revenue in consolidated financial statements. The goods or services are transferred when the goods or services are checked (or passed) by the customers. The Group evaluates the transfer of control of the goods or services sold to the customer by taking into account that:

- ownership of the Group's right to collect goods or services.
- the ownership of the property of the customer.
- transfer of the ownership of the goods or services.
- the ownership of significant risks and rewards arising from the ownership of the property of the customer.
- takes into account the customer's acceptance of goods or services.

b. Rendering of services:

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the balance sheet date;
- Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- Revenue from time and material contracts is recognized at the contractual rates as labour hours are delivered and direct expenses are incurred.

c. Lease income

Lease income from investment properties is recognized on a straight-line basis over the term of the relevant lease contract.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Revenue (Continued)

d. Electricity distribution income

Distribution revenue comprises distribution, meter reading, transmission, theft and loss. Electricity distribution and meter reading services are in the scope of the service concession agreement under EMRA regulations. As per Electricity Market Law, the Electricity Market Tariffs Regulation and other relevant regulations, the Group's distribution, transmission and meter reading services are subject to an revenue cap. Realized revenue includes operating expenses and investment needs related to distribution of electricity and meter reading services. Similarly, transmission revenue consists of the transmission costs allocated by Türkiye Elektrik İletim A.Ş. ("TEİAŞ"). This regulation guarantees the Group's revenue no matter the consumption level of the subscribers. Overcharges and undercharges by the Group are calculated at the end of each year and are adjusted through tariffs by EMRA two years later.

Distribution system income difference of tariff year is the difference between the revenue cap related to distribution system income and realized tariff year distribution income and is recognised as accrual basis.

e. Electricity sales income

Electricity sales are recognized as soon as electricity is delivered. Electricity sales revenue is accounted in the case of realization of electicity delivery on an accrual basis, through the invoiced amount.

f. *Revenue generated from motorway operations*

Revenue and costs of the operator relating to the operating phase are accounted for in accordance with IFRS 15 Revenue from Contract with Customers. The Group generates the revenue with the operator's mark-up on the incurred operation costs when the control of related services are transferred. The Group recognizes operational revenues as over the time basis.

Construction contracts

The Group defines a construction contract as a contract specifically negotiated for the construction of an asset. On the balance sheet, the Group reports the net contract position for each (construction) contract as either an contract asset or a contract liability. A contract asset is recognized when the Group has a right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. A contract receivable is an amount to be billed for which payment is only a matter of passage of time.

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract.

Retention receivables from contractors

The Group's interim progress billings to its clients are subject to retention deductions, which vary, based on the individual agreements. These balances are collected from the clients upon completion of the contract at the end of the warranty period. Retention receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.
Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Leases (Continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Lease income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Sale and Lease Back Transactions

Sale and lease back involves the selling of an asset and leasing back the same asset. Lease payments and sales price are often interdependent, as negotiated as a whole. The method of accounting for a sale and lease back depends on the type of lease involved.

In the case of a sale and lease back result in a financial lease, the portion of the sales revenue over the carrying amount cannot be recognized immediately by the lessor. Instead, the income is deferred and amortized over the lease term.

Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TRY, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Financial Statements of Subsidiaries, Associates and Joint Ventures Operating Abroad

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into TRY using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. In 2023, The Group did not capitalize any borrowing costs regarding the investment loans over tangible assets (2022: None).

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Property, plant and equipment

Hydroelectric Power Plants ("HEPPs")

The Group has chosen the revaluation method among application methods mentioned under IAS 16 Property, Plant and Equipment standard for the Group's HEPPs which are presented under "buildings, land improvements and plant, machinery and equipment" accounts which are considered as integral elements of the HEPPs., commencing from 31 December 2022. As for the determination of the fair value of the HEPPs, "income capitalization approach - discounted cash flow Analysis ("DCF") has been used.

In the accompanying consolidated financial statements, increase in the HEPPs due to the revaluation are credited after netting of the deferred tax effect in "Gains on revaluation of property, plant and equipment" account under shareholders' equity. The difference between depreciation (reflected in consolidated profit or loss and other comprehensive income) calculated by the carried amounts of revalued assets and depreciation calculated by the acquisition costs of these assets is transferred to "retained earnings/(accumulated losses) account from the "Gains on revaluation of property, plant and equipment" after netting of the deferred tax effect on a yearly basis. The same method is also applicable for disposal of property, plant and equipment.

In the consolidated financial statements, Kemerçayır and Üçhanlar hydroelectric power plants owned by Trabzon Enerji; Niksar, Bağıştaş, Çileklitepe, Yukarı Mercan, Üçharmanlar, Kadıncık 1 and 2 HEPPs belonging to Yenilenebilir were revalued on 31 December 2023 and were taken into account with their fair values in the consolidated financial statements. The valuation studies of the HEPPs were carried out by Ernst Young Kurumsal Finansman Danışmanlık A.Ş., an institution accredited by the Capital Markets Board of Turkey ("CMB"). The significant estimates and judgements used in the valuation reports are explained in Note 3.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Hydroelectric Power Plants ("HEPPs") (Continued)

As of 31 December 2023, remaining useful lives of HEPPs whose fair values are calculated by adopting the DCF approach are as follows:

	Remaining useful life (Years)
Kemarçayır	33
Üçhanlar	33
Niksar	32
Bağıştaş	34
Çileklitepe	36
Yukarı Mercan	31
Üçharmanlar	34
Kadıncık 1	37
Kadıncık 2	37

Other property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

A Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit or loss.

Apart from infrastructure and land improvements, buildings and property, plant and equipment all tangible assets are subject to straight line depreciation according to their cost value or revalauted value. Expected useful life, salvage value, depreciation method or changes in expectations are reviewed every year and changes in expectations are recorded prospectively.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit or loss.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Other property, plant and equipment (Continued)

The depreciation periods for property, plant and equipment are as follows:

	Years
Buildings	5-50
Land improvements	5-24
Machinery and equipment	1-25
Vehicles	1-15
Furniture and fixtures	1-30
Other fixed assets	2-15

Repair and maintenance expenses are charged to the consolidated statement of profit or loss during the financial period in which they are incurred. The cost of major subsequent expenditures is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Intangible assets

Intangible assets comprise wholesale and energy production licenses, other rights and other intangible assets that are likely to generate future economic benefits to the Group. Licenses and other identified assets are booked in consolidated financial statements with their net value after deducting accumulated depreciations and permanent impairments, if any, from their acquisition costs. Other intangible assets which are expected to be economically beneficial are recognized at fair value of the contract. Aforementioned contractual intangible assets have a determined useful lifes and carried at cost less accumulated amortization.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Customer contracts and relationships and Transfer of Operation Right ("TOR")

The customer contracts and relationships, as well as TOR are booked after deducting the accumulated depreciation and the accumulated impairment losses from the cost values. These assets are amortized using the straight-line method based on their estimated useful lives. Customer contracts and relationships have a useful life of 25-49 years.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3-5 years).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate adjusted for the effects of tax cash outflows that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Service concession arrangements

A service concession arrangement is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure. During the arrangement period, the operator recognizes revenue in return for the services it provides. The grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price, and also controls any significant residual interest in the assets at the end of the term of the arrangement. The operator is obliged to hand over the infrastructure to the party that grants the service arrangement.

IFRIC 12 "Service concession arrangements" noted that when the operator has an unconditional contractual right to receive payments from the concession grantor, irrespective of the amount of use made of the infrastructure then the financial asset model applies. Under this model, the operator recognizes a financial asset, attracting interest; in its balance sheet in consideration for the services it provided (design, construction, etc.). Such financial assets are recognized in the balance sheet in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortized cost. The receivable is settled by means of the grantor's payments received. The financial income calculated on the basis of the effective interest rate, equivalent to the project's internal rate of return, is recognized under operating income. The differences due to the change in terms (using the same effective rate) are recognized as a gain or loss in the income statement.

Financial assets

Tredaş:

The Group recognizes investment expenditure related to distribution, under financial assets to the extent that it has unconditional rights arising from the contract concerning invoicing to subscribers in line with the instructions from the guarantor. The right to collect in return for distribution services is carried out by invoicing subscribers. The distribution element of the said invoices is regulated by distribution tariffs determined by EMRA. The difference between the annual collections from distribution and the revenue cap predetermined by EMRA is corrected by EMRA by revising the future tariff. The financial assets related to the concession arrangements are measured at amortized cost in accordance with IFRS 9, since they are composed of cash flows that only include principal and interest.

IC Zafer:

The Group is bound by the terms of the Build - Operate - Transfer ("BOT") Agreement made with DHMİ for Zafer Regional Airport. According to the BOT agreements, the Group has guaranteed passenger fee to be received from DHMİ. The agreement covers a period up to May 2044.

The Group recognizes the guaranteed passenger fee amount due from DHMİ, which is on the scope of Zafer Airport project, as financial asset which is determined by the agreement. Financial assets are recognized in the balance sheet in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortized cost.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Service concession arrangements (Continued)

3rd Bridge:

The Company is bound by the terms of the Build - Operate - Transfer ("BOT") Agreement made with Ministry of Transport Maritime Affairs and Communication and General Directorate of Highways ("KGM"). According to the BOT agreement, KGM guarantees certain level of traffic and consequently income to the Company.

Service concession arrangement is accounted in accordance with IFRIC 12 "Service Concession Arrangements". In line with IFRIC 12, a financial asset is recognized in the accompanying financial statements. Amount of the financial asset to be recognized is determined based on the total investment for the project plus interest calculated for the financial asset using the effective interest method.

Starting 31 December 2019, the assets and liabilities of ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş., which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

Income Taxes

Taxation in Turkey

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In Turkey the effective rate of tax in 2023 is 25% (2022: 23%).

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2023 is 25% (2022: 23%). Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax within four months of the closing period of the relevant year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Taxation in Russian Federation

The corporate tax rate effective in Russian Federation is 20% (2022: 20%).

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer's choice. Tax returns are filed till the 28th of March, following the close of the financial year.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Income Taxes (Continued)

Taxation in Russian Federation (Continued)

According to latest tax regulations, between the years 2018 and 2021 the companies are allowed to utilize carry forward tax losses up to 50% of their period profit and starting from the year 2021 there is no limit for the utilization of carry forward tax losses. In addition to this, for the tax losses generated after 2007, limit for loss carry forward of maximum 10 years is abolished.

Tax refunds are technically possible but are very difficult to obtain in practice. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Russia at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 15%. This standard rate may, however, be reduced based on double tax treaty agreements. In Russian Federation the tax regulations are subject to various comments and change frequently. Regarding to Group's operations the interpretation of tax regulations by tax authorities may differ from the management.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Income Taxes (Continued)

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per IAS 19 (Revised) *Employee Benefits* ("IAS 19").

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) Amortised cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

(a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

(b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item;. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Modification of a financial asset may result in derecognition of financial asset. There are quantitative and qualitative criteria for modification of financial asset that results in derecognition. Significant contractual changes are qualitative indicators for modification of financial asset that results in derecognition. After derecognition of the original financial asset, a new asset is recognized at fair value.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value.

A financial liability is subsequently classified at amortized cost except:

(a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
(b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
(c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where IFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in note 30.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Cash flow hedge

The Group uses derivative financial instruments as a hedging instrument against the highly probable foreign exchange risk, to which it is exposed due to the sales revenues based on USD made within the scope of Renewable Energy Resources Support Mechanism ("YEKDEM") and applies cash flow hedge accounting as a result of the effectiveness tests conducted in this context. In addition, the Group applies cash flow hedge accounting through interest rate swaps in order to hedge its variable-rate loans from changes in interest rates. The Group uses derivative transactions effectively in line with its risk management strategy and objectives.

At the date of the derivative contract, the Group determines an asset or liability or the transactions that can be associated with a particular risk and are likely to occur or the transactions that provide hedging against changes that may affect profit/loss, as cash flow hedges.

Efficiency tests are performed at the beginning of the hedge accounting, with the balance sheet method in each reporting period, prospectively. According to this method, hedge accounting is continued if the efficiency is between 80%-125%.

In the cases that the hedging instrument is sold, expires or fails to meet hedge accounting requirements even though it is for hedging purposes or one of the situations occur where the promised or probable future transaction was not expected to take place, the committed or probable future transaction continues to be classified separately in equity until the transaction is realized. When the promised or probable future transaction is realized, it is recorded in the income statement or if it is expected not to be realized the accumulated gains or losses related to the transaction are reflected in the consolidated financial statements as profit or loss (Note 30).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, the management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements:

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

Revenue recognition

The Group uses the percentage of completion method in accounting for its project contracts. Use of the percentage of completion method requires the Group to estimate the proportion of work performed to date as a proportion of the total work to be performed and the Management's judgment that the use of costs to date in proportion to total estimated costs provided the most appropriate measure of percentage of completion.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Project cost estimates

The Group requires project managers to estimate the costs to complete construction contracts. Factors such as escalation of material prices, labor costs and other costs are included in the project cost estimates based on the Management's best estimate.

Impairment test of goodwill

The Group reviews the goodwill for impairment on 31 December each year. Within this scope, TREDAŞ and TREPAŞ activities were regarded as separate cash generating units and the related goodwill was associated with distribution and retail activities. Recoverable values of cash generating units are determined based on the fair value calculations. Fair value calculations include cash flow projections discounted after tax, and these projections, which are determined in TRY, are based on the long-term plans prepared by the Group management. As of 31 December 2023, the results of the impairment tests (details provided below) carried out on the basis of cash-generating units do not indicate goodwill impairment.

Tredaş:

TREDAŞ operations were found to be separate cash generating unit, and the recoverable amount of the cash generating units were determined based on fair value calculations. Fair value calculations included cash flow projections during the licence period, and the projections in TRY were based on the long-term plans prepared by the Group. For the fair value calculations, the average cost of capital rate for TREDAŞ was considered to be 20.4%.

Trepaş:

TREPAŞ operations are considered as separate cash generating units, and the recoverable amount of these cash generating units were determined based on fair value calculations. Fair value calculations included cash flow projections during the licence period, and the projections in TRY were based on the long-term plans prepared by the Group. For the fair value calculations, the average cost of capital rate for TREPAŞ was considered to be 20.4%, the individual customer profit margin rate is considered between 3.32% to 4.81% during the license period.

Useful lives of property, plant and equipment

The management of the Group has made significant assumptions in the direction of the technical team's experience, especially in determining the useful economic lives of the tangible assets.

Uninvoiced electricity sales

The costs of active energy and retail sale services provided to the customer but not invoiced are recognised at estimated amounts. Unbilled electricity costs of active energy and retail sale services are reflected in the consolidated financial statements by multiplying the relevant period's tariff prices by the difference between the date of the customer's most recent meter reading and the last day of the relevant period.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Income taxes

Deferred tax assets are only recognized when sufficient taxable profit is likely to arise in the future. In case of a probable tax advantage, deferred tax asset is calculated over previous year losses.

As of 31 December 2023, the Group recognized deferred income tax asset to the extent that it is probable that future taxable profit will be available. However, the Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all that deferred tax asset to be utilized.

As of 31 December 2023, Group recognized TRY3,895,663 (31 December 2022: TRY2,872,895, 31 December 2021: TRY3,857,954) of deferred tax asset over carry forward tax losses.

Explanations for revaluation method and fair value measurement

The Group has chosen revaluation method instead of historical cost model as an accounting policy among application methods mentioned under IAS 16 for buildings, land improvements and plant, machinery and equipment belonging its HEPPs commencing from 31 December 2022.

An independent valuation firm has been authorized for revaluation because using of long-term price expectation, electricity generation expectation, discount rate and capacity utilization rate forecasts which are sensitive to sectoral and economic variables and also complexity of inputs and calculations. As of 31 December 2023 and 2022, the fair value which is determined with valuation study by an independent valuation company which has CMB license, is used for lands, land improvements, buildings, machinery and equipment. In the aforementioned valuation and impairment studies, "income capitalization approach - discounted cash flow analysis" was applied.

Income Approach, discounted cash flow analysis (Level 3) is used by the valuation company for valuation reports of 31 December 2023 aims to determine fair value of buildings, land improvements and plant, machinery and equipment of Bağıştaş, Kadıncık 1 and 2, Niksar, Çileklitepe, Üçharmanlar, Kemerçayır, Yukarı Mercan and Üçhanlar HEPPs.

Since long-term electricity prices are the most important inputs of "income capitalization approach - discounted cash flow analysis", an independent consultancy and technology firm, which operates in energy market, has been hired. In addition to the long-term electricity sale prices, the most important inputs in the model are; capacity utilization rate, projected generation amount and weighted average cost of capital (discount rate).

As of 31 December 2023, according to the valuation reports for the accounting period ending on that date, the net loss in the book value of the HEPPs subject to revaluation is TRY553,920 (31 December 2022: TRY10,983,967 profit). The portion of this amount that is accounted for as expenses from investment activities in the consolidated income statement is TRY9,427 (31 December 2022: TRY8,208). The loss of TRY544,493 recognized in the other comprehensive income statement (31 December 2022: TRY10,992,175 profit) along with the deferred tax effect of TRY394,416 related to expenses (31 December 2022: TRY2,198,435 expense) has been netted and shown under "gains on revaluation of property, plant and equipment" in equity.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Explanations for revaluation method and fair value measurement (Continued)

Within the frame of these valuations, the following assumptions has been used:

	Valuation assumptions		
HEPP Name	**Weighted capital cost rate (%)**	**Installed capacity (MW)**	**Capacity utilization rate (%)**
Bağıştaş	10.5	140.6	34.1
Kadıncık 1	10.5	70.0	46.1
Kadıncık 2	10.5	56.0	44.5
Niksar	10.5	40.2	49.3
Çileklitepe	10.5	23.1	21.9
Üçharmanlar	10.5	16.6	21.8
Kemarçayır	10.5	15.5	20.1
Yukarı Mercan	10.5	14.0	34.9
Üçhanlar	10.5	11.9	20.1

Cash flow hedge transactions

As explained in Note 30, the Group uses investment loans amounting USD26,891 thousand and as a hedging instrument against the highly probable USD spot exchange rate risk the Group is exposed to due to YEKDEM sales income and applies cash flow hedge accounting as a result of the effectiveness tests performed. The estimations in budgets for YEKDEM sales income used for effectiveness test include estimations such as sales quantities and production capacity.

4. INTERESTS IN OTHER ENTITIES

Joint Ventures

Details of significant joint ventures:

Joint ventures mentioned in Note 2.4 are accounted for using the equity method of accounting in these consolidated financial statements.

Summarised financial information in respect of the Group's significant joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS adjusted by the Group for equity accounting purposes.

Group's share in net asset value of investments under the equity method is as of 31 December 2023 as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
31 December 2023									
Current assets	2,184,360	2,050,478	1,177,291	2,077,395	64,054,146	335	2,441,658	529	73,986,192
Non-current assets	58,062,103	10,132,380	1,113,413	558,902	8,065,592	186,037	393,998	42,979	78,555,404
Short-term liabilities	14,028,024	774,302	1,331,676	1,779,774	69,654,422	206	2,466,446	2,073	90,036,923
Long-term liabilities	26,209,655	8,264,808	11,284	65,430	1,924,772	-	192,996	-	36,668,945
Total Equity	20,008,784	3,143,748	947,744	791,093	540,544	186,166	176,214	41,435	25,835,728
Net assets of the joint venture	20,008,784	3,143,748	947,744	791,093	540,544	186,166	176,214	41,435	25,835,728
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	
Carrying amount of the Group's interest	**10,004,392**	**1,571,874**	**473,872**	**395,547**	**270,272**	**93,083**	**88,107**	**20,718**	**12,917,865**

4. INTERESTS IN OTHER ENTITIES (Continued)

The impact of investments under the equity method in the consolidated profit and loss statement for the year ended 31 December 2023 is as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
1 January - 31 December 2023									
Revenue	14,519,024	120,363	1,681,409	3,007,978	49,969,875	-	4,678,295	2	73,976,946
Profit/(loss) from continuing operations	16,703,859	1,789,126	299,562	206,027	219,180	160,694	720,854	35,744	20,135,046
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	
Group's s hare in profit from continuing operations	**8,351,930**	**894,563**	**149,781**	**103,014**	**109,590**	**80,347**	**360,427**	**17,872**	**10,067,524**

Group's share in net asset value of investments under the equity method is as of 31 December 2022 as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	Total
31 December 2022									
Current assets	9,781,460	2,552,682	1,210,478	2,621,204	46,537,432	288	2,555,412	766	65,259,722
Non-current assets	44,558,426	10,948,004	710,857	597,237	6,814,408	25,506	412,354	6,318	64,073,110
Short-term liabilities	15,170,387	1,209,544	1,241,208	2,644,160	50,985,726	321	2,576,710	1,393	73,829,449
Long-term liabilities	35,812,671	11,412,247	73,378	28,859	1,951,550	-	201,624	-	49,480,329
Total Equity	3,356,828	878,895	606,749	545,422	414,564	25,473	189,432	5,691	6,023,054
Net assets of the joint venture	3,356,828	878,895	606,749	545,422	414,564	25,473	189,432	5,691	6,023,054
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	
Carrying amount of the Group's interest	**1,678,414**	**439,448**	**303,375**	**272,711**	**207,282**	**12,737**	**94,715**	**2,845**	**3,011,527**

4. INTERESTS IN OTHER ENTITIES (Continued)

The impact of investments under the equity method in the consolidated profit and loss statement for the year ended 31 December 2022 is as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	AECOM Tishman	Total
1 January - 31 December 2022										
Revenue	14,910,371	144,802	1,814,854	3,341,353	34,398,984	-	4,723,289	-	-	59,333,653
Profit/(loss) from continuing operations	10,725,262	(262,034)	225,198	309,424	(309,167)	(17,125)	204,509	(4,764)	(6,207)	10,865,096
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	40	
Group's s hare in profit/(loss) from continuing operations	**1,077,371**	**(131,017)**	**112,599**	**154,712**	**(154,584)**	**(8,563)**	**102,255**	**(2,382)**	**(2,483)**	**1,147,908**

Group's share in net asset value of investments under the equity method is as of 31 December 2021 as follows:

	Yeniköy Kemerköy	İKA Otoyol İşletme	Akkuyutst	İçtur Servis	Titan2 IC İçtaş	Kemerköy Liman	Içtaş Endüstriyel	Muğla Yapı	AECOM Tishman	Total
31 December 2021										
Current assets	3,909,066	3,006,607	479,964	919,879	22,095,428	1,688	1,395,210	1,235	703,269	32,512,346
Non-current assets	45,185,118	15,029,040	828,064	716,997	4,422,786	41,900	522,839	10,379	-	66,757,123
Short-term liabilities	11,842,145	1,499,325	685,592	1,366,022	22,570,690	991	1,626,903	1,161	665,810	40,258,639
Long-term liabilities	45,822,642	14,951,640	210,574	40,908	3,081,725	-	34,343	-	-	64,141,832
Total Equity	(8,570,603)	1,584,682	411,862	229,946	865,799	42,597	256,803	10,453	37,460	(5,131,001)
Net assets of the joint venture	(8,570,603)	1,584,682	411,862	229,946	865,799	42,597	256,803	10,453	37,460	(5,131,001)
Proportion ownership interest in joint venture (%)	50	50	50	50	50	50	50	50	40	
Carrying amount of the Group's interest	**-**	**792,341**	**205,931**	**114,973**	**432,900**	**21,299**	**128,402**	**5,227**	**14,984**	**1,716,057**

5. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022	31 December 2021
Cash on hand	2,119	3,133	3,153
Cash on deposit	6,504,576	10,374,958	4,540,024
- Demand deposits	*1,741,115*	*2,955,217*	*2,275,355*
- Time deposits	*4,763,461*	*7,419,741*	*2,264,669*
Other cash equivalents	721,796	275,337	180,640
	7,228,491	**10,653,428**	**4,723,817**
Less: interest income accruals	(63,263)	(5,657)	(129)
	7,165,228	**10,647,771**	**4,723,688**

As at 31 December 2023, the interest rates applicable to TRY time deposits are between 11.00% - 35.00% (31 December 2022: 11.00% - 27.00%, 31 December 2021: 6.50% - 16.50%. As at 31 December 2023, the interest rates applicable to USD denominated time deposits are 1% (31 December 2022: 0.10% - 2.50%, 31 December 2021: 0.01% - 1.00%). As at 31 December 2022, the interest rates applicable to EUR denominated time deposits are between 0.01% - 0.70% (31 December 2021: 0.01% - 0.10%). As at 31 December 2023, maturity of time deposits is between 1 to 35 days (31 December 2022: 1 to 35 days, 31 December 2021: 1 to 35 days).

6. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries and joint operations, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Trade receivables received from related parties arise mainly from sales transaction. Trade receivables are interest free. Other receivables from related parties arise mainly from financing requirements. Interest is charged on other receivables with an average of market rates.

Trade payables to related parties arise mainly from purchase transaction. Trade payables are interest free and without guarantee. Other payables to related parties arise mainly from financing requirements. Interest is charged on other payables with an average of market rates.

Details of transactions between the Group and other related parties are disclosed below.

6. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2023										
	Receivables			Payables							
	Current		Non-current	Current		Non-current	Current	Current	Non-current		
Balances with related parties	Trading	Non-trading	Non-trading	Trading	Non-trading	Non-trading	Prepaid expenses	Deferred revenue	Deferred revenue	Contract assets	Contract liabilities
Titan2 IC İçtaş İnşaat A.Ş.	1,912,233	184,714	-	908,895	296,342	-	-	4,409,389	-	546,794	138,287
Yeniköy Kemerköy Elektrik Üretim ve Tic. A.Ş.	1,828,952	1,610,619	-	570,478	-	-	-	17,278	249,715	-	-
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	297,724	1	-	283,300	2	-	-	-	-	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	115,628	-	-	-	38,898	-	-	-	-	57,955	-
İçtur Servis Limited Şirketi	98,371	695	-	422,696	-	-	-	-	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Tic. Ltd. Şti.	97,814	-	-	230,400	39	-	-	-	-	-	-
Icr Jv- Ictas Rıyad Jv	56,647	-	-	-	-	-	-	-	-	-	-
İçtur Yiyecek ve İçecek Hizmetleri Tur. San. ve Tic. A.Ş.	52,093	-	-	50,698	26,675	-	-	53,765	65,242	-	-
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	5,516	-	-	47,683	-	315,746	-	-	-	-	-
CCN Altyapı Yatırımları ve İnş. A.Ş.	1,956	1,497	-	141	2,948	-	47,204	-	-	-	-
IC İçtaş Gayrimenkul Yatırımları A.Ş.	1,332	62,677	-	8	-	-	-	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	838	305	-	1,716	77,390	-	-	-	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	696	10	-	54,337	762,611	-	-	-	-	-	-
Mika Adi Ortaklığı	647	39,376	-	-	1	-	172	257	8,298	-	-
CCN Yatırım Holding A.Ş.	-	298,021	287,822	-	-	-	-	-	-	-	-
İçtaş TSM Adi Ortaklığı	-	-	-	45	275,259	-	-	-	-	-	-
SCI Adi Ortaklığı	-	74,208	-	-	-	-	-	-	-	-	-
CCN Özel Güv. Hizm. A.Ş.	-	-	-	44,300	-	-	-	-	-	-	-
Shareholders	-	13	-	-	43,734	3,236,896	-	-	-	-	-
Others	19,921	4,543	998	17,314	36,564	-	-	-	-	-	-
	4,490,368	**2,276,679**	**288,820**	**2,632,011**	**1,560,463**	**3,552,642**	**47,376**	**4,480,689**	**323,255**	**604,749**	**138,287**

6. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2022									
	Receivables			Payables						
	Current		Non-current	Current		Non-current	Current	Current	Non-current	
Balances with related parties	Trading	Non-trading	Non-trading	Trading	Non-trading	Non-trading	Prepaid expenses	Deferred revenue	Deferred revenue	Contract assets
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	1,788,629	-	812,098	4,466,251	-	-	-	38,633	334,265	-
Titan2 IC İçtaş İnşaat A.Ş.	806,768	451,742	-	929,839	-	185,188	-	457,645	30,865	1,952,790
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	334,476	7,083	-	1,504	3	-	184,542	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	158,837	146,764	-	13,459	-	-	-	-	-	-
İçtur Servis Limited Şirketi	127,624	43,493	-	83	-	-	-	-	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	101,377	-	-	48	-	43,126	-	-	-	162,598
Icr Jv- Ictas Rıyad Jv	49,095	-	-	-	-	-	-	-	-	-
İçtaş TSM Adi Ortaklığı	33,132	-	-	19,895	-	355,468	-	-	-	-
CCN Hastahane Hizmetleri ve İşletmeleri A.Ş.	12,530	-	-	-	-	-	-	-	-	-
Ccn Altyapı ve Yat.ve İnş. A.Ş.	5,661	319,585	293,887	16,324	2,630	-	70,436	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	2,383	2	1,209,676	8,330	-	-	-	-	-	-
Mika Adi Ortaklığı	1,836	52,031	-	23	-	-	284	423	13,673	-
IC İçtaş Gayrimenkul Yatırımları A.Ş.	1,446	355,500	-	14	-	329,977	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	842	6	-	1,020	273,277	-	-	-	-	-
İçtur Yiyecek ve İçecek Hizmetleri Tur. San. ve Tic. A.Ş.	506	67,190	-	13,978	-	277,601	-	58,248	108,076	-
CCN Özel Güvenlik Hizmetler A.Ş.	-	-	-	47,397	-	-	-	-	-	-
SCI Adi Ortaklığı	-	20,294	-	-	-	-	-	-	-	-
IC Antbel Belek Turizm Yatırımları A.Ş.	-	-	-	12,687	-	168,140	-	-	-	-
Shareholders	208	116	42,485	-	174,573	1,424,143	-	-	-	-
Others	8,405	11,123	11,513	10,251	9,833	113	202	-	-	-
	3,433,755	**1,474,929**	**2,369,659**	**5,541,103**	**460,316**	**2,783,756**	**255,464**	**554,949**	**486,879**	**2,115,388**

6. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2021										
	Receivables			Payables							
	Current		Non-current	Current		Non-current	Current	Current	Non-current		
Balances with related parties	Trading	Non-trading	Non-trading	Trading	Non-trading	Non-trading	Prepaid expenses	Deferred revenue	Deferred revenue	Contract assets	Contract liabilities
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	1,998,886	-	-	1,101,997	-	-	-	84,886	640,740	-	-
İçtaş TSM Adi Ortaklığı	283,671	-	-	78	877,007	-	-	-	-	-	64,230
İçtur Servis Limited Şirketi	88,367	-	-	349,401	-	-	-	-	-	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	78,876	-	-	-	58,005	-	-	-	-	205,899	-
SCI Adi Ortaklığı	73,609	-	-	-	-	-	-	-	-	-	-
Titan2 IC İçtaş İnşaat A.Ş.	43,631	1	-	2,525	-	216,854	-	4,239,992	-	3,726,159	-
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	40,964	1,357	-	34,801	5	-	499,841	-	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	24,531	32	-	91,583	-	-	-	3,614	-	-	-
IKA İzmir Otoyol Yapım Adi Ortaklığı	9,955	-	-	-	-	4,974	-	-	-	-	-
İçtur Yiyecek ve İçecek Hizmetleri Tur. San. ve Tic. A.Ş.	8,638	-	-	4,381	-	135,995	-	63,315	118,514	-	-
Mika Adi Ortaklığı	2,025	72,588	-	36	-	-	467	695	22,460	-	-
IC İçtaş Gayrimenkul Yatırımları A.Ş.	1,778	-	-	22	146,681	491,899	-	-	-	-	-
IC Antbel Belek Turizm Yatırımları A.Ş.	956	-	-	4,247	-	248,773	-	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	798	-	-	60,182	17	235,419	-	-	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	166	-	-	64,756	793,349	225,667	-	-	-	-	-
IKA Metro Yapım Adi Ortaklığı	81	-	-	-	16,182	-	-	-	-	-	-
Ccn Altyapı ve Yat.ve İnş. A.Ş.	27	221,322	658,118	28,181	1,448	-	-	-	-	-	-
CCN Yatırım Holding A.Ş.	-	-	18,914	-	-	-	-	-	-	-	-
Shareholders	19	-	1	3,573	245,822	2,891,091	-	-	-	-	-
Others	22,740	14,591	-	29,611	258	-	-	-	-	-	-
	2,679,718	**309,891**	**677,033**	**1,775,374**	**2,138,774**	**4,450,672**	**500,308**	**4,392,502**	**781,714**	**3,932,058**	**64,230**

6. RELATED PARTY TRANSACTIONS (Continued)

	1 January - 31 December 2023					
Transactions wtih related parties	**Purchases**	**Sales**	**Interest income**	**Interest expense**	**Other income**	**Other expense**
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	9,739,967	3,654,520	-	-	1	15
IC İçtaş Endüstriyel Boru Lojistik Ve Çelik İmalatları A.Ş.	3,152,217	39,454	77	-	472	-
İçtur Servis Limited Şirketi	1,004,831	72,144	5,244	-	1,534	196
Titan2 Ic İçtaş İnşaat A.Ş.	789,620	11,097,803	43,893	3,753	2	889
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ttd. Şti.	731,345	25,071	1,083	2,411	42,074	972
IC İbrahim Çeçen Yatırım Holding A.Ş.	197,064	169	-	-	134	167
IC İbrahim Çeçen Vakıf Eğitim Sağlık İnşaat Taahhüt Tic. A.Ş.	96,004	-	-	-	-	60
CCN Özel Güv. Hizm. A.Ş.	92,838	127	-	-	229	5,320
CCN Servis İşletme ve Yönetim A.Ş.	47,926	46	-	-	-	2,474
İçtur Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	46,618	174,369	-	44,040	-	239
İçtaş TSM Adi Ortaklığı	29,997	-	-	-	12,168	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	15,207	3,516	-	27,377	401	1,325
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	12,115	9,368	-	28,575	-	36
IC Antbel Belek Turizm Yatırımları A.Ş.	617	6,389	-	19,395	-	794
IKA İzmir Otoyol Yatırım ve İşletme A.Ş.	402	3,179	230	-	30	-
Yenigün IC İçtaş Adi Ortaklığı	348	15,465	-	-	4	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	21	440,797	-	-	-	-
IC İçtaş Gayrimenkul Yatırımları A.Ş.	1	-	8,293	14,187	-	-
Shareholders	785	84	21	-	-	-
Others	214	1,938	198	-	1	1,177
Total	**15,958,137**	**15,544,439**	**59,039**	**139,738**	**57,050**	**13,664**

6. RELATED PARTY TRANSACTIONS (Continued)

	1 January - 31 December 2022					
Transactions wtih related parties	**Purchases**	**Sales**	**Interest income**	**Interest expense**	**Other income**	**Other expense**
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	14,001,584	5,142,695	12,789	-	-	-
Titan2 Ic İçtaş İnşaat A.Ş.	356,872	3,965,467	237,769	4,757	60,304	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	179,860	1,092	11,061	2,061	-	20,548
IC İçtaş Endüstriyel Boru Lojistik Ve Çelik İmalatları A.Ş.	88,652	85,752	3,522	-	278,073	-
CCN Özel Güv. Hizm. A.Ş.	49,016	323	-	-	209	2,615
CCN Servis İşletme ve Yönetim A.Ş.	21,917	93	-	-	-	4,830
İçtur Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	18,106	179,013	-	20,638	-	3,975
İçtaş TSM Adi Ortaklığı	15,898	68	-	-	50,925	1
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ttd. Şti.	14,928	98,946	2,946	-	118,074	-
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	5,429	75,810	-	1,315	-	517
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	2,575	-	-	27,769	-	1,487
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	2,554	438,645	490	-	-	-
İçtur Servis Limited Şirketi	1,876	102,447	2,577	-	78,537	-
IC Antbel Belek Turizm Yatırımları A.Ş.	394	-	-	8,616	-	821
IC İbrahim Çeçen Vakıf Eğitim Sağlık İnşaat Taahhüt Ticaret A.Ş.	306	-	-	-	-	2,055
IKA İzmir Otoyol Yatırım ve İşletme A.Ş.	21	10,803	-	-	340	28
IC İçtaş Gayrimenkul Yatırımları A.Ş.	18	31,600	9,772	49,266	18	2
Yumurtalık İthal Kömür Santrali İşletmesi ve Yatırım A.Ş.	-	4	-	-	6,731	-
Shareholders	1,056	88	-	-	-	5
Others	2,146	35	314	-	637	570
Total	**14,763,208**	**10,132,881**	**281,240**	**114,422**	**593,848**	**37,454**

7. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

Short-term trade receivables	31 December 2023	31 December 2022	31 December 2021
Trade receivables	5,663,171	7,161,923	4,658,341
Due receivables from grantor	5,109,581	4,800,520	9,489,113
Trade receivables from related parties (Note 6)	4,490,368	3,433,755	2,679,718
Retention receivables from third parties	1,849,211	1,609,895	2,101,464
Trade receivable impairment (-)	(441,332)	(578,424)	(736,452)
	16,670,999	**16,427,669**	**18,192,184**

As of 31 December 2023, trade receivables amounting to TRY16,670,999 (31 December 2022: TRY16,427,669, 31 December 2021: TRY18,192,184) is neither past due nor impaired. The average trade receivables turnover in days on rendering services, construction contracts, electricity sales and sales of goods is between 15-60 days. No interest is charged for the overdue trade receivables except retail electricity receivables. Monthly 1.60% interest was charged to electricity retail receivables.

Collaterals that are received in relation to trade receivables that are neither past due nor impaired is as follows:

	31 December 2023	31 December 2022	31 December 2021
Guarantee letters	1,365,789	1,071,163	605,329
	1,365,789	**1,071,163**	**605,329**

The nature of the risk and level in the trade receivables are presented in Note 31.

Movements of the impairments for the receivables are as follows:

	2023	2022
Opening as of 1 January	**578,424**	**736,452**
Charge for the year (Note 27)	278,074	426,236
Receivables written off	(181)	(2,395)
Currency translation differences	125	(10,990)
Collections (Note 27)	(159,025)	(301,355)
Reversals (Note 27)	(40,235)	(18,396)
Monetary gain	(215,850)	(251,128)
Closing as of 31 December	**441,332**	**578,424**

7. TRADE RECEIVABLES AND PAYABLES (Continued)

b) Trade payables

As at the balance sheet date, trade payables of the Group summarized below:

Short-term trade payables	31 December 2023	31 December 2022	31 December 2021
Trade payables (*)	11,739,393	10,675,522	10,563,543
Due to related parties (Note 6)	2,632,011	5,541,103	1,775,374
	14,371,404	**16,216,625**	**12,338,917**

Long-term trade payables	31 December 2023	31 December 2022	31 December 2021
Trade payables (*)	-	2,445,458	3,730,747
	-	**2,445,458**	**3,730,747**

The average trade payables turnover in days on purchases of the Group is 101 days (31 December 2022: 100 days, 31 December 2021: 136 days) and no interest is charged by vendors on the balances in due.

(*) Amounting to TRY3,073,937 (USD104,232) of the trade payables are related to purchases of 3. Bosphorus Bridge shares from Astaldi S.p.A.. Under the İçtaş-Astaldi Settlement Agreement, as a result of the aforesaid sale, the 3. Bosphorus Bridge's assets also include the related consideration of USD315 million, and the obligation to pay İçtaş İnşaat, by way of compensation, an amount of USD100 million (the İçtaş İnşaat Compensation), in order to settle any reason for mutual dispute and claims, as well as any credit and debt positions, in relation to the termination of any relationship with İçtaş İnşaat.

İçtaş-Astaldi Settlement Agreement

The debit and credit relationships between the 3. Bosphorus Bridge and İçtaş İnşaat are governed by the settlement agreement signed on 20 June 2019 and was amended following the authorisation given by the Court within the composition with creditors procedure on 21 November 2019 (the İçtaş-Astaldi Settlement Agreement).

Remaining part of the settlement is planned to paid in first quarter of 2024.

8. OTHER RECEIVABLES AND PAYABLES

a) Other receivables

Short-term other receivables	31 December 2023	31 December 2022	31 December 2021
Other receivables from related parties (Note 6)	2,276,679	1,474,929	309,891
Other receivables from third parties	592,269	470,339	1,071,962
Deposits and guarantees given	12,182	11,646	8,812
Due from personnel	7,086	2,459	2,119
	2,888,216	**1,959,373**	**1,392,784**

Long-term other receivables	31 December 2023	31 December 2022	31 December 2021
Other receivables from related parties (Note 6)	288,820	2,369,659	677,033
Deposits and guarantees given	20,991	34,111	58,071
Other receivables	314,334	407,237	463,802
	624,145	**2,811,007**	**1,198,906**

b) Other payables

Short-term other payables	31 December 2023	31 December 2022	31 December 2021
Deposits and guarantees received (**)	1,809,243	1,552,318	1,595,687
Other payables to related parties (Note 6)	1,560,463	460,316	2,138,774
Other payables to third parties	854,568	827,919	1,279,941
Taxes and dues payable	203,378	615,191	1,125,389
Liabilities related to the sponsorship agreement (*)	-	617,326	-
Other	49,287	41,475	52,841
	4,476,939	**4,114,545**	**6,192,632**

Long-term other payables	31 December 2023	31 December 2022	31 December 2021
Other payables to related parties (Note 6)	3,552,642	2,783,756	4,450,672
Security deposits	129,044	177,879	273,012
Other payables to third parties	66,256	-	13,728
Liabilities related to the sponsorship agreement (*)	-	-	1,068,463
	3,747,942	**2,961,635**	**5,805,875**

(*) As of 28 February 2022, İçtaş İnşaat has acquired 8.81% shares of The European Bank for Reconstruction and Development ("EBRD") on IC Enterra amounting to USD24,507. On 28 February 2022, İçtaş İnşaat paid USD4,507 and the remaining amount is paid on 28 February 2023.

(**) The Group receives deposits from customers upon their subscription on behalf of TEDAŞ. According to the TOR Agreement signed with TEDAŞ, TREPAŞ is obliged to keep deposits refunded as updated and the net balance of TRY914,558 (31 December 2022: TRY876,891, 31 December 2021: TRY776,785) deposits received and paid will be paid back to TEDAŞ at the end of the license period in year 2036.

9. PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid expenses

Short-term prepaid expenses	31 December 2023	31 December 2022	31 December 2021
Order advances given	1,540,009	1,150,856	2,265,114
Prepaid expenses for the following months	222,352	440,750	542,893
Order advances given to related parties	47,376	255,464	500,308
Job advances	22,875	10,126	9,341
	1,832,612	**1,857,196**	**3,317,656**

Long term prepaid expenses	31 December 2023	31 December 2022	31 December 2021
Order advances given	215,660	-	45,931
Prepaid expenses for the following years	106,875	204,621	294,776
	322,535	**204,621**	**340,707**

b) Deferred revenue

Short term deferred revenue	31 December 2023	31 December 2022	31 December 2021
Orders received from related parties (*)	4,426,923	496,701	4,329,187
Order advances received (**)	2,267,960	680,437	685,230
Deferred income from third parties	75,592	60,042	56,771
Deferred revenue from related parties	53,766	58,248	63,315
Other income accruals	114,715	-	287,469
	6,938,956	**1,295,428**	**5,421,972**

(*) As of 31 December 2023, TRY4,409,389 of order advances received from related parties consists of advances received from Titan2 IC İçtaş İnşaat A.Ş. for Akkuyu Nuclear Power Plant project (31 December 2022: TRY457,645, 31 December 2021: TRY4,239,992).

(**) As of 31 December 2023, TRY379,679 of the amount consists of China Camc - IC İçtaş Adi Ortaklığı's advances received from BOTAŞ A.Ş for Tuz Gölü Natural Gas Storage Facility Project. (31 December 2022: TRY323,986, 31 December 2021: TRY134,692). As of 31 December 2023 TRY847,888 is received for Vietnam project.

Long term deferred revenue	31 December 2023	31 December 2022	31 December 2021
Order advances received (***)	1,548,154	1,113,243	1,665,641
Orders received from related parties	258,013	378,803	663,200
Deferred revenue from related parties	65,242	108,076	118,514
Deferred income from third parties	35,666	52,252	64,445
Other income accruals	457,664	157,409	273,472
	2,364,739	**1,809,783**	**2,785,272**

(***) As of 31 December 2023, TRY687,396 of the amount consists of received advances of China Camc - IC İçtaş Adi Ortaklığı (31 December 2022: 1,064,033, 31 December 2021: TRY1,572,312) and TRY983,398 of received advances of IC Içtaş İşletme (31 December 2022: 313,001, 31 December 2021: TRY273.476).

10. INVENTORIES

	31 December 2023	31 December 2022	31 December 2021
Raw materials and equipments	1,863,047	1,035,159	763,369
Other inventories	333,762	316,329	181,687
Work in process	88,525	54,973	108,592
Finished goods	19,716	14,914	24,167
Trade goods	4,409	4,742	4,166
	2,309,459	**1,426,117**	**1,081,981**

11. RECEIVABLES FROM SERVICE CONCESSION ARRANGEMENTS

The reconciliation of the receivables from service concession arrangements are as follows:

	2023	2022
1 January	**104,665,278**	**145,892,413**
Investments	1,850,832	948,590
Collections	(20,250,885)	(22,463,019)
Financial income	8,371,791	11,128,942
Operational revenue	1,749,914	2,031,181
Construction income	2,807,996	174,188
Adjustment to the financial asset (Note 27) (*)	(4,485,042)	(7,985,401)
Translation loss	(7,117,454)	(22,872,574)
Monetary loss	(1,838,342)	(2,189,042)
31 December	**85,754,088**	**104,665,278**

(*) This amount refers to difference between actual toll income collection and estimated toll income collection in the amortised cost model defined with respect to the framework of IFRIC 12 ('Service concession arrangements') financial asset model.

12. CONSTRUCTION CONTRACTS

Recognized and included in the accompanying consolidated financial statements as amounts due:

	31 December 2023	31 December 2022	31 December 2021
Income related to on-going projects-net	49,326,778	41,456,724	39,440,051
Less: progress billings	(51,106,674)	(40,803,039)	(40,288,274)
	(1,779,896)	**653,685**	**(848,223)**

Recognized and included in the accompanying consolidated financial statements as amounts due:

	31 December 2023	31 December 2022	31 December 2021
From customers under construction contracts	632,659	2,774,099	4,291,545
To customers under construction contracts	(2,412,555)	(2,120,414)	(5,139,768)
	(1,779,896)	**653,685**	**(848,223)**

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Leasehold improvements	HEPP (*)	Construction in progress	Total
Cost value										
Opening balance as of 1 January 2023	42,342	1,525,549	1,374,819	569,470	671,555	105,003	1,204,299	26,104,523	178,430	31,775,990
Additions	23,643	20,295	1,075,606	309,741	108,296	2,379	24,937	25,739	1,707,835	3,298,471
Disposals	-	(172,788)	(186,838)	(36,652)	(10,376)	(13,517)	-	-	(102,614)	(522,785)
Valuations (**)	-	(88,924)	(7,647)	-	-	-	-	(1,567,338)	-	(1,663,909)
Translation gain	-	(133,574)	(184,179)	(39,819)	(12,453)	(13,555)	-	-	(66,463)	(450,043)
Closing balance as of 31 December 2023	**65,985**	**1,150,558**	**2,071,761**	**802,740**	**757,022**	**80,310**	**1,229,236**	**24,562,924**	**1,717,188**	**32,437,724**
Accumulated depreciation and impairment (-)										
Opening balance as of 1 January 2023	-	(686,423)	(970,133)	(345,170)	(547,161)	(44,456)	(330,648)	-	-	(2,923,991)
Charge for the period	-	(41,005)	(167,439)	(76,981)	(59,537)	(831)	(65,927)	(1,076,125)	-	(1,487,845)
Disposals	-	171,946	139,163	25,521	8,636	12,886	-	-	-	358,152
Valuations (**)	-	25,381	8,483	-	-	-	-	1,076,125	-	1,109,989
Translation gain	-	133,048	166,329	19,842	4,667	13,750	-	-	-	337,636
Closing balance as of 31 December 2023	**-**	**(397,053)**	**(823,597)**	**(376,788)**	**(593,395)**	**(18,651)**	**(396,575)**	**-**	**-**	**(2,606,059)**
Net book value as of 31 December 2023	**65,985**	**753,505**	**1,248,164**	**425,952**	**163,627**	**61,659**	**832,661**	**24,562,924**	**1,717,188**	**29,831,665**

(*) Property, plant and equipment used in Hydroelectric Power Plants.
(**) Please refer to Note 3.

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land improvements and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Leasehold improvements	HEPP (*)	Construction in progress	Total
Cost value										
Opening balance as of 1 January 2022	35,730	1,346,483	1,795,632	564,780	740,955	105,337	1,191,552	16,634,287	188,904	22,603,660
Additions	6,612	16,969	293,195	120,625	60,073	6,816	12,747	5,087	8,598	530,722
Disposals	-	(66,347)	(549,980)	(77,488)	(82,976)	(2,961)	-	(458)	(1,005)	(781,215)
Valuations (**)	-	269,617	23,439	-	-	-	-	9,465,607	-	9,758,663
Transfers	-	1,936	-	-	-	-	-	-	(1,936)	-
Translation gain	-	(43,109)	(187,467)	(38,447)	(46,497)	(4,189)	-	-	(16,131)	(335,840)
Closing balance as of 31 December 2022	**42,342**	**1,525,549**	**1,374,819**	**569,470**	**671,555**	**105,003**	**1,204,299**	**26,104,523**	**178,430**	**31,775,990**
Accumulated depreciation and impairment (-)										
Opening balance as of 1 January 2022	-	(755,135)	(1,085,734)	(348,173)	(511,525)	(48,899)	(264,447)	(595,504)	-	(3,609,417)
Charge for the period	-	(34,469)	(95,889)	(47,713)	(59,538)	(451)	(66,201)	(596,016)	-	(900,277)
Disposals	-	20,768	126,015	38,928	24,276	708	-	153	-	210,848
Valuations (**)	-	26,580	7,357	-	-	-	-	1,191,367	-	1,225,304
Translation gain	-	55,833	78,118	11,788	(374)	4,186	-	-	-	149,551
Closing balance as of 31 December 2022	**-**	**(686,423)**	**(970,133)**	**(345,170)**	**(547,161)**	**(44,456)**	**(330,648)**	**-**	**-**	**(2,923,991)**
Net book value as of 31 December 2022	**42,342**	**839,126**	**404,686**	**224,300**	**124,394**	**60,547**	**873,651**	**26,104,523**	**178,430**	**28,851,999**

(*) Property, plant and equipment used in Hydroelectric Power Plants.
(**) Please refer to Note 3.

Depreciation expense of TRY1,431,825 has been charged to cost of sales (31 December 2022: TRY863,119) and TRY56,020 to administrative and operating expenses (31 December 2022: TRY37,158)

14. INTANGIBLE ASSETS

	Transfer of operating rights	Customers contracts and relationships	Rights	Other intangible assets	Total
Cost value					
Opening balance as of 1 January 2023	3,798,880	5,160,041	44,779	164,981	9,168,681
Additions	-	-	939	31,590	32,529
Disposals	-	-	(6,336)	-	(6,336)
Translation gain	-	-	(4,913)	(3,212)	(8,125)
Closing balance as of 31 December 2023	**3,798,880**	**5,160,041**	**34,469**	**193,359**	**9,186,749**
Accumulated amortisation and impairment (-)					
Opening balance as of 1 January 2023	(1,671,518)	(2,270,433)	(32,679)	(160,853)	(4,135,483)
Charge for the year	(151,988)	(206,446)	(4,931)	(6,055)	(369,420)
Disposals	-	-	6,336	-	6,336
Translation gain	-	-	3,560	3,395	6,955
Closing balance as of 31 December 2023	**(1,823,506)**	**(2,476,879)**	**(27,714)**	**(163,513)**	**(4,491,612)**
Net book value as of 31 Decembet 2023	**1,975,374**	**2,683,162**	**6,755**	**29,846**	**4,695,137**

14. INTANGIBLE ASSETS (Continued)

	Transfer of operating rights	Customers contracts and relationships	Rights	Other intangible assets	Total
Cost value					
Opening balance as of 1 January 2022	3,798,880	5,160,041	61,640	171,325	9,191,886
Additions	-	-	415	32,728	33,143
Disposals	-	-	(4,795)	-	(4,795)
Translation gain	-	-	(12,481)	(39,072)	(51,553)
Closing balance as of 31 December 2022	**3,798,880**	**5,160,041**	**44,779**	**164,981**	**9,168,681**
Accumulated amortisation and impairment (-)					
Opening balance as of 1 January 2022	(1,519,552)	(2,064,016)	(31,622)	(165,177)	(3,780,367)
Charge for the year	(151,966)	(206,417)	(5,800)	(34,808)	(398,991)
Disposals	-	-	1,267	-	1,267
Translation gain	-	-	3,476	39,132	42,608
Closing balance as of 31 December 2022	**(1,671,518)**	**(2,270,433)**	**(32,679)**	**(160,853)**	**(4,135,483)**
Net book value as of 31 December 2022	**2,127,362**	**2,889,608**	**12,100**	**4,128**	**5,033,198**

Amortization expense of TRY8,563 has been charged to cost of sales (31 December 2022: TRY36,667) and TRY360,857 to administrative and operating expenses (31 December 2022: TRY362,324).

15. RIGHT OF USE ASSETS

The details of the right of use assets balances as of 31 December 2023 is as follows:

	Forest usage rights	Vehicles	Land	Buildings	Machinery and equipment	Total
Cost value						
Opening balance as of 1 January 2023	56,687	658,535	154,598	108,241	685,047	1,663,108
Additions	48,364	42,581	35,280	25,153	104,834	256,212
Disposals	(8,656)	(17,157)	-	-	-	(25,813)
Closing balance as of 31 December 2023	**96,395**	**683,959**	**189,878**	**133,394**	**789,881**	**1,893,507**
Accumulated depreciation and impairment (-)						
Opening balance as of 1 January 2023	(4,788)	(131,786)	(11,658)	(33,759)	(117,096)	(299,087)
Charge for the year	(2,481)	(140,447)	(4,870)	(17,578)	(163,109)	(328,485)
Disposals	794	15,133	-	-	-	15,927
Closing balance as of 31 December 2023	**(6,475)**	**(257,100)**	**(16,528)**	**(51,337)**	**(280,205)**	**(611,645)**
Net book value as of 31 December 2023	**89,920**	**426,859**	**173,350**	**82,057**	**509,676**	**1,281,862**

15. RIGHT OF USE ASSETS (Continued)

The details of the right of use assets balances as of 31 December 2022 is as follows:

	Forest usage rights	Vehicles	Land	Buildings	Machinery and equipment	Total
Cost value						
Opening balance as of 1 January 2022	60,115	543,228	143,821	80,154	357,770	1,185,088
Additions	10,129	246,815	10,777	28,717	338,488	634,926
Disposals	(13,557)	(131,508)	-	(630)	(11,211)	(156,906)
Closing balance as of 31 December 2022	**56,687**	**658,535**	**154,598**	**108,241**	**685,047**	**1,663,108**
Accumulated depreciation and impairment (-)						
Opening balance as of 1 January 2022	(4,113)	(174,417)	(8,482)	(21,257)	(56,093)	(264,362)
Charge for the year	(1,711)	(88,751)	(3,176)	(13,132)	(65,272)	(172,042)
Disposals	1,036	131,382	-	630	4,269	137,317
Closing balance as of 31 December 2022	**(4,788)**	**(131,786)**	**(11,658)**	**(33,759)**	**(117,096)**	**(299,087)**
Net book value as of 31 December 2022	**51,899**	**526,749**	**142,940**	**74,482**	**567,951**	**1,364,021**

Amortization expense of TRY245.353 has been charged to cost of sales (31 December 2022: TRY120,776) and TRY83,132 to administrative and operating expenses (31 December 2022: TRY51,266).

16. BANK BORROWINGS

	31 December 2023	31 December 2022	31 December 2021
Short-term bank borrowings	1,812,387	1,552,229	12,572,543
Current portion of long-term bank borrowings	12,275,924	15,477,558	15,889,285
Total short-term bank borrowings	**14,088,311**	**17,029,787**	**28,461,828**

	31 December 2023	31 December 2022	31 December 2021
Long-term bank borrowings	29,469,796	41,787,407	60,261,908
Total long-term bank borrowings	**29,469,796**	**41,787,407**	**60,261,908**

The details of borrowings are as follows:

	31 December 2023		
Currency	**Interest rates (%)**	**Current**	**Non-Current**
USD	2.05-10.75	7,894,478	14,266,071
EUR	4.90-11.00	879,547	2,137,935
TRY	22.50-62.50	492,399	120,874
USD	Libor + 4.00-7.50	4,139,933	12,011,474
EUR	Libor + 3.60-5.80	499,760	417,407
TRY	Libor + 3.10-17.25	182,194	516,035
		14,088,311	**29,469,796**

	31 December 2022		
Currency	**Interest rates (%)**	**Current**	**Non-Current**
USD	2.05-9.95	8,456,294	22,560,220
EUR	4.10-7.00	1,523,683	2,465,810
TRY	17.50-49.50	1,391,997	-
USD	Libor + 2.63-6.50	3,761,987	14,609,681
EUR	Libor + 3.60-5.80	1,643,820	924,848
TRY	Libor + 3.10-6.50	252,006	1,226,848
		17,029,787	**41,787,407**

16. BANK BORROWINGS (Continued)

	31 December 2021		
Currency	**Interest rates (%)**	**Current**	**Non-Current**
USD	2.05-8.00	12,016,301	36,103,399
EUR	3.53-4.90	8,310,731	3,173,141
TRY	17.50-49.50	2,312,742	1,496,869
RUB	16.50	238,352	-
USD	Libor + 2.63-6.50	3,397,895	18,462,472
EUR	Libor + 3.60-5.80	1,966,624	-
TRY	Libor + 3.10-6.50	219,183	1,026,027
		28,461,828	**60,261,908**

The redemption of borrowings is as follows:

	31 December 2023	**31 December 2022**	**31 December 2021**
Within 1 year	14,088,311	17,029,787	28,461,828
1-2 years	11,427,098	11,837,922	12,845,113
2-3 years	10,786,560	11,664,372	12,909,618
3-4 years	2,905,619	11,029,197	12,736,636
4-5 years	1,870,599	3,005,469	13,116,972
More than 5 years	2,479,920	4,250,447	8,653,569
	43,558,107	**58,817,194**	**88,723,736**

The reconciliation of the liabilities arising from bank loans is as follows:

	2023	**2022**
Balance as of 1 January	**58,817,194**	**88,723,736**
Proceeds from borrowings	2,988,233	8,658,574
Payment of borrowings (-)	(14,726,466)	(23,666,345)
Translation gain	(3,150,005)	(6,482,835)
Exchange in foreign currency differences	9,881,972	9,567,127
Change in accruals	1,617,157	(420,882)
Monetary gain	(11,869,978)	(17,562,181)
Balance as of 31 December	**43,558,107**	**58,817,194**

Fair value of Group's liabilities approximates their carrying amounts.

İçtaş Yenilenebilir Enerji ve Üretim A.Ş. is obliged to fulfill certain financial indicators yearly accordance with the credit agreement. The financial indicator is the Debt Service Coverage Ratio, which should be 1.10:1. Debt service coverage ratio represents the ratio of the total net cash flow period defined by the borrower on the financial statements to the period debt service amount at the end of each audit period. This debt service coverage ratio calculation is required to be submitted to the creditors within 150 days following the reporting period together with the financial report.

16. BANK BORROWINGS (Continued)

Tredaş and İçtaş İşletme are obliged to fulfill certain financial indicators in accordance with the loan agreement. On and after the first calculation date, the historic DSCR for the previous calculation period and the projected DSCR in each calculation period until the discharge date should be at least 1.10:1. On each calculation date, Tredaş and İçtaş İşletme shall provide to the Increditor Agent a Compliance Certificate evidencing compliance with the ratios. The calculation of the DSCR has to be submitted to the creditors within 120 days following the reporting period with the financial report. As of 31 December 2023, ratios do comply with the related covenants.

Zafer Uluslararası Havalimanı is subject to covenant clauses, whereby the Company is required to meet certain key performance indicators. According to the agreement the Company shall ensure that; the annual debt service cover ratio ("DSCR") as at the second date of each calendar year falling after the last day of the Availability Period applicable to the Senior Commercial Facility but before the buy-down date is greater than or equal to 1, thereafter the annual debt service cover ratio as at each calculation date is greater than or equal to 1.2; and the debt to equity ratio as at each utilization date is no greater than 3. If, as at the relevant Calculation Date or a Utilisation Date (as the case may be), the Borrower is not in compliance with the Annual Debt Service Cover Ratio or the Debt to Equity Ratio in accordance with conditions stated above, the Lenders and the Borrower shall consult with one another for a period not exceeding 45 (forty five) /days commencing on the date on which the Financial Report evidencing such non-compliance was delivered to the Facility Agent.As seen in the Debt Service Coverage Ratio calculation for the year 2023 following the Financial Model update on March 24, the 1.2 Debt Service Coverage Ratio covenant in the Facility Agreement was not met. Due to non-compliance with the related covenant according to the Facility Agreement, the Equity Cure Amount mechanism was triggered. According to the amendment signed on 27 May 2021, with the Agent, the Relevant Shareholder shall make additional contributions no later than the next interest payment date. Consequently, additional equity injections were made to raise the Debt Service Coverage Ratio above 1.2.

17. LEASE LIABILITIES

	31 December 2023	31 December 2022	31 December 2021
Short-term lease liabilities	362,199	347,204	190,699
Long-term lease liabilities	362,516	615,225	688,454
Total lease liabilities	**724,715**	**962,429**	**879,153**

The reconciliation of the liabilities arising from leases is as follows:

	2023	2022
Balance as of 1 January	**962,429**	**879,153**
Additions	256,212	539,785
Payments	(373,798)	(255,760)
Disposals	(9,886)	(19,589)
Foreign currency differences	245,542	140,681
Interest expense	82,633	61,544
Monetary gain	(438,417)	(383,385)
Balance as of 31 December	**724,715**	**962,429**

18. GOODWILL

The details of the Goodwill balances as of 31 December 2023, 2022 and 2021 are as follows:

	31 December 2023	31 December 2022	31 December 2021
Trakya Elektrik Perakende Satış A.Ş.	1,621,209	1,621,209	1,621,209
Trakya Elektrik Dağıtım A.Ş.	1,193,552	1,193,552	1,193,552
	2,814,761	**2,814,761**	**2,814,761**

As a result of taking over the operating rights of Trakya Elektrik Dağıtım A.Ş. within the scope of privatization of electricity distributing companies by İçtaş İşletme ve Ticaret A.Ş. on 30 December 2011, TRY2,814,761 portion of the total difference between the purchase price and the nominal share price has been accounted as goodwill in the consolidated financial statements.

19. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

Short-term provisions	31 December 2023	31 December 2022	31 December 2021
Short-term portion of provison for excess operating expenses	636,739	-	-
Provisions for unused vacation	102,607	68,352	56,340
Provision for lawsuit (*)	70,511	158,183	250,548
Provisions for warranty	54,123	53,342	48,098
Provision for costs	6,648	11,002	17,997
	870,628	**290,879**	**372,983**

(*) Provision of lawsuits, are allocated on possible cash outflows related to the case. Provision as of 31 December 2023, it is calculated after the evaluation by the group management which the case is possible to result against the Group.

Long-term provisions	31 December 2023	31 December 2022	31 December 2021
Long-term portion of provison for excess operating expenses	2,069,400	-	-
Provisions for employment termination benefits	292,710	268,731	176,834
	2,362,110	**268,731**	**176,834**

19. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The movement of provision for lawsuit is as follows:

	2023	2022
Balance as of 1 January	**158,183**	**250,548**
Period charge	10,470	32,911
Cancelled provision	(23,635)	(20,713)
Payments	(12,652)	(1,455)
Currency translation differences	(98)	(1,352)
Monetary gain	(61,757)	(101,756)
Balance as of 31 December	**70,511**	**158,183**

b) Contingent assets and liabilities

Contingent assets	**31 December 2023**	**31 December 2022**	**31 December 2021**
Guarantee letter received	1,365,789	1,071,163	605,329
	1,365,789	**1,071,163**	**605,329**

Contingent liabilities	**31 December 2023**	**31 December 2022**	**31 December 2021**
Contingencies	67,482,916	67,790,811	54,583,265
Guarantee letter given	7,420,102	36,425,814	29,613,794
	74,903,018	**104,216,625**	**84,197,059**

20. COMMITMENTS

Guarantees- Pledges -Mortgages ("GPM")

Guarantees-Pledges-Mortgages ("GPM") position of the Group as of 31 December 2023, 2022 and 2021.

31 December 2023	TRY equivalent	TRY	USD	EURO	SAR	Other
A. Total amount of GPM given on behalf of the legal entity	2,624,620	2,311,807	2,780	31	28,038	9,316
- *Letters of guarantee*	2,624,620	2,311,807	2,780	31	28,038	9,316
B. Total amount of GPM given against the subsidiaries included in full consolidation	71,386,764	3,826,665	2,187,252	93,624	-	-
- *Letters of guarantee*	3,903,848	2,583,265	5,649	35,363	-	-
- *Contingencies*	67,482,916	1,243,400	2,181,603	58,261	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-	-
D. Total amount of other GPM given	891,634	347,254	18,459	-	-	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	891,634	347,254	18,459	-	-	-
- *Letters of guarantee*	891,634	347,254	18,459	-	-	-
- *Contingencies*	-	-	-	-	-	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-	-
Total	**74,903,018**	**6,485,726**	**2,208,491**	**93,655**	**28,038**	**9,316**

31 December 2022	TRY equivalent	TRY	USD	EURO	SAR	Other
A. Total amount of GPM given on behalf of the legal entity	5,576,261	1,840,053	46,706	2,547	52,500	356,911
- *Letters of guarantee*	5,576,261	1,840,053	46,706	2,547	52,500	356,911
B. Total amount of GPM given against the subsidiaries included in full consolidation	76,660,898	2,655,161	2,071,999	164,793	-	1,766,263
- *Letters of guarantee*	8,870,087	1,411,761	4,146	106,532	-	1,766,263
- *Contingencies*	67,790,811	1,243,400	2,067,853	58,261	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-	-
D. Total amount of other GPM given	21,979,466	333,116	671,088	21,797	-	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	21,979,466	333,116	671,088	21,797	-	-
- *Letters of guarantee*	21,979,466	333,116	671,088	21,797	-	-
- *Contingencies*	-	-	-	-	-	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-	-
Total	**104,216,625**	**4,828,330**	**2,789,793**	**189,137**	**52,500**	**2,123,174**

20. COMMITMENTS (Continued)

31 December 2021	TRY equivalent	TRY	USD	EURO	SAR	Other
A. Total amount of GPM given on behalf of the legal entity	6,261,390	548,235	49,557	48,503	63,205	145,448
- *Letters of guarantee*	6,261,390	548,235	49,557	48,503	63,205	145,448
B. Total amount of GPM given against the subsidiaries included in full consolidation	57,382,786	1,662,366	965,491	439,698	-	-
- *Letters of guarantee*	6,890,431	259,998	95,940	66,468	-	-
- *Contingencies*	50,492,355	1,402,368	869,551	373,230	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-	-
D. Total amount of other GPM given	20,552,883	199,087	416,413	121,334	-	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	20,552,883	199,087	416,413	121,334	-	-
- *Letters of guarantee*	16,461,973	199,087	416,413	21,334	-	-
- *Contingencies*	4,090,910	-	-	100,000	-	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-	-
Total	**84,197,059**	**2,409,688**	**1,431,461**	**609,535**	**63,205**	**145,448**

21. OTHER ASSETS AND LIABILITIES

a) Other current assets

	31 December 2023	31 December 2022	31 December 2021
Carried forward VAT	596,069	741,175	1,333,336
Income accruals	565,875	493,661	1,050,998
Other	263,933	142,244	218,726
	1,425,877	**1,377,080**	**2,603,060**

b) Other non-current assets

	31 December 2023	31 December 2022	31 December 2021
Prepaid taxes and dues	1,241,681	562,656	603,275
Income accruals	618,768	473,713	213,511
Other	1,930	237	25,312
	1,862,379	**1,036,606**	**842,098**

21. OTHER ASSETS AND LIABILITIES (Continued)

c) Other current liabilities

	31 December 2023	31 December 2022	31 December 2021
Expense accruals	562,933	1,640,000	410,791
Taxes and funds payable	448,451	701,124	251,355
Other liabilities	132,311	206,306	31,110
	1,143,695	**2,547,430**	**693,256**

22. SHARE CAPITAL AND LEGAL RESERVES

a) Capital

The composition of the Group's share capital as of 31 December 2023, 2022 and 2021 are as follows:

	31 December 2023		31 December 2022		31 December 2021	
Shareholders	**(%)**	**TRY**	**(%)**	**TRY**	**(%)**	**TRY**
Fırat ÇEÇEN	21.56	24,181	21.56	24,181	22.65	6,116
Serhat ÇEÇEN	20.18	22,633	20.18	22,633	21.20	5,725
Salih ÇEÇEN	20.18	22,633	20.18	22,633	21.20	5,725
İbrahim ÇEÇEN	13.21	14,820	13.21	14,820	13.89	3,749
Murat ÇEÇEN	0.95	1,068	0.95	1,068	1.00	270
Yıldırım AKDEMİR	0.05	58	0.05	58	0.06	15
İçtur Yiyecek ve İçecek Hizmetleri Turizm San. ve Tic. A.Ş.	9.00	10,096	-	-	-	-
IC İçtaş İnşaat Sanayi ve Tic. A.Ş.	9.00	10,096	-	-	-	-
IC İçtaş Enerji Yatırım Holding	4.84	5,431	4.84	5,431	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	1.03	1,156	19.03	21,348	20.00	5,400
Capital	**100**	**112,172**	**100.00**	**112,172**	**100.00**	**27,000**
Inflation adjustment		397,362		397,362		331,263
		509,534		**509,534**		**358,263**

The total number of ordinary shares authorized, as at 31 December 2023, is 112,172,407 shares (31 December 2022: 112,172,407, 31 December 2021: 27,000,000) with a par value of TRY0.001 per share.

22. SHARE CAPITAL AND LEGAL RESERVES (Continued)

b) Legal reserves

	31 December 2023	31 December 2022	31 December 2021
Legal reserves	69,556	69,556	69,556
	69,556	**69,556**	**69,556**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

b) Treasury shares

	31 December 2023	31 December 2022	31 December 2021
Treasury shares (-)	6,690,885	-	-
	6,690,885	**-**	**-**

The Company purchased 9% of the Company's shares from IC Holding for TRY6,690,885 and accounted as treasury shares on 2 January 2023.

23. REVENUE

	1 January-31 December 2023	1 January-31 December 2022
Non-construction income	39,174,296	50,098,869
Construction income	23,995,933	13,420,598
	63,170,229	**63,519,467**

Details of non-construction income are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Energy sales and distribution services income	33,283,059	45,126,402
Highway O&M revenue	1,875,528	2,541,726
Sale of raw materials and trade goods	1,688,286	691,359
Prefabricated and steel income	1,511,917	977,919
Ports and marine management services	449,441	456,474
Other	366,065	304,989
	39,174,296	**50,098,869**

24. COST OF SALES

	1 January-31 December 2023	1 January-31 December 2022
Cost of energy sales and distribution services	(31,535,723)	(39,070,834)
Construction costs	(19,638,420)	(10,525,481)
Cost of sale of raw materials and trade goods	(1,450,229)	(530,559)
Cost of prefabricated and steel containers and buildings	(1,378,546)	(852,321)
Cost of ports and marine management services	(219,431)	(167,380)
Other	(455,957)	(947,686)
	(54,678,306)	**(52,094,261)**

25. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities as of 31 December 2023 and 2022 are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Interest income	937,477	379,441
Gains on sales of property, plant and equipment	69,937	54,607
Other	22,277	11,065
	1,029,691	**445,113**

The details of expenses from investing activities as of 31 December 2023 and 2022 are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Losses on sales of property, plant and equipment	(110,739)	(56,587)
Impairment expense for property, plant and equipment	(9,427)	(8,208)
	(120,166)	**(64,795)**

26. ADMINISTRATIVE, OPERATING AND MARKETING EXPENSES

a) Details of administrative and operating expenses

	1 January-31 December 2023	1 January-31 December 2022
Employee benefit expenses	(894,605)	(643,602)
Depreciation and amortization expenses	(500,009)	(450,748)
Consulting and lawsuit expenses	(398,842)	(342,339)
Taxes, dues and fees	(129,618)	(110,589)
Donations expenses	(98,052)	(8,683)
Outsourcing expenses	(63,251)	(74,478)
Maintanence expenses	(45,064)	(54,476)
Travel expenses	(41,026)	(26,024)
Insurance expenses	(19,064)	(13,798)
Other	(136,169)	(216,543)
	(2,325,700)	**(1,941,280)**

b) Details of marketing expenses

	1 January-31 December 2023	1 January-31 December 2022
Employee benefit expenses	(14,825)	(12,284)
Advertisement expenses	(7,284)	(8,970)
Travelling expenses	(924)	(1,016)
Consultancy expenses	(577)	(929)
Other	(432)	(449)
	(24,042)	**(23,648)**

27. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the periods ended 31 December 2023 and 2022 are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Foreign exchange gain from operating activities	5,479,098	5,528,577
Reversal of unneccessary doubtful debt provision	199,260	319,751
Reversal of provision for lawsuits	28,788	24,740
Adjustments to financial assets (Note 11) (*)	10,715	-
Consultancy income	1,945	642,130
Other	397,696	1,177,527
	6,117,502	**7,692,725**

27. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

The details of other expense from operating activities for the periods ended 31 December 2023 and 2022 are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Foreign exchange loss from operating activities	(6,545,996)	(6,288,905)
Adjustment to financial asset (Note 11) (*)	(4,495,757)	(7,985,401)
Provision expense for excess operating expenses	(2,179,150)	-
Other operating expenses related to highways and airport	(673,311)	(24,336)
Provision expense for doubtful receivables (Note 7)	(278,074)	(426,236)
Late fee expenses	(239,613)	(304,212)
Other	(812,442)	(327,129)
	(15,224,343)	**(15,356,219)**

(*) This amount refers to difference between actual toll income collection and estimated toll income collection in the amortised cost model defined with respect to the framework of IFRIC 12 ('Service concession arrangements') financial asset model.

28. FINANCE INCOME AND EXPENSES

	1 January-31 December 2023	1 January-31 December 2022
Income from service concession arrangements	6,777,168	9,199,194
Income from derivative instruments	895,740	26,833
Foreign exchange gain from financial activities	712,481	1,086,712
Other financial income	105,617	16,408
	8,491,006	**10,329,147**

	1 January-31 December 2023	1 January-31 December 2022
Foreign exchange loss from financial activities	(10,196,727)	(11,053,253)
Interest expense on bank loans	(4,145,541)	(5,277,515)
Interest expenses to related parties	(162,351)	(136,659)
Interest expense on lease liabilities	(82,633)	(61,544)
Loss from derivative instruments	(1,564)	(289,260)
Other financial expense	(383,979)	(487,058)
	(14,972,795)	**(17,305,289)**

29. INCOME TAXES

Current tax asset liabilities:	31 December 2023	31 December 2022
Current corporate tax provision	346,032	1,466,797
Less: prepaid taxes and funds	(195,468)	(124,115)
	150,564	**1,342,682**

Tax expense comprises of:	31 December 2023	31 December 2022
Corporate tax expense	346,032	1,466,797
Deferred tax expense relating to temporary differences	(7,201,668)	(14,887,035)
	(6,855,636)	**(13,420,238)**

Corporate tax

The Company and its subsidiaries located in Turkey is subject to Turkish corporate taxes. Corporate tax provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and deducting exempt income, non-taxable income and other incentives (previous years losses, if any, and investment incentives utilized, if preferred).

The effective tax rate in 2023 is 25% (2022: 23%, 2021: 25%). The effective tax rates of other countries are used for the calculation of corporate taxes at those countries.

Investment Incentives

The revoked phrase "only attributable to 2006, 2007 and 2008" stated in Provisional Article 69 of Income Tax Law No: 193 with the effect of Article 5 of Law No: 6009 after having published in the Official Gazette No: 27659 as at 1 August 2010 and the Constitutional Court's issued resolution no: 2009/144 published in the Official Gazette as at 8 January 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of undeductible and carry forward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period's income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation. The application had been canceled with the announcement mentioned at Law No:6009 as at 18 February 2012.

29. INCOME TAXES (Continued)

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

Tax rate used in the calculation of deferred tax assets and liabilities as of 31 December 2023 is %25. Tax rates used in the calculation of deferred tax assets and liabilities as of 31 December 2022 and 2021 are %23 over temporary timing differences expected to be reversed in 2022, %20 over temporary timing differences expected to be reversed in 2023 and the following years.

Group recognized TRY3,895,663 (31 December 2022: TRY2,872,895, 31 December 2021: TRY3,857,954) of deferred tax asset over carry forward tax losses.

According to the temporary Article 33 of the Tax Procedure Law, in the financial statements dated 31 December 2023, the tax effects arising from the inflation adjustment of corporate taxes are included in the deferred tax calculation as of 31 December 2023.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

	31 December 2023	31 December 2022	31 December 2021
Tax losses carried forward	3,895,663	2,872,895	3,857,954
Depreciation/ amortization differences of property, plant and equipment and other intangible assets	(3,637,772)	(5,989,674)	(3,357,688)
Foreign exchange valuation	400,498	338,587	854,029
Service concession arrangements adjustment	271,736	(3,014,846)	(22,491,930)
Adjustments related to construction contracts	195,841	102,476	(1,188,986)
Derivative financial instruments	(17,475)	(167,204)	(421,358)
Other	80,776	17,560	(380,030)
	1,189,267	**(5,840,206)**	**(23,128,009)**

As of 31 December 2023, 2022 and 2021, the expiry dates of prior year losses for which deferred tax assets have not been recognised are as follows:

	31 December 2023	31 December 2022	31 December 2021
2022	-	-	1,146,063
2023	-	1,930,066	3,280,652
2024	433,086	1,264,412	2,151,295
2025	518,089	2,297,413	4,358,982
2026	1,367,395	7,229,238	17,713,830
2027	1,328,318	3,084,147	-
2028	2,362,463	-	-
	6,009,351	**15,805,276**	**28,650,822**

29. INCOME TAXES (Continued)

Deferred Tax (Continued)

Movement of deferred tax assets / (liabilities) for the years ended 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Opening balance	**(5,840,206)**	**(23,128,009)**
Tax expense/income recognized in OCI	(298,397)	(2,415,388)
Translation effect	126,202	4,816,156
Tax income recognized in profit or loss	7,201,668	14,887,035
Closing balance	**1,189,267**	**(5,840,206)**

Total charge for the year can be reconciled to the accounting profit as follows:

	31 December 2023	31 December 2022
Profit before tax	12,962,148	8,874,147
Domestic income tax rate (%)	25	23
Tax at the domestic income tax rate	(3,240,537)	(2,041,054)
Tax effects of		
- non-tax-deductible expenses	(899,186)	(1,681,932)
- income exempt from tax	364,632	1,422,081
- equity method accounting	2,516,881	264,019
- net effect of carry forward tax losses	788,624	14,269
- change in tax rate	(291,227)	2,233,595
- unused tax losses not accounted as deferred tax assets	(590,616)	(709,354)
- usage of tax losses not accounted as deferred tax assets	445,541	21,907
- consolidation adjustments exempt from tax	4,021,071	(1,067,799)
- effect of permanent differences	25,775	(945,240)
- monetary gain/loss	3,501,718	1,492,643
- currency impact on non-monetary items and other	212,960	14,417,103
	6,855,636	**13,420,238**

30. FINANCIAL INSTRUMENTS

a) Financial assets

Short-term financial assets	31 December 2023	31 December 2022	31 December 2021
Receivables from service concession arrangements	22,393,832	20,654,081	21,893,458
Foreign currency linked deposits	33,523	185,594	-
Restricted bank deposits	38	63	103
Other	202,643	12,360	145,107
	22,630,036	**20,852,098**	**22,038,668**

Long term financial assets	31 December 2023	31 December 2022	31 December 2021
Receivables from service concession arrangements	58,250,675	79,210,677	114,509,842
	58,250,675	**79,210,677**	**114,509,842**

b) Derivative financial instruments

	31 December 2023		31 December 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Short term	250,372	59,436	299,999	330,839	2,754,032	271,757
Long term	225,398	1,446	405,078	2,412	-	382,195
	475,770	**60,882**	**705,077**	**333,251**	**2,754,032**	**653,952**

Currency Derivatives:

Group utilizes currency derivatives to hedge significant future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

Interest Derivatives (Cash Flow Hedges):

The Group is exposed to interest rate risk and manages the exposure of a certain part of the loan by entering into interest rate swap contracts.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency position

	31 December 2023				
	USD	EUR	RUB	Other	Total TRY Equivalent
Cash and cash equivalent	77,807	1,250	530	595,596	2,926,984
Trade receivables	92,507	45,566	4,987	175,649	4,384,777
Other receivables	24,495	5,483	-	333,172	1,232,863
Bank loans	(561,063)	(102,245)	-	-	(19,882,997)
Trade payables	(160,273)	(11,839)	(129)	(184,663)	(5,297,702)
Other payables	(38,373)	(22,486)	(15)	(147,049)	(2,012,500)
Lease liabilities	-	(15,238)	-	-	(497,256)
Net foreign currency position	**(564,900)**	**(99,509)**	**5,373**	**772,705**	**(19,145,831)**

	31 December 2022				
	USD	EUR	RUB	Other	Total TRY Equivalent
Cash and cash equivalent	163,952	28,017	254	49,425	6,053,151
Trade receivables	34,047	57,703	-	93,093	3,097,761
Other receivables	92,415	6,457	144,705	291,434	3,601,452
Bank loans	(609,343)	(175,763)	-	-	(24,591,284)
Trade payables	(186,474)	(12,047)	(34,738)	(762,178)	(7,422,907)
Other payables	(127,846)	(23,970)	(120,393)	(372,888)	(5,401,338)
Lease liabilities	-	(18,664)	-	-	(614,167)
Net foreign currency position	**(633,249)**	**(138,267)**	**(10,172)**	**(701,114)**	**(25,277,332)**

	31 December 2021				
	USD	EUR	RUB	Other	Total TRY Equivalent
Cash and cash equivalent	21,084	23,915	2,603	69,569	1,926,797
Trade receivables	35,797	6,096	634	1,076,942	4,455,697
Other receivables	16,987	10,043	-	31,225	1,107,483
Bank loans	(548,281)	(314,829)	-	-	(32,695,798)
Trade payables	(175,025)	(13,304)	(330,354)	(77,598)	(7,240,507)
Other payables	(104,580)	(23,516)	(15)	(22,732)	(4,803,372)
Lease liabilities	-	(9,927)	-	-	(406,105)
Net foreign currency position	**(754,018)**	**(321,522)**	**(327,132)**	**1,077,406**	**(37,655,805)**

a) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies which give rise to foreign exchange exposure. This risk is managed by counterbalancing the foreign currency denominated assets and liabilities.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and EUR.

The following table details the Group's sensitivity to a 20% (2022: 20%, 2021: 20%) increase and decrease in the USD and EUR exchange rates. 20% (2022: 20%, 2021: 20%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates (2022: 20%, 2021: 20%).

The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

	USD			EUR		
	31 December 2023	31 December 2022	31 December 2021	31 December 2023	31 December 2022	31 December 2021
Effect of change in exchange rate	(3,333,996)	(3,912,306)	(5,451,429)	(650,062)	(911,066)	(2,631,224)

	RUB			Other		
	31 December 2023	31 December 2022	31 December 2021	31 December 2023	31 December 2022	31 December 2021
Effect of change in exchange rate	350	(1,043)	(31,755)	154,541	(231,049)	583,247

b) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the equity balance.

The capital structure of the Group consists of debt, which includes the payables to Privatization Administration, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Board of Directors establishes the policies, procedures, parameters and rules for capital risk management and develops risk management strategies accordingly. The objective of the Group is to limit the exposure to various risks while ensuring that the Group has sufficiently using its capital to maximize net sales income.

The Group's overall strategy did not change significantly over the years.

The Group monitors capital on the basis of the dept/capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total payables (including financial, trade and other payables as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Capital risk management (Continued)

The dept/capital ratios at 31 December 2023, 2022 and 2021 are as follows:

	31 December 2023	31 December 2022	31 December 2021
Total debt	68,797,927	89,750,102	118,919,633
Less: Cash and cash equivalents	(7,228,491)	(10,653,428)	(4,723,817)
Net debt	**61,569,436**	**79,096,674**	**114,195,816**
Total equity	86,115,181	80,683,641	50,633,649
Total capital	**147,684,617**	**159,780,315**	**164,829,465**
Net debt/total capital	**0.42**	**0.50**	**0.69**

Significant accounting policies

The Group's accounting policies about financial instruments are disclosed in Note 2.7 "Significant Accounting Policies; Financial assets and financial liabilities" to the consolidated financial statements.

c) Financial risk factors

The Group's activities expose it to a variety of financial risks: interest risk, credit risk, foreign exchange risk and liquidity risk. The Board identifies, and evaluates financial risks in close co-operation with the Group's operating units. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Furthermore, group uses financial derivatives to be protected from different financial risks.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
31 December 2023	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	4,490,368	12,180,631	2,565,499	946,862	6,504,576	475,770
- Secured portion of maximum credit risk guarantee or etc. (**)	-	1,365,789	-	-	-	-
A. Net book value of not due or not impaired financial assets	4,490,368	12,180,631	2,565,499	946,862	6,504,576	475,770
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	441,332	-	-	-	-
- Impairment (-)	-	(441,332)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(*) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management (Continued)

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
31 December 2022	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	3,433,755	12,993,914	3,844,588	925,792	10,374,958	705,077
- Secured portion of maximum credit risk guarantee or etc. (**)	-	1,071,163	-	-	-	-
A. Net book value of not due or not impaired financial assets	3,433,755	12,993,914	3,844,588	925,792	10,374,958	705,077
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	578,424	-	-	-	-
- Impairment (-)	-	(578,424)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(*) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management (Continued)

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
31 December 2021	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	2,679,718	15,512,466	986,924	1,604,766	4,540,024	2,754,032
- Secured portion of maximum credit risk guarantee or etc. (**)	-	605,329	-	-	-	-
A. Net book value of not due or not impaired financial assets	2,679,718	15,512,466	986,924	1,604,766	4,540,024	2,754,032
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	736,452	-	-	-	-
- Impairment (-)	-	(736,452)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(*) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

- Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

- Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data. The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available, estimate is made based on discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

	31 December 2023		31 December 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Level 2						
- Derivative financial instruments	475,770	60,882	705,077	333,251	2,754,032	653,952
Level 3						
- HEPPs (*)	24,562,924	-	26,104,523	-	-	-
	25,038,694	**60,882**	**26,809,600**	**333,251**	**2,754,032**	**653,952**

(*) As of 31 December 2023, the fair value of HEPPs belonging to the Group have been determined by using " the Income Capitilization Approach-Discounted Cash Flow Analysis method (Level 3).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2023 is as follows:

31 December 2023		Total cash outflow according to contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Contractual Maturity Analysis	**Carrying value**	**(I+II+III+IV)**	**(I)**	**(II)**	**(III)**	**(IV)**
Non-derivative financial liabilities						
Bank loans	43,558,107	54,134,808	7,918,989	9,417,302	33,334,183	3,464,334
Lease liabilities	724,715	1,212,967	160,181	183,069	321,635	548,082
Trade payables	14,371,404	14,383,348	194,889	14,188,459	-	-
Other payables	8,224,881	8,224,881	-	4,476,939	3,747,942	-
Other liabilities	1,143,695	1,143,695	-	1,143,695	-	-
Total liabilities	**68,022,802**	**79,099,699**	**8,274,059**	**29,409,464**	**37,403,760**	**4,012,416**

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2022 is as follows:

31 December 2022		Total cash outflow according to contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Contractual Maturity Analysis	**Carrying value**	**(I+II+III+IV)**	**(I)**	**(II)**	**(III)**	**(IV)**
Non-derivative financial liabilities						
Bank loans	58,817,194	68,728,112	7,147,709	11,928,204	44,228,851	5,423,348
Lease liabilities	962,429	1,578,061	99,763	271,052	693,174	514,072
Trade payables	18,662,083	18,721,364	382,710	15,893,196	2,445,458	-
Other payables	7,076,180	7,076,180	-	4,114,545	2,961,635	-
Other liabilities	2,547,430	2,547,430	-	2,547,430	-	-
Total liabilities	**88,065,316**	**98,651,147**	**7,630,182**	**34,754,427**	**50,329,118**	**5,937,420**

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2021 is as follows:

31 December 2021		Total cash outflow according to contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Contractual Maturity Analysis	**Carrying value**	**(I+II+III+IV)**	**(I)**	**(II)**	**(III)**	**(IV)**
Non-derivative financial liabilities						
Bank loans	88,723,736	116,656,882	10,556,747	21,929,496	61,344,802	22,825,837
Lease liabilities	879,153	986,542	62,985	245,608	631,716	46,233
Trade payables	16,069,664	16,069,664	-	12,338,917	3,730,747	-
Other payables	11,998,507	11,998,507	-	6,192,632	5,805,875	-
Other liabilities	693,256	693,256	-	693,256	-	-
Total liabilities	**118,364,316**	**146,404,851**	**10,619,732**	**41,399,909**	**71,513,140**	**22,872,070**

32. EVENTS AFTER THE BALANCE SHEET DATE

1) IC Enterra started trading on Borsa Istanbul Yıldız market on 4 April 2024. The nominal value of the B group bearer shares issued through capital increase and public offering is TRY369,445, which corresponds to 20.03% of the IC Enterra's capital after the public offering. The total amount of shares isswued through capital increase is TRY226,986, which corresponds to 12.30% of the capital after the public offering. The total amount of shares issued through the sale of existing shares (by Company) is TRY142,579, which corresponds to 7.73% of the capital after the public offering.

2) The 3rd Bridge fully received the payment for the guaranteed revenue of 2023 on 31 January 2024 as TRY4,891,540 (USD166,163)

3) The IC Zafer fully received the payment for the guarantee revenue of 2023 on 31 January 2024 as TRY218,041 (EUR6,694).

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IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 AND INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
Recognition of financial assets related to service concession arrangements	
In accordance with the terms of the Service Concession Arrangements signed between the Group and The Public Institutions, the Group has applied financial asset model under TFRS Interpretation 12, Service Concession Arrangements. The Group recognised financial assets (Receivables from service concession arrangements) amounted to TRY60 billion as of 31 December 2022. The financial asset arise from the Service Concession Arrangements are recognised at amortised cost in accordance with TFRS 9 "Financial Instruments". The accounting policies and detailed explanations related to recognition of financial assets relevant to the Group's Service Concession Arrangements are in Notes 2.7 and 11. Recognition of financial assets related to Service Concession Arrangements is a key matter for our audit because of the following: - The volume of financial assets recognised in the consolidated financial statements of the Group dated 31 December 2022, - The complexity of the legislation and the assets to recognise in accordance with TFRS Interpretation 12.	We performed the following auditing procedures in relation to the recognition of the financial assets relevant to Service Concession Arrangements: • We assessed the appropriateness of the financial asset model in scope of TFRS Interpretation 12 in relation to the legislation. • The information contained in the relevant calculation model was checked against the information in the board decisions and the tariffs approved by Energy Market Regulation Authority. • Period end financial asset balance in the Service Concession Arrangement model was checked with the Group's period end consolidated financial statements. • The Group's capital expenditures in the current period were tested by sampling method. • The appropriateness of the disclosures related to financial assets relevant to Service Concession Arrangements with the TFRS was reviewed.

Key Audit Matters	How the key audit matter was addressed in the audit
Revenue recognition in construction agreements	
The consolidated revenue of the Group for the year ending on 31 December 2022 is amounted TRY8.5 billion and it is 26% of the consolidated revenue. Construction revenue is recognised in line with percentage of completion method as stated in TFRS 15 Revenue from contracts with customers. Within the context of this method; amounts, which are recognised as the revenue and cost in relation to the ongoing projects, are based on the estimations and assumptions stated in project budgets. The percentage of completion method is based on management's estimates and assumptions, including estimates of the cost to complete projects, the impact of uncertainties related to the outcome of future events on contract revenue and the recognition of amounts related to project change requests. Main risks determined by us regarding this matter are inaccurate estimations and assumptions by the management, not revising the budget as required and on time in line with the changing conditions and making inaccurate calculations according to percentage of completion method. Since contract and calculations are complex, they have significant impact on the consolidated financial statements and due to above-mentioned risk factors; we considered the matter as a key audit matter. The detailed information for the recognition of the revenue from construction contracts have been disclosed in Note 2.7 and 23.	The audit procedures we have performed regarding to revenue recognition: Processes for determining the accuracy and timing of the revenue recognition in the consolidated financial statements and controls designed by the Group have been understood and assessed. We have read the terms and conditions of significant construction contracts and checked that the terms and conditions stated in the contracts have been appropriately reflected on accounting records and the calculations that form the basis of the records. Project amount and changes in project amount due to changes in the scope of the work have been confirmed with the contracts and appendices. Cost budgets have been reviewed for significant construction projects and the historical accuracy and prudence of the budgets and estimations have been evaluated. We have discussed with the Group management, including project managers, about the progress and cost budgets of construction projects and assessed if the changes in budgets can be justified by the incidents. Actual cost budgets (personnel, material, sub-contractor, etc.) have been tested by reviewing the supporting documents with sampling method. Percentage of completion worksheets prepared by the Group management have been tested. Accordingly, existence and accuracy of the actual costs, additional cost to complete of the project, accuracy of the percentage of completion method and total calculations have been tested by us using recalculation method. We have questioned the expectations in the project schedule in the meetings with accounting and technical teams, and whether the provisions calculated for the projects falling behind the schedule (if any) are in line with the clauses of the contract. The accuracy and adequacy of the explanations in the footnotes of the accompanying consolidated financial statements regarding the revenue have been evaluated in terms of TFRS.

Key audit matters	*How the key audit matter was addressed in the audit*
Accounting for the revaluation of property, plant and equipment The Group has adopted the revaluation method under TAS 16 "Property, plant and equipment" with respect to measurement of the Hydroelectric Power Plants. As disclosed in Note 2.7, the Group has recognized a revaluation surplus of TRY 14.6 billion (net of tax effect is amounted to TRY 11.7 billion) in the consolidated financial statements with respect to revaluation studies performed in 2022. We focused on this matter in our audit due to the following reasons: - Revaluation surplus recognized is material to the Group's consolidated financial statements as at 31 December 2022, - In the valuation studies, there are significant management estimates and assumptions (prospective electricity price expectations, electricity production volume expectations, capacity utilization rates and discount rate) in cash flow projections, - Estimates and assumptions used in valuation studies may be affected by future industrial and economic changes, - The necessity of the use of valuation experts to review the valuation studies due to complex structure of inputs and calculations used.	We performed the following audit procedures in the accounting for the revaluation of property, plant and equipment: - The competence and objectivity of the valuation company that performed the valuation studies and consultancy firm that provided service in determining prospective electricity price expectations and spark spreads have been evaluated. - The valuation methods and technical data used in the valuation of property, plant and equipment were evaluated with the Group management and other management experts with the support of our valuation specialists, - The reasonableness of significant estimates (prospective electricity price expectations, electricity production volume expectations, capacity utilization rates and discount rate) used in the discounted cash flow studies of management were evaluated with the support of our valuation experts, - The electricity production volume and capacity utilization rates used in the projections were compared with the previous period performances of the Group. - Revaluation surplus determined based on the revaluation studies has been reconciled with the consolidated financial statements. - Compliance of the related disclosures on the accounting for the revaluation of property, plant and equipment with TFRS's were evaluated.

4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional explanation for application of IAS 29

Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 31 December 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Burak Özpoyraz, SMMM
Partner

Istanbul, 15 June 2023

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IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

(Amounts expressed in thousand of TRY unless otherwise stated.)

ASSETS	Notes	Audited 31 December 2022	Audited 31 December 2021
CURRENT ASSETS			
Cash and cash equivalents	5	6,465,638	1,745,246
Financial investments	30	120,178	53,649
Trade receivables	7	10,389,165	2,993,674
- Trade receivables from related parties	*6*	*2,024,455*	*585,939*
- Trade receivables from third parties	*7*	*8,364,710*	*2,407,735*
Inventories	*10*	775,552	348,160
Other receivables	8	1,263,371	659,005
- Other receivables from related parties	*6*	*894,691*	*148,604*
- Other receivables from third parties	*8*	*368,680*	*510,401*
Prepaid expenses	9	1,145,770	1,232,307
- Prepaid expenses from related parties	*6*	*155,049*	*184,841*
- Prepaid expenses from third parties	*9*	*990,721*	*1,047,466*
Derivatives	30	182,071	1,017,495
Contract assets	12	1,344,918	1,574,908
- Due from customers under construction contracts from related parties	*6*	*1,283,843*	*1,452,725*
- Due from customers under construction contracts from third parties	*12*	*61,075*	*122,183*
Receivables from service concession arragements	11	12,645,842	11,551,829
Current income tax assets	29	13,280	36,173
Other current assets	21	835,358	877,098
TOTAL CURRENT ASSETS		**35,181,143**	**22,089,544**
NON-CURRENT ASSETS			
Other receivables	8	1,869,796	421,744
- Other receivables from related parties	*6*	*1,552,549*	*250,400*
- Other receivables from third parties	*8*	*317,247*	*171,344*
Receivables from service concession arragements	11	47,652,677	41,563,487
Investments accounted using the equity method	4	839,950	469,217
Property, plant and equipment	13	16,812,595	2,224,676
Intangible assets	14	575,598	620,110
Goodwill	18	304,049	304,049
Right of use assets	15	430,247	200,855
Investment properties		-	2,368
Prepaid expenses	9	165,148	77,457
- Prepaid expenses from third parties		*165,148*	*77,457*
Derivatives	30	*245,845*	-
Contract assets		*35,833*	-
- Due from customers under construction contracts from third parties		*35,833*	-
Deferred tax assets	29	243,348	153,047
Other non-current assets	21	686,407	371,403
TOTAL NON-CURRENT ASSETS		**69,861,493**	**46,408,413**
TOTAL ASSETS		**105,042,636**	**68,497,957**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

(Amounts expressed in thousand of TRY unless otherwise stated.)

LIABILITIES	Notes	Audited 31 December 2022	Audited 31 December 2021
CURRENT LIABILITIES			
Short-term borrowings	16	926,916	4,485,298
Short-term portion of long-term borrowings	16	9,393,432	5,969,290
Short-term lease liabilities	17	203,278	98,400
Trade payables	7	9,945,736	3,930,250
- Trade payables to related parties	*6*	*3,506,263*	*246,183*
- Trade payables to third parties	*7*	*6,439,473*	*3,684,067*
Other financial liabilities	31	-	50,000
Payables related to employee benefits		197,383	116,931
Derivatives	30	200,788	82,263
Contract liabilities	12	1,286,893	1,898,922
- Due to customers under construction from related parties	*6*	-	*23,730*
- Due to customers under construction from third parties	*12*	*1,286,893*	*1,875,192*
Deferred revenue	9	771,540	2,014,844
- Deferred revenue to related parties	*6*	*327,592*	*1,584,648*
- Deferred revenue to third parties	*9*	*443,948*	*430,196*
Other payables	8	2,630,099	2,313,456
- Other payables to related parties	*6*	*185,149*	*419,498*
- Other payables to third parties	*8*	*2,444,950*	*1,893,958*
Short-term provision	19	144,828	120,712
- Short-term provision for employee benefits		*42,149*	*21,268*
- Other short-term provision		*102,679*	*99,444*
Corporate tax payable	29	837,564	86,618
Other current liabilities	21	884,189	246,350
TOTAL CURRENT LIABILITIES		**27,422,646**	**21,413,334**
NON-CURRENT LIABILITIES			
Long-term borrowings	16	25,473,409	22,332,092
Long-term lease liabilities	17	363,642	218,379
Trade payables	7	1,484,165	1,378,350
- Trade payables to third parties		*1,484,165*	*1,378,350*
Derivatives	30	1,464	159,344
Long-term provision for employee benefits	19	195,476	82,366
- Provision for employment benefits		*163,102*	*64,596*
- Other long-term provisions		*32,374*	*17,770*
Other payables	8	1,797,633	2,143,181
- Other payables to related parties	*6*	*1,689,480*	*1,642,492*
- Other payables to third parties	*8*	*108,153*	*500,689*
Deferred revenue	9	904,304	892,448
- Deferred revenue to related parties	*6*	*68,139*	*159,396*
- Deferred revenue to third parties	*9*	*836,165*	*733,052*
Deferred tax liabilities	29	4,173,122	8,537,979
Other non-current liabilities		-	42
TOTAL NON-CURRENT LIABILITIES		**34,393,215**	**35,744,181**
TOTAL LIABILITIES		**61,815,861**	**57,157,515**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

(Amounts expressed in thousand of TRY unless otherwise stated.)

	Notes	Audited 31 December 2022	Audited 31 December 2021
EQUITY			
Equity attributable to owners of the company		**38,715,120**	**14,094,658**
Share capital	23	112,172	27,000
Share capital adjustments	23	805	805
Legal reserves	23	34,949	34,949
Under common control reserves		8,429	8,429
Other comprehensive income and expenses that will not be reclassified to profit or loss		4,253,861	(12,352)
- Gains on revaluation of property, plant and equipment		*4,285,436*	-
- Accumulated loss on remeasurement of defined benefit plans		*(31,575)*	*(12,352)*
Other comprehensive income or expenses that will be reclassified to profit or loss		26,773,120	15,299,706
- Currency translation reserves		*26,608,497*	*15,537,732*
- Hedging reserves		*164,623*	*(128,228)*
- Non-controlling interest put option liability reserve		-	*(109,798)*
Retained earnings		(1,946,081)	1,824,122
Net profit / (loss) for the period		9,477,865	(3,088,001)
Non-controlling Interests		**4,511,655**	**(2,754,216)**
TOTAL EQUITY		**43,226,775**	**11,340,442**
TOTAL LIABILITIES AND EQUITY		**105,042,636**	**68,497,957**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in thousands of TRY unless otherwise stated.)

PROFIT OR LOSS	Notes	Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
Revenue	23	32,876,217	14,266,487
Cost of sales	24	(24,623,977)	(12,167,107)
Gross profit		**8,252,240**	**2,099,380**
Marketing expenses (-)	26	(12,664)	(6,836)
General administrative expenses (-)	26	(872,675)	(434,889)
Other income from operating activities	27	3,569,203	3,920,238
Other expenses from operating activities (-)	27	(9,454,356)	(4,882,744)
Operating profit		**1,481,748**	**695,149**
Income from investing activities	25	137,412	76,644
Expense from investing activities (-)	25	(55,334)	-
Share on profit of investments accounted for using the equity method	4	288,899	61,474
OPERATING PROFIT/(LOSS) BEFORE FINANCE EXPENSE		**1,852,725**	**833,267**
Financial income	28	7,245,460	4,694,087
Financial expenses (-)	28	(8,427,969)	(9,100,216)
PROFIT/(LOSS) BEFORE TAX		**670,216**	**(3,572,862)**
Tax expenses	**29**	**8,416,219**	**(978,451)**
Income tax expense	29	(886,081)	(185,289)
Deferred tax income / (expenses)	29	9,302,300	(793,162)
PROFIT/(LOSS) FOR THE PERIOD		**9,086,435**	**(4,551,313)**
Profit/ (Loss) for the Period Attributable to:			
Owners of the company		9,477,865	(3,088,001)
Non-controlling interests		(391,430)	(1,463,312)
		9,086,435	**(4,551,313)**
OTHER COMPREHENSIVE INCOME		**23,234,177**	**10,203,769**
Items that may be reclassified in profit or loss:			
Change in currency translation difference		11,093,936	10,163,322
Change in fair value of cash flow hedges, net of tax		440,463	52,549
Items that may not be reclassified in profit or loss:			
Gains on revaluation of property, plant and equipment, net of tax		11,713,885	-
Remeasurement of defined benefit obligation, net of tax		(14,107)	(12,102)
Total comprehensive income:		**32,320,612**	**5,652,456**
Total comprehensive income attributable to:			
Owners of the company		25,107,694	7,072,925
Non-controlling interest		7,212,918	(1,420,469)

The accompanying notes form an integral part of these consolidated financial statements.

IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in thousands of TRY unless otherwise stated.)

					Accumulated other comprehensive income or expenses that will be reclassified to profit or loss			Accumulated other comprehensive income or expenses that will not be reclassified to profit or loss						
	Share capital	Share capital adjustments	Legal reserves	Under common control reserves	Currency translation reserves	Non-controlling interest put option liability reserve	Hedging reserves	Gains on revaluation of property, plant and equipment	Accumulated gain/(loss) on remeasurement of defined benefit plans	Retained earnings	Net profit / (loss) for the period	Equity attributable to owners of the company	Non-controlling interest	Total
Balances at 1 January 2021	**27,000**	**805**	**34,949**	**8,429**	**5,401,141**	**(109,798)**	**(162,941)**	**-**	**(1,974)**	**2,653,793**	**(829,671)**	**7,021,733**	**(1,690,422)**	**5,331,311**
Transfer	-	-	-	-	-	-	-	-	-	(829,671)	829,671	-	-	-
Total comprehensive income	-	-	-	-	10,136,591	-	34,713	-	(10,378)	-	(3,088,001)	7,072,925	(1,420,469)	5,652,456
Capital increase in subsidiaries (*)	-	-	-	-	-	-	-	-	-	-	-	-	375,969	375,969
Dividend payment	-	-	-	-	-	-	-	-	-	-	-	-	(19,294)	(19,294)
Balance as of 31 December 2021	**27,000**	**805**	**34,949**	**8,429**	**15,537,732**	**(109,798)**	**(128,228)**	**-**	**(12,352)**	**1,824,122**	**(3,088,001)**	**14,094,658**	**(2,754,216)**	**11,340,442**
Balances at 1 January 2022	**27,000**	**805**	**34,949**	**8,429**	**15,537,732**	**(109,798)**	**(128,228)**	**-**	**(12,352)**	**1,824,122**	**(3,088,001)**	**14,094,658**	**(2,754,216)**	**11,340,442**
Transfer	-	-	-	-	-	-	-	-	-	(3,088,001)	3,088,001	-	-	-
Total comprehensive income	-	-	-	-	11,070,765	-	292,851	4,285,436	(19,223)	-	9,477,865	25,107,694	7,212,918	32,320,612
Capital increase/(decrease) in subsidiaries (**)	85,172	-	-	-	-	-	-	-	-	-	-	85,172	(289,783)	(204,611)
Transactions with non-controlling interest (***)	-	-	-	-	-	109,798	-	-	-	(682,202)	-	(572,404)	342,736	(229,668)
Balance as of 31 December 2022	**112,172**	**805**	**34,949**	**8,429**	**26,608,497**	**-**	**164,623**	**4,285,436**	**(31,575)**	**(1,946,081)**	**9,477,865**	**38,715,120**	**4,511,655**	**43,226,775**

(*) TRY 375,930 of the amount is related to the capital advance received by IC İçtaş Enerji Yatırım Holding A.Ş. and TRY 39 is related to the capital advance received by İçtaş İşletme ve Ticaret A.Ş.

(**) TRY 3,326 of the amount is related to the capital increase received by İçtaş Güneş Enerji A.Ş and TRY 293,109 is related to the capital decrease on IC İçtaş Enerji Yatırım Holding A.Ş.

(***) The European Bank for Reconstruction and Development ("EBRD") shares on İçtaş Sürdürülebilir Enerji Yatırımları A.Ş. was acquired by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş as of 28 February 2022 (Note 25).

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in thousands of TRY unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
A. Cash flows from operating activities		**16,429,339**	**3,493,957**
Profit/(Loss) for the year		9,086,435	(4,551,313)
Adjustments related to reconciliation of loss for the year		**7,342,904**	**8,045,270**
Income tax expense from continuing operations	29	(8,416,219)	978,451
Adjustments related to financial expenses	25, 28	3,014,801	2,689,837
Adjustments related to interest income		(215,168)	(126,077)
Adjustments related to interest income from service concession arrangements	28	(5,583,052)	(3,429,248)
Adjustments related to indexation difference from service concession arrangements	11	(1,027,625)	(141,125)
Adjustments related to financial assets	27	4,843,465	1,419,079
Collections due to service concession arrangements	11	13,140,523	6,913,085
Unrealised foreign exchange losses on financial liabilities	16, 17	5,187,050	6,306,016
Adjustments related to increase in inventories		(427,392)	(60,168)
Adjustments related to decrease in trade receivables		(5,978,070)	(8,441,426)
Adjustments related to increase in other receivables and assets related with operations		(2,311,088)	(1,424,534)
Adjustments related to increase in contract assets and liabilities		(417,872)	(716,126)
Adjustments related to increase in trade payables		5,786,542	2,995,926
Adjustments related to decrease/(increase) in other payables and liabilities related with operations		(562,215)	1,730,452
Adjustments related to amortization and depreciation expenses	13, 14, 15	263,706	252,938
Adjustments related to impairments		203,563	74,010
Adjustments related to provisions		119,416	44,870
Adjustments related to fair value gains and losses		(191,902)	(813,131)
Loss/(profit) from sale of property, plant and equipments	25	27,727	(46,892)
Adjustments related to losses related to business combinations		-	5,324
Taxes paid		(112,242)	(158,426)
Other cash outflows		(1,044)	(7,565)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in thousands of TRY unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
B. Cash flows from investing activities:		**204,288**	**154,880**
Proceeds from sale of property, plant and equipment		296,314	188,805
Proceeds from sale of intangible assets		-	932
Payments for property, plant and equipment	13	(306,194)	(152,856)
Payments for intangible assets	14	(1,000)	(8,078)
Interest received		215,168	126,077
C. Cash flows from financing activities		**(12,186,391)**	**(3,578,975)**
Proceeds from borrowings	16	3,942,725	4,745,487
Payments for borrowings	16	(12,775,113)	(5,646,098)
Payments for financial lease agreements	17	(140,687)	(58,290)
Interest paid		(3,008,705)	(2,976,749)
Capital decrease/(increase)		(204,611)	375,969
Dividends paid		-	(19,294)
D. Effect of foreign currency translation on cash and cash equivalents		**273,156**	**6,878**
Net increase in cash and cash equivalents (A+B+C+D)		**4,720,392**	**76,740**
E. Cash and cash equivalents at the beginning of the year	**5**	**1,745,246**	**1,668,506**
Cash and cash equivalents at the end of the year (A+B+C+D+E)	**5**	**6,465,638**	**1,745,246**

The accompanying notes form an integral part of these consolidated financial statements.

1. ORGANIZATION AND OPERATIONS OF THE GROUP

IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. ("the Company") was established as İbrahim Çeçen Company in 1969 which was changed as İçtaş İbrahim Çeçen İnşaat Sanayi Ticaret A.Ş. in 1980. In 2004, name of the Company has become IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.. The Company's field of activity comprises housing, business centers, public buildings, hotels, health facilities, schools, military buildings and camps, power plants, turn-key industrial buildings, roads, bridges, seaports, airports, potable water facilities, waste water treatment plants, irrigation system constructions with superstructure-infrastructure rehabilitation and renovation works. The head office of the Company is located in İstanbul.

Group's ultimate controlling party is Çeçen family.

As of 31 December 2022, the operations of the entities included in consolidation are summarized below:

Subsidiaries

Treysan Prefabrik Çelik Yapılar Sanayi ve Ticaret A. Ş. ("Treysan")

Treysan, was established in 1975 in Ankara. Treysan is serving the companies in oil/gas sector, construction companies, military organizations, armies and relief organizations by providing temporary and permanent prefabricated camp solutions.

ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş. ("Üçüncü Köprü İşletme or 3rd Bridge")

Üçüncü Köprü İşletme has been established on 16 May 2013. The main operations of 3. Bridge are, the operating and maintaining of "3rd Bosphorus Bridge and Motorways between Odayeri-Paşaköy". At the end of the concession period, bridge and highway will be transfered to the state within the Build-Operate-Transfer model. The operations of the bridge and motorways started on 26 August 2016.

IC İçtaş Sakarya Karasu Limanı Yatırım ve İşletme A.Ş. ("Karasu Limanı")

Karasu Limanı was established on 2011 in order to operate with Build-Operate-Transfer model which will be transfered to the state. Contract time is 19 years 2 months in total as 1 year 6 months for investing and 17 years 8 months for operating. Construction process started in 2015 and completed in 2017.

IC İçtaş Zafer Uluslararası Havalimanı Yatırım ve İşletme A.Ş. ("IC Zafer")

IC Zafer was established on 26 January 2011 in order to construct Zafer International Airport and maintain the operating activities of the airport for 32 years 11 months. The airport started to operate in 2012.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

IC Çeşme Marina Yatırım A.Ş. ("Çeşme Marina")

IC Çeşme Marina Yatırım A.Ş. was established to build and operate yacth port of Çeşme. The other main shareholder of IC Çeşme Marina is Maris Marine Limited with 26% shares. The operation duration is 49 years according to the agreement.

İçtaş İşletme ve Ticaret A.Ş. ("İçtaş İşletme")

İçtaş İşletme was established on 7 December 2011 in order to participate in the privatization bid of Trakya Elektrik Dağıtım A.Ş. ("Tredaş"). The share purchase agreement was signed on 30 December 2011 and İçtaş İşletme took over 100% of the Tredaş shares for a consideration of USD575,000,000. Tredaş and Trakya Elektrik Parekende A.Ş. ("Trepaş") which was established with a partial split, operates in Edirne, Tekirdağ and Kırklareli and providers electricity distribution service more than 1,5 million consumers.

IC İçtaş Enerji Yatırım Holding A.Ş. ("IC Enerji Yatırım")

The main activity of the IC Enerji Yatırım is the establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer. In 2014 the Company took over all shares of IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş. In addition, the main operation of the Company is the wholesale and direct sale of the electric energy and/or capacity to eligible customers and exporting and importing activities of it within the scope of provisions of the "Wholesale License" under the Electricity Market Licensing Regulation published by the Energy Market Regulatory Authority ("EMRA"). On 29 April 2020, İçtaş Mühendislik ve Yapı A.Ş. and IC Enerji Yatırım were merged under IC Enerji Yatırım.

IC İçtaş Sürdürülebilir Enerji A.Ş. ("İçtaş Sürdürülebilir")

IC İçtaş Sürdürülebilir Enerji A.Ş. was established on 13 March 2019. The main activity of İçtaş Sürdürülebilir is the establishment, commissioning, leasing, production of electricity and sale of generated electricity.

İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş. ("İçtaş Yenilenebilir")

İçtaş Enerji Üretim ve Ticaret A.Ş. was established on 2 February 1998. In May 2007, AES Corporation (AES) has acquired 51% shares of İçtaş Enerji Üretim and Ticaret A.Ş. As a result of the aquistion the name of the Company had changed to AES-IC İçtaş Enerji Üretim ve Ticaret A.Ş. ("AES-IC"). On 3 October 2012 the Company took over the shares owned by AES Enerji Limited in AES-IC. The registered name of IC İçtaş Enerji Üretim ve Ticaret A.Ş. has been changed as IC İçtaş Hidroelektrik ve Termik Enerji Üretim ve Ticaret A.Ş with the Trade Registry Gazette of 30 June 2015. The registered name of IC İçtaş Hidroelektrik ve Termik Enerji Üretim ve Ticaret A.Ş has been changed to İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş. with the Trade Registry Gazette of 5 March 2018. İçtaş Yenilenebilir deals with electricity generation. İçtaş Yenilenebilir owns 97.42% (31 December 2021: 97.42%) of Trabzon Enerji.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

Trabzon Enerji Üretim ve Ticaret A.Ş. ("Trabzon Enerji")

Trabzon Enerji Üretim ve Ticaret A.Ş. was established on 8 February 2005 in Trabzon. The main activity of Trabzon Enerji Üretim ve Ticaret A.Ş. is that establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer.

İkisu Enerji Üretim ve Ticaret A.Ş. ("İkisu Enerji")

İkisu was established on 2 August 2013 in Ankara. The main activity of İkisu is that establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer.

As at 22 July 2022 the Company is liquidated and ceased its operations.

IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş. ("IC Toptan")

The Company was established on 21 October 2005 and registered in Turkey. The main operation of the Company is the wholesale and direct sale of the electric energy and/or capacity to eligible customers and exporting and importing activities of it within the scope of provisions of the "Wholesale License" under the Electricity Market Licensing Regulation published by the Energy Market Regulatory Authority ("EMRA").

The Company is merged with IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. as at 11 September 2022.

IC İçmak İnşaat Makina Ticaret ve Lojistik A.Ş. ("IC İçmak")

IC İçmak was established in 1987 in Ankara. The main activity of the company comprises of purchase, sale, import and export of machine and equipment.

IC İçtaş Saudi Arabia Company ("İçtaş Arabia")

IC Içtaş Saudi Arabia Company (" the Company") is a limited liability company registered in Kingdom of Saudi Arabia. The Company is wholly owned by IC Içtaş Inşaat Sanayi ve Ticaret A.Ş. The objective of the Company is construction of buildings and road works in accordance with Saudi Arabian General Investment Authority ("SAGIA"). As of 31 December 2022, the Company has participation in an unincorporated joint arrangement, RTCC-IC Ictas Joint Venture, with a participation share of 50% (31 December 2021: 50% participation share).

IC İçtaş US INC. ("İçtaş USA")

IC İçtaş US Inc is the company formed pursuant to a Joint Venture Agreement signed with Tishman Realty & Construction Company for the construction of Turkish Cultural Center, in New York. It is expected to be completed at the end of 2021.

IC İçtaş Köprü ve Üst Yapı İnş. A.Ş. ("ICA - WHSD")

IC İçtaş Köprü ve Üst Yapı İnş. A.Ş. ("ICA-WHSD") was established on 21 October 2011 in Ankara in order to construct middle part of the West Highway of St. Petersburg, Russia. The highway was opened on 2 December 2016. The company completed its project and it does not have an ongoing project.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

IC Içtaş Otoyol İnş. San. Tic.A.Ş. ("ICA - M11")

Ic Içtaş Otoyol İnş. San. Tic.A.Ş. ("ICA-M11") was established on July 2015 in order to construct Russia's Moscow-St. Petersburg highway project section 7&8. Under the Project that will be constructed as EPC; construction of a 140 km of 2x3- and 2x4-lane motorway, 18 bridges, 46 viaducts and 1 tunnel is scheduled and it was completed in October 2019. The company currently does not have an ongoing project.

IC İçtaş Nükleer ve Endüstriyel Tesisler Yapim A.Ş. ("IC - Nükleer")

The main activity of the Company is the construction project of T-26 tunnel project. T-26 tunnel is the tunnel on the Ankara-İstanbul high speed rail line between Bozüyük and Bilecik. The tunnel is expected to save 14 minutes of time of the high speed trains on the line.

In addition to the construction work of the T26 Tunnel, the Company has been working as the main subcontractor in the Akkuyu Nuclear Power Plant Construction Project since October 2022. The completion year of the project is planned as 2027.

İçtaş Russia LLC ("İçtaş Russia LLC")

The company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. on May 2019. The company's main field of activity is highway constructions and was established to enter tenders in Russia.

IC İçtaş Ağır Endüstriyel Tesisler ve Enerji Tesisleri İmalatları Yapım Anonim Şirketi ("İçtaş Ağır Endüstriyel")

This company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. on December 2020. The company's main field of activity is the manufacture of steel/iron tubes, pipes, hollow profiles and related fittings.

IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş. ("İçtaş Uluslararası")

IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş. was established in 2012 to carry out international construction activities. The Company, was a partner of the consortium in Bulgaria between 2011 and 2014 that deals with the construction work of Burgas Airport. The Company does not have an ongoing project.

IC İçtaş Havacılık A.Ş. ('İçtaş Havacılık')

Established on 9 March 2021, it provides services on air passenger transportation (touristy, sightseeing and non-scheduled ones) (including air taxi transportation) in the Istanbul region.

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. ("İçtaş Altyapı Bakım")

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. (former IC İçtaş Egis Otoyol İşletme A.Ş.) was established by IC İçtaş Altyapı Yatırımları ve İşletme A.Ş. and EGIS Road Operation SA ("EGIS")on 16 June 2016. Based on the Agreement made between the Company and IC Altyapı İşletme ve Ticaret A.Ş. ("IC Altyapı İşletme") on 25 August 2016, the Company has undertaken all operation and maintenance ("O&M") services relating to operation, repair and maintenance of the Northern Marmara Motorway (including the Third Bosphorus Bridge) Odayeri - Paşaköy Section on behalf of IC Altyapı İşletme. The Company was jointly controlled by IC Altyapı İşletme and EGIS until 19 November 2021. Due to the purchase of the shares of EGIS on 19 November 2021, İçtaş Altyapı Bakım became a subsidiary of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. with 100% direct share.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Operations

IC Limak Adi Ortaklığı ("IC-Limak Adi Ortaklığı")

IC-Limak AO was formed as an ordinary partnership of Limak İnşaat Sanayi ve Ticaret A.Ş. ("Limak") and IC İçtaş Enerji Yatırım Holding A.Ş. ("IC Enerji Yatırım") under the laws of Turkey. The Entity is jointly controlled by Limak and the IC Enerji Yatırım. IC-Limak AO mainly carries out renewal, renovation, improvement, repair and maintenance work and management of strip mining activities of Yeniköy and Kemerköy coal fired power plants, jointly controlled by the same groups.

IC İçtaş TSM Adi Ortaklığı ("IC TSM AO")

This joint venture was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. and TSM Enerji İnşaat Sanayi Ltd. Şti on July 2020. The object of the Ordinary Partnership is, under the Engineering, Procurement & Construction of the Power Units 1, 2, 3, 4 of the Akkuyu Nuclear Power Plant, to rent, make available to use or benefit whether or not in exchange of a fee, to sell any equipment and material to EPC Contractor or other third parties to be determined by the Parties, and to execute the all other works that will be overtaken by the joint agreement of the Parties.

China CAMC Engineering CO LDT-IC İçtaş İnşaat A.Ş. ("China CAMCE IC İçtaş")

The company was established in 2019 and 80% owned by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. The objective of the joint operation is construction of 48 new wells to expand the gas storage area for Tuz Gölü Underground Natural Gas Storage Facility Expansion Project ("the Project"). The project volume is 1.2 billion USD and it is expected to be completed in 2024.

İçtaş Kalyon Astaldi İzmir Otoyol Yapım Adi Ortalığı ("İKA AO")

İçtaş Kalyon Astaldi İzmir Otoyol Yapım Adi Ortalığı started operations on 3 April 2017. The main activity of the joint operation is construction of İzmir Menemen-Aliağa-Çandarlı highway project. The Company currently does not have an ongoing project.

Cengiz IC İçtaş Belen Adi Ortaklığı ("CİB AO")

Cengiz IC İçtaş Belen Adi Ortaklığı was established in 2007. The main activity of the joint operation is construction, maintenance and repair of Ankara-İstanbul high speed railway.

Cengiz IC İçtaş Belen T26 Adi Ortaklığı ("CİB-T26 AO")

Cengiz IC İçtaş Belen Adi Ortaklığı was established in 2017. The main activity of the joint operation is to repair the deformations occurring in T26 tunnel and to remove the TBM machine stuck from the tunnel.

Makyol İçtaş Kalyon Astaldi Adi Ortaklığı ("MİKA AO")

The main activity of the joint operation is construction of Kirazlı-Halkalı Metro stations and not operating as the report date.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Operations (Continued)

İKA Metro Yapım Adi Ortaklığı ("İKA Metro AO")

İKA Metro Yapım Adi Ortaklığı was established in 2017. The main activity of the joint operation is construction, maintenance and repaid of railways and subways of Halkalı Kirazlı Metro Project.

RTCC - IC İçtaş Joint Venture ("RTCC-IC")

RTCC-Ic Ictas Joint Venture is an unincorporated joint venture (the "Joint Venture" or "UJV"), formed pursuant to a Joint Venture Agreement (the "Agreement") between Al Rashid Trading & Contracting Company and Ic İçtaş Saudi Arabia LLC (collectively "Co-venturers") on 28 February 2017. King Khalid International Airport expansion project (the "Project") was assigned by the General Authority of Civil Aviation to the Co-venturers and covers the development of terminals 1, 2, 3 and 4 of King Khalid International Airport. The project is expected to be completed in April 2021.

SCI Adi Ortaklığı ("SCI AO")

This joint operation was established by Salini Impregilo SPA Turkey Branch, CCN Altyapı Yatırımları ve İnşaat A.Ş., and IC İçtaş İnşaat Sanayi and Ticaret A.Ş on September 2019. The company's main field of activity is the construction of Gaziantep Şehir Hastanesi.

MİA Adi Ortaklığı ("MİA AO")

This joint operation was established by Makyol İnşaat ve Ticaret A.Ş., İçtaş İnşaat Sanayi ve Ticaret A.Ş., and Astur İnşaat Sanayi ve Ticaret A.Ş on August 2017. The company's main field of activity is the construction of the 3rd stage of the M7: Kabataş-Mahmutbey metro line.

IC İçtaş İnşaat ve Ticaret A.Ş. Göçay A.Ş. İş Ortaklığı ("IC-Göçay")

The main activity of the joint operation which has been operating since 1998 is the construction of Yazıcı irrigation project in Ağrı.

CRCC-CMC-Cengiz-IC İçtaş Hızlı Tren Adi Ortaklığı ("CCCI Hızlı Tren AO")

This joint venture was established by China Railway Construction Corporation (CRCC), IC İçtaş İnşaat Sanayi ve Ticaret A.Ş., Cengiz İnşaat Sanayi ve Ticaret A.Ş., and China National Machinery Import & Export Corp. (CMC) on December 2008. The company's main field of activity is engineering and consultancy activities for transportation projects.

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. ("İKA Otoyol İşletme")

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. was established on 3 April 2017. The main operation of İKA is the operations and maintaining of "İzmir Menemen-Aliağa-Çandarlı highway". The project involves construction of 88 km of 2x2 and 2x2 lane motorway, 11 bridges, 10 viaducts.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Ventures

Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. ("Yeniköy-Kemerköy")

The main activity of Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. is generation of the electricity and the sales of generated electricty. The Company was established on 8 October 2014. The Company was established by Limak Yatırım Enerji Üretim İşletme Hizmetleri, İnşaat A.Ş. and IC İçtaş Enerji Yatırım Holding A.Ş. with equal shares. Thermal power plants and Kemerköy Liman Hizmetleri A.Ş., mine and port management rights were taken over USD2.671 billion on 23 December 2014. The capacity of the aforementioned power plant 1,050 Mwh.

Kemerköy Liman Hizmetleri A.Ş. ("Kemerköy Liman")

The main operation of Kemerköy Liman Hizmetleri A.Ş. is harbor management. The Company was established on 8 October 2014 by Limak Yatırım Enerji Üretim İşletme Hizmetleri and İnşaat A.Ş. ve IC İçtaş Enerji Yatırım Holding A.Ş with equal rates.

Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ("Muğla Yapı")

The main activity of Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş. is production of construction materials. Shares of İçtaş Mühendislik ve Yapı A.Ş. is transferred to IC İçtaş Enerji Yatırım Holding A.Ş. on November 2018.

Titan2 IC İçtaş İnşaat A.Ş. ("Titan2 IC İçtaş")

Titan2 IC İçtaş İnşaat A.Ş. was established in 2019. The main activity of the company is design, construction of the main part of the nuclear power plant facilities and supply of equipment for Akkuyu Nuclear Power Plant project ("the Project") in Mersin. The project started with the mobilization as of May 2019 and it is expected to be fully completed in 2026.

Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi ("Akkuyutst")

Akkuyutst was established on 28 January 2019 in Mersin. The main activity of the Company is production of concrete to be used in Akkuyu Nuclear Power Plant project in Mersin.

İçtur Servis Limited Şirketi ("İçtur Servis")

This company was established by IC İçmak Makina İnşaat ve Lojistik Anonim Şirketi and Titan - Servis Limited Şirketi on August 2020. The company's main field of activity is to provide provision for food, cleaning and accommodation services.

IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş. ("İçtaş Endüstriyel")

This company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş on June 2020. The company's main field of activity is the manufacture of steel/iron tubes, pipes, hollow profiles and related fittings.

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. ('İKA Otoyol İşletme')

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. was established on 3 April 2017. The main operation of İKA is the operations and maintaining of 'İzmir Menemen-Aliağa-Çandarlı highway'. The project involves construction of 88 km of 2x2 and 2x2 lane motorway, 11 bridges, 10 viaducts.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation

The Company and its subsidiaries in Turkey maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with Statements of TFRS.

2.2 Functional Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

The subsidiaries, joint ventures and joint operations whose functional currency is not Turkish Lira are presented below;

Entity Name	Functional Currency
IC İçtaş Zafer Uluslararası Havalimanı Yatırım ve İşletme A.Ş.	EUR
IKA İzmir Otoyol Yatırım ve İşletme A.Ş.	EUR
IC İçtaş Otoyol İnşaat Sanayi ve Ticaret A.Ş.	RUB
ICA Astaldi-IC İçtaş WHSD İnşaat A.Ş.	RUB
IC İçtaş Saudi Arabia LLC.	SAR
RTCC - IC İçtaş Joint Venture	SAR
China Camc Engineeering Co.Ltd-IC İçtaş İnş.San.Tic.A.Ş. Adi Ortaklığı	USD
Titan2 IC İçtaş İnşaat A.Ş.	USD
IC İçtaş USA Inc.	USD
AECOM Tishman IC İçtaş Joint Venture	USD
ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş.	USD
İçtaş TSM Adi Ortaklığı	USD
IC İçtaş Romania Branch	RON
IC İçtaş Russia Branch	RUB
İçtaş Russia LLC	RUB
IC İçtaş Astaldi Simple Partnership	RUB

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Functional Currency (Continued)

In preparing the financial statements of the individual entities, according to TAS 21, transactions in currencies other than Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Any related exchange component of that gain or loss is recognized in the translation reserve accounts under the equity. According to TAS 21, balances of the balance sheet are revaluated according to Turkish Central Bank buying rates:

	31 December 2022	31 December 2021
EUR - TRY for the period	15.0867	15.0867
USD - TRY for the period	13.3290	13.3290
RUB - TRY for the period	0.1770	0.1770
SAR - TRY for the period	3.5501	3.5501

According to TAS 21, balances of the profit or loss statement are revaluated according to average rates in the year:

	1 January - 31 December 2022	1 January - 31 December 2021
EUR - TRY for the period	17.3591	10.4408
USD - TRY for the period	16.5512	8.8557
RUB - TRY for the period	0.2495	0.1196
SAR - TRY for the period	4.4507	2.3645

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year consolidated financial statement, comparative information is reclassed, and significant change are disclosed if necessary.

Fixed assets previously have been classified under intangible assets with net book amount of TRY 778,733 has been reclassified under property, plant and equipments.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation

The details of the Company's fully consolidated subsidiaries and affiliates at 31 December 2022 and 2021 are as follows:

Subsidiaries	Principal Activity	Proportion of ownership interest	Proportion of voting power held (*)	Proportion of ownership interest	Proportion of voting power held (*)
			31 December 2022		31 December 2021
IC İçtaş Zafer Uluslararası Havaalanı Yatırım ve İşletme A.Ş.	Aviation	80.28%	80.28%	80.28%	80.28%
IC İçmak Makine İnşaat ve Lojistik A.Ş.	Construction	97.14%	97.14%	97.14%	97.14%
IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş.	Construction	52.00%	52.00%	52.00%	52.00%
IC İçtaş Nükleer ve Endüstriyel Tesisler Yapim A.Ş.		100.00%	100.00%	100.00%	100.00%
ICA Içtaş Altyapı Yavuz Sultan Selim Köprüsü ve Kuzey Çevre Otoyolu Yatırım ve İşletme A.Ş.	Construction Management	100.00%	100.00%	100.00%	100.00%
IC İçtaş Saudi Arabia Company	Construction	100.00%	100.00%	100.00%	100.00%
IC ICTAS US Inc.	Construction	100.00%	100.00%	100.00%	100.00%
IC İçtaş Köprü ve Üst Yapı İnş. A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%
IC Içtaş Otoyol İnş. San. Tic.A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%
Trakya Elektrik Dağıtım A.Ş.	Electricity Distrubution	-	100.00%	-	100.00%
Trakya Elektrik Perakende Satış A.Ş.	Electricity Retail	-	100.00%	-	100.00%
İçtaş İşletme ve Ticaret A.Ş.	Energy	75.72%	100.00%	75.72%	100.00%
IC İçtaş Enerji Yatırım Holding A.Ş.	Energy	36.64%	36.64%	36.64%	36.64%
İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş.	Energy	-	33.42%	-	33.42%
İçtaş Sürdürülebilir Enerji Yatırımları A.Ş.	Energy	-	33.42%	-	33.42%
İkisu Enerji Üretim ve Ticaret A.Ş. (1)	Energy	-	-	-	33.42%
IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş.(2)	Energy	-	36.64%	-	36.64%
Trabzon Enerji Üretim ve Ticaret A.Ş.	Energy	-	32.47%	-	32.47%
Barış Rüzgar Üretim ve Ticaret A.Ş. (3)	Energy	-	-	-	36.64%
İçtaş Güneş Enerji A.Ş (4)	Energy	36.64%	36.64%	-	-
Treysan Prefabrik Çelik Yapılar San. ve Tic. A.Ş.	Industry	53.41%	53.41%	53.41%	53.41%
Treysan Dış Ticaret A.Ş.	Industry	-	100.00%	-	100.00%
IC İçtaş Ağır Endüstriyel A.Ş.	Industry	100.00%	100.00%	100.00%	100.00%
IC İçtaş Sakarya Karasu Limanı Yatırım ve İşletme A.Ş.	Port Management	100.00%	100.00%	100.00%	100.00%
IC Çeşme Marina Yatırım A.Ş.	Tourism	55.00%	55.00%	55.00%	55.00%
IC İçtaş Havacılık A.Ş.	Aviation	-	100.00%	-	100.00%
ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş.	Infrastructure Management	100.00%	100.00	100.00%	100.00
IC İçtaş Astaldi Simple Partnership	Construction	100.00%	100.00%	100.00%	100.00%
İçtaş Russia LLC	Construction	100.00%	100.00%	100.00%	100.00%

(*) Proportion of voting power represents the indirect share of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş..
(1) The Company has been liquidated as of 22 July 2022.
(2) On 11 September 2022, IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş. and IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. merged under IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.
(3) The Company has been liquidated as of 2 August 2022.
(4) The Company has been established on 21 July 2022.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in associates and joint ventures

The details of the Company's interest in joint ventures at 31 December 2022 and 2021 are as follows:

		31 December 2022		31 December 2021	
Joint Ventures	**Principal Activity**	**Proportion of ownership interest**	**Proportion of voting power held**	**Proportion of ownership interest**	**Proportion of voting power held**
Yeniköy Kemerköy	Energy	50.00%	50.00%	50.00%	50.00%
Kemerköy Liman	Port Management	50.00%	50.00%	50.00%	50.00%
IKA Otoyol İşletme	Highway Management	50.00%	50.00%	50.00%	50.00%
Muğla Yapı Malzemeleri	Construction	50.00%	50.00%	50.00%	50.00%
Titan2 IC İçtaş İnşaat A.Ş.	Construction	50.00%	50.00%	50.00%	50.00%
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd.Şti.	Production	50.00%	50.00%	50.00%	50.00%
İçtur Servis	Service	50.00%	50.00%	50.00%	50.00%
AECOM Tishman	Construction	40.00%	40.00%	40.00%	40.00%
İçtaş Endüstriyel Boru Loj. ve Çelik İmalat A.Ş.	Industry	50.00%	50.00%	50.00%	50.00%

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with TFRS 5. Under the equity method, an investment in associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or a joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or a joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture.

Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group's interest in the joint venture.

Interest in joint operations

The details of the Company's interest in joint operations at 31 December 2022 and 2021 are as follows:

		31 December 2022		31 December 2021	
Joint Operations	Principal Activity	Proportion of ownership interest	Proportion of voting power held	Proportion of ownership interest	Proportion of voting power held
Cengiz-IC İçtaş-Belen Adi Ortaklığı	Construction	33.00%	33.00%	33.00%	33.00%
IC İçtaş İnşaat ve Ticaret A.Ş. Göçay A.Ş. İş Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%
MİKA Adi Ortaklığı	Construction	28.00%	28.00%	28.00%	28.00%
IKA İzmir Otoyol Yapım Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%
IKA Metro Yapım Adi Ortaklığı	Construction	42.50%	42.50%	42.50%	42.50%
MİA Adi Ortaklığı	Construction	44.00%	44.00%	44.00%	44.00%
CRCC-CMC-Cengiz-IC İçtaş Hızlı Tren Adi Ortaklığı	Construction	30.00%	30.00%	30.00%	30.00%
Cengiz-IC İçtaş-Belen T-26 Adi Ortaklığı	Construction	33.00%	33.00%	33.00%	33.00%
RTCC - IC İçtaş Joint Venture	Construction	50.00%	50.00%	50.00%	50.00%
China CAMC Engineering CO LDT-IC İçtaş İnş. San. Tic. A.Ş. Adi Ortaklığı	Construction	99.99%	99.99%	99.99%	99.99%
SCI Adi Ortaklığı	Construction	49.00%	49.00%	49.00%	49.00%
İçtaş TSM Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%
IC-Limak Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

Interest in joint operations (Continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the TAS applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

2.5 Changes in Accounting Policies, Estimates and Errors

Any change in the accounting policies resulted from the first time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.6 Application of New and Revised International Financial Reporting Standards (TFRSs)

a) Standards, amendments and interpretations applicable as at 31 December 2022:

- **Amendment to TFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to TFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Application of New and Revised International Financial Reporting Standards (TFRSs) (Continued)

- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from annual periods beginning on or after 1 January 2022.

  - **Amendments to TFRS 3**, 'Business combinations' update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

  - **Amendments to TAS 16**, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

  - **Amendments to TAS 37**, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

    Annual improvements make minor amendments to TFRS 1, 'First-time Adoption of TFRS', TFRS 9, 'Financial Instruments', TAS 41, 'Agriculture' and the Illustrative Examples accompanying TFRS 16, 'Leases'.

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2022:

- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

- **Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

- **Amendment to TFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

- **Amendment to TAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Application of New and Revised International Financial Reporting Standards (TFRSs) (Continued)

- **TFRS 17, 'Insurance Contracts', as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The Group will assess the impacts of the above amendments on its operations and implement the necessary ones.

2.7 Significant Accounting Policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements

a) A person or a close member of that person's family is related to a reporting entity if that person:

   (i) Has control or joint control over the reporting entity;
   (ii) Has significant influence over the reporting entity; or
   (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

   (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vi) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Transaction with related parties, a transfer regardless of whether a price is charged resources, services or obligations between the reporting entity and related party.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 *Share-based Payment* at the acquisition date; and

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' which cannot exceed one year from the acquisition date, about facts and circumstances that existed at the acquisition date.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Business combinations

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with TAS 39, or TAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. The Group has chosen the "pooling of interest" method in the accounting of business combinations regarding under common control, in accordance with the hierarchy in TAS 8, in order to eliminate the differences in accounting policies ("TAS") observed in the country of operation.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

a. Sale of goods

Group has started to implement TFRS 15 “Revenue from contracts with customers” specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Revenue (Continued)

The Group evaluates the goods and services that it has committed in each contract with the customers and determines each commitment to transfer the said products or services as a separate performance obligation. For each performance obligation, it is determined at the beginning of the contract that the performance of the performance obligation will be satisfied in time or at a point of time. If the Group transfers the control of a goods or service over time and thus fulfills the performance obligations related to the related sales over time, it measures the progress of the satisfaction of the performance obligations in full and takes the proceeds to the financial statements. The Group, as it satisfies the performance obligation by transferring a committed product or service to its customer, records the transaction price corresponding to this performance obligation as revenue in consolidated financial statements. The goods or services are transferred when the goods or services are checked (or passed) by the customers. The Group evaluates the transfer of control of the goods or services sold to the customer by taking into account that:

- ownership of the Group's right to collect goods or services.
- the ownership of the property of the customer.
- transfer of the ownership of the goods or services.
- the ownership of significant risks and rewards arising from the ownership of the property of the customer.
- takes into account the customer's acceptance of goods or services.

b. Rendering of services:

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the balance sheet date;
- Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- Revenue from time and material contracts is recognized at the contractual rates as labour hours are delivered and direct expenses are incurred.

c. Lease income

Lease income from investment properties is recognized on a straight-line basis over the term of the relevant lease contract.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Revenue (Continued)

d. Electricity distribution income

Distribution revenue comprises distribution, meter reading, transmission, theft and loss. Electricity distribution and meter reading services are in the scope of the service concession agreement under EMRA regulations. As per Electricity Market Law, the Electricity Market Tariffs Regulation and other relevant regulations, the Group's distribution, transmission and meter reading services are subject to an revenue cap. Realized revenue includes operating expenses and investment needs related to distribution of electricity and meter reading services. Similarly, transmission revenue consists of the transmission costs allocated by Türkiye Elektrik İletim A.Ş. ("TEİAŞ"). This regulation guarantees the Group's revenue no matter the consumption level of the subscribers. Overcharges and undercharges by the Group are calculated at the end of each year and are adjusted through tariffs by EMRA two years later.

Distribution system income difference of tariff year is the difference between the revenue cap related to distribution system income and realized tariff year distribution income and is recognised as accrual basis.

e. Electricity sales income

Electricity sales are recognized as soon as electricity is delivered. Electricity sales revenue is accounted in the case of realization of electicity delivery on an accrual basis, through the invoiced amount.

f. *Revenue generated from motorway operations*

Revenue and costs of the operator relating to the operating phase are accounted for in accordance with TFRS 15 Revenue from Contract with Customers. The Group generates the revenue with the operator's mark-up on the incurred operation costs when the control of related services are transferred. The Group recognizes operational revenues as over the time basis.

Construction contracts

The Group defines a construction contract as a contract specifically negotiated for the construction of an asset. On the balance sheet, the Group reports the net contract position for each (construction) contract as either an contract asset or a contract liability. A contract asset is recognized when the Group has a right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. A contract receivable is an amount to be billed for which payment is only a matter of passage of time.

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract.

Retention receivables from contractors

The Group's interim progress billings to its clients are subject to retention deductions, which vary, based on the individual agreements. These balances are collected from the clients upon completion of the contract at the end of the warranty period. Retention receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.
Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Leases (Continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Lease income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Leases (Continued)

Leasing Policy Applied Until 31 December 2018

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Lease income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Sale and Lease Back Transactions

Sale and lease back involves the selling of an asset and leasing back the same asset. Lease payments and sales price are often interdependent, as negotiated as a whole. The method of accounting for a sale and lease back depends on the type of lease involved.

In the case of a sale and lease back result in a financial lease, the portion of the sales revenue over the carrying amount cannot be recognized immediately by the lessor. Instead, the income is deferred and amortized over the lease term.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TRY, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Financial Statements of Subsidiaries, Associates and Joint Ventures Operating Abroad

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into TRY using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. In 2022, The Group did not capitalize any borrowing costs regarding the investment loans over tangible assets (2021: None).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Property, plant and equipment

Hydroelectric Power Plants ("HEPPs")

The Group has chosen the revaluation method among application methods mentioned under TAS 16 Property, Plant and Equipment standard for the Group's HEPPs which are presented under "buildings, land improvements and plant, machinery and equipment" accounts which are considered as integral elements of the HEPPs., commencing from 31 December 2022. As for the determination of the fair value of the HEPPs, "income capitalization approach - discounted cash flow Analysis ("DCF") has been used.

In the accompanying consolidated financial statements, increase in the HEPPs due to the revaluation are credited after netting of the deferred tax effect in "Gains on revaluation of property, plant and equipment" account under shareholders' equity. The difference between depreciation (reflected in consolidated profit or loss and other comprehensive income) calculated by the carried amounts of revalued assets and depreciation calculated by the acquisition costs of these assets is transferred to "retained earnings/(accumulated losses) account from the "Gains on revaluation of property, plant and equipment" after netting of the deferred tax effect on a yearly basis. The same method is also applicable for disposal of property, plant and equipment.

In the consolidated financial statements, Kemerçayır and Üçhanlar hydroelectric power plants owned by Trabzon Enerji; Niksar, Bağıştaş, Çileklitepe, Yukarı Mercan, Üçharmanlar, Kadıncık 1 and 2 HEPPs belonging to Yenilenebilir were revalued on 31 December 2022 and were taken into account with their fair values in the consolidated financial statements. The valuation studies of the HEPPs were carried out by Ernst Young Kurumsal Finansman Danışmanlık A.Ş., an institution accredited by the Capital Markets Board of Turkey ("CMB"). The significant estimates and judgements used in the valuation reports are explained in Note 3.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Hydroelectric Power Plants ("HEPPs") (Continued)

As of 31 December 2022, remaining useful lives of HEPPs whose fair values are calculated by adopting the DCF approach are as follows:

	Remaining useful life (Years)
Kemarçayır	34
Üçhanlar	34
Niksar	33
Bağıştaş	35
Çileklitepe	37
Yukarı Mercan	32
Üçharmanlar	35
Kadıncık 1	38
Kadıncık 2	38

Other property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

A Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit or loss.

Apart from infrastructure and land improvements, buildings and property, plant and equipment all tangible assets are subject to straight line depreciation according to their cost value or revalauted value. Expected useful life, salvage value, depreciation method or changes in expectations are reviewed every year and changes in expectations are recorded prospectively.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit or loss.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Other property, plant and equipment (Continued)

The depreciation periods for property, plant and equipment are as follows:

	Years
Buildings	5-50
Land improvements	5-24
Machinery and equipment	1-25
Vehicles	1-15
Furniture and fixtures	1-30
Other fixed assets	2-15

Repair and maintenance expenses are charged to the consolidated statement of profit or loss during the financial period in which they are incurred. The cost of major subsequent expenditures is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Intangible assets

Intangible assets comprise wholesale and energy production licenses, other rights and other intangible assets that are likely to generate future economic benefits to the Group. Licenses and other identified assets are booked in consolidated financial statements with their net value after deducting accumulated depreciations and permanent impairments, if any, from their acquisition costs. Other intangible assets which are expected to be economically beneficial are recognized at fair value of the contract. Aforementioned contractual intangible assets have a determined useful lifes and carried at cost less accumulated amortization.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Customer contracts and relationships and Transfer of Operation Right ("TOR")

The customer contracts and relationships, as well as TOR are booked after deducting the accumulated depreciation and the accumulated impairment losses from the cost values. These assets are amortized using the straight-line method based on their estimated useful lives. Customer contracts and relationships have a useful life of 25-49 years.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3-5 years).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is provided on investment property on a straight line basis.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Leased properties under operating lease are not classified as investment property.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate adjusted for the effects of tax cash outflows that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the “cash-generating unit”).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Goodwill (Continued)

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Service concession arrangements

A service concession arrangement is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure. During the arrangement period, the operator recognizes revenue in return for the services it provides. The grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price, and also controls any significant residual interest in the assets at the end of the term of the arrangement. The operator is obliged to hand over the infrastructure to the party that grants the service arrangement.

IFRIC 12 "Service concession arrangements" noted that when the operator has an unconditional contractual right to receive payments from the concession grantor, irrespective of the amount of use made of the infrastructure then the financial asset model applies. Under this model, the operator recognizes a financial asset, attracting interest; in its balance sheet in consideration for the services it provided (design, construction, etc.). Such financial assets are recognized in the balance sheet in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortized cost. The receivable is settled by means of the grantor's payments received. The financial income calculated on the basis of the effective interest rate, equivalent to the project's internal rate of return, is recognized under operating income. The differences due to the change in terms (using the same effective rate) are recognized as a gain or loss in the income statement.

Financial assets

Tredaş:

The Group recognizes investment expenditure related to distribution, under financial assets to the extent that it has unconditional rights arising from the contract concerning invoicing to subscribers in line with the instructions from the guarantor. The right to collect in return for distribution services is carried out by invoicing subscribers. The distribution element of the said invoices is regulated by distribution tariffs determined by EMRA. The difference between the annual collections from distribution and the revenue cap predetermined by EMRA is corrected by EMRA by revising the future tariff. The financial assets related to the concession arrangements are measured at amortized cost in accordance with TFRS 9, since they are composed of cash flows that only include principal and interest.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Service concession arrangements (Continued)

IC Zafer:

The Group is bound by the terms of the Build - Operate - Transfer ("BOT") Agreement made with DHMİ for Zafer Regional Airport. According to the BOT agreements, the Group has guaranteed passenger fee to be received from DHMİ. The agreement covers a period up to May 2044.

The Group recognizes the guaranteed passenger fee amount due from DHMİ, which is on the scope of Zafer Airport project, as financial asset which is determined by the agreement. Financial assets are recognized in the balance sheet in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortized cost.

3rd Bridge:

The Company is bound by the terms of the Build - Operate - Transfer ("BOT") Agreement made with Ministry of Transport Maritime Affairs and Communication and General Directorate of Highways ("KGM"). According to the BOT agreement, KGM guarantees certain level of traffic and consequently income to the Company.

Service concession arrangement is accounted in accordance with IFRIC 12 "Service Concession Arrangements". In line with IFRIC 12, a financial asset is recognized in the accompanying financial statements. Amount of the financial asset to be recognized is determined based on the total investment for the project plus interest calculated for the financial asset using the effective interest method.

Starting 31 December 2019, the assets and liabilities of ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş., which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

Income Taxes

Taxation in Turkey

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In Turkey the effective rate of tax in 2022 is 23% (2021: 25%).

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2022 is 23% (2021: 25%). Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax within four months of the closing period of the relevant year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Income Taxes (Continued)

Taxation in Russian Federation

The corporate tax rate effective in Russian Federation is 20% (2021: 20%).

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer's choice. Tax returns are filed till the 28th of March, following the close of the financial year.

According to latest tax regulations, between the years 2018 and 2021 the companies are allowed to utilize carry forward tax losses up to 50% of their period profit and starting from the year 2021 there is no limit for the utilization of carry forward tax losses. In addition to this, for the tax losses generated after 2007, limit for loss carry forward of maximum 10 years is abolished.

Tax refunds are technically possible but are very difficult to obtain in practice. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Russia at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 15%. This standard rate may, however, be reduced based on double tax treaty agreements. In Russian Federation the tax regulations are subject to various comments and change frequently. Regarding to Group's operations the interpretation of tax regulations by tax authorities may differ from the management.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Income Taxes (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 (Revised) *Employee Benefits* ("TAS 19").

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) Amortised cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

(a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

(b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item;. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Modification of a financial asset may result in derecognition of financial asset. There are quantitative and qualitative criteria for modification of financial asset that results in derecognition. Significant contractual changes are qualitative indicators for modification of financial asset that results in derecognition. After derecognition of the original financial asset, a new asset is recognized at fair value.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value.

A financial liability is subsequently classified at amortized cost except:

(a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
(b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
(c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in note 30.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Cash flow hedge

The Group uses derivative financial instruments as a hedging instrument against the highly probable foreign exchange risk, to which it is exposed due to the sales revenues based on USD made within the scope of Renewable Energy Resources Support Mechanism ("YEKDEM") and applies cash flow hedge accounting as a result of the effectiveness tests conducted in this context. In addition, the Group applies cash flow hedge accounting through interest rate swaps in order to hedge its variable-rate loans from changes in interest rates. The Group uses derivative transactions effectively in line with its risk management strategy and objectives.

At the date of the derivative contract, the Group determines an asset or liability or the transactions that can be associated with a particular risk and are likely to occur or the transactions that provide hedging against changes that may affect profit/loss, as cash flow hedges.

Efficiency tests are performed at the beginning of the hedge accounting, with the balance sheet method in each reporting period, prospectively. According to this method, hedge accounting is continued if the efficiency is between 80%-125%.

In the cases that the hedging instrument is sold, expires or fails to meet hedge accounting requirements even though it is for hedging purposes or one of the situations occur where the promised or probable future transaction was not expected to take place, the committed or probable future transaction continues to be classified separately in equity until the transaction is realized. When the promised or probable future transaction is realized, it is recorded in the income statement or if it is expected not to be realized the accumulated gains or losses related to the transaction are reflected in the consolidated financial statements as profit or loss (Note 32).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, the management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements:

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

Revenue recognition

The Group uses the percentage of completion method in accounting for its project contracts. Use of the percentage of completion method requires the Group to estimate the proportion of work performed to date as a proportion of the total work to be performed and the Management's judgment that the use of costs to date in proportion to total estimated costs provided the most appropriate measure of percentage of completion.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Project cost estimates

The Group requires project managers to estimate the costs to complete construction contracts. Factors such as escalation of material prices, labor costs and other costs are included in the project cost estimates based on the Management's best estimate.

Impairment test of goodwill

The Group reviews the goodwill for impairment on 31 December each year. Within this scope, TREDAŞ and TREPAŞ activities were regarded as separate cash generating units and the related goodwill was associated with distribution and retail activities. Recoverable values of cash generating units are determined based on the fair value calculations. Fair value calculations include cash flow projections discounted after tax, and these projections, which are determined in TRY, are based on the long-term plans prepared by the Group management. As of 31 December 2022, the results of the impairment tests (details provided below) carried out on the basis of cash-generating units do not indicate goodwill impairment.

Tredaş:

TREDAŞ operations were found to be separate cash generating unit, and the recoverable amount of the cash generating units were determined based on fair value calculations. Fair value calculations included cash flow projections during the licence period, and the projections in TRY were based on the long-term plans prepared by the Group. For the fair value calculations, the average cost of capital rate for TREDAŞ was considered to be 26.4%.

Trepaş:

TREPAŞ operations are considered as separate cash generating units, and the recoverable amount of these cash generating units were determined based on fair value calculations. Fair value calculations included cash flow projections during the licence period, and the projections in TRY were based on the long-term plans prepared by the Group. For the fair value calculations, the average cost of capital rate for TREPAŞ was considered to be 26.4%, the individual customer profit margin rate is considered between 3.37% to 3.82% during the license period.

Useful lives of property, plant and equipment

The management of the Group has made significant assumptions in the direction of the technical team's experience, especially in determining the useful economic lives of the tangible assets.

Uninvoiced electricity sales

The costs of active energy and retail sale services provided to the customer but not invoiced are recognised at estimated amounts. Unbilled electricity costs of active energy and retail sale services are reflected in the consolidated financial statements by multiplying the relevant period's tariff prices by the difference between the date of the customer's most recent meter reading and the last day of the relevant period.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Income taxes

Deferred tax assets are only recognized when sufficient taxable profit is likely to arise in the future. In case of a probable tax advantage, deferred tax asset is calculated over previous year losses.

As of 31 December 2022, the Group recognized deferred income tax asset to the extent that it is probable that future taxable profit will be available. However, the Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all that deferred tax asset to be utilized.

As of 31 December 2022, Group recognized TRY 1,743,579 (31 December 2021: TRY 1,426,335) of deferred tax asset over carry forward tax losses.

Explanations for revaluation method and fair value measurement

The Group has chosen revaluation method instead of historical cost model as an accounting policy among application methods mentioned under TAS 16 for buildings, land improvements and plant, machinery and equipment belonging its HEPPs commencing from 31 December 2022.

An independent valuation firm has been authorized for revaluation because using of long-term price expectation, electricity generation expectation, discount rate and capacity utilization rate forecasts which are sensitive to sectoral and economic variables and also complexity of inputs and calculations. As of 31 December 2022, the fair value which is determined with valuation study by an independent valuation company which has CMB license, is used for lands, land improvements, buildings, machinery and equipment. In the aforementioned valuation and impairment studies, "income capitalization approach - discounted cash flow analysis" was applied.

Income Approach, discounted cash flow analysis (Level 3) is used by the valuation company for valuation reports of 31 December 2022 aims to determine fair value of buildings, land improvements and plant, machinery and equipment of Bağıştaş, Kadıncık 1 and 2, Niksar, Çileklitepe, Üçharmanlar, Kemerçayır, Yukarı Mercan and Üçhanlar HEPPs.

Since long-term electricity prices are the most important inputs of “income capitalization approach - discounted cash flow analysis”, an independent consultancy and technology firm, which operates in energy market, has been hired. In addition to the long-term electricity sale prices, the most important inputs in the model are; capacity utilization rate, projected generation amount and weighted average cost of capital (discount rate).

According to the valuation report as of 31 December 2022, increase in the book value of HEPPs which are subject to revaluation is TRY14,642,356. Gains on revaluation amount was represented under “gains on revaluation of property, plant and equipment” in equity by netting of the deferred tax affect which is TRY2,928,471.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Explanations for revaluation method and fair value measurement (Continued)

Within the frame of these valuations, the following assumptions has been used:

	Valuation assumptions		
HEPP Name	**Weighted capital cost rate (%)**	**Installed capacity (MW)**	**Capacity utilization rate (%)**
Bağıştaş	12,9	140,6	29,3
Kadıncık 1	12,9	70,0	49,4
Kadıncık 2	12,9	56,0	48,2
Niksar	12,9	40,2	39,5
Çileklitepe	12,9	23,1	19,4
Üçharmanlar	12,9	16,6	20,5
Kemarçayır	12,9	15,5	17,5
Yukarı Mercan	12,9	14,0	28,6
Üçhanlar	12,9	11,9	17,5

Cash flow hedge transactions

As explained in Note 30, the Group uses investment loans amounting USD58,623 thousand and as a hedging instrument against the highly probable USD spot exchange rate risk the Group is exposed to due to YEKDEM sales income and applies cash flow hedge accounting as a result of the effectiveness tests performed. The estimations in budgets for YEKDEM sales income used for effectiveness test include estimations such as sales quantities and production capacity.

4. INTERESTS IN OTHER ENTITIES

Joint Ventures

Details of significant joint ventures:

Joint ventures mentioned in Note 2.4 are accounted for using the equity method of accounting in these consolidated financial statements.

Summarised financial information in respect of the Group's significant joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with TFRS adjusted by the Group for equity accounting purposes.

Group's share in net asset value of investments under the equity method is as follows:

	31 December 2022	31 December 2021
İKA Otoyol İşletme	281,746	219,743
Titan2 IC İçtaş	184,417	163,376
Akkuyutst	184,120	60,427
İçtur Servis	122,810	10,334
Içtaş Endüstriyel	57,482	-
Kemerköy Liman	7,648	7,868
Muğla Yapı	1,727	1,934
AECOM Tishman	-	5,535
Yeniköy Kemerköy	-	-
	839,950	**469,217**

The impact of investments under the equity method in the consolidated profit and loss statement is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
İçtur Servis	112,474	9,151
İKA Otoyol İşletme	69,196	(97,892)
Akkuyutst	68,424	107,208
İçtaş Endüstriyel	62,055	(1,643)
İçtaş Egis	-	1,182
Muğla Yapı	(208)	(206)
Kemerköy Liman	(221)	(170)
AECOM Tishman	(917)	(9,962)
Titan2 IC İçtaş	(21,904)	53,806
	288,899	**61,474**

4. INTERESTS IN OTHER ENTITIES (Continued)

Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.

Yeniköy Kemerköy	31 December 2022	31 December 2021
Current assets	3,965,985	1,724,885
Non-current assets	11,019,234	8,603,069
Short-term liabilities	9,044,211	5,865,140
Long-term liabilities	20,258,784	14,691,982
Equity attributable to owners of the company	(14,317,776)	(10,229,168)

	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	6,977,512	3,380,843
Profit / (loss) for the period	(4,812,476)	(862,027)
Group's interest in the profit / (loss) for the period (*)	-	-

(*) Since net asset value of the associates is negative as of 31 December 2022 and 31 December 2021, share of the Group on loss of these associates has been accounted up to the investment amount.

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Yeniköy Kemerköy Elektirik Üretim ve Ticaret A.Ş. to the consolidated financial statements:

	31 December 2022	31 December 2021
Net assets of the joint venture	(14,317,776)	(10,229,168)
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	-	-

Kemerköy Liman Hizmetleri A.Ş.

Kemerköy Liman Hizmetleri A.Ş.	31 December 2022	31 December 2021
Current assets	182	94
Non-current assets	15,480	15,867
Short-term liabilities	366	224
Equity attributable to owners of the company	15,296	15,737

4. INTERESTS IN OTHER ENTITIES (Continued)

Kemerköy Liman Hizmetleri A.Ş. (Continued)

	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	-	-
Profit / (loss) for the period	(441)	(339)
Group's interest in the loss for the period	**(221)**	**(170)**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Kemerköy liman Hizmetleri A.Ş. to the consolidated financial statements:

	31 December 2022	31 December 2021
Net assets of the joint venture	15,296	15,737
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**7,648**	**7,868**

Titan2 IC İçtaş İnşaat A.Ş.

Titan2 IC İçtaş İnşaat A.Ş.	31 December 2022	31 December 2021
Current assets	30,313,425	8,384,282
Non-current assets	4,184,092	1,678,260
Short-term liabilities	33,007,510	8,580,040
Long-term liabilities	1,136,914	1,171,489
Equity attributable to owners of the company	353,093	311,013

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Titan2 IC İçtaş İnşaat A.Ş. to the consolidated financial statements:

	31 December 2022	31 December 2021
Net assets of the joint venture	368,833	326,752
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**184,417**	**163,376**

4. INTERESTS IN OTHER ENTITIES (Continued)

Muğla Yapı Malzemeleri San. Ve Tic. A.Ş.

Muğla Yapı	31 December 2022	31 December 2021
Current assets	465	455
Non-current assets	3,835	3,835
Short-term liabilities	846	421
Equity attributable to owners of the company	3,454	3,869

	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	-	-
Profit / (loss) for the period	(415)	(412)
Group's interest in the profit / (loss) for the period	**(208)**	**(206)**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Muğla Yapı Malzemeleri San. ve Tic. A.Ş. to the consolidated financial statements:

	31 December 2022	31 December 2021
Net assets of the joint venture	3,454	3,868
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**1,727**	**1,934**

İKA İzmir Otoyol Yatırım İşletme A.Ş.

İKA A.Ş.	31 December 2022	31 December 2021
Current assets	1,625,336	1,110,802
Non-current assets	6,758,591	5,552,492
Short-term liabilities	734,067	554,285
Long-term liabilities	6,866,579	5,567,714
Equity attributable to owners of the company	783,281	541,295

4. INTERESTS IN OTHER ENTITIES (Continued)

İKA İzmir Otoyol Yatırım İşletme A.Ş. (Continued)

	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	87,880	52,137
Profit / (loss) for the period	138,391	(195,784)
Group's interest in the profit / (loss) for the period	**69,196**	**(97,892)**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the İKA İzmir Otoyol Yatırım İşletme A.Ş. to the consolidated financial statements:

	31 December 2022	31 December 2021
Net assets of the joint venture	563,491	439,486
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**281,746**	**219,743**

Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi

Akkuyutst	31 December 2022	31 December 2021
Current assets	734,647	176,709
Non-current assets	431,424	135,621
Short-term liabilities	753,297	182,031
Long-term liabilities	44,534	9,446
Equity attributable to owners of the company	368,240	120,853

	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	1,102,844	436,050
Profit / (loss) for the period	136,848	214,416
Group's interest in the profit / (loss) for the period	**68,424**	**107,208**

4. INTERESTS IN OTHER ENTITIES (Continued)

Joint Ventures (Continued)

Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi (Continued)

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi to the consolidated financial statements:

	31 December 2022	31 December 2021
Net assets of the joint venture	368,240	120,854
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**184,120**	**60,427**

İçtur Servis Limited Şirketi

İçtur Servis	31 December 2022	31 December 2021
Current assets	1,605,730	325,964
Non-current assets	261,830	187,286
Short-term liabilities	1,621,940	492,578
Equity attributable to owners of the company	245,620	20,672

	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	2,239,692	836,062
Profit / (loss) for the period	224,948	18,302
Group's interest in the profit / (loss) for the period	**112,474**	**9,151**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the İçtur Servirs Limited Şirketi to the consolidated financial statements:

	31 December 2022	31 December 2021
Net assets of the joint venture	245,620	20,672
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**122,810**	**10,334**

4. INTERESTS IN OTHER ENTITIES (Continued)

İçtaş Endüstriyel

İçtaş Endüstriyel	31 December 2022	31 December 2021
Current assets	1,550,867	388,496
Non-current assets	250,256	45,489
Short-term liabilities	1,563,794	530,020
Long-term liabilities	122,365	-
Equity attributable to owners of the company	114,964	(96,035)
	1 January - 31 December 2022	**1 January - 31 December 2021**
Revenue	2,870,180	453,420
Profit / (loss) for the period	124,111	(316,493)
Group's interest in the profit / (loss) for the period	**62,055**	**(1,643)**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the İçtaş Endüstriyel to the consolidated financial statements:

	31 December 2022	31 December 2021
Net assets of the joint venture	114,964	(96,035)
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**57,482**	**-**

5. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash on hand	1,901	1,165
Cash on deposit	6,296,634	1,677,312
- Demand deposits	*1,793,544*	*840,630*
- Time deposits	*4,503,090*	*836,682*
Other cash equivalents	167,103	66,769
	6,465,638	**1,745,246**

As at 31 December 2022, the interest rates applicable to TRY time deposits are between 11.00% - 27.00% (31 December 2021: 6.50% - 16.50%. As at 31 December 2021, the interest rates applicable to USD denominated time deposits are between 0.10% - 2.50% (31 December 2021: 0.01% - 1.00%), the interest rates applicable to EUR denominated time deposits are between 0.01% - 0.70% (31 December 2021: 0.01% - 0.10%). As at 31 December 2022, maturity of time deposits is between 1 to 35 days (31 December 2021: 1 to 35 days).

6. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries and joint operations, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Trade receivables received from related parties arise mainly from sales transaction. Trade receivables are interest free. Other receivables from related parties arise mainly from financing requirements. Interest is charged on other receivables with an average of market rates.

Trade payables to related parties arise mainly from purchase transaction. Trade payables are interest free and without guarantee. Other payables to related parties arise mainly from financing requirements. Interest is charged on other payables with an average of market rates.

Details of transactions between the Group and other related parties are disclosed below.

6. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2022									
	Receivables			Payables						
	Current		Non-current	Current		Non-current	Current	Current	Non-current	
Balances with related parties	Trading	Non-trading	Non-trading	Trading	Non-trading	Non-trading	Prepaid expenses	Deferred revenue	Deferred revenue	Contract assets
Yeniköy Kemerköy Elektrik Üretim ve Tic. A.Ş. (**)	1,003,118	-	606,840	2,855,163	(11,577)	-	-	23,447	-	-
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	202,996	4,299	-	913	2	-	112,000	-	-	-
Titan2 IC İçtaş İnşaat A.Ş. (*)	489,633	274,164	-	564,312	-	112,392	-	277,748	18,732	1,185,161
Akkuyutst Endüstriyel Üretim İnşaat ve Tic. Ltd. Şti.	96,399	89,072	-	8,169	-	-	-	-	-	-
İçtur Servis Limited Şirketi	77,456	26,396	-	50	-	-	-	-	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	61,526	-	-	29	-	26,173	-	-	-	98,682
Icr Jv- Ictas Rıyad Jv	29,796	-	-	-	-	-	-	-	-	-
İçtaş TSM Adi Ortaklığı	20,108	-	-	12,075	-	215,736	-	-	-	-
Mia Adi Ortaklığı	-	-	-	-	-	-	-	-	-	-
CCN Altyapı Yatırımları ve İnş. A.Ş. (***)	3,436	193,958	178,362	9,907	1,596	-	42,748	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	1,446	1	734,161	4,848	207	-	-	-	-	-
Mika Adi Ortaklığı	1,114	31,578	-	14	-	-	173	257	8,298	-
IC İçtaş Gayrimenkul Yatırımları Anonim Şirketi	877	215,755	-	8	-	200,265	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	511	4	-	619	165,854	-	-	-	-	-
İçtur Yiyecek ve İçecek Hizmetleri Tur. San. ve Tic. A.Ş.	307	40,778	-	8,451	33	168,478	-	26,140	41,109	-
CCN Özel Güv. Hizm. A.Ş.	-	-	-	27,865	-	-	-	-	-	-
IC Antbel Belek Turizm Yatırımları A.Ş.	-	-	-	7,700	-	102,045	-	-	-	-
Shareholders	126	70	25,785	-	23,067	864,322	-	-	-	-
Others	35,606	18,616	7,401	6,140	5,967	69	128	-	-	-
	2,024,455	**894,691**	**1,552,549**	**3,506,263**	**185,149**	**1,689,480**	**155,049**	**327,592**	**68,139**	**1,283,843**

(*) Current trade receivables balance consists of the progress payment invoices charged within the scope of the construction of the nuclear power plant project
(**) Non-current deferred revenue consists of advances received of IC Enerji Yatırım Holding A.Ş. from Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. for the rehabilitiation project.
(***) Non-trading receivable amount of TRY372,320 is due to the long term receivables of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. from CCN Altyapı Yatırımları ve İnşaat A.Ş. given for financing purposes.

6. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2021										
	Receivables			Payables							
	Current		Non-current	Current		Non-current	Current	Current	Non-current		
Balances with related parties	Trading	Non-trading	Non-trading	Trading	Non-trading	Non-trading	Prepaid expenses	Deferred revenue	Deferred revenue	Contract assets	Contract liabilities
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. (**)	346,702	1,416	-	-	-	-	-	-	112,579	-	-
İçtaş TSM Adi Ortaklığı	104,983	-	-	107	324,016	-	-	-	-	-	23,730
İçtur Yiyecek ve İçecek Hizmetleri Tur. San. ve Tic. A.Ş.	30,670	-	-	2,435	-	50,244	-	16,578	38,503	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	29,286	-	-	-	21,532	-	-	-	-	76,071	-
SCI Adi Ortaklığı	27,195	-	-	-	-	-	-	-	-	-	-
Titan2 IC İçtaş İnşaat A.Ş. (*)	16,120	-	-	933	-	80,118	-	1,566,494	-	1,376,654	-
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	14,236	-	-	13,934	-	-	184,670	-	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	8,824	12	-	33,836	-	-	-	1,335	-	-	-
CCN Özel Güvenlik Hizmetler A.Ş.	-	501	-	270	2	-	-	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	647	-	-	22,098	-	86,977	-	-	-	-	-
IC İçtaş Gayrimenkul Yatırımları Anonim Şirketi	645	-	-	8	54,192	181,735	-	-	-	-	-
Mika Adi Ortaklığı	389	26,903	-	-	-	-	171	241	8,314	-	-
Mia Adi Ortaklığı	122	31,273	-	-	-	-	-	-	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	76	-	-	23,318	579	83,374	-	-	-	-	-
IKA Metro Yapım Adi Ortaklığı	30	-	-	-	5,978	-	-	-	-	-	-
Ccn Altyapı ve Yat.ve Inş. A.Ş. (***)	10	81,769	243,146	10,412	535	-	-	-	-	-	-
Ccn Servis ve Işletme Hiz.A.Ş.	-	-	7,064	935	98	-	-	-	-	-	-
IC Antbel Belek Turizm Yatırımları A.Ş.	-	-	-	1,569	-	91,911	-	-	-	-	-
Shareholders	-	-	-	-	7,939	1,068,133	-	-	-	-	-
İçtur Servis Limited Şirketi	2,958	-	-	129,566	-	-	-	-	-	-	-
Other	3,046	6,730	190	6,762	4,627	-	-	-	-	-	-
	585,939	**148,604**	**250,400**	**246,183**	**419,498**	**1,642,492**	**184,841**	**1,584,648**	**159,396**	**1,452,725**	**23,730**

(*) Current trade receivables balance consists of the progress payment invoices charged within the scope of the construction of the nuclear power plant project
(**) Non-current deferred revenue consists of advances received of IC Enerji Yatırım Holding A.Ş. from Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. for the rehabilitiation project.
(***) Non-trading receivable amount of TRY324,915 is due to the long term receivables of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. from CCN Altyapı Yatırımları ve İnşaat A.Ş. given for financing purposes.

6. RELATED PARTY TRANSACTIONS (Continued)

	1 January - 31 December 2022					
Transactions wtih related parties	**Purchases**	**Sales**	**Interest income**	**Interest expense**	**Other income**	**Other expense**
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	7,369,903	1,916,381	-	-	-	105
Titan2 Ic İçtaş İnşaat A.Ş.	215,896	2,324,277	15,084	2,657	139,442	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	87,163	557	5,848	869	3	17,356
IC İçtaş Endüstriyel Boru Lojistik Ve Çelik İmalatları A.Ş.	78,603	52,043	1,965	-	193,564	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ttd. Şti.	27,827	54,725	1,645	-	89,921	-
Mia Adi Ortaklığı	14,406	288	-	-	29	299
CCN Özel Güv. Hizm. A.Ş.	11,791	151	-	-	127	18,493
İçtaş TSM Adi Ortaklığı	9,648	32	-	-	26,419	-
İçtur Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	9,408	79,361	-	11,493	-	2,873
CCN Servis İşletme ve Yönetim A.Ş.	9,285	18	-	-	-	1,631
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	2,873	37,849	-	752	2	324
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	1,421	-	-	14,265	-	733
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	1,224	200,649	294	-	-	-
İçtur Servis Limited Şirketi	1,128	52,367	1,491	-	44,879	-
IC Antbel Belek Turizm Yatırımları A.Ş.	221	-	-	4,810	-	443
IKA İzmir Otoyol Yatırım ve İşletme A.Ş.	-	6,443	-	-	22	-
IC İçtaş Gayrimenkul Yatırımları A.Ş.	8	15,699	5,504	24,785	8	1
Other	1,425	22	160	-	343	3,187
Shareholders	542	42	-	-	-	3
Total	**7,842,772**	**4,740,904**	**31,991**	**59,631**	**494,759**	**45,448**

6. RELATED PARTY TRANSACTIONS (Continued)

	1 January - 31 December 2021					
Transactions wtih related parties	**Purchases**	**Sales**	**Interest income**	**Interest expense**	**Other income**	**Other expense**
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	647,230	718,923	-	-	-	-
İçtur Servis Limited Şirketi	136,402	49,323	-	-	2,719	-
IC İçtaş Egis Otoyol İşletme ve Bakım A.Ş.	89,900	280	-	-	2,511	1
IC İbrahim Çeçen Yatırım Holding A.Ş.	38,944	130	-	32,353	1	7
Titan2 IC İçtaş İnşaat A.Ş.	38,597	2,808,195	-	-	37,280	127
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	37,946	27,578	-	-	211	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ttd. Şti.	4,019	22,227	-	69	-	-
İçtur Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	3,779	47,666	432	62	127	-
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	1,512	14,900	-	-	2	-
IC İbrahim Çeçen Vakıf Eğitim Sağlık İnşaat Taahhüt Ticaret A.Ş.	1,313	130	-	-	-	3,131
İçtaş TSM Adi Ortaklığı	840	7,795	-	-	15,617	5,944
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	637	-	-	13,069	6	35
IC İçtaş Gayrimenkul Yatırımları A.Ş.	-	5,466	-	33,536	-	-
Other	4,740	5,605	-	1,917	-	576
Total	**1,005,859**	**3,708,218**	**432**	**81,006**	**58,474**	**9,821**

7. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

Short-term trade receivables	31 December 2022	31 December 2021
Trade receivables	7,738,703	1,882,285
Trade receivables from related parties (Note 6)	2,024,455	585,939
Retention receivables from third parties	977,056	784,710
Trade receivable impairment (-)	(351,049)	(259,260)
	10,389,165	**2,993,674**

As of 31 December 2022, trade receivables amounting to TRY 10,389,165 (31 December 2021: TRY 2,993,674) is neither past due nor impaired. The average trade receivables turnover in days on rendering services, construction contracts, electricity sales and sales of goods is between 15-60 days. No interest is charged for the overdue trade receivables except retail electricity receivables. Monthly 1.60% interest was charged to electricity retail receivables. Collaterals that are received in relation to trade receivables that are neither past due nor impaired is as follows:

	31 December 2022	31 December 2021
Guarantee letters	605,473	223,643
	605,473	**223,643**

The nature of the risk and level in the trade receivables are presented in Note 33.

Movements of the impairments for the receivables are as follows:

	2022	2021
Opening as of 1 January	**259,260**	**228,554**
Charge for the year (Note 27)	203,563	74,010
Acquisition effect	-	7,356
Receivables written off	(1,453)	(1,497)
Currency translation differences	16,281	10,865
Collections	(112,974)	(58,161)
Reversals	(13,628)	(1,867)
Closing as of 31 December	**351,049**	**259,260**

7. TRADE RECEIVABLES AND PAYABLES (Continued)

b) Trade payables

As at the balance sheet date, trade payables of the Group summarized below:

Short-term trade payables	31 December 2022	31 December 2021
Trade payables (*)	6,439,473	3,684,067
Due to related parties (Note 6)	3,506,263	246,183
	9,945,736	**3,930,250**

Long-term trade payables	31 December 2022	31 December 2021
Trade payables (*)	1,484,165	1,378,350
	1,484,165	**1,378,350**

The average trade payables turnover in days on purchases of the Group is 100 days (31 December 2021: 136 days) and no interest is charged by vendors on the balances in due.

(*) Amounting to TRY 2,205,355 (USD 165,158) of the trade payables are related to purchases of 3. Bosphorus Bridge shares from Astaldi S.p.A.. Under the İçtaş-Astaldi Settlement Agreement, as a result of the aforesaid sale, the 3. Bosphorus Bridge's assets also include the related consideration of USD315 million, and the obligation to pay İçtaş İnşaat, by way of compensation, an amount of USD100 million (the İçtaş İnşaat Compensation), in order to settle any reason for mutual dispute and claims, as well as any credit and debt positions, in relation to the termination of any relationship with İçtaş İnşaat.

İçtaş-Astaldi Settlement Agreement

The debit and credit relationships between the 3. Bosphorus Bridge and İçtaş İnşaat are governed by the settlement agreement signed on 20 June 2019 and was amended following the authorisation given by the Court within the composition with creditors procedure on 21 November 2019 (the İçtaş-Astaldi Settlement Agreement).

Redemption schedule of the remaining part of the settlement is as follows:

- 10% of the amount within the 1st quarter of 2023
- 12% of the amount within the 3rd quarter of 2023
- 25% of the amount within the 4th quarter of 2023
- 53% of the amount within the 1st quarter of 2024.

8. OTHER RECEIVABLES AND PAYABLES

a) Other receivables

Short-term other receivables	31 December 2022	31 December 2021
Other receivables from related parties (Note 6)	894,691	148,604
Other receivables from third parties	360,119	506,294
Deposits and guarantees given	7,068	3,297
Due from personnel	1,493	810
	1,263,371	**659,005**

Long-term other receivables	31 December 2022	31 December 2021
Other receivables from related parties (Note 6)	1,552,549	250,400
Deposits and guarantees given	20,753	21,431
Other receivables	296,494	149,913
	1,869,796	**421,744**

b) Other payables

Short-term other payables	31 December 2022	31 December 2021
Deposits and guarantees received	1,030,648	354,829
Taxes and dues payable	676,231	409,608
Liabilities related to the sponsorship agreement (*)	374,640	-
Other payables to third parties	338,259	1,101,244
Other payables to related parties (Note 6)	185,149	419,498
Other	25,172	28,277
	2,630,099	**2,313,456**

Long-term other payables	31 December 2022	31 December 2021
Other payables to related parties (Note 6)	1,689,480	1,642,492
Security deposits (**)	107,956	100,866
Other payables to third parties	197	5,072
Liabilities related to the sponsorship agreement (*)	-	394,751
	1,797,633	**2,143,181**

(*) As of 28 February 2022, İçtaş İnşaat has acquired 8.81% shares of The European Bank for Reconstruction and Development ("EBRD") on İçtaş Sürdürülebilir amounting to USD 24,507. On 28 February 2022, İçtaş İnşaat paid USD 4,507 and remaining amount will be paid on 28 February 2023.

(**) The Group receives deposits from customers upon their subscription on behalf of TEDAŞ. According to the TOR Agreement signed with TEDAŞ, TREPAŞ is obliged to keep deposits refunded as updated and the net balance of deposits received and paid will be paid back to TEDAŞ at the end of the license period in year 2036.

8. OTHER RECEIVABLES AND PAYABLES

b) Other payables (Continued)

İçtaş Sürdürülebilir

	TRY amounts
Current assets	
Cash and cash equivalents	29,723,636
Trade receivables	736,947,502
Other receivables	266,931
Prepaid expenses	6,424,038
Other current assets	1,428,361
Non-current assets	
Property, plant and equipment	897,137,911
Right of use assets	13,770,584
Intangible assets	798,682,919
Prepaid expenses	15,667,948
Deferred tax assets	30,959,033
Other non-current assets	492,818
Current liabilities	
Short-term portion of long-term borrowings	1,334,786,332
Short-term lease liabilities	11,374,212
Trade payables	136,018,711
Other payables	12,740,782
Payables related to employee benefits	1,477,648
Derivatives	40,954,000
Short-term provision	6,280,426
Other current liabilities	78,847,839
Non-current liabilities	
Long-term borrowings	4,598,898,953
Long-term lease liabilities	7,315,010
Other payables	78,385,340
Derivatives	106,697,673
Long-term provision	8,029,042
Net asset	(3,890,304,285)
Effective ownership disposed	8.81%
Net asset disposed	(342,735,808)
Net sales price	
Price as cash and cash equivalents	339,466,261
Net loss on sale of shares	(682,202,061)
Cash and cash equivalents acquired	2,618,652

9. PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid expenses

Short-term prepaid expenses	31 December 2022	31 December 2021
Order advances given	698,391	843,729
Prepaid expenses for the following months	286,163	200,592
Order advances given to related parties	155,049	184,841
Job advances	6,167	3,145
	1,145,770	**1,232,307**

Long term prepaid expenses	31 December 2022	31 December 2021
Prepaid expenses for the following years	165,148	77,457
	165,148	**77,457**

b) Deferred revenue

Short term deferred revenue	31 December 2022	31 December 2021
Orders received from related parties (*)	327,592	1,584,648
Order advances received (**)	412,961	284,524
Income accruals	30,987	145,672
	771,540	**2,014,844**

(*) As of 31 December 2021, TRY 277,748 of order advances received from related parties consists of advances received from Titan2 IC İçtaş İnşaat A.Ş. for Akkuyu Nuclear Power Plant project (31 December 2021: TRY 1,566,494).

(**) As of 31 December 2022, TRY 193,148 of the amount consists of China Camc - IC İçtaş Adi Ortaklığı's advances received from BOTAŞ A.Ş for Tuz Gölü Natural Gas Storage Facility Project. (31 December 2021: TRY 49,762).

Long term deferred revenue	31 December 2022	31 December 2021
Order advances received (**)	824,925	714,327
Orders received from related parties	68,139	159,396
Income relating to future years	11,240	18,725
	904,304	**892,448**

(***) As of 31 December 2022, TRY 645,757 of the amount consists of received advances of China Camc - IC İçtaş Adi Ortaklığı (31 December 2021: TRY 580,892) and TRY 189,959 of received advances of IC Içtaş İşletme (31 December 2021: TRY 101,036).

10. INVENTORIES

	31 December 2022	31 December 2021
Raw materials and equipments	607,320	266,956
Other inventories	123,395	35,490
Work in process	33,010	35,604
Finished goods	8,950	8,573
Trade goods	2,877	1,537
	775,552	**348,160**

11. RECEIVABLES FROM SERVICE CONCESSION ARRANGEMENTS

The reconciliation of the receivables from service concession arrangements are as follows:

	2022	2021
1 January	**53,115,316**	**32,643,620**
Investments	546,882	592,527
Collections	(13,140,523)	(6,913,085)
Financial income (Note 28)	5,583,052	3,429,248
Operational revenue	1,232,737	631,935
Construction income	105,716	104,126
Adjustment to the financial asset (Note 27) (*)	(4,843,465)	(1,419,079)
Change in government compensation accrual	(5,204)	1,698
Indexation differences	1,027,625	141,125
Translation gain	19,589,850	23,903,201
31 December	**63,211,986**	**53,115,316**

(*) This amount refers to difference between actual toll income collection and estimated toll income collection in the amortised cost model defined with respect to the framework of IFRIC 12 (‘ Service concession arrangements’) financial asset model.

12. CONSTRUCTION CONTRACTS

Recognized and included in the accompanying consolidated financial statements as amounts due:

	31 December 2022	31 December 2021
Income related to on-going projects-net	18,419,332	13,874,191
Less: progress billings	(18,325,474)	(14,198,205)
	93,858	**(324,014)**

Recognized and included in the accompanying consolidated financial statements as amounts due:

	31 December 2022	31 December 2021
From customers under construction contracts	1,380,751	1,574,908
To customers under construction contracts	(1,286,893)	(1,898,922)
	93,858	**(324,014)**

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Leasehold improvements	HEPP (*)	Construction in progress	Total
Cost value										
Opening balance as of 1 January 2022	5,738	204,486	456,925	181,861	170,072	33,552	190,673	2,079,559	69,137	3,392,003
Additions	3,000	8,893	168,566	69,453	40,168	2,708	5,267	1,387	6,752	306,194
Disposals	-	(27,953)	(326,211)	(38,774)	(38,022)	(1,080)	-	-	-	(432,040)
Valuations (**)	-	-	-	-	-	-	-	14,179,096	-	14,179,096
Transfers	-	589	-	-	-	-	(589)	-	-	-
Translation gain	-	81,485	185,527	40,811	43,013	8,877	34,187	-	-	393,900
Closing balance as of 31 December 2022	**8,738**	**267,500**	**484,807**	**253,351**	**215,231**	**44,057**	**229,538**	**16,260,042**	**75,889**	**17,839,153**
Accumulated depreciation and impairment (-)										
Opening balance as of 1 January 2022	-	(175,736)	(285,482)	(107,328)	(105,711)	(17,850)	(67,975)	(407,245)	-	(1,167,327)
Charge for the period	-	(11,053)	(33,342)	(23,466)	(26,857)	(415)	-	(56,015)	(13,543)	(164,691)
Disposals	-	9,848	72,252	16,834	10,479	430	-	-	-	109,843
Valuations (**)	-	-	-	-	-	-	-	463,260	-	463,260
Translation gain	-	(78,747)	(127,058)	(24,105)	(28,862)	(8,871)	-	-	-	(267,643)
Closing balance as of 31 December 2022	**-**	**(255,688)**	**(373,630)**	**(138,065)**	**(150,951)**	**(26,706)**	**(67,975)**	**-**	**(13,543)**	**(1,026,558)**
Net book value as of 31 December 2022	**8,738**	**11,812**	**111,177**	**115,286**	**64,280**	**17,351**	**161,563**	**16,260,042**	**62,346**	**16,812,595**

(*) Property, plant and equipment used in Hydroelectric Power Plants.
(**) Please refer to Note 3.

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land improvements and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Leasehold improvements	HEPP (*)	Construction in progress	Total
Cost value										
Opening balance as of 1 January 2021	5,738	128,724	251,806	142,937	94,294	44,658	181,806	2,079,133	39,320	2,968,416
Acquisition effect	-	113	2,458	498	2,306	-	519	-	-	5,894
Additions	-	8,801	105,008	3,695	27,000	125	7,212	426	589	152,856
Disposals	-	(6,175)	(106,080)	(51,630)	(291)	(19,860)	725	-	-	(183,311)
Translation gain	-	73,023	203,733	86,361	46,763	8,629	411	-	29,228	448,148
Closing balance as of 31 December 2021	**5,738**	**204,486**	**456,925**	**181,861**	**170,072**	**33,552**	**190,673**	**2,079,559**	**69,137**	**3,392,003**
Accumulated depreciation and impairment (-)										
Opening balance as of 1 January 2021	-	(105,382)	(170,449)	(64,740)	(61,671)	(27,138)	(54,042)	(349,794)	-	(833,216)
Acquisition effect	-	(28)	(994)	(54)	(1,959)	-	(261)	-	-	(3,296)
Charge for the period	-	(8,232)	(30,005)	(20,251)	(15,868)	(914)	(13,610)	(57,451)	-	(146,331)
Disposals	-	2,998	25,169	15,657	280	17,449	-	-	-	61,553
Translation gain	-	(65,092)	(109,203)	(37,940)	(26,493)	(7,247)	(62)	-	-	(246,037)
Closing balance as of 31 December 2021	**-**	**(175,736)**	**(285,482)**	**(107,328)**	**(105,711)**	**(17,850)**	**(67,975)**	**(407,245)**	**-**	**(1,167,327)**
Net book value as of 31 Decembet 2021	**5,738**	**28,750**	**171,443**	**74,533**	**64,361**	**15,702**	**122,698**	**1,672,314**	**69,137**	**2,224,676**

(*) Property, plant and equipment used in Hydroelectric Power Plants.

Depreciation expense of TRY 121,067 has been charged to cost of sales (31 December 2021: TRY 110,180) and TRY 43,624 to administrative and operating expenses (31 December 2021: TRY 36,151)

14. INTANGIBLE ASSETS

	Operating rights	Rights	Other intangible assets	Customers contracts and relationships	Total
Cost value					
Opening balance as of 1 January 2022	447,259	60,621	10,347	557,398	1,075,625
Additions	-	640	360	-	1,000
Disposals	-	(2,199)	-	-	(2,199)
Translation gain	18,853	3,067	-	-	21,920
Closing balance as of 31 December 2022	**466,112**	**62,129**	**10,707**	**557,398**	**1,096,346**
Accumulated amortisation and impairment (-)					
Opening balance as of 1 January 2022	(201,042)	(22,595)	(9,116)	(222,762)	(455,515)
Charge for the year	(16,507)	(4,406)	(767)	(22,401)	(44,081)
Disposals	-	355	-	-	355
Translation gain	(18,853)	(2,654)	-	-	(21,507)
Closing balance as of 31 December 2022	**(236,402)**	**(29,300)**	**(9,883)**	**(245,163)**	**(520,748)**
Net book value as of 31 Decembet 2022	**229,710**	**32,829**	**824**	**312,235**	**575,598**

14. INTANGIBLE ASSETS (Continued)

	Operating rights	Rights	Other intangible assets	Customers contracts and relationships	Total
Cost value					
Opening balance as of 1 January 2021	447,459	48,558	10,081	557,398	1,063,496
Acquisition effect	-	330	-	-	330
Additions	-	7,843	235	-	8,078
Disposals	(200)	(1,800)	-	-	(2,000)
Translation gain	-	5,690	31	-	5,721
Closing balance as of 31 December 2021	**447,259**	**60,621**	**10,347**	**557,398**	**1,075,625**
Accumulated amortisation and impairment (-)					
Opening balance as of 1 January 2021	(184,627)	(17,316)	(8,456)	(200,622)	(411,021)
Acquisition effect	-	(250)	-	-	(250)
Charge for the year	(16,415)	(2,652)	(634)	(22,140)	(41,841)
Disposals	-	606	-	-	606
Translation gain	-	(2,983)	(26)	-	(3,009)
Closing balance as of 31 December 2021	**(201,042)**	**(22,595)**	**(9,116)**	**(222,762)**	**(455,515)**
Net book value as of 31 December 2021	**246,217**	**38,026**	**1,231**	**334,636**	**620,110**

Amortization expense of TRY 32,405 has been charged to cost of sales (31 December 2021: TRY 31,504) and TRY 11,676 to administrative and operating expenses (31 December 2021: TRY 10,337).

15. RIGHT OF USE ASSETS

The details of the right of use assets balances as of 31 December 2022 is as follows:

	Forest usage rights	Vehicles	Land	Buildings	Machinery and equipment	Total
Cost value						
Opening balance as of 1 January 2022	10,693	139,269	30,958	18,097	104,074	303,091
Additions	11,936	132,976	4,425	13,149	126,717	289,203
Disposals	(3,140)	(45,628)	-	-	(3,220)	(51,988)
Closing balance as of 31 December 2022	**19,489**	**226,617**	**35,383**	**31,246**	**227,571**	**540,306**
Accumulated depreciation and impairment (-)						
Opening balance as of 1 January 2022	(502)	(80,222)	(2,035)	(5,322)	(14,155)	(102,236)
Charge for the year	(881)	(29,462)	(507)	(3,906)	(20,178)	(54,934)
Disposals	250	45,628	-	-	1,233	47,111
Closing balance as of 31 December 2022	**(1,133)**	**(64,056)**	**(2,542)**	**(9,228)**	**(33,100)**	**(110,059)**
Net book value as of 31 December 2022	**18,356**	**162,561**	**32,841**	**22,018**	**194,471**	**430,247**

15. RIGHT OF USE ASSETS

The details of the right of use assets balances as of 31 December 2021 is as follows:

	Forest usage rights	Vehicles	Land	Buildings	Machinery and equipment	Total
Cost value						
Opening balance as of 1 January 2021	7,436	114,143	29,872	15,265	54,814	221,530
Acquisition effect	-	1,798	-	-	-	1,798
Additions	3,257	24,230	1,086	2,832	49,260	80,665
Disposals	-	(902)	-	-	-	(902)
Closing balance as of 31 December 2021	**10,693**	**139,269**	**30,958**	**18,097**	**104,074**	**303,091**
Accumulated depreciation and impairment (-)						
Opening balance as of 1 January 2021	(267)	(28,875)	(1,179)	(3,336)	(4,280)	(37,937)
Acquisition effect	-	(435)	-	-	-	(435)
Charge for the year	(235)	(51,814)	(856)	(1,986)	(9,875)	(64,766)
Disposals	-	902	-	-	-	902
Closing balance as of 31 December 2021	**(502)**	**(80,222)**	**(2,035)**	**(5,322)**	**(14,155)**	**(102,236)**
Net book value as of 31 December 2021	**10,191**	**59,047**	**28,923**	**12,775**	**89,919**	**200,855**

Amortization expense of TRY 8,202 has been charged to cost of sales (31 December 2021: TRY 9,670) and TRY 46,732 to administrative and operating expenses (31 December 2021: TRY 55,096).

16. BANK BORROWINGS

	31 December 2022	31 December 2021
Short-term bank borrowings	926,916	4,485,298
Current portion of long-term bank borrowings	9,393,432	5,969,290
Total short-term bank borrowings	**10,320,348**	**10,454,588**

	31 December 2022	31 December 2021
Long-term bank borrowings	25,473,409	22,332,092
Total bank borrowings	**25,473,409**	**22,332,092**

The details of borrowings are as follows:

	31 December 2022		
Currency	**Interest rates (%)**	**Current**	**Non-Current**
TL	13.87 - 30.65	1,014,517	980,093
USD	1.08 - 7.90	7,396,867	22,458,052
EUR	5.16 - 8.65	1,908,964	2,035,264
		10,320,348	**25,473,409**

	31 December 2021		
Currency	**Interest rates (%)**	**Current**	**Non-Current**
TL	7.5 - 23.70	683,334	2,877,788
USD	0.40 - 6.90	5,779,343	18,220,164
EUR	0.25 - 7.25	3,903,849	1,234,140
RUB	16.50	88,062	-
		10,454,588	**22,332,092**

16. BANK BORROWINGS (Continued)

The redemption of borrowings is as follows:

	31 December 2022	31 December 2021
Within 1 year	10,320,348	10,454,588
1-2 years	8,039,944	4,597,625
2-3 years	7,635,749	4,567,065
3-4 years	5,315,821	4,550,230
4-5 years	1,850,478	4,742,153
More than 5 years	2,631,417	3,875,019
	35,793,757	**32,786,680**

The reconciliation of the liabilities arising from bank loans is as follows:

	2022	2021
Balance as of 1 January	**32,786,680**	**23,299,940**
Proceeds from borrowings	3,942,725	4,745,487
Payment of borrowings (-)	(12,775,113)	(5,646,098)
Translation loss	6,747,944	4,453,250
Exchange in foreign currency differences	5,118,754	6,235,718
Change in accruals	(27,233)	(301,617)
Balance as of 31 December	**35,793,757**	**32,786,680**

Fair value of Group's liabilities approximates their carrying amounts.

İçtaş Yenilenebilir Enerji ve Üretim A.Ş. is obliged to fulfill certain financial indicators yearly accordance with the credit agreement. The financial indicator is the Debt Service Coverage Ratio ("DSCR"), which should be 1.10: 1. The DSCR represents the ratio of total cash flow from operations of the period to the period debt service amount. The calculation of the DSCR is to be submitted to the creditors within 150 days following the year-end reporting period with the financial report. As of 31 December 2022, DSCR is below 1.10:1. Therefore, pursuant to waiver letter dated 4 May 2023, financial institutions have agreed to waive corresponding covenant for 12 months effective from 31 December 2022.

Tredaş and İçtaş İşletme are obliged to fulfill certain financial indicators in accordance with the loan agreement. On and after the first calculation date, the historic DSCR for the previous calculation period and the projected DSCR in each calculation period until the discharge date should be at least 1.10:1. On each calculation date, Tredaş and İçtaş İşletme shall provide to the Increditor Agent a Compliance Certificate evidencing compliance with the ratios. The calculation of the DSCR has to be submitted to the creditors within 120 days following the reporting period with the financial report. As of 31 December 2022, ratios do comply with the related covenants.

16. BANK BORROWINGS (Continued)

Zafer Uluslararası Havalimanı is subject to covenant clauses, whereby the Company is required to meet certain key performance indicators. According to the agreement the Company shall ensure that; the annual debt service cover ratio ("DSCR") as at the second date of each calendar year falling after the last day of the Availability Period applicable to the Senior Commercial Facility but before the buy-down date is greater than or equal to 1, thereafter the annual debt service cover ratio as at each calculation date is greater than or equal to 1.2; and the debt to equity ratio as at each utilization date is no greater than 3. If, as at the relevant Calculation Date or a Utilisation Date (as the case may be), the Borrower is not in compliance with the Annual Debt Service Cover Ratio or the Debt to Equity Ratio in accordance with conditions stated above, the Lenders and the Borrower shall consult with one another for a period not exceeding 45 (forty five) /days commencing on the date on which the Financial Report evidencing such non-compliance was delivered to the Facility Agent.

17. LEASE LIABILITIES

	31 December 2022	31 December 2021
Short-term lease liabilities	203,278	98,400
Long-term lease liabilities	363,642	218,379
Total lease liabilities	**566,920**	**316,779**

The reconciliation of the liabilities arising from leases is as follows:

	2022	2021
Balance as of 1 January	**316,779**	**207,952**
Acquisition effect	-	1,449
Additions	289,203	80,665
Disposals	(140,687)	(58,290)
Foreign currency differences	68,296	70,298
Interest expense	33,329	14,705
Balance as of 31 December	**566,920**	**316,779**

18. GOODWILL

The details of the Goodwill balances as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
İçtaş İşletme ve Ticaret A.Ş. (*)	304,049	304,049
	304,049	**304,049**

(*) As a result of taking over the operating rights of Trakya Elektrik Dağıtım A.Ş. within the scope of privatization of electricity distributing companies by İçtaş İşletme ve Ticaret A.Ş. on 30 December 2011, TRY304,049 portion of the total difference between the purchase price and the nominal share price has been accounted as goodwill in the consolidated financial statements.

19. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

Short-term provisions	31 December 2022	31 December 2021
Provision for lawsuit (*)	96,002	92,794
Provisions for unused vacation	42,149	21,268
Provision for costs	6,677	6,650
	144,828	**120,712**

(*) Provision of lawsuits, are allocated on possible cash outflows related to the case. Provision as of 31 December 2022, it is calculated after the evaluation by the group management which the case is possible to result against the Group.

Long-term provisions	31 December 2022	31 December 2021
Provisions for employment termination benefits	163,102	64,596
Other provisions	32,374	17,770
	195,476	**82,366**

The movement of provision for lawsuit is as follows:

	2022	2021
Balance as of 1 January	**92,794**	**65,384**
Acquisition effect	-	221
Period charge	11,999	30,886
Cancelled provision	(9,999)	(1,192)
Payments	(170)	(3,608)
Currency translation differences	1,378	1,103
Balance as of 31 December	**96,002**	**92,794**

b) Contingent assets and liabilities

Contingent assets	31 December 2022	31 December 2021
Guarantee letter received	650,096	223,643
	650,096	**223,643**

Contingent liabilities	31 December 2022	31 December 2021
Contingencies	41,141,941	20,165,833
Guarantee letter given	22,106,664	10,940,830
	63,248,605	**31,106,663**

20. COMMITMENTS

Guarantees- Pledges -Mortgages ("GPM")

Guarantees-Pledges-Mortgages ("GPM") position of the Group as of 31 December 2022 and 2021.

31 December 2022	TRY equivalent	TRY	USD	EURO	SAR	Other
A. Total amount of GPM given on behalf of the legal entity	3,384,208	1,840,053	46,706	2,547	52,500	356,911
- *Letters of guarantee*	3,384,208	1,840,053	46,706	2,547	52,500	356,911
B. Total amount of GPM given against the subsidiaries included in full consolidation	46,525,157	2,655,161	2,071,999	164,793	-	1,766,263
- *Letters of guarantee*	5,383,216	1,411,761	4,146	106,532	-	1,766,263
- *Contingencies*	41,141,941	1,243,400	2,067,853	58,261	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-	-
D. Total amount of other GPM given	13,339,240	333,116	671,088	21,797	-	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	13,339,240	333,116	671,088	21,797	-	-
- *Letters of guarantee*	13,339,240	333,116	671,088	21,797	-	-
- *Contingencies*	-	-	-	-	-	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-	-
Total	**63,248,605**	**4,828,330**	**2,789,793**	**189,137**	**52,500**	**2,123,174**

31 December 2021	TRY equivalent	TRY	USD	EURO	SAR	Other
A. Total amount of GPM given on behalf of the legal entity	2,313,263	548,235	49,557	48,503	63,205	145,448
- *Letters of guarantee*	2,313,263	548,235	49,557	48,503	63,205	145,448
B. Total amount of GPM given against the subsidiaries included in full consolidation	21,200,116	1,662,366	965,491	439,698	-	-
- *Letters of guarantee*	2,545,673	259,998	95,940	66,468	-	-
- *Contingencies*	18,654,443	1,402,368	869,551	373,230	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-	-
D. Total amount of other GPM given	7,593,284	199,087	416,413	121,334	-	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	7,593,284	199,087	416,413	121,334	-	-
- *Letters of guarantee*	6,081,894	199,087	416,413	21,334	-	-
- *Contingencies*	1,511,390	-	-	100,000	-	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-	-
Total	**31,106,663**	**2,409,688**	**1,431,461**	**609,535**	**63,205**	**145,448**

21. OTHER ASSETS AND LIABILITIES

a) Other current assets

	31 December 2022	31 December 2021
Income accruals	376,399	367,263
Carried forward VAT	451,093	479,810
Other	7,866	30,025
	835,358	**877,098**

b) Other non-current assets

	31 December 2022	31 December 2021
Income accruals	287,499	119,146
Prepaid taxes and dues	341,481	222,885
Other	57,427	29,372
	686,407	**371,403**

c) Other current liabilities

	31 December 2022	31 December 2021
Expense accruals	636,227	145,067
Taxes and funds payable	129,098	84,909
Other liabilities	118,864	16,374
	884,189	**246,350**

22. SHARE CAPITAL AND LEGAL RESERVES

a) Capital

The composition of the Group's share capital as of 31 December 2022 and 2021 are as follows:

	31 December 2022		31 December 2021	
Shareholders	**(%)**	**TL**	**(%)**	**TL**
Fırat ÇEÇEN	21.56	24,181	22.65	6,116
Serhat ÇEÇEN	20.18	22,633	21.20	5,725
Salih ÇEÇEN	20.18	22,633	21.20	5,725
İbrahim ÇEÇEN	13.21	14,820	13.89	3,749
Murat ÇEÇEN	0.95	1,068	1.00	270
Yıldırım AKDEMİR	0.05	58	0.06	15
IC İbrahim Çeçen Yatırım Holding A.Ş	19.03	21,348	20.00	5,400
IC İçtaş Enerji Yatırım Holding	4.84	5,431	-	-
Capital	**100.00**	**112,172**	**100.00**	**27,000**
Inflation adjustment		805		805
		112,977		**27,805**

The total number of ordinary shares authorized, as at 31 December 2022, is 112,172,407 shares (31 December 2021: 27,000,000) with a par value of TRY 0.001 per share.

b) Legal Reserves

	31 December 2022	31 December 2021
Legal Reserves	34,949	34,949
	34,949	**34,949**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

23. REVENUE

	1 January-31 December 2022	1 January-31 December 2021
Non-construction income	24,776,755	7,757,148
Construction income	8,463,109	6,535,851
Sales returns and discounts (-)	(363,647)	(26,512)
	32,876,217	**14,266,487**

23. REVENUE (Continued)

Details of non-construction income are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Energy sales and distribution services income	21,908,763	6,226,387
Operational revenue from 3rd Bridge and Kuzey Marmara Motorway	1,515,832	617,290
Prefabricated and steel containers and buildings sales in	512,324	264,426
Ports and marine management services	238,097	128,828
Aviation services income	52,865	56,005
Other	548,874	464,212
	24,776,755	**7,757,148**

24. COST OF SALES

	1 January-31 December 2022	1 January-31 December 2021
Cost of energy sales and distribution services	(17,052,305)	(5,275,657)
Construction costs	(6,693,292)	(6,124,732)
Cost of prefabricated and steel containers and buildings	(413,180)	(121,316)
Cost of marine and port management	(87,155)	(49,783)
Cost of aviation services	(72,919)	(85,810)
Other	(305,126)	(509,809)
	(24,623,977)	**(12,167,107)**

25. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities as of 31 December 2022 and 2021 are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Interest income	105,374	29,752
Gains on sales of property, plant and equipment	27,607	46,892
Other	4,431	-
	137,412	**76,644**

The details of expenses from investing activities as of 31 December 2022 and 2021 are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Losses on sales of property, plant and equipment	(55,334)	-
	(55,334)	**-**

The European Bank for Reconstruction and Development ("EBRD") shares on İçtaş Sürdürülebilir was acquired by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş as of 28 February 2022.

26. ADMINISTRATIVE, OPERATING AND MARKETING EXPENSES

a) Details of administrative and operating expenses

	1 January-31 December 2022	1 January-31 December 2021
Employee benefit expenses	(324,102)	(150,752)
Consulting and lawsuit expenses	(165,789)	(83,834)
Depreciation and amortization expenses	(102,032)	(101,584)
Taxes, dues and fees	(57,977)	(13,587)
Outsourcing expenses	(43,342)	(27,177)
Maintanence expenses	(28,894)	(13,227)
Other	(150,539)	(44,728)
	(872,675)	**(434,889)**

b) Details of marketing expenses

	1 January-31 December 2022	1 January-31 December 2021
Employee benefit expenses	(6,538)	(3,462)
Advertisement expenses	(3,505)	(998)
Travelling expenses	(559)	(456)
Consultancy expenses	(491)	(366)
Other	(1,571)	(1,554)
	(12,664)	**(6,836)**

27. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the periods ended 31 December 2022 and 2021 are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Foreign exchange gain from operating activities	2,994,140	3,142,681
Other	575,063	777,557
	3,569,203	**3,920,238**

27. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

The details of other expense from operating activities for the periods ended 31 December 2022 and 2021 are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Income from service concession arrangements	5,583,052	3,429,248
Foreign exchange gain from financial activities	1,205,996	273,184
Weighted average cost of capital ("WACC") correction	335,350	142,869
Interest income	109,794	96,325
Income from derivative instruments	-	751,657
Other financial income	11,268	804
	7,245,460	**4,694,087**

(*) This amount refers to difference between actual toll income collection and estimated toll income collection in the amortised cost model defined with respect to the framework of IFRIC 12 (' Service concession arrangements') financial asset model.

(**) As of 31 December 2021, the losses consist of capital increase related to the joint venture Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.

28. FINANCE INCOME AND EXPENSES

	1 January-31 December 2022	1 January-31 December 2021
Income from service concession arrangements	6,610,677	3,572,117
Foreign exchange gain from financial activities	513,721	273,184
Interest income	109,794	96,325
Income from derivative instruments	-	751,657
Other financial income	11,268	804
	7,245,460	**4,694,087**

	1 January-31 December 2022	1 January-31 December 2021
Foreign exchange loss from financial activities	(4,954,656)	(6,226,154)
Interest expense on bank loans	(3,014,801)	(2,689,837)
Loss from derivative instruments	(96,997)	-
Other financial expense	(361,515)	(184,225)
	(8,427,969)	**(9,100,216)**

29. INCOME TAXES

Current tax liability:	31 December 2022	31 December 2021
Current corporate tax provision	886,081	185,289
Less: prepaid taxes and funds	(1,710,365)	(235,734)
	(824,284)	**(50,445)**

Tax expense comprises of:	31 December 2022	31 December 2021
Corporate tax expense	886,081	185,289
Deferred tax expense relating to temporary differences	(9,302,300)	793,162
	(8,416,219)	**978,451**

Corporate tax

The Company and its subsidiaries located in Turkey is subject to Turkish corporate taxes. Corporate tax provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and deducting exempt income, non-taxable income and other incentives (previous years losses, if any, and investment incentives utilized, if preferred).

The effective tax rate in 2022 is 23% (2021: 25%). The effective tax rates of other countries are used for the calculation of corporate taxes at those countries.

Investment Incentives

The revoked phrase "only attributable to 2006, 2007 and 2008" stated in Provisional Article 69 of Income Tax Law No: 193 with the effect of Article 5 of Law No: 6009 after having published in the Official Gazette No: 27659 as at 1 August 2010 and the Constitutional Court's issued resolution no: 2009/144 published in the Official Gazette as at 8 January 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of undeductible and carry forward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period's income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation. The application had been canceled with the announcement mentioned at Law No:6009 as at 18 February 2012.

29. INCOME TAXES (Continued)

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

Tax rate used in the calculation of deferred tax assets and liabilities was %23 over temporary timing differences expected to be reversed in 2022, %20 over temporary timing differences expected to be reversed in 2023 and the following years.

Group recognized TRY 1,743,579 (31 December 2021: TRY 1,426,335) of deferred tax asset over carry forward tax losses. As of 31 December 2021, Üçüncü Köprü İşletme recognized TRY 1,705,799 (31 December 2021: TRY 1,380,653) of deferred tax assets over carry forward tax losses.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

	31 December 2022	31 December 2021
Service concession arrangements adjustment	(1,733,401)	(8,174,622)
Adjustments related to profit elemination	(837,385)	(1,032,883)
Adjustments related to construction contracts	(15,136)	(400,049)
Depreciation/ amortization differences of property, plant and equipment and other intangible assets	(2,956,238)	(72,630)
Tax losses carried forward	1,743,579	1,426,335
Derivative financial instruments	(101,494)	(129,882)
Other	(29,699)	(1,201)
	(3,929,774)	**(8,384,932)**

As of 31 December 2022 and 2021, the expiry dates of prior year losses for which deferred tax assets have not been recognised are as follows:

	31 December 2022	31 December 2021
2022	-	423,413
2023	1,171,370	1,212,037
2024	767,380	794,796
2025	1,394,315	1,610,426
2026	4,387,472	6,544,375
2027	1,871,789	-
	9,592,326	**10,585,047**

29. INCOME TAXES (Continued)

Deferred Tax (Continued)

Movement of deferred tax (assets) / liabilities for the years ended 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Opening balance	**(8,384,932)**	**(4,439,701)**
Acquisition effect	-	(1,293)
Tax expense/income recognized in OCI	(3,035,106)	19,045
Translation effect	(1,812,036)	(3,169,821)
Tax expense/income recognized in profit or loss	9,302,300	(793,162)
Closing balance	**(3,929,774)**	**(8,384,932)**

Total charge for the year can be reconciled to the accounting profit as follows:

	31 December 2022	31 December 2021
Profit/(Loss) before tax	670,216	(3,572,862)
Domestic income tax rate (%)	23	25
Tax at the domestic income tax rate	(154,150)	893,216
Tax effects of		
- non-tax-deductible expenses	(1,026,348)	(2,140,618)
- income exempt from tax	863,421	1,222,640
- net effect of carry forward tax losses	133,514	(220,613)
- unused tax losses not accounted as deferred tax	(430,511)	(1,636,094)
- change in tax rate	1,197,038	1,126,151
- consolidation adjustments exempt from tax	91,775	(299,625)
- currency impact on non-monetary items and	472,120	76,492
- Revaluation effect of property plant and equipment and intangible assets (*)	7,269,360	-
	8,416,219	**(978,451)**

(*) Temporary Article 32 of Law No. 213 added via Article 52 of Law No. 7338 on Amending the Tax Procedure Law and Certain Laws dated 14 October 2021, and paragraph (Ç) added to duplicated Article 298 of Law No. 213 via Law No. 7338 enable taxpayers that fall within scope to revalue the properties listed on their balance sheets and other depreciable financial assets as of the end of the previous accounting period, before performing revaluation. The assets in scope will be depreciated using their revaluation amount, and a 2% tax will be paid on the increased value. In the scope of the relevant law adjustment, a deferred tax asset was generated in the consolidated financial position statement as per revaluation records of fixed assets in the legal books, and the deferred tax revenue of the relevant assets was recorded on the consolidated income statement.

30. FINANCIAL INSTRUMENTS

a) Financial assets

Short-term financial assets	31 December 2022	31 December 2021
Receivables from service concession arrangements	12,645,842	11,551,829
Foreign currency linked deposits	112,638	-
Restricted bank deposits (*)	7,540	53,611
Other	-	38
	12,766,020	**11,605,478**

Long term financial assets	31 December 2022	31 December 2021
Receivables from service concession arrangements	47,652,677	41,563,487
	47,652,677	**41,563,487**

(*) As of 31 December 2022, TRY7,540 of restricted deposits are due to loans borrowed from Türkiye İş Bankası A.Ş. for İçtaş İnşaat (31 December 2021: TRY53,611)

b) Derivative financial instruments

	31 December 2022		31 December 2021	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Short term	182,071	200,788	1,017,495	82,263
Long term	245,845	1,464	-	159,344
	427,916	**202,252**	**1,017,495**	**241,607**

Currency Derivatives:

Group utilizes currency derivatives to hedge significant future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

Interest Derivatives (Cash Flow Hedges):

The Group is exposed to interest rate risk and manages the exposure of a certain part of the loan by entering into interest rate swap contracts.

31. OTHER FINANCIAL LIABILITIES

Other financial obligations	31 December 2022	31 December 2021
Short term financial obligations (*)	-	50,000
	-	**50,000**

(*) The balance consists of factoring debt of Enerji Yatırım Holding.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency position

	31 December 2022				
	USD	EUR	RUB	Other	Total TRY Equivalent
Cash and cash equivalent	163,952	28,017	254	49,425	3,673,631
Trade receivables	34,047	57,703	-	93,093	1,880,018
Other receivables	92,415	6,457	144,705	291,434	2,185,705
Bank loans	(609,343)	(175,763)	-	-	(14,924,341)
Trade payables	(186,474)	(12,047)	(34,738)	(762,178)	(4,504,929)
Other payables	(127,846)	(23,970)	(120,393)	(372,888)	(3,278,048)
Lease liabilities	-	(18,664)	-	-	(372,735)
Balance sheet net foreign currency position	**(633,249)**	**(138,267)**	**(10,172)**	**(701,114)**	**(15,340,699)**
Derivative instruments	-	-	-	-	-
Off-balance sheet net foreign currency position	**-**	**-**	**-**	**-**	**-**
Net foreign currency position	**(633,249)**	**(138,267)**	**(10,172)**	**(701,114)**	**(15,340,699)**

	31 December 2021				
	USD	EUR	RUB	Other	Total TRY Equivalent
Cash and cash equivalent	21,084	23,915	2,603	69,569	711,857
Trade receivables	35,797	6,096	634	1,076,942	1,646,161
Other receivables	16,987	10,043	-	31,225	409,160
Bank loans	(548,281)	(314,829)	-	-	(12,079,490)
Trade payables	(175,025)	(13,304)	(330,354)	(77,598)	(2,675,011)
Other payables	(104,580)	(23,516)	(15)	(22,732)	(1,774,610)
Lease liabilities	-	(9,927)	-	-	(150,036)
Balance sheet net foreign currency position	**(754,018)**	**(321,522)**	**(327,132)**	**1,077,406**	**(13,911,969)**
Derivative instruments	(3,175)	-	-	-	(42,320)
Off-balance sheet net foreign currency position	**(3,175)**	**-**	**-**	**-**	**(42,320)**
Net foreign currency position	**(757,193)**	**(321,522)**	**(327,132)**	**1,077,406**	**(13,954,289)**

a) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies which give rise to foreign exchange exposure. This risk is managed by counterbalancing the foreign currency denominated assets and liabilities.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is disclosed in Note 32.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and EUR.

The following table details the Group's sensitivity to a 20% (2021: 20%) increase and decrease in the USD and EUR exchange rates. 20% (2021: 20%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates (2021: 20%).

The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

	USD		EUR	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Effect of change in exchange rate	(2,374,361)	(2,014,035)	(552,922)	(972,108)

	RUB		Other	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Effect of change in exchange rate	(633)	(11,732)	(140,223)	215,481

b) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the equity balance.

The capital structure of the Group consists of debt, which includes the payables to Privatization Administration, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Board of Directors establishes the policies, procedures, parameters and rules for capital risk management and develops risk management strategies accordingly. The objective of the Group is to limit the exposure to various risks while ensuring that the Group has sufficiently using its capital to maximize net sales income.

The Group's overall strategy did not change significantly over the years.

Significant accounting policies

The Group's accounting policies about financial instruments are disclosed in Note 2.7 "Significant Accounting Policies; Financial assets and financial liabilities" to the consolidated financial statements.

c) Financial risk factors

The Group's activities expose it to a variety of financial risks: interest risk, credit risk, foreign exchange risk and liquidity risk. The Board identifies, and evaluates financial risks in close co-operation with the Group's operating units. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Furthermore, group uses financial derivatives to be protected from different financial risks.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
31 December 2022	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	2,024,455	8,364,710	2,447,240	685,927	6,296,634	427,916
- Secured portion of maximum credit risk guarantee or etc. (**)	-	605,473	-	-	-	-
A. Net book value of not due or not impaired financial assets	2,024,455	8,364,710	2,447,240	685,927	6,296,634	427,916
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	351,049	-	-	-	-
- Impairment (-)	-	(351,049)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(**) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management (Continued)

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
31 December 2021	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	585,939	2,407,735	399,004	681,745	1,677,312	1,017,495
- Secured portion of maximum credit risk guarantee or etc. (**)	-	223,643	-	-	-	-
A. Net book value of not due or not impaired financial assets	585,939	2,407,735	399,004	681,745	1,677,312	1,017,495
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	259,260	-	-	-	-
- Impairment (-)	-	(259,260)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(**) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

- Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

- Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data. The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available, estimate is made based on discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

	31 December 2022		31 December 2021	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Level 2				
- Derivative financial	427,916	202,252	1,017,495	241,607
Level 3				
- HEPPs (*)	16,262,678	-	-	-
	16,690,594	**202,252**	**1,017,495**	**241,607**

(*) As of 31 December 2022, the fair value of HEPPs belonging to the Group have been determined by using " the Income Capitilization Approach-Discounted Cash Flow Analysis method (Level 3).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2022 is as follows:

31 December 2022		Total cash outflow	Less than			More than
		according to contract	3 months	3-12 months	1-5 years	5 years
Contractual Maturity Analysis	**Carrying value**	**(I+II+III+IV)**	**(I)**	**(II)**	**(III)**	**(IV)**
Non-derivative financial liabilities						
Bank loans	35,793,757	41,710,786	4,337,913	7,239,174	26,842,293	3,291,406
Trade payables	11,429,901	11,429,901	-	9,945,736	1,484,165	-
Other liabilities	884,189	884,189	-	884,189	-	-
Other payables	4,427,732	4,433,118	-	2,631,900	1,801,218	-
Lease liabilities	566,920	957,718	60,546	164,500	420,684	311,988
Total liabilities	**53,102,499**	**59,415,712**	**4,398,459**	**20,865,499**	**30,548,360**	**3,603,394**

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2021 is as follows:

31 December 2021		Total cash outflow	Less than			More than
		according to contract	3 months	3-12 months	1-5 years	5 years
Contractual Maturity Analysis	**Carrying value**	**(I+II+III+IV)**	**(I)**	**(II)**	**(III)**	**(IV)**
Non-derivative financial liabilities						
Bank loans	32,786,680	43,098,984	3,900,199	8,101,871	22,663,889	8,433,025
Trade payables	3,930,250	3,930,250	-	3,930,250	-	-
Other liabilities	246,392	246,392	-	246,350	42	-
Other payables	4,456,637	4,460,731	-	2,313,939	2,146,792	-
Lease liabilities	316,779	364,479	23,270	90,740	233,388	17,081
Other financial liabilities	50,000	50,000	-	50,000	-	-
Total liabilities	**41,786,738**	**52,150,836**	**3,923,469**	**14,733,150**	**25,044,111**	**8,450,106**

33. FEES REGARDING SERVICES FROM INDEPENDENT AUDITOR/INDEPENDENT AUDITING COMPANY

The Group's explanation regarding the fees for services rendered by independent audit firms, prepared according to POA's Board Decision published in the Official Gazette on 30 March 2021 and whose preparation principles are based on the letter of POA dated 19 August 2021 is as follows:

	31 December 2022	31 December 2021
Independent audit fee for the reporting period	6,245	3,734
Fees for other assurance services	225	356
	6,470	**4,090**

34. EVENTS AFTER THE BALANCE SHEET DATE

ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş.

The Company fully received the payment for the guarantee revenue of 2022 on 31 January 2023 as TRY2,767,089 (USD148,552).

IC İçtaş Zafer Uluslararasi Havalimani Yatirim ve İşletme A.Ş.

The Company fully received the payment for the guarantee revenue of 2022 on 31 January 2023 as EUR 6,807,584.

……..….

IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 AND INDEPENDENT AUDITOR'S REPORT

pwc

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

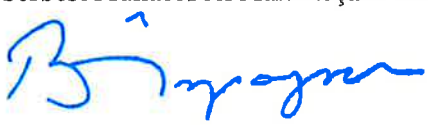
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Burak Özpoyraz, SMMM
Partner

Istanbul, 9 June 2022

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IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

(Amounts expressed in thousand of TRY unless otherwise stated.)

ASSETS	Notes	Audited 31 December 2021	Audited 31 December 2020
CURRENT ASSETS			
Cash and cash equivalents	5	1,745,246	1,668,506
Financial investments	30	53,649	44,386
Trade receivables	7	2,993,674	2,239,212
- Trade receivables from related parties	*6*	*620,875*	*762,095*
- Trade receivables from third parties	*7*	*2,372,799*	*1,477,117*
Inventories	*10*	348,160	298,520
Other receivables	8	659,005	335,533
- Other receivables from related parties	*6*	*149,888*	*2,916*
- Other receivables from third parties	*8*	*509,117*	*332,617*
Prepaid expenses	9	1,232,307	528,401
- Prepaid expenses from related parties	*6*	*353,856*	*17,758*
- Prepaid expenses from third parties	*9*	*878,451*	*510,643*
Derivatives	30	1,017,495	-
Contract assets	12	1,574,908	125,113
- Due from customers under construction contracts from related parties	6	*1,452,725*	*104,743*
- Due from customers under construction contracts from third parties	12	*122,183*	*20,370*
Receivables from service concession arragements	11	11,551,829	5,745,298
Other current assets	21	913,271	475,533
TOTAL CURRENT ASSETS		**22,089,544**	**11,460,502**
NON-CURRENT ASSETS			
Financial investments		-	23,779
Other receivables	8	421,744	458,977
- Other receivables from related parties	6	*400,313*	*441,319*
- Other receivables from third parties	8	*21,431*	*17,658*
Receivables from service concession arragements	11	41,563,487	27,234,938
Investments accounted using the equity method	4	469,217	423,662
Property, plant and equipment	13	1,445,943	1,353,581
Intangible assets	14	1,398,843	1,449,711
Goodwill	18	304,049	304,049
Right of use assets	15	200,855	183,593
Investment properties		2,368	2,368
Prepaid expenses	9	77,457	89,789
- Prepaid expenses from third parties		*77,457*	*89,789*
Deferred tax assets	29	153,047	385,774
Other non-current assets	21	371,403	351,865
TOTAL NON-CURRENT ASSETS		**46,408,413**	**32,262,086**
TOTAL ASSETS		**68,497,957**	**43,722,588**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

(Amounts expressed in thousand of TRY unless otherwise stated.)

LIABILITIES	Notes	Audited 31 December 2021	Audited 31 December 2020
CURRENT LIABILITIES			
Short-term borrowings	16	4,485,298	765,609
Short-term portion of long-term borrowings	16	5,969,290	6,790,626
Short-term lease liabilities	17	98,400	42,814
Trade payables	7	3,930,250	3,663,753
- Trade payables to related parties	*6*	*363,781*	*220,593*
- Trade payables to third parties	*7*	*3,566,469*	*3,443,160*
Other financial liabilities	31	50,000	51,428
Payables related to employee benefits		116,931	58,379
Derivatives	30	82,263	65,106
Contract liabilities	12	1,898,922	1,165,253
- Due to customers under construction from related parties	*6*	*23,730*	*11,126*
- Due to customers under construction from third parties	*12*	*1,875,192*	*1,154,127*
Deferred revenue	9	2,014,844	416,521
- Deferred revenue to related parties	*6*	*1,584,648*	*145,918*
- Deferred revenue to third parties	*9*	*430,196*	*270,603*
Other payables	8	2,313,456	1,518,031
- Other payables to related parties	*6*	*448,193*	*117,741*
- Other payables to third parties	*8*	*1,865,263*	*1,400,290*
Short-term provision	19	120,712	93,029
- Short-term provision for employee benefits		*21,268*	*20,995*
- Other short-term provision		*99,444*	*72,034*
Corporate tax payable	30	86,618	59,755
Other current liabilities	21	246,350	107,638
TOTAL CURRENT LIABILITIES		**21,413,334**	**14,797,942**
NON-CURRENT LIABILITIES			
Long-term borrowings	16	22,332,092	15,743,705
Long-term lease liabilities	17	218,379	165,138
Trade payables	7	1,378,350	-
- Trade payables to third parties		*1,378,350*	-
Derivatives	30	159,344	261,359
Long-term provision for employee benefits	19	82,366	50,190
- Provision for employment benefits		*64,596*	*43,577*
- Other long-term provisions		*17,770*	*6,613*
Other payables	8	2,143,181	1,798,624
- Other payables to related parties	6	*1,642,492*	*1,577,421*
- Other payables to third parties	8	*500,689*	*221,203*
Deferred revenue	9	892,448	745,611
- Deferred revenue to related parties	*6*	*159,396*	*153,971*
- Deferred revenue to third parties	9	*733,052*	*591,640*
Deferred tax liabilities	29	8,537,979	4,825,475
Other non-current liabilities		42	3,233
TOTAL NON-CURRENT LIABILITIES		**35,744,181**	**23,593,335**
TOTAL LIABILITIES		**57,157,515**	**38,391,277**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

(Amounts expressed in thousand of TRY unless otherwise stated.)

	Notes	Audited 31 December 2021	Audited 31 December 2020
EQUITY			
Equity attributable to owners of the company		**14,094,658**	**7,021,733**
Share capital	23	27,000	27,000
Share capital adjustments	23	805	805
Legal reserves	23	34,949	34,949
Under common control reserves		8,429	8,429
Other comprehensive income and expenses that will not be reclassified to profit or loss		(12,352)	(1,974)
- Accumulated loss on remeasurement of defined benefit plans		*(12,352)*	*(1,974)*
Other comprehensive income or expenses that will be reclassified to profit or loss		15,299,706	5,128,402
- Currency translation reserves		*15,537,732*	*5,401,141*
- Hedging reserves		*(128,228)*	*(162,941)*
- Non-controlling interest put option liability reserve		*(109,798)*	*(109,798)*
Retained earnings		(1,263,879)	1,824,122
Non-controlling Interests		**(2,754,216)**	**(1,690,422)**
TOTAL EQUITY		**11,340,442**	**5,331,311**
TOTAL LIABILITIES AND EQUITY		**68,497,957**	**43,722,588**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of TRY unless otherwise stated.)

PROFIT OR LOSS	Notes	Audited 1 January - 31 December 2021	Audited 1 January - 31 December 2020
Revenue	23	14,266,487	10,064,059
Cost of sales	24	(12,167,107)	(8,012,621)
Gross profit		**2,099,380**	**2,051,438**
Marketing expenses (-)	26	(6,836)	(4,457)
General administrative expenses (-)	26	(434,889)	(346,191)
Other income from operating activities	27	3,920,238	7,379,173
Other expenses from operating activities (-)	27	(4,882,744)	(9,480,077)
Operating profit		**695,149**	**(400,114)**
Income from investing activities	25	76,644	180,442
Share on profit of investments accounted for using the equity method	4	61,474	134,435
OPERATING PROFIT/(LOSS) BEFORE FINANCE EXPENSE		**833,267**	**(85,237)**
Financial income	28	4,694,087	3,355,726
Financial expenses (-)	28	(9,100,216)	(4,226,861)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		**(3,572,862)**	**(956,372)**
Tax expenses from continuing operations	**29**	**(978,451)**	**(378,420)**
Income tax expense	29	(185,289)	(142,497)
Deferred tax expenses	29	(793,162)	(235,923)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(4,551,313)**	**(1,334,792)**
Profit/ (Loss) for the Period Attributable to:			
Owners of the company		(3,088,001)	(829,671)
Non-controlling interests		(1,463,312)	(505,121)
		(4,551,313)	**(1,334,792)**
OTHER COMPREHENSIVE INCOME		**10,203,769**	**2,558,425**
Items that may be reclassified in profit or loss:			
Change in currency translation difference		10,163,322	2,738,947
Change in fair value of cash flow hedges		52,549	(182,900)
Remeasurement of defined benefit obligation, net of tax		(12,102)	2,378
Total comprehensive income:		**5,652,456**	**1,223,633**
Total comprehensive income attributable to:			
Owners of the company		7,072,925	1,788,164
Non-controlling interest		(1,420,469)	(564,531)

The accompanying notes form an integral part of these consolidated financial statements.

IC İÇTAŞ İNŞAAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of TRY unless otherwise stated.)

					Accumulated other comprehensive income or expenses that will be reclassified to profit or loss			Accumulated other comprehensive income or expenses that will not be reclassified to profit or loss				
	Share capital	Share capital adjustments	Legal reserves	Under common control reserves	Currency translation reserves	Non-controlling interest put option liability reserve	Hedging reserves	Accumulated gain/(loss) on remeasurement of defined benefit plans	Retained earnings	Equity attributable to owners of the company	Non-controlling interest	Total
Balances at 1 January 2020	**27,000**	**805**	**36,462**	**4,213**	**1,903,684**	**(84,875)**	**(45,242)**	**(4,575)**	**1,330,397**	**3,167,869**	**903,726**	**4,071,595**
Total comprehensive income	-	-	-	-	2,757,856	(24,923)	(117,699)	2,601	(829,671)	1,788,164	(564,531)	1,223,633
Capital increase in subsidiaries	-	-	-	-	-	-	-	-	-	-	169,984	169,984
Transaction with non-controlling interest (*)	-	-	(1,513)	4,216	739,601	-	-	-	1,323,396	2,065,700	(2,199,601)	(133,901)
Balance as of 31 December 2020	**27,000**	**805**	**34,949**	**8,429**	**5,401,141**	**(109,798)**	**(162,941)**	**(1,974)**	**1,824,122**	**7,021,733**	**(1,690,422)**	**5,331,311**
Balances at 1 January 2021	**27,000**	**805**	**34,949**	**8,429**	**5,401,141**	**(109,798)**	**(162,941)**	**(1,974)**	**1,824,122**	**7,021,733**	**(1,690,422)**	**5,331,311**
Total comprehensive income	-	-	-	-	10,136,591	-	34,713	(10,378)	(3,088,001)	7,072,925	(1,420,469)	5,652,456
Capital increase in subsidiaries (**)	-	-	-	-	-	-	-	-	-	-	375,969	375,969
Dividend payment	-	-	-	-	-	-	-	-	-	-	(19,294)	(19,294)
Balance as of 31 December 2021	**27,000**	**805**	**34,949**	**8,429**	**15,537,732**	**(109,798)**	**(128,228)**	**(12,352)**	**(1,263,879)**	**14,094,658**	**(2,754,216)**	**11,340,442**

(*) Direct share of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. on ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş. increased from 80% to 100%.

(**) TRY 375,930 of the amount is related to the capital advance received by IC İçtaş Enerji Yatırım Holding A.Ş. and TRY 39 is related to the capital advance received by İçtaş İşletme ve Ticaret A.Ş.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of TRY unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2021	Audited 1 January - 31 December 2020
A. Cash flows from operating activities		**3,494,331**	**5,288,220**
Loss for the year		(4,551,313)	(1,334,792)
Adjustments related to reconciliation of loss for the year		**8,045,644**	**6,623,012**
Adjustments related to amortization and depreciation expenses	13, 14, 15	251,692	233,633
Adjustments related to acqusition of joint ventures		5,324	220,386
Adjustments related to provision		118,880	81,955
Adjustments related to interest income and expenses	25, 28	2,563,760	2,189,715
Unrealised foreign exchange losses on financial liabilities	16, 17	6,306,016	1,871,890
Loss/(profit) from sale of property, plant and equipments	25	(46,892)	(128,656)
Share of profit on joint ventures	4	(61,474)	(134,435)
Loss on fair value of derivative financial instruments	28	(751,657)	(181,852)
Income tax expense from continuing operations	29	978,451	378,420
Adjustments related to interest income from service concession arrangements	11	(3,572,117)	(3,022,652)
Adjustments related to increase/decrease in inventories		(60,168)	(141,839)
Adjustments related to increase/decrease in trade receivables		(109,262)	1,213,139
Adjustments related to increase/decrease in other receivables and assets related with operations		(2,152,004)	3,749,265
Adjustments related to increase/decrease in payables		2,995,926	718,867
Adjustments related to increase/decrease in deferred income		1,745,160	(324,882)
Taxes paid		(158,426)	(96,379)
Retirement obligation payments		(7,565)	(3,563)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of TRY unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2021	Audited 1 January - 31 December 2020
B. Cash flows from investing activities:		**154,506**	**392,387**
Net change in other financial assets		13,088	118,514
Proceeds from sale of property, plant and equipment and intangible assets		189,737	321,921
Payments for property, plants and equipment, intangible assets	13, 14	(174,396)	(134,616)
Interest received		126,077	86,568
C. Cash flows from financing activities		**(3,578,975)**	**(5,401,135)**
Proceeds from/ (payments for) borrowings, net	16	(900,611)	(3,711,663)
Payments for financial lease agreements	17	(58,290)	(52,662)
Interest paid		(2,976,749)	(1,806,794)
Capital increase		375,969	169,984
Dividends paid		(19,294)	-
D. Effect of foreign currency translation on cash and cash equivalents		**6,878**	**83,013**
Net increase in cash and cash equivalents (A+B+C+D)		**76,740**	**362,485**
E. Cash and cash equivalents at the beginning of the year	**5**	**1,668,506**	**1,306,021**
Cash and cash equivalents at the end of the year (A+B+C+D+E)	**5**	**1,745,246**	**1,668,506**

The accompanying notes form an integral part of these consolidated financial statements.

1. ORGANIZATION AND OPERATIONS OF THE GROUP

IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. ("the Company") was established as İbrahim Çeçen Company in 1969 which was changed as İçtaş İbrahim Çeçen İnşaat Sanayi Ticaret A.Ş. in 1980. In 2004, name of the Company has become IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.. The Company's field of activity comprises housing, business centers, public buildings, hotels, health facilities, schools, military buildings and camps, power plants, turn-key industrial buildings, roads, bridges, seaports, airports, potable water facilities, waste water treatment plants, irrigation system constructions with superstructure-infrastructure rehabilitation and renovation works. The head office of the Company is located in İstanbul.

Group's ultimate controlling party is Çeçen family.

As of 31 December 2021, the operations of the entities included in consolidation are summarized below:

Subsidiaries

Treysan Prefabrik Çelik Yapılar Sanayi ve Ticaret A. Ş. ("Treysan")

Treysan, was established in 1975 in Ankara. Treysan is serving the companies in oil/gas sector, construction companies, military organizations, armies and relief organizations by providing temporary and permanent prefabricated camp solutions.

ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş. ("Üçüncü Köprü İşletme or 3rd Bridge")

Üçüncü Köprü İşletme has been established on 16 May 2013. The main operations of 3. Bridge are, the operating and maintaining of "3rd Bosphorus Bridge and Motorways between Odayeri-Paşaköy". At the end of the concession period, bridge and highway will be transfered to the state within the Build-Operate-Transfer model. The operations of the bridge and motorways started on 26 August 2016.

IC İçtaş Sakarya Karasu Limanı Yatırım ve İşletme A.Ş. ("Karasu Limanı")

Karasu Limanı was established on 2011 in order to operate with Build-Operate-Transfer model which will be transfered to the state. Contract time is 19 years 2 months in total as 1 year 6 months for investing and 17 years 8 months for operating. Construction process started in 2015 and completed in 2017.

IC İçtaş Zafer Uluslararası Havalimanı Yatırım ve İşletme A.Ş. ("IC Zafer")

IC Zafer was established on 26 January 2011 in order to construct Zafer International Airport and maintain the operating activities of the airport for 32 years 11 months. The airport started to operate in 2012.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

IC Çeşme Marina Yatırım A.Ş. ("Çeşme Marina")

IC Çeşme Marina Yatırım A.Ş. was established to build and operate yacth port of Çeşme. The other main shareholder of IC Çeşme Marina is Maris Marine Limited with 26% shares. The operation duration is 49 years according to the agreement.

İçtaş İşletme ve Ticaret A.Ş. ("İçtaş İşletme")

İçtaş İşletme was established on 7 December 2011 in order to participate in the privatization bid of Trakya Elektrik Dağıtım A.Ş. ("Tredaş"). The share purchase agreement was signed on 30 December 2011 and İçtaş İşletme took over 100% of the Tredaş shares for a consideration of USD575,000,000. Tredaş and Trakya Elektrik Parekende A.Ş. ("Trepaş") which was established with a partial split, operates in Edirne, Tekirdağ and Kırklareli and providers electricity distribution service more than 1,5 million consumers.

IC İçtaş Enerji Yatırım Holding A.Ş. ("IC Enerji Yatırım")

The main activity of the IC Enerji Yatırım is the establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer. In 2014 the Company took over all shares of IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş. In addition, the main operation of the Company is the wholesale and direct sale of the electric energy and/or capacity to eligible customers and exporting and importing activities of it within the scope of provisions of the "Wholesale License" under the Electricity Market Licensing Regulation published by the Energy Market Regulatory Authority ("EMRA"). On 29 April 2020, İçtaş Mühendislik ve Yapı A.Ş. and IC Enerji Yatırım were merged under IC Enerji Yatırım.

IC İçtaş Sürdürülebilir Enerji A.Ş. ("İçtaş Sürdürülebilir")

IC İçtaş Sürdürülebilir Enerji A.Ş. was established on 13 March 2019. The main activity of İçtaş Sürdürülebilir is the establishment, commissioning, leasing, production of electricity and sale of generated electricity.

İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş. ("İçtaş Yenilenebilir")

İçtaş Enerji Üretim ve Ticaret A.Ş. was established on 2 February 1998. In May 2007, AES Corporation (AES) has acquired 51% shares of İçtaş Enerji Üretim and Ticaret A.Ş. As a result of the aquistion the name of the Company had changed to AES-IC İçtaş Enerji Üretim ve Ticaret A.Ş. ("AES-IC"). On 3 October 2012 the Company took over the shares owned by AES Enerji Limited in AES-IC. The registered name of IC İçtaş Enerji Üretim ve Ticaret A.Ş. has been changed as IC İçtaş Hidroelektrik ve Termik Enerji Üretim ve Ticaret A.Ş with the Trade Registry Gazette of 30 June 2015. The registered name of IC İçtaş Hidroelektrik ve Termik Enerji Üretim ve Ticaret A.Ş has been changed to İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş. with the Trade Registry Gazette of 5 March 2018. İçtaş Yenilenebilir deals with electricity generation. İçtaş Yenilenebilir owns 100% shares of İkisu Enerji ve Üretim Ticaret A.Ş. and 96.68% (31 December 2020: 96.68%) of Trabzon Enerji.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

Trabzon Enerji Üretim ve Ticaret A.Ş. ("Trabzon Enerji")

Trabzon Enerji Üretim ve Ticaret A.Ş. was established on 8 February 2005 in Trabzon. The main activity of Trabzon Enerji Üretim ve Ticaret A.Ş. is that establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer.

İkisu Enerji Üretim ve Ticaret A.Ş. ("İkisu Enerji")

İkisu was established on 2 August 2013 in Ankara. The main activity of İkisu is that establishment of electricity production plants, commissioning, leasing, electrical energy production, the electrical energy produced and the sale of electricity or capacity to customer.

IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş. ("IC Toptan")

The Company was established on 21 October 2005 and registered in Turkey. The main operation of the Company is the wholesale and direct sale of the electric energy and/or capacity to eligible customers and exporting and importing activities of it within the scope of provisions of the "Wholesale License" under the Electricity Market Licensing Regulation published by the Energy Market Regulatory Authority ("EMRA").

IC İçmak İnşaat Makina Ticaret ve Lojistik A.Ş. ("IC İçmak")

IC İçmak was established in 1987 in Ankara. The main activity of the company comprises of purchase, sale, import and export of machine and equipment.

IC İçtaş Saudi Arabia Company ("İçtaş Arabia")

IC Içtaş Saudi Arabia Company (" the Company") is a limited liability company registered in Kingdom of Saudi Arabia. The Company is wholly owned by IC Içtaş Inşaat Sanayi ve Ticaret A.Ş. The objective of the Company is construction of buildings and road works in accordance with Saudi Arabian General Investment Authority ("SAGIA"). As of 31 December 2021, the Company has participation in an unincorporated joint arrangement, RTCC-IC Ictas Joint Venture, with a participation share of 50% (31 December 2020: 50% participation share).

IC İçtaş US INC. ("İçtaş USA")

IC İçtaş US Inc is the company formed pursuant to a Joint Venture Agreement signed with Tishman Realty & Construction Company for the construction of Turkish Cultural Center, in New York. It is expected to be completed at the end of 2021.

IC İçtaş Köprü ve Üst Yapı İnş. A.Ş. ("ICA – WHSD")

IC İçtaş Köprü ve Üst Yapı İnş. A.Ş. ("ICA-WHSD") was established on 21 October 2011 in Ankara in order to construct middle part of the West Highway of St. Petersburg, Russia. The highway was opened on 2 December 2016. The company completed its project and it does not have an ongoing project.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

IC Içtaş Otoyol İnş. San. Tic.A.Ş. ("ICA-M11")

Ic Içtaş Otoyol İnş. San. Tic.A.Ş. ("ICA-M11") was established on July 2015 in order to construct Russia's Moscow-St. Petersburg highway project section 7&8. Under the Project that will be constructed as EPC; construction of a 140 km of 2x3- and 2x4-lane motorway, 18 bridges, 46 viaducts and 1 tunnel is scheduled and it was completed in October 2019. The company currently does not have an ongoing project.

IC İçtaş Havalimanı İnşaatları A.Ş. ("IC - Havalimanı")

The main activity of the Company is the construction project of T-26 tunnel project. T-26 tunnel is the tunnel on the Ankara-İstanbul high speed rail line between Bozüyük and Bilecik. The tunnel is expected to save 14 minutes of time of the high speed trains on the line.

İçtaş Russia LLC ("İçtaş Russia LLC")

The company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. on May 2019. The company's main field of activity is highway constructions and was established to enter tenders in Russia.

IC İçtaş Ağır Endüstriyel Tesisler ve Enerji Tesisleri İmalatları Yapım Anonim Şirketi ("İçtaş Ağır Endüstriyel")

This company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. on December 2020. The company's main field of activity is the manufacture of steel/iron tubes, pipes, hollow profiles and related fittings.

IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş. ("İçtaş Uluslararası")

IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş. was established in 2012 to carry out international construction activities. The Company, was a partner of the consortium in Bulgaria between 2011 and 2014 that deals with the construction work of Burgas Airport. The Company does not have an ongoing project.

IC İçtaş Havacılık A.Ş. ('İçtaş Havacılık')

Established on 9 March 2021, it provides services on air passenger transportation (touristy, sightseeing and non-scheduled ones) (including air taxi transportation) in the Istanbul region.

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. ("İçtaş Altyapı Bakım")

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. (former IC İçtaş Egis Otoyol İşletme A.Ş.) was established by IC İçtaş Altyapı Yatırımları ve İşletme A.Ş. and EGIS Road Operation SA ("EGIS")on 16 June 2016. Based on the Agreement made between the Company and IC Altyapı İşletme ve Ticaret A.Ş. ("IC Altyapı İşletme") on 25 August 2016, the Company has undertaken all operation and maintenance ("O&M") services relating to operation, repair and maintenance of the Northern Marmara Motorway (including the Third Bosphorus Bridge) Odayeri - Paşaköy Section on behalf of IC Altyapı İşletme. The Company was jointly controlled by IC Altyapı İşletme and EGIS until 19 November 2021. Due to the purchase of the shares of EGIS on 19 November 2021, İçtaş Altyapı Bakım became a subsidiary of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. with 100% direct share.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Operations

IC Limak Adi Ortaklığı ("IC-Limak Adi Ortaklığı")

IC-Limak AO was formed as an ordinary partnership of Limak İnşaat Sanayi ve Ticaret A.Ş. ("Limak") and IC İçtaş Enerji Yatırım Holding A.Ş. ("IC Enerji Yatırım") under the laws of Turkey. The Entity is jointly controlled by Limak and the IC Enerji Yatırım. IC-Limak AO mainly carries out renewal, renovation, improvement, repair and maintenance work and management of strip mining activities of Yeniköy and Kemerköy coal fired power plants, jointly controlled by the same groups.

IC İçtaş TSM Adi Ortaklığı ("IC TSM AO")

This joint venture was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. and TSM Enerji İnşaat Sanayi Ltd. Şti on July 2020. The object of the Ordinary Partnership is, under the Engineering, Procurement & Construction of the Power Units 1, 2, 3, 4 of the Akkuyu Nuclear Power Plant, to rent, make available to use or benefit whether or not in exchange of a fee, to sell any equipment and material to EPC Contractor or other third parties to be determined by the Parties, and to execute the all other works that will be overtaken by the joint agreement of the Parties.

China CAMC Engineering CO LDT-IC İçtaş İnşaat A.Ş. ("China CAMCE IC İçtaş")

The company was established in 2019 and 80% owned by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. The objective of the joint operation is construction of 48 new wells to expand the gas storage area for Tuz Gölü Underground Natural Gas Storage Facility Expansion Project ("the Project"). The project volume is 1.2 billion USD and it is expected to be completed in 2024.

İçtaş Kalyon Astaldi İzmir Otoyol Yapım Adi Ortalığı ("İKA AO")

İçtaş Kalyon Astaldi İzmir Otoyol Yapım Adi Ortalığı started operations on 3 April 2017. The main activity of the joint operation is construction of İzmir Menemen-Aliağa-Çandarlı highway project. The Company currently does not have an ongoing project.

Cengiz IC İçtaş Belen Adi Ortaklığı ("CİB AO")

Cengiz IC İçtaş Belen Adi Ortaklığı was established in 2007. The main activity of the joint operation is construction, maintenance and repair of Ankara-İstanbul high speed railway.

Cengiz IC İçtaş Belen T26 Adi Ortaklığı ("CİB-T26 AO")

Cengiz IC İçtaş Belen Adi Ortaklığı was established in 2017. The main activity of the joint operation is to repair the deformations occurring in T26 tunnel and to remove the TBM machine stuck from the tunnel.

Makyol İçtaş Kalyon Astaldi Adi Ortaklığı ("MİKA AO")

The main activity of the joint operation is construction of Kirazlı-Halkalı Metro stations and not operating as the report date.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Operations (Continued)

İKA Metro Yapım Adi Ortaklığı ("İKA Metro AO")

İKA Metro Yapım Adi Ortaklığı was established in 2017. The main activity of the joint operation is construction, maintenance and repaid of railways and subways of Halkalı Kirazlı Metro Project.

RTCC - IC İçtaş Joint Venture ("RTCC-IC")

RTCC-Ic Ictas Joint Venture is an unincorporated joint venture (the "Joint Venture" or "UJV"), formed pursuant to a Joint Venture Agreement (the "Agreement") between Al Rashid Trading & Contracting Company and Ic İçtaş Saudi Arabia LLC (collectively "Co-venturers") on 28 February 2017. King Khalid International Airport expansion project (the "Project") was assigned by the General Authority of Civil Aviation to the Co-venturers and covers the development of terminals 1, 2, 3 and 4 of King Khalid International Airport. The project is expected to be completed in April 2021.

SCI Adi Ortaklığı ("SCI AO")

This joint operation was established by Salini Impregilo SPA Turkey Branch, CCN Altyapı Yatırımları ve İnşaat A.Ş., and IC İçtaş İnşaat Sanayi and Ticaret A.Ş on September 2019. The company's main field of activity is the construction of Gaziantep Şehir Hastanesi.

MİA Adi Ortaklığı ("MİA AO")

This joint operation was established by Makyol İnşaat ve Ticaret A.Ş., İçtaş İnşaat Sanayi ve Ticaret A.Ş., and Astur İnşaat Sanayi ve Ticaret A.Ş on August 2017. The company's main field of activity is the construction of the 3rd stage of the M7: Kabataş-Mahmutbey metro line.

IC İçtaş İnşaat ve Ticaret A.Ş. Göçay A.Ş. İş Ortaklığı ("IC-Göçay")

The main activity of the joint operation which has been operating since 1998 is the construction of Yazıcı irrigation project in Ağrı.

CRCC-CMC-Cengiz-IC İçtaş Hızlı Tren Adi Ortaklığı ("CCCI Hızlı Tren AO")

This joint venture was established by China Railway Construction Corporation (CRCC), IC İçtaş İnşaat Sanayi ve Ticaret A.Ş., Cengiz İnşaat Sanayi ve Ticaret A.Ş., and China National Machinery Import & Export Corp. (CMC) on December 2008. The company's main field of activity is engineering and consultancy activities for transportation projects.

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. ("İKA Otoyol İşletme")

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. was established on 3 April 2017. The main operation of İKA is the operations and maintaining of "İzmir Menemen-Aliağa-Çandarlı highway". The project involves construction of 88 km of 2x2 and 2x2 lane motorway, 11 bridges, 10 viaducts.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Ventures

Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. ("Yeniköy-Kemerköy")

The main activity of Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. is generation of the electricity and the sales of generated electricty. The Company was established on 8 October 2014. The Company was established by Limak Yatırım Enerji Üretim İşletme Hizmetleri, İnşaat A.Ş. and IC İçtaş Enerji Yatırım Holding A.Ş. with equal shares. Thermal power plants and Kemerköy Liman Hizmetleri A.Ş., mine and port management rights were taken over USD2.671 billion on 23 December 2014. The capacity of the aforementioned power plant 1,050 Mwh.

Kemerköy Liman Hizmetleri A.Ş. ("Kemerköy Liman")

The main operation of Kemerköy Liman Hizmetleri A.Ş. is harbor management. The Company was established on 8 October 2014 by Limak Yatırım Enerji Üretim İşletme Hizmetleri and İnşaat A.Ş. ve IC İçtaş Enerji Yatırım Holding A.Ş with equal rates.

Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ("Muğla Yapı")

The main activity of Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş. is production of construction materials. Shares of İçtaş Mühendislik ve Yapı A.Ş. is transferred to IC İçtaş Enerji Yatırım Holding A.Ş. on November 2018.

Titan2 IC İçtaş İnşaat A.Ş. ("Titan2 IC İçtaş")

Titan2 IC İçtaş İnşaat A.Ş. was established in 2019. The main activity of the company is design, construction of the main part of the nuclear power plant facilities and supply of equipment for Akkuyu Nuclear Power Plant project ("the Project") in Mersin. The project started with the mobilization as of May 2019 and it is expected to be fully completed in 2026.

Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi ("Akkuyutst")

Akkuyutst was established on 28 January 2019 in Mersin. The main activity of the Company is production of concrete to be used in Akkuyu Nuclear Power Plant project in Mersin.

İçtur Servis Limited Şirketi ("İçtur Servis")

This company was established by IC İçmak Makina İnşaat ve Lojistik Anonim Şirketi and Titan - Servis Limited Şirketi on August 2020. The company's main field of activity is to provide provision for food, cleaning and accommodation services.

IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş. ("İçtaş Endüstriyel")

This company was established by IC İçtaş İnşaat Sanayi ve Ticaret A.Ş on June 2020. The company's main field of activity is the manufacture of steel/iron tubes, pipes, hollow profiles and related fittings.

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. ('İKA Otoyol İşletme')

İçtaş Kalyon Astaldi İzmir Otoyol Yatırım ve İşletme A.Ş. was established on 3 April 2017. The main operation of İKA is the operations and maintaining of 'İzmir Menemen-Aliağa-Çandarlı highway'. The project involves construction of 88 km of 2x2 and 2x2 lane motorway, 11 bridges, 10 viaducts.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation

The Company and its subsidiaries in Turkey maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with Statements of IFRS.

2.2 Functional Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

The subsidiaries, joint ventures and joint operations whose functional currency is not Turkish Lira are presented below;

Entity Name	Functional Currency
IC İçtaş Zafer Uluslararası Havalimanı Yatırım ve İşletme A.Ş.	EUR
IKA İzmir Otoyol Yatırım ve İşletme A.Ş.	EUR
IC İçtaş Otoyol İnşaat Sanayi ve Ticaret A.Ş.	RUB
ICA Astaldi-IC İçtaş WHSD İnşaat A.Ş.	RUB
IC İçtaş Saudi Arabia LLC.	SAR
RTCC - IC İçtaş Joint Venture	SAR
China Camc Engineeering Co.Ltd-IC İçtaş İnş.San.Tic.A.Ş. Adi Ortaklığı	USD
Titan2 IC İçtaş İnşaat A.Ş.	USD
IC İçtaş USA Inc.	USD
AECOM Tishman IC İçtaş Joint Venture	USD
ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş.	USD
İçtaş TSM Adi Ortaklığı	USD
IC İçtaş Romania Branch	RON
IC İçtaş Russia Branch	RUB
İçtaş Russia LLC	RUB
IC İçtaş Astaldi Simple Partnership	RUB

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Functional Currency (Continued)

In preparing the financial statements of the individual entities, according to IAS 21, transactions in currencies other than Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Any related exchange component of that gain or loss is recognized in the translation reserve accounts under the equity. According to IAS 21, balances of the balance sheet are revaluated according to Turkish Central Bank buying rates:

	31 December 2021	31 December 2020
EUR - TRY for the period	15.0867	9.0079
USD - TRY for the period	13.3290	7.3405
RUB - TRY for the period	0.1770	0.0984
SAR - TRY for the period	3.5501	1.9563

According to IAS 21, balances of the profit or loss statement are revaluated according to average rates in the year:

	1 January - 31 December 2021	1 January - 31 December 2020
EUR - TRY for the period	10.4408	8.0351
USD - TRY for the period	8.8557	7.0201
RUB - TRY for the period	0.1196	0.0977
SAR - TRY for the period	2.3645	1.8717

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year consolidated financial statement, comparative information is reclassed, and significant change are disclosed if necessary.

The classes of assets comprising the disposal group classified as held for sale are have been disclosed in Note 33.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation

The details of the Company's fully consolidated subsidiaries and affiliates at 31 December 2021 and 2020 are as follows:

Subsidiaries	Principal Activity	Proportion of ownership interest	Proportion of voting power held (*)	Proportion of ownership interest	Proportion of voting power held (*)
			31 December 2021		31 December 2020
IC İçtaş Zafer Uluslararası Havaalanı Yatırım ve İşletme A.Ş.	Aviation	80.28%	80.28%	80.28%	80.28%
IC İçmak Makine İnşaat ve Lojistik A.Ş.	Construction	97.14%	97.14%	97.14%	97.14%
IC İçtaş Uluslararası İnşaat Turizm Enerji ve Ticaret A.Ş.	Construction	52.00%	52.00%	52.00%	52.00%
IC İçtaş Havalimanı İnşaatları A.Ş.		100.00%	100.00%	100.00%	100.00%
ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş.	Construction Management	100.00%	100.00%	100.00%	100.00%
IC İçtaş Saudi Arabia Company	Construction	100.00%	100.00%	100.00%	100.00%
IC ICTAS US Inc.	Construction	100.00%	100.00%	100.00%	100.00%
IC İçtaş Köprü ve Üst Yapı İnş. A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%
IC Içtaş Otoyol İnş. San. Tic.A.Ş.	Construction	100.00%	100.00%	100.00%	100.00%
Trakya Elektrik Dağıtım A.Ş.	Electricity Distrubution	-	100.00%	-	100.00%
Trakya Elektrik Perakende Satış A.Ş.	Electricity Retail	-	100.00%	-	100.00%
İçtaş İşletme ve Ticaret A.Ş.	Energy	75.72%	100.00%	75.72%	100.00%
IC İçtaş Enerji Yatırım Holding A.Ş. (1)	Energy	36.64%	36.64%	36.64%	36.64%
İçtaş Yenilenebilir Enerji Üretim ve Ticaret A.Ş.	Energy	-	33.42%	-	33.42%
İçtaş Sürdürülebilir Enerji Yatırımları A.Ş.	Energy	-	33.42%	-	33.42%
İkisu Enerji Üretim ve Ticaret A.Ş.	Energy	-	33.42%	-	33.42%
IC İçtaş Elektrik Toptan Satış ve Ticaret A.Ş.	Energy	-	36.64%	-	36.64%
Trabzon Enerji Üretim ve Ticaret A.Ş.	Energy	-	32.47%	-	32.47%
Barış Rüzgar Üretim ve Ticaret A.Ş.	Energy	-	36.64%	-	36.64%
Treysan Prefabrik Çelik Yapılar San. ve Tic. A.Ş.	Industry	53.41%	53.41%	53.41%	53.41%
Treysan Dış Ticaret A.Ş.	Industry	-	100.00%	-	100.00%
IC İçtaş Ağır Endüstriyel A.Ş.	Industry	100.00%	100.00%	100.00%	100.00%
IC Altyapı İşletme ve Ticaret A.Ş. (3)	Infrastructure Management	-	-	99.99%	99.99%
IC İçtaş Sakarya Karasu Limanı Yatırım ve İşletme A.Ş. (4)	Port Management	100.00%	100.00%	18.64%	100.00%
IC Çeşme Marina Yatırım A.Ş. (5)	Tourism	55.00%	54.99%	26.00%	54.99%
IC İçtaş Havacılık A.Ş. (2)	Aviation	-	100.00%	-	-
ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. (6)	Infrastructure Management	100.00%	100.00	49%	49%
IC İçtaş Astaldi Simple Partnership	Construction	100.00%	100.00%	100.00%	100.00%
İçtaş Russia LLC	Construction	100.00%	100.00%	100.00%	100.00%
IC İçtaş İçmak Adi Ortaklığı (7)	Construction	-	-	100.00%	100.00%

(*) Proportion of voting power represents the indirect share of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş..

(1) Although the ownership of İçtaş İnşaat in IC İçtaş Enerji Yatırım Holding A.Ş. decreased in 2019, İçtaş İnşaat is considered to hold the control power over the Company due to shareholding structure. As a result, IC İçtaş Enerji Yatırım Holding and its subsidiaries are consolidated via full consolidation method in 2020.

(2) The Company has been established on 9 March 2021.

(3) On 19 November 2021, IC Altyapı İşletme ve Ticaret A.Ş. and IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. merged under IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.

(4) As of 19 November 2021, due to the merger between IC Altyapı İşletme ve Ticaret A.Ş. and IC İçtaş İnşaat Sanayi ve Ticaret A.Ş., direct share of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. is 100%.

(5) As of 19 November 2021, due to the merger between IC Altyapı İşletme ve Ticaret A.Ş. and IC İçtaş İnşaat Sanayi ve Ticaret A.Ş., direct share of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. is 55%.

(6) Due to the purchase of the shares of EGIS Road Operation SA on 19 Novembet 2021, ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. became a subsidiary of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. with 100% direct share.

(7) On 31 December 2021, IC İçtaş İçmak Adi Ortaklığı and IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. merged under IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in associates and joint ventures

The details of the Company's interest in joint ventures at 31 December 2021 and 31 December 2020 are as follows:

		31 December 2021		31 December 2020	
Joint Ventures	**Principal Activity**	**Proportion of ownership interest**	**Proportion of voting power held**	**Proportion of ownership interest**	**Proportion of voting power held**
Yeniköy Kemerköy	Energy	50.00%	50.00%	50.00%	50.00%
Kemerköy Liman	Port Management	50.00%	50.00%	50.00%	50.00%
İçtaş Altyapı Bakım	Highway Management	-	-	49.00%	49.00%
IKA Otoyol İşletme	Highway Management	50.00%	50.00%	50.00%	50.00%
Muğla Yapı Malzemeleri	Construction				
Titan2 IC İçtaş İnşaat A.Ş.	Construction	50.00%	50.00%	50.00%	50.00%
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd.Şti.	Production	50.00%	50.00%	50.00%	50.00%
İçtur Servis	Service	50.00%	50.00%	50.00%	50.00%
AECOM Tishman	Construction	40.00%	40.00%	40.00%	40.00%
İçtaş Endüstriyel Boru Loj. ve Çelik İmalat A.Ş.	Industry	50.00%	50.00%	50.00%	50.00%

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or a joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or a joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture.

Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group's interest in the joint venture.

Interest in joint operations

The details of the Company's interest in joint operations at 31 December 2021 and 2020 are as follows:

		31 December 2021		31 December 2020	
Joint Operations	Principal Activity	Proportion of ownership interest	Proportion of voting power held	Proportion of ownership interest	Proportion of voting power held
Cengiz-IC İçtaş-Belen Adi Ortaklığı	Construction	33.00%	33.00%	33.00%	33.00%
IC İçtaş İnşaat ve Ticaret A.Ş. Göçay A.Ş. İş Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%
MİKA Adi Ortaklığı	Construction	28.00%	28.00%	28.00%	28.00%
IKA İzmir Otoyol Yapım Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%
IKA Metro Yapım Adi Ortaklığı	Construction	42.50%	42.50%	42.50%	42.50%
MİA Adi Ortaklığı	Construction	44.00%	44.00%	44.00%	44.00%
CRCC-CMC-Cengiz-IC İçtaş Hızlı Tren Adi Ortaklığı	Construction	30.00%	30.00%	30.00%	30.00%
Cengiz-IC İçtaş-Belen T-26 Adi Ortaklığı	Construction	33.00%	33.00%	33.00%	33.00%
RTCC - IC İçtaş Joint Venture	Construction	50.00%	50.00%	50.00%	50.00%
China CAMC Engineering CO LDT-IC İçtaş İnş. San. Tic. A.Ş. Adi Ortaklığı	Construction	99.99%	99.99%	99.99%	99.99%
SCI Adi Ortaklığı	Construction	49.00%	49.00%	49.00%	49.00%
İçtaş TSM Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%
IC-Limak Adi Ortaklığı	Construction	50.00%	50.00%	50.00%	50.00%

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

Interest in joint operations (Continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IAS applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

2.5 Changes in Accounting Policies, Estimates and Errors

Any change in the accounting policies resulted from the first time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.6 Application of New and Revised International Financial Reporting Standards (IFRSs)

a) Standards, amendments and interpretations applicable as at 31 December 2021:

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2023. These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Application of New and Revised International Financial Reporting Standards (IFRSs) (Continued)

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021.As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

- **IFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.

    - **Amendments to IFRS 3**, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

    - **Amendments to IAS 16**, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

    - **Amendments to IAS 37**, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

      Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Application of New and Revised International Financial Reporting Standards (IFRSs) (Continued)

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The Group will assess the impacts of the above amendments on its operations and implement the necessary ones.

2.7 Significant Accounting Policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements

a) A person or a close member of that person's family is related to a reporting entity if that person:

   (i) Has control or joint control over the reporting entity;
   (ii) Has significant influence over the reporting entity; or
   (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

   (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vi) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Transaction with related parties, a transfer regardless of whether a price is charged resources, services or obligations between the reporting entity and related party.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' which cannot exceed one year from the acquisition date, about facts and circumstances that existed at the acquisition date.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Business combinations

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. The Group has chosen the "pooling of interest" method in the accounting of business combinations regarding under common control, in accordance with the hierarchy in IAS 8, in order to eliminate the differences in accounting policies ("IAS") observed in the country of operation.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

a. Sale of goods

Group has started to implement IFRS 15 “Revenue from contracts with customers” specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Revenue (Continued)

The Group evaluates the goods and services that it has committed in each contract with the customers and determines each commitment to transfer the said products or services as a separate performance obligation. For each performance obligation, it is determined at the beginning of the contract that the performance of the performance obligation will be satisfied in time or at a point of time. If the Group transfers the control of a goods or service over time and thus fulfills the performance obligations related to the related sales over time, it measures the progress of the satisfaction of the performance obligations in full and takes the proceeds to the financial statements. The Group, as it satisfies the performance obligation by transferring a committed product or service to its customer, records the transaction price corresponding to this performance obligation as revenue in consolidated financial statements. The goods or services are transferred when the goods or services are checked (or passed) by the customers. The Group evaluates the transfer of control of the goods or services sold to the customer by taking into account that:

- ownership of the Group's right to collect goods or services.
- the ownership of the property of the customer.
- transfer of the ownership of the goods or services.
- the ownership of significant risks and rewards arising from the ownership of the property of the customer.
- takes into account the customer's acceptance of goods or services.

b. Rendering of services:

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the balance sheet date;
- Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- Revenue from time and material contracts is recognized at the contractual rates as labour hours are delivered and direct expenses are incurred.

c. Lease income

Lease income from investment properties is recognized on a straight-line basis over the term of the relevant lease contract.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Revenue (Continued)

d. Electricity distribution income

Distribution revenue comprises distribution, meter reading, transmission, theft and loss. Electricity distribution and meter reading services are in the scope of the service concession agreement under EMRA regulations. As per Electricity Market Law, the Electricity Market Tariffs Regulation and other relevant regulations, the Group's distribution, transmission and meter reading services are subject to an revenue cap. Realized revenue includes operating expenses and investment needs related to distribution of electricity and meter reading services. Similarly, transmission revenue consists of the transmission costs allocated by Türkiye Elektrik İletim A.Ş. ("TEİAŞ"). This regulation guarantees the Group's revenue no matter the consumption level of the subscribers. Overcharges and undercharges by the Group are calculated at the end of each year and are adjusted through tariffs by EMRA two years later.

Distribution system income difference of tariff year is the difference between the revenue cap related to distribution system income and realized tariff year distribution income and is recognised as accrual basis.

e. Electricity sales income

Electricity sales are recognized as soon as electricity is delivered. Electricity sales revenue is accounted in the case of realization of electicity delivery on an accrual basis, through the invoiced amount.

f. *Revenue generated from motorway operations*

Revenue and costs of the operator relating to the operating phase are accounted for in accordance with IFRS 15 Revenue from Contract with Customers. The Group generates the revenue with the operator's mark-up on the incurred operation costs when the control of related services are transferred. The Group recognizes operational revenues as over the time basis.

Construction contracts

The Group defines a construction contract as a contract specifically negotiated for the construction of an asset. On the balance sheet, the Group reports the net contract position for each (construction) contract as either an contract asset or a contract liability. A contract asset is recognized when the Group has a right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. A contract receivable is an amount to be billed for which payment is only a matter of passage of time.

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract.

Retention receivables from contractors

The Group's interim progress billings to its clients are subject to retention deductions, which vary, based on the individual agreements. These balances are collected from the clients upon completion of the contract at the end of the warranty period. Retention receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.
Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Leases (Continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Lease income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Leases (Continued)

Leasing Policy Applied Until 31 December 2018

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Lease income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Sale and Lease Back Transactions

Sale and lease back involves the selling of an asset and leasing back the same asset. Lease payments and sales price are often interdependent, as negotiated as a whole. The method of accounting for a sale and lease back depends on the type of lease involved.

In the case of a sale and lease back result in a financial lease, the portion of the sales revenue over the carrying amount cannot be recognized immediately by the lessor. Instead, the income is deferred and amortized over the lease term.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TRY, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Financial Statements of Subsidiaries, Associates and Joint Ventures Operating Abroad

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into TRY using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. In 2021, The Group did not capitalize any borrowing costs regarding the investment loans over tangible assets (2020: None).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

A Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit or loss.

Apart from infrastructure and land improvements, buildings and property, plant and equipment all tangible assets are subject to straight line depreciation according to their cost value or revalauted value. Expected useful life, salvage value, depreciation method or changes in expectations are reviewed every year and changes in expectations are recorded prospectively.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit or loss.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

The depreciation periods for property, plant and equipment are as follows:

	Years
Buildings	5-50
Land improvements	5-24
Machinery and equipment	1-25
Vehicles	1-15
Furniture and fixtures	1-30
Other fixed assets	2-15

Repair and maintenance expenses are charged to the consolidated statement of profit or loss during the financial period in which they are incurred. The cost of major subsequent expenditures is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Intangible assets

Intangible assets comprise wholesale and energy production licenses, other rights and other intangible assets that are likely to generate future economic benefits to the Group. Licenses and other identified assets are booked in consolidated financial statements with their net value after deducting accumulated depreciations and permanent impairments, if any, from their acquisition costs. Other intangible assets which are expected to be economically beneficial are recognized at fair value of the contract. Aforementioned contractual intangible assets have a determined useful lifes and carried at cost less accumulated amortization.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Customer contracts and relationships and Transfer of Operation Right ("TOR")

The customer contracts and relationships, as well as TOR are booked after deducting the accumulated depreciation and the accumulated impairment losses from the cost values. These assets are amortized using the straight-line method based on their estimated useful lives. Customer contracts and relationships have a useful life of 25-49 years.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3-5 years).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is provided on investment property on a straight line basis.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Leased properties under operating lease are not classified as investment property.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate adjusted for the effects of tax cash outflows that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the “cash-generating unit”).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Goodwill (Continued)

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Service concession arrangements

A service concession arrangement is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure. During the arrangement period, the operator recognizes revenue in return for the services it provides. The grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price, and also controls any significant residual interest in the assets at the end of the term of the arrangement. The operator is obliged to hand over the infrastructure to the party that grants the service arrangement.

IFRIC 12 "Service concession arrangements" noted that when the operator has an unconditional contractual right to receive payments from the concession grantor, irrespective of the amount of use made of the infrastructure then the financial asset model applies. Under this model, the operator recognizes a financial asset, attracting interest; in its balance sheet in consideration for the services it provided (design, construction, etc.). Such financial assets are recognized in the balance sheet in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortized cost. The receivable is settled by means of the grantor's payments received. The financial income calculated on the basis of the effective interest rate, equivalent to the project's internal rate of return, is recognized under operating income. The differences due to the change in terms (using the same effective rate) are recognized as a gain or loss in the income statement.

Financial assets

Tredaş:

The Group recognizes investment expenditure related to distribution, under financial assets to the extent that it has unconditional rights arising from the contract concerning invoicing to subscribers in line with the instructions from the guarantor. The right to collect in return for distribution services is carried out by invoicing subscribers. The distribution element of the said invoices is regulated by distribution tariffs determined by EMRA. The difference between the annual collections from distribution and the revenue cap predetermined by EMRA is corrected by EMRA by revising the future tariff. The financial assets related to the concession arrangements are measured at amortized cost in accordance with IFRS 9, since they are composed of cash flows that only include principal and interest.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Service concession arrangements (Continued)

IC Zafer:

The Group is bound by the terms of the Build - Operate - Transfer ("BOT") Agreement made with DHMİ for Zafer Regional Airport. According to the BOT agreements, the Group has guaranteed passenger fee to be received from DHMİ. The agreement covers a period up to May 2044.

The Group recognizes the guaranteed passenger fee amount due from DHMİ, which is on the scope of Zafer Airport project, as financial asset which is determined by the agreement. Financial assets are recognized in the balance sheet in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortized cost.

3rd Bridge:

The Company is bound by the terms of the Build - Operate - Transfer ("BOT") Agreement made with Ministry of Transport Maritime Affairs and Communication and General Directorate of Highways ("KGM"). According to the BOT agreement, KGM guarantees certain level of traffic and consequently income to the Company.

Service concession arrangement is accounted in accordance with IFRIC 12 "Service Concession Arrangements". In line with IFRIC 12, a financial asset is recognized in the accompanying financial statements. Amount of the financial asset to be recognized is determined based on the total investment for the project plus interest calculated for the financial asset using the effective interest method.

Starting 31 December 2019, the assets and liabilities of ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş., which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

Income Taxes

Taxation in Turkey

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In Turkey the effective rate of tax in 2021 is 25% (2020: 22%).

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2021 is 25% (2020: 22%). Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax within four months of the closing period of the relevant year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Income Taxes (Continued)

Taxation in Russian Federation

The corporate tax rate effective in Russian Federation is 20% (2020: 20%).

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer's choice. Tax returns are filed till the 28th of March, following the close of the financial year.

According to latest tax regulations, between the years 2018 and 2021 the companies are allowed to utilize carry forward tax losses up to 50% of their period profit and starting from the year 2021 there is no limit for the utilization of carry forward tax losses. In addition to this, for the tax losses generated after 2007, limit for loss carry forward of maximum 10 years is abolished.

Tax refunds are technically possible but are very difficult to obtain in practice. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Russia at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 15%. This standard rate may, however, be reduced based on double tax treaty agreements. In Russian Federation the tax regulations are subject to various comments and change frequently. Regarding to Group's operations the interpretation of tax regulations by tax authorities may differ from the management.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Income Taxes (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per IAS 19 (Revised) *Employee Benefits* ("IAS 19").

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) Amortised cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

(a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

(b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item;. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Modification of a financial asset may result in derecognition of financial asset. There are quantitative and qualitative criteria for modification of financial asset that results in derecognition. Significant contractual changes are qualitative indicators for modification of financial asset that results in derecognition. After derecognition of the original financial asset, a new asset is recognized at fair value.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value.

A financial liability is subsequently classified at amortized cost except:

(a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
(b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
(c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where IFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in note 30.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Significant Accounting Policies (Continued)

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.8 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, the management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements:

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

Revenue recognition

The Group uses the percentage of completion method in accounting for its project contracts. Use of the percentage of completion method requires the Group to estimate the proportion of work performed to date as a proportion of the total work to be performed and the Management's judgment that the use of costs to date in proportion to total estimated costs provided the most appropriate measure of percentage of completion.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Project cost estimates

The Group requires project managers to estimate the costs to complete construction contracts. Factors such as escalation of material prices, labor costs and other costs are included in the project cost estimates based on the Management's best estimate.

Impairment test of goodwill

The Group reviews the goodwill for impairment on 31 December each year. Within this scope, TREDAŞ and TREPAŞ activities were regarded as separate cash generating units and the related goodwill was associated with distribution and retail activities. Recoverable values of cash generating units are determined based on the fair value calculations. Fair value calculations include cash flow projections discounted after tax, and these projections, which are determined in TRY, are based on the long-term plans prepared by the Group management. As of 31 December 2021, the results of the impairment tests (details provided below) carried out on the basis of cash-generating units do not indicate goodwill impairment.

Tredaş:

TREDAŞ operations were found to be separate cash generating unit, and the recoverable amount of the cash generating units were determined based on fair value calculations. Fair value calculations included cash flow projections during the licence period, and the projections in TRY were based on the long-term plans prepared by the Group. For the fair value calculations, the average cost of capital rate for TREDAŞ was considered to be 26.4%.

Trepaş:

TREPAŞ operations are considered as separate cash generating units, and the recoverable amount of these cash generating units were determined based on fair value calculations. Fair value calculations included cash flow projections during the licence period, and the projections in TRY were based on the long-term plans prepared by the Group. For the fair value calculations, the average cost of capital rate for TREPAŞ was considered to be 26.4%, the individual customer profit margin rate is considered between 3.37% to 3.82% during the license period.

Useful lives of property, plant and equipment

The management of the Group has made significant assumptions in the direction of the technical team's experience, especially in determining the useful economic lives of the tangible assets.

Uninvoiced electricity sales

The costs of active energy and retail sale services provided to the customer but not invoiced are recognised at estimated amounts. Unbilled electricity costs of active energy and retail sale services are reflected in the consolidated financial statements by multiplying the relevant period's tariff prices by the difference between the date of the customer's most recent meter reading and the last day of the relevant period.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Income taxes

Deferred tax assets are only recognized when sufficient taxable profit is likely to arise in the future. In case of a probable tax advantage, deferred tax asset is calculated over previous year losses.

As of 31 December 2020, the Group recognized deferred income tax asset to the extent that it is probable that future taxable profit will be available. However, the Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all that deferred tax asset to be utilized.

Group recognized TRY 1,426,335 (31 December 2020: TRY 946,136) of deferred tax asset over carry forward tax losses. As of 31 December 2021, Üçüncü Köprü İşletme recognized TRY 1,380,653 (31 December 2020: TRY 928,204) of deferred tax assets over carry forward tax losses which is presented under assets held for sale.

3. BUSINESS COMBINATIONS

On 29 April 2020, İçtaş Mühendislik ve Yapı A.Ş. and IC İçtaş Enerji Yatırım Holding A.Ş. are merged under IC İçtaş Enerji. The Group has chosen the "pooling of interest" method in the accounting of business combinations regarding under common control, in accordance with the hierarchy in TAS 8, in order to eliminate the differences in accounting policies ("TAS") observed in the country of operation.

The Group purchased shares of IC İçtaş Astaldi ICA İnşaat Anonim Şirketi, ICA Astaldi-IC İçtaş WHSD İnşaat Anonim Şirketi, IC İçtaş-Astaldi Adi Ortaklığı and IC İçtaş Astaldi Simple Partnership from Astaldi S.P.A. on 17 March 2020 (Note 2.4). As a result of this transaction, these joint operations have become to fully owned subsidiaries. These transactions are considered as an asset deal. The Group recognized the incurred loss from this transaction under other operating expenses amounting to TRY 220,386.

4. INTERESTS IN OTHER ENTITIES

Joint Ventures

Details of significant joint ventures:

Joint ventures mentioned in Note 2.4 are accounted for using the equity method of accounting in these consolidated financial statements.

Summarised financial information in respect of the Group's significant joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS adjusted by the Group for equity accounting purposes.

Group's share in net asset value of investments under the equity method is as follows:

	31 December 2021	31 December 2020
İKA Otoyol İşletme	219,743	176,432
Titan2 IC İçtaş	163,376	206,874
Akkuyutst	60,427	7,598
İçtur Servis	10,334	5,346
Kemerköy Liman	7,868	8,038
AECOM Tishman	5,535	11,372
Muğla Yapı	1,934	2,120
İçtaş Egis	-	4,239
Içtaş Endüstriyel	-	1,643
Yeniköy Kemerköy	-	-
	469,217	**423,662**

The impact of investments under the equity method in the consolidated profit and loss statement is as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Akkuyutst	107,208	(243)
Titan2 IC İçtaş	53,806	188,513
İçtur Servis	9,151	5,346
İçtaş Egis	1,182	1,078
Yeniköy Kemerköy	-	-
Kemerköy Liman	(170)	(162)
Muğla Yapı	(206)	(260)
İçtaş Endüstriyel	(1,643)	1,619
AECOM Tishman	(9,962)	10,879
İKA Otoyol İşletme	(97,892)	(72,335)
	61,474	**134,435**

4. INTERESTS IN OTHER ENTITIES (Continued)

Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.

Yeniköy Kemerköy	31 December 2021	31 December 2020
Current assets	1,724,885	680,114
Non-current assets	8,603,069	8,026,076
Short-term liabilities	5,865,140	2,592,995
Long-term liabilities	14,691,982	11,115,390
Equity attributable to owners of the company	(10,229,168)	(5,002,195)

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	3,380,843	1,128,357
Profit / (loss) for the period	(862,027)	(833,384)
Group's interest in the profit / (loss) for the period (*)	-	-

(*) Since net asset value of the associates is negative as of 31 December 2021 and 31 December 2020, share of the Group on loss of these associates has been accounted up to the investment amount.

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Yeniköy Kemerköy Elektirik Üretim ve Ticaret A.Ş. to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	(10,229,168)	(5,002,195)
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	-	-

Kemerköy Liman Hizmetleri A.Ş.

Kemerköy Liman Hizmetleri A.Ş.	31 December 2021	31 December 2020
Current assets	94	144
Non-current assets	15,867	16,254
Short-term liabilities	224	321
Equity attributable to owners of the company	15,737	16,077

4. INTERESTS IN OTHER ENTITIES (Continued)

Kemerköy Liman Hizmetleri A.Ş. (Continued)

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	-	-
Profit / (loss) for the period	(339)	(324)
Group's interest in the loss for the period	**(170)**	**(162)**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Kemerköy liman Hizmetleri A.Ş. to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	15,737	16,077
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**7,868**	**8,038**

Titan2 IC İçtaş İnşaat A.Ş.

Titan2 IC İçtaş İnşaat A.Ş.	31 December 2021	31 December 2020
Current assets	8,384,282	2,664,200
Non-current assets	1,678,260	609,409
Short-term liabilities	8,580,040	2,691,307
Long-term liabilities	1,171,489	358,285
Equity attributable to owners of the company	311,013	224,017

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	5,323,115	3,483,102
Profit / (loss) for the period	107,612	377,026
Group's interest in the profit / (loss) for the period	**53,806**	**188,513**

4. INTERESTS IN OTHER ENTITIES (Continued)

Titan2 IC İçtaş İnşaat A.Ş. (Continued)

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Titan2 IC İçtaş İnşaat A.Ş. to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	326,752	413,747
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**163,376**	**206,874**

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş.

ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş.	31 December 2021	31 December 2020
Current assets	-	29,902
Non-current assets	-	4,738
Short-term liabilities	-	21,955
Long-term liabilities	-	4,033
Equity attributable to owners of the company	-	8,652

	1 January - 19 November 2021	1 January - 31 December 2020
Revenue	89,900	113,744
Profit / (loss) for the period	2,412	2,201
Group's interest in the profit / (loss) for the period	**1,182**	**1,078**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş. to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	-	8,652
Proportion ownership interest in joint venture	100%	49%
Carrying amount of the Group's interest	**-**	**4,239**

The Company is a subsidiary of the Group as of 19 November 2021.

4. INTERESTS IN OTHER ENTITIES (Continued)

Muğla Yapı Malzemeleri San. Ve Tic. A.Ş.

Muğla Yapı	31 December 2021	31 December 2020
Current assets	455	465
Non-current assets	3,835	3,835
Short-term liabilities	421	59
Equity attributable to owners of the company	3,869	4,241

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	-	-
Profit / (loss) for the period	(412)	(521)
Group's interest in the profit / (loss) for the period	**(206)**	**(260)**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Muğla Yapı Malzemeleri San. ve Tic. A.Ş. to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	3,868	4,240
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**1,934**	**2,120**

İKA İzmir Otoyol Yatırım İşletme A.Ş.

İKA A.Ş.	31 December 2021	31 December 2020
Current assets	1,110,802	611,821
Non-current assets	5,552,492	3,718,813
Short-term liabilities	554,285	322,571
Long-term liabilities	5,567,714	3,473,261
Equity attributable to owners of the company	541,295	534,802

4. INTERESTS IN OTHER ENTITIES (Continued)

İKA İzmir Otoyol Yatırım İşletme A.Ş. (Continued)

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	52,137	18,799
Profit / (loss) for the period	(195,784)	(144,669)
Group's interest in the profit / (loss) for the period	**(97,892)**	**(72,335)**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the İKA İzmir Otoyol Yatırım İşletme A.Ş. to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	439,486	352,864
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**219,743**	**176,432**

Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi

Akkuyutst	31 December 2021	31 December 2020
Current assets	176,709	112,055
Non-current assets	135,621	71,213
Short-term liabilities	182,031	57,453
Long-term liabilities	9,446	8,706
Equity attributable to owners of the company	120,853	117,109

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	436,050	265,499
Profit / (loss) for the period	214,416	(486)
Group's interest in the profit / (loss) for the period	**107,208**	**(243)**

4. INTERESTS IN OTHER ENTITIES (Continued)

Joint Ventures (Continued)

Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi (Continued)

Reconciliation of the above summarised financial information of the carrying amount of the interest in the Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	120,854	15,195
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**60,427**	**7,598**

AECOM Tishman IC İçtaş Joint Venture

AECOM Tishman IC İçtaş Joint Venture	31 December 2021	31 December 2020
Current assets	259,822	244,349
Short-term liabilities	245,984	215,922
Equity attributable to owners of the company	13,838	28,427

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	2,763,376	1,872,903
Profit / (loss) for the period	(24,905)	27,198
Group's interest in the profit / (loss) for the period	**(9,962)**	**10,879**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the AECOM Tishman IC İçtaş to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	13,838	28,427
Proportion ownership interest in joint venture	40%	40%
Carrying amount of the Group's interest	**5,535**	**11,372**

4. INTERESTS IN OTHER ENTITIES (Continued)

İçtur Servis Limited Şirketi

İçtur Servis	31 December 2021	31 December 2020
Current assets	325,964	90,362
Non-current assets	187,286	1,352
Short-term liabilities	492,578	81,022
Equity attributable to owners of the company	20,672	10,692

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	836,062	92,196
Profit / (loss) for the period	18,302	10,687
Group's interest in the profit / (loss) for the period	**9,151**	**5,346**

Reconciliation of the above summarised financial information of the carrying amount of the interest in the İçtur Servirs Limited Şirketi to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	20,672	10,692
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**10,334**	**5,346**

İçtaş Endüstriyel

İçtaş Endüstriyel	31 December 2021	31 December 2020
Current assets	388,496	85,131
Non-current assets	45,489	32,739
Short-term liabilities	530,020	114,585
Equity attributable to owners of the company	(96,035)	3,285

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	453,420	53,658
Profit / (loss) for the period	(316,493)	3,235
Group's interest in the profit / (loss) for the period	**(1,643)**	**1,619**

4. INTERESTS IN OTHER ENTITIES (Continued)

İçtaş Endüstriyel (Continued)

Reconciliation of the above summarised financial information of the carrying amount of the interest in the İçtaş Endüstriyel to the consolidated financial statements:

	31 December 2021	31 December 2020
Net assets of the joint venture	(96,035)	3,285
Proportion ownership interest in joint venture	50%	50%
Carrying amount of the Group's interest	**-**	**1,643**

5. CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash on hand	1,165	469
Cash on deposit	1,677,312	1,596,599
- *Demand deposits*	*840,630*	*909,905*
- *Time deposits*	*836,682*	*686,694*
Other cash equivalents	66,769	71,438
	1,745,246	**1,668,506**

As at 31 December 2021, the interest rates applicable to TRY time deposits are between 6.50% - 16.50% (31 December 2020: 6.30% - 13.30%. As at 31 December 2021, the interest rates applicable to USD denominated time deposits are between 0.01% - 1.00% (31 December 2020: 0.01% - 0.25%), the interest rates applicable to EUR denominated time deposits are between 0.01% - 0.10% (31 December 2020: 0.01% - 1.60%). As at 31 December 2021, maturity of time deposits is between 1 to 35 days (31 December 2020: 1 to 35 days).

6. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries and joint operations, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Trade receivables received from related parties arise mainly from sales transaction. Trade receivables are interest free. Other receivables from related parties arise mainly from financing requirements. Interest is charged on other receivables with an average of market rates.

Trade payables to related parties arise mainly from purchase transaction. Trade payables are interest free and without guarantee. Other payables to related parties arise mainly from financing requirements. Interest is charged on other payables with an average of market rates.

Details of transactions between the Group and other related parties are disclosed below.

6. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2021												
	Receivables				Payables								
	Current		Non-current		Current		Non-current		Current	Current	Non-current		
Balances with related parties	Trading	Non-trading	Trading	Non-trading	Trading	Non-trading	Trading	Non-trading	Prepaid expenses	Deferred revenue	Deferred revenue	Contract assets	Contract liabilities
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. (**)	346,702	1,416	-	-	-	-	-	-	-	-	112,579	-	-
İçtaş TSM Adi Ortaklığı	104,983	-	-	-	107	324,016	-	-	-	-	-	-	23,730
İçtur Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	30,670	-	-	-	2,435	-	-	50,244	-	16,578	38,503	-	-
Cengiz IC İçtaş Belen T26 Adi Ortaklığı	29,286	-	-	-	-	21,532	-	-	-	-	-	76,071	-
SCI Adi Ortaklığı	27,195	-	-	-	-	-	-	-	-	-	-	-	-
TSM Enerji İnşaat Sanayi Ltd. Şti.	-	-	-	149,913	-	-	-	-	-	-	-	-	-
Titan2 IC İçtaş İnşaat A.Ş. (*)	16,120	-	-	-	933	-	-	80,118	-	1,566,494	-	1,376,654	-
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	14,236	-	-	-	13,934	-	-	-	184,670	-	-	-	-
Cengiz İnşaat San.Tic.A.Ş.	13,033	804	-	-	-	21	-	-	-	-	-	-	-
Belen İnş.Taah.Turz.Tic.A.Ş.	10,289	-	-	-	-	303	-	-	-	-	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	8,824	12	-	-	33,836	-	-	-	-	1,335	-	-	-
Kalyon İnşaat Sanayi ve Ticaret A.Ş.	4,575	-	-	-	364	22,502	-	-	-	-	-	-	-
CCN Özel Güvenlik Hizmetler A.Ş.	-	501	-	-	270	2	-	-	-	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	647	-	-	-	22,098	-	-	86,977	-	-	-	-	-
IC İçtaş Gayrimenkul Yatırımları Anonim Şirketi	645	-	-	-	8	54,192	-	181,735	-	-	-	-	-
Mika Adi Ortaklığı	389	26,903	-	-	-	-	-	-	171	241	8,314	-	-
Mia Adi Ortaklığı	122	31,273	-	-	-	-	-	-	-	-	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	76	-	-	-	23,318	579	-	83,374	-	-	-	-	-
IKA Metro Yapım Adi Ortaklığı	30	-	-	-	-	5,978	-	-	-	-	-	-	-
Ccn Altyapı ve Yat. ve İnş. A.Ş. (***)	10	81,769	-	243,146	10,412	535	-	-	-	-	-	-	-
China Camc Engineeering Co.Ltd	5	-	-	-	73,595	-	-	-	127,294	-	-	-	-
Ccn Servis ve İşletme Hiz.A.Ş.	-	-	-	7,064	935	98	-	-	-	-	-	-	-
Join Stock Company Concern Titan2	-	-	-	-	41,559	-	-	-	41,721	-	-	-	-
IC Antbel Belek Turizm Yatırımları A.Ş.	-	-	-	-	1,569	-	-	91,911	-	-	-	-	-
İçtur Servis Limited Şirketi	2,958	-	-	-	129,566	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	7,939	-	1,068,133	-	-	-	-	-
Other	10,080	7,210	-	190	8,842	10,496	-	-	-	-	-	-	-
	620,875	**149,888**	**-**	**400,313**	**363,781**	**448,193**	**-**	**1,642,492**	**353,856**	**1,584,648**	**159,396**	**1,452,725**	**23,730**

(*) Current trade receivables balance consists of the progress payment invoices charged within the scope of the construction of the nuclear power plant project
(**) Non-current deferred revenue consists of advances received of IC Enerji Yatırım Holding A.Ş. from Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. for the rehabilitiation project.
(***) Non-trading receivable amount of TRY324,915 is due to the long term receivables of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. from CCN Altyapı Yatırımları ve İnşaat A.Ş. given for financing purposes.

6. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2020										
	Receivables			Payables							
	Current		Non-current	Current		Non-current	Current	Current	Non-Current		
Balances with related parties	Trading	Non-trading	Non-trading	Trading	Non-trading	Non-trading	Prepaid Expenses	Deferred Revenue	Deferred Revenue	Contract Asset	Contract liabilitie
Titan2 IC İçtaş İnşaat A.Ş. (*)	348,163	-	4,579	92,290	-	-	-	144,747	-	12,774	11,126
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.(**)	198,535	-	-	-	-	-	-	-	82,449	-	-
İçtaş TSM Adi Ortaklığı	73,445	-	-	-	-	-	-	1,165	-	-	-
Cengiz-IC- İçtaş-Belen T26 Adi Ortaklığı Ticaret İşletmesi	65,431	-	-	2,883	-	10,513	-	-	-	40,028	-
MİKA Adi Ortaklığı	21,510	-	-	23	-	-	-	-	-	-	-
İKA İzmir Otoyol Yatırım ve İşletme A.Ş.	16,924	-	-	678	-	-	-	-	-	-	-
İçtur Yiyecek ve İçecek Hizmet Turizm San. ve Tic. A.Ş.	9,961	-	-	20,553	-	-	-	-	63,142	51,941	-
İçtaş İçmak Adi Ortaklığı	6,293	-	-	1,888	-	-	-	6	-	-	-
SCI Adi Ortaklığı	6,029	-	-	-	-	-	-	-	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	4,715	-	-	15,725	37,437	-	1,716	-	-	-	-
İçtur Servis Limited Şirketi	3,083	-	-	17,366	-	-	-	-	-	-	-
CCN Hastane Hizmetleri ve İşletme A.Ş.	1,762	-	-	-	-	-	-	-	-	-	-
Cengiz İnşaat San.Tic.A.Ş.	1,179	-	-	-	-	-	-	-	-	-	-
Cengiz-IC- İçtaş-Belen Adi Ortaklığı	1,057	-	-	-	-	-	-	-	-	-	-
Mia Adi Ortaklığı	376	-	-	-	-	-	-	-	-	-	-
Crcc-Cmc-Cengiz-IC İçtaş Adi Ortaklığı	343	-	-	-	-	-	-	-	-	-	-
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	237	-	-	6,685	53,546	-	-	-	-	-	-
China Camc-IC İçtaş İnşaat Adi Ortaklığı	29	-	-	9	-	259,716	-	-	-	-	-
IKA Metro Yapım Adi Ortaklığı	22	-	-	5,979	-	-	-	-	8,380	-	-
CCN Altyapı Yatırımları ve İnşaat A.Ş. (***)	6	-	363,498	43	-	-	-	-	-	-	-
IC İçtaş Göçay Müşterek İş Ortaklığı	-	2,630	-	-	-	-	-	-	-	-	-
İKA İzmir Otoyol Yapım Adi Ortaklığı	-	131	-	42	19,827	-	-	-	-	-	-
CCN Yatırım Holding A.Ş.	-	-	73,242	-	-	-	-	-	-	-	-
IC İçtaş Gayrimenkul Yatırım Anonim Şirketi	-	-	-	23,902	-	236,296	-	-	-	-	-
ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş.	-	-	-	20,957	-	-	-	-	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	-	-	-	8,917	2,761	640,738	-	-	-	-	-
IC Antbel Belek Turizm Yatırımları A.Ş.	-	-	-	480	-	-	-	-	-	-	-
Bomonti Uluslararası Kongre ve Turizm Yatırımları Tic. A.Ş.	-	-	-	314	-	-	-	-	-	-	-
Shareholders	-	-	-	1,320	1,827	430,158	-	-	-	-	-
Other	2,995	155	-	218	2,343	-	16,042	-	-	-	-
	762,095	**2,916**	**441,319**	**220,272**	**117,741**	**1,577,421**	**17,758**	**145,918**	**153,971**	**104,743**	**11,126**

(*) Current trade receivables balance consists of the progress payment invoices charged within the scope of the construction of the nuclear power plant project
(**) Non-current deferred revenue consists of advances received of IC Enerji Yatırım Holding A.Ş. from Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş. for the rehabilitiation project.
(***) Non-current non-trading receivable amount of TRY363,498 is due to the long term receivables of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş. from CCN Altyapı Yatırımları ve İnşaat A.Ş. given for financing purposes.

6. RELATED PARTY TRANSACTIONS (Continued)

	1 January - 31 December 2021					
Transactions wtih related parties	**Purchases**	**Sales**	**Interest income**	**Interest expense**	**Other income**	**Other expense**
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	647,230	718,923	-	-	-	-
İçtur Servis Limited Şirketi	136,402	49,323	-	-	2,719	-
ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş.	89,900	280	-	-	2,511	1
IC İbrahim Çeçen Yatırım Holding A.Ş.	38,944	130	-	32,353	1	7
Titan2 IC İçtaş İnşaat A.Ş.	38,597	2,808,195	-	-	37,280	127
IC İçtaş Endüstriyel Boru Lojistik ve Çelik İmalatları A.Ş.	37,946	27,578	-	-	211	-
JSC Montazno-Strotelnove MSU-90 Merupravleniye A.Ş.	33,028	-	-	-	-	2
Join Stock Company Concern Titan2	14,897	-	-	-	-	-
TSM Enerji İnşaat Sanayi Ltd. Şti.	4,278	-	-	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Ltd. Şti.	4,019	22,227	-	69	-	-
İçtur Yiyecek ve İçecek Hizmetleri Turizm Sanayi ve Ticaret A.Ş.	3,779	47,666	432	62	127	-
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	1,512	14,900	-	-	2	-
IC İbrahim Çeçen Vakıf Eğitim Sağlık İnşaat Taahhüt Ticaret A.Ş.	1,313	130	-	-	-	3,131
İçtaş TSM Adi Ortaklığı	840	7,795	-	-	15,617	5,944
IC Antbel Antalya Belek Turizm Yatırımları A.Ş.	637	-	-	13,069	6	35
IC İçtaş Gayrimenkul Yatırımları A.Ş.	-	5,466	-	33,536	-	-
Other	6,351	5,631	-	2,040	14,968	3,519
Total	**1,059,673**	**3,708,244**	**432**	**81,129**	**73,442**	**12,766**

6. RELATED PARTY TRANSACTIONS (Continued)

	1 January - 31 December 2020					
Transactions with related parties	**Purchases**	**Sales**	**Interest income**	**Interest expense**	**Other income**	**Other expense**
Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.	207,185	171,716	-	-	-	-
Akkuyutst Endüstriyel Üretim İnşaat ve Ticaret Limited Şirketi	180,940	-	381	1,759	306	17
ICA IC İçtaş Altyapı İşletme ve Bakım A.Ş.	113,708	38	-	-	2,496	-
Titan2 IC İçtaş İnşaat A.Ş.	82,252	1,399,133	1	23	60,032	2,144
İçtur Yiyecek ve İçecek Hizmet Turizm Sanayi ve Ticaret A.Ş.	76,516	51,927	209	-	-	-
IC İbrahim Çeçen Yatırım Holding A.Ş.	26,847	2	5,685	67,353	6,073	433
Yenigün IC İçtaş Adi Ortaklığı	3,514	-	-	-	-	-
Bomonti Uluslararası Kongre ve Turizm Yatırımları Ticaret A.Ş.	2,111	9,940	4	-	2	23
IC Antbel Antalya Belek Turizm Yatırımları Anonim Şirketi	1,705	2,946	-	3,546	-	1
İKA İzmir Otoyol Yatırım Adi Ortaklığı	274	-	-	-	6,015	1,425
IC İbrahim Çeçen Vakıf Eğitim Sağlık İnşaat Taahhüt Ticaret Anonir	1	-	-	-	-	3,143
IC İçtaş Gayrimenkul Yatırımları A.Ş.	-	-	-	18,497	-	-
China Camc-IC İçtaş İnşaat Adi Ortaklığı	-	404	-	-	58	-
Cengiz-IC- İçtaş-Belen T26 Adi Ortaklığı Ticaret İşletmesi	-	152,011	-	-	212	-
CCN Altyapı Yatırımları ve İnşaat A.Ş.	-	554	-	-	-	-
CCN Yatırım Holding A.Ş.	-	-	3,874	-	-	-
Shareholders	-	-	-	3,766	-	-
İçtaş TSM Adi Ortaklığı	-	47,259	-	-	-	-
Other	1,256	2,407	1	29	107	124
Total	**696,309**	**1,838,337**	**10,155**	**94,973**	**75,301**	**7,310**

7. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

Short-term trade receivables	31 December 2021	31 December 2020
Trade receivables	1,847,349	1,434,051
Retention receivables from third parties	784,710	271,620
Trade receivables from related parties (Note 6)	620,875	737,734
Retention receivables from related parties (Note 6)	-	24,361
Trade receivable impairment (-)	(259,260)	(228,554)
	2,993,674	**2,239,212**

As of 31 December 2021, trade receivables amounting to TRY 2,993,674 (31 December 2020: TRY 2,239,212) is neither past due nor impaired. The average trade receivables turnover in days on rendering services, construction contracts, electricity sales and sales of goods is between 15-60 days. No interest is charged for the overdue trade receivables except retail electricity receivables. Monthly 1.60% interest was charged to electricity retail receivables. Collaterals that are received in relation to trade receivables that are neither past due nor impaired is as follows:

	31 December 2021	31 December 2020
Guarantee letters	452,031	385,062
	452,031	**385,062**

The nature of the risk and level in the trade receivables are presented in Note 33.

Movements of the impairments for the receivables are as follows:

	2021	2020
Opening as of 1 January	**228,554**	**214,764**
Charge for the year (Note 27)	74,010	61,507
Acquisition effect	7,356	-
Receivables written off	(1,497)	-
Collections	(47,296)	(15,767)
Reversals	(1,867)	(31,950)
Closing as of 31 December	**259,260**	**228,554**

7. TRADE RECEIVABLES AND PAYABLES (Continued)

b) Trade payables

As at the balance sheet date, trade payables of the Group summarized below:

Short-term trade payables	31 December 2021	31 December 2020
Trade payables (*)	3,566,469	3,443,160
Due to related parties (Note 6)	363,781	220,593
	3,930,250	**3,663,753**

Long-term trade payables	31 December 2021	31 December 2020
Trade payables (*)	1,378,350	-
	1,378,350	**-**

The average trade payables turnover in days on purchases of the Group is 136 days (31 December 2019: 82 days) and no interest is charged by vendors on the balances in due.

(*) Amounting to TRY 2,205,355 (USD 165,158) of the trade payables are related to purchases of 3. Bosphorus Bridge shares from Astaldi S.p.A.. Under the İçtaş-Astaldi Settlement Agreement, as a result of the aforesaid sale, the 3. Bosphorus Bridge's assets also include the related consideration of USD315 million, and the obligation to pay İçtaş İnşaat, by way of compensation, an amount of USD100 million (the İçtaş İnşaat Compensation), in order to settle any reason for mutual dispute and claims, as well as any credit and debt positions, in relation to the termination of any relationship with İçtaş İnşaat.

İçtaş-Astaldi Settlement Agreement

The debit and credit relationships between the 3. Bosphorus Bridge and İçtaş İnşaat are governed by the settlement agreement signed on 20 June 2019 and was amended following the authorisation given by the Court within the composition with creditors procedure on 21 November 2019 (the İçtaş-Astaldi Settlement Agreement).

Redemption schedule of the settlement is as follows:

- 10% of the amount within the 1th quarter of 2021
- 10% of the amount within the 4th quarter of 2021
- 30% of the amount within the 4th quarter of 2022
- 50% of the amount within the 4th quarter of 2023.

8. OTHER RECEIVABLES AND PAYABLES

a) Other receivables

Short-term other receivables	31 December 2021	31 December 2020
Other receivables from third parties	505,010	323,640
Other receivables from related parties (Note 6)	149,888	2,916
Deposits and guarantees given	3,297	8,313
Due from personnel	810	664
	659,005	**335,533**

Long-term other receivables	31 December 2021	31 December 2020
Other receivables from related parties (Note 6)	400,313	441,319
Deposits and guarantees given	21,431	17,624
Other receivables	-	34
	421,744	**458,977**

b) Other payables

Short-term other payables	31 December 2021	31 December 2020
Other payables to third parties	1,072,549	756,111
Other payables to related parties (Note 6)	448,193	117,741
Taxes and dues payable	409,608	275,690
Deposits and guarantees received	354,829	356,252
Other	28,277	12,237
	2,313,456	**1,518,031**

Long-term other payables	31 December 2021	31 December 2020
Other payables to related parties (Note 6)	1,642,492	1,577,421
Liabilities related to the sponsorship agreement (**)	394,751	122,072
Security deposits (*)	100,866	72,120
Deposits and guarantees received	5,072	27,011
	2,143,181	**1,798,624**

(*) The Group receives deposits from customers upon their subscription on behalf of TEDAŞ. According to the TOR Agreement signed with TEDAŞ, TREPAŞ is obliged to keep deposits refunded as updated and the net balance of deposits received and paid will be paid back to TEDAŞ at the end of the license period in year 2036.

(**) As of 23 October 2019, The European Bank for Reconstruction and Development ("EBRD") has acquired 6.58% shares of İçtaş Sürdürülebilir amounting to USD14,801 on 23 October 2019 and on 26 July 2020 a capital increase was realized in cash amounting to USD3,642. İçtaş İnşaat is the sponsor according to the share transfer agreement and has given repurchase guarantee for the shares held by EBRD under the conditions set within the put and call option agreement signed between the parties. In accordance with the put and call option agreement, the Group has calculated the amount that İçtaş İnşaat would pay according to initial put option which was described in the agreement and booked the amount as long-term other liability.

9. PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid expenses

Short-term prepaid expenses	31 December 2021	31 December 2020
Order advances given	674,714	440,286
Order advances given to related parties	353,856	17,758
Prepaid expenses for the following months	200,592	69,213
Job advances	3,145	1,144
	1,232,307	**528,401**

Long term prepaid expenses	31 December 2021	31 December 2020
Prepaid expenses for the following years	77,457	89,771
Order advances given	-	18
	77,457	**89,789**

b) Deferred revenue

Short term deferred revenue	31 December 2021	31 December 2020
Orders received from related parties (*)	1,584,648	145,918
Order advances received (**)	284,563	175,253
Income accruals	145,633	95,350
	2,014,844	**416,521**

(*) As of 31 December 2021, TRY 1,553,140 of order advances received from related parties consists of İçtaş TSM Adi Ortaklığı's advances received from Titan2 IC İçtaş İnşaat A.Ş. for Akkuyu Nuclear Power Plant project (31 December 2020: TRY 84,644).

(**) As of 31 December 2021, TRY 49,762 of the amount consists of China Camc - IC İçtaş Adi Ortaklığı's advances received from BOTAŞ A.Ş for Tuz Gölü Natural Gas Storage Facility Project. (31 December 2020: TRY 111,235).

Long term deferred revenue	31 December 2021	31 December 2020
Order advances received (***)	714,327	437,122
Orders received from related parties	159,396	153,971
Income relating to future years	18,725	154,518
	892,448	**745,611**

(***) As of 31 December 2021, TRY 580,892 of the amount consists of received advances of China Camc - IC İçtaş Adi Ortaklığı (31 December 2020: TRY 290,858) and TRY 101,036 of received advances of IC Içtaş İşletme (31 December 2020: TRY 139,655).

10. INVENTORIES

	31 December 2021	31 December 2020
Raw materials and equipments	266,956	231,683
Work in process	35,604	32,844
Other inventories	35,490	22,847
Finished goods	8,573	10,850
Trade goods	1,537	296
	348,160	**298,520**

11. RECEIVABLES FROM SERVICE CONCESSION ARRANGEMENTS

The reconciliation of the receivables from service concession arrangements are as follows:

	2021	2020
1 January	**32,643,620**	**28,628,625**
Investments	592,527	188,466
Collections	(6,913,085)	(5,231,012)
Financial income	3,572,117	3,022,652
Operational revenue	631,935	495,573
Construction income	104,126	67,510
Adjustment to the financial asset (Note 27) (*)	(1,419,079)	(1,089,729)
Change in government compensation accrual	1,698	35,949
Translation gain/(loss)	23,901,457	6,778,586
Indexation differences	-	83,616
31 December	**53,115,316**	**32,980,236**

(*) This amount refers to difference between actual toll income collection and estimated toll income collection in the amortised cost model defined with respect to the framework of IFRIC 12 (‘ Service concession arrangements’) financial asset model.

12. CONSTRUCTION CONTRACTS

Recognized and included in the accompanying consolidated financial statements as amounts due:

	31 December 2021	31 December 2020
Income related to on-going projects-net	13,874,191	4,323,438
Less: progress billings	(14,198,205)	(5,363,578)
	(324,014)	**(1,040,140)**

Recognized and included in the accompanying consolidated financial statements as amounts due:

	31 December 2021	31 December 2020
From customers under construction contracts	1,574,908	125,113
To customers under construction contracts	(1,898,922)	(1,165,253)
	(324,014)	**(1,040,140)**

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Leasehold improvements	Construction in progress	Total
Cost value									
Opening balance as of 1 January 2021	19,506	1,182,386	537,293	150,923	33,121	169,290	68,565	59,949	2,221,033
Acquisition effect	-	113	2,458	498	2,306	-	519	-	5,894
Additions	-	2,261	103,383	5,420	22,969	18,301	5,854	8,219	166,407
Disposals	-	(6,016)	(102,756)	(51,630)	(365)	(35,743)	-	-	(196,510)
Translation gain	-	73,023	198,777	82,587	46,757	8,629	411	29,228	439,412
Closing balance as of 31 December 2021	**19,506**	**1,251,767**	**739,155**	**187,798**	**104,788**	**160,477**	**75,349**	**97,396**	**2,636,236**
Accumulated depreciation and impairment (-)									
Opening balance as of 1 January 2021	-	(355,835)	(338,880)	(78,622)	(38,163)	(49,766)	(6,186)	-	(867,452)
Acquisition effect	-	(28)	(994)	(54)	(1,959)	-	(261)	-	(3,296)
Charge for the period	-	(33,831)	(41,977)	(20,825)	(14,221)	(12,250)	(3,465)	-	(126,569)
Disposals	-	2,785	19,373	14,895	202	17,342	-	-	54,597
Translation gain	-	(65,092)	(109,146)	(37,177)	(28,854)	(7,242)	(62)	-	(247,573)
Closing balance as of 31 December 2021	**-**	**(452,001)**	**(471,624)**	**(121,783)**	**(82,995)**	**(51,916)**	**(9,974)**	**-**	**(1,190,293)**
Net book value as of 31 December 2021	**19,506**	**799,766**	**267,531**	**66,015**	**21,793**	**108,561**	**65,375**	**97,396**	**1,445,943**

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land improvements and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Leasehold improvements	Construction in progress	Total
Cost value									
Opening balance as of 1 January 2020	17,254	1,148,683	380,181	164,107	144,444	144,244	67,750	50,276	2,116,939
Asset deal impact	-	53,780	98,712	13,357	10,452	12,815	-	29,800	218,916
Additions	2,587	10,339	93,795	3,598	(10,425)	9,200	805	160	110,059
Disposals	(335)	(34,292)	(61,501)	(45,115)	(119,921)	(176)	-	(22,531)	(283,871)
Translation gain	-	3,876	26,106	14,976	8,571	3,207	10	2,244	58,990
Closing balance as of 31 December 2020	**19,506**	**1,182,386**	**537,293**	**150,923**	**33,121**	**169,290**	**68,565**	**59,949**	**2,221,033**
Accumulated depreciation and impairment (-)									
Opening balance as of 1 January 2020	-	(281,546)	(242,400)	(67,061)	(37,018)	(33,721)	(3,826)	-	(665,572)
Asset deal impact	-	(45,270)	(69,627)	(6,524)	(8,386)	(4,480)	-	-	(134,287)
Charge for the period	-	(42,879)	(41,261)	(22,747)	(16,799)	(10,814)	(2,358)	-	(136,858)
Translation gain	-	(3,043)	(8,576)	(7,351)	(3,750)	(927)	(2)	-	(23,649)
Disposals	-	16,903	22,984	25,061	27,790	176	-	-	92,914
Closing balance as of 31 December 2020	**-**	**(355,835)**	**(338,880)**	**(78,622)**	**(38,163)**	**(49,766)**	**(6,186)**	**-**	**(867,452)**
Net book value as of 31 December 2020	**19,506**	**826,551**	**198,413**	**72,301**	**(5,042)**	**119,524**	**62,379**	**59,949**	**1,353,581**

Depreciation expense of TRY 107,016 has been charged to cost of sales (31 December 2020: TRY 115,716) and TRY 19,553 to administrative and operating expenses (31 December 2020: TRY 21,142)

14. INTANGIBLE ASSETS

	Operating rights	Rights	Other intangible assets	Customers contracts and relationships	Total
Cost value					
Opening balance as of 1 January 2021	1,264,056	10,069	135,425	557,398	1,966,948
Business combination	-	330	-	-	330
Additions	29	7,740	220	-	7,989
Translation gain	16,387	4,622	32	-	21,041
Disposals	(1,025)	(956)	-	-	(1,981)
Closing balance as of 31 December 2021	**1,279,447**	**21,805**	**135,677**	**557,398**	**1,994,327**
Accumulated amortisation and impairment (-)					
Opening balance as of 1 January 2021	(196,482)	(2,756)	(117,007)	(200,992)	(517,237)
Business combination	-	(250)	-	-	(250)
Charge for the year	(34,252)	(3,005)	(553)	(22,547)	(60,357)
Translation gain	(15,358)	(3,305)	(26)	-	(18,689)
Disposals	807	242	-	-	1,049
Closing balance as of 31 December 2021	**(245,285)**	**(9,074)**	**(117,586)**	**(223,539)**	**(595,484)**
Net book value as of 31 December 2021	**1,034,162**	**12,731**	**18,091**	**333,859**	**1,398,843**

14. INTANGIBLE ASSETS (Continued)

	Operating rights	Rights	Other intangible assets	Customers contracts and relationships	Total
Cost value					
Opening balance as of 1 January 2020	1,274,662	7,823	113,545	557,398	1,953,428
Additions	67	2,076	22,414	-	24,557
Translation gain	11	170	313	-	494
Disposals	(10,684)	-	(847)	-	(11,531)
Closing balance as of 31 December 2020	**1,264,056**	**10,069**	**135,425**	**557,398**	**1,966,948**
Accumulated amortisation and impairment (-)					
Opening balance as of 1 January 2020	(169,299)	(1,599)	(105,276)	(178,499)	(454,673)
Charge for the year	(35,586)	(1,032)	(12,248)	(22,493)	(71,359)
Translation gain	-	(125)	(309)	-	(434)
Disposals	8,403	-	826	-	9,229
Closing balance as of 31 December 2020	**(196,482)**	**(2,756)**	**(117,007)**	**(200,992)**	**(517,237)**
Net book value as of 31 December 2020	**1,067,574**	**7,313**	**18,418**	**356,406**	**1,449,711**

Amortization expense of TRY 52,762 has been charged to cost of sales (31 December 2020: TRY 62,380) and TRY 7,595 to administrative and operating expenses (31 December 2020: TRY 8,979).

	Useful Life
Transfer of operating rights	49 years
Rights	3-10 years
Other intangible assets	3-5 years
Customer contracts and relationship	25 years

15. RIGHT OF USE ASSETS

The details of the right of use assets balances as of 31 December 2021 and 31 December 2020 are as follows:

	Forest usage rights	Vehicles	Land	Buildings	Machinery and equipment	Total
Cost value						
Opening balance as of 1 January 2021	7,436	114,143	29,872	15,265	54,814	221,530
Acquisition effect	-	1,798	-	-	-	1,798
Additions	3,257	24,230	1,086	2,832	49,260	80,665
Disposals	-	(902)	-	-	-	(902)
Closing balance as of 31 December 2021	**10,693**	**139,269**	**30,958**	**18,097**	**104,074**	**303,091**
Accumulated depreciation and impairment (-)						
Opening balance as of 1 January 2021	(267)	(28,875)	(1,179)	(3,336)	(4,280)	(37,937)
Acquisition effect	-	(435)	-	-	-	(435)
Disposals	-	902	-	-	-	902
Charge for the year	(235)	(51,814)	(856)	(1,986)	(9,875)	(64,766)
Closing balance as of 31 December 2021	**(502)**	**(80,222)**	**(2,035)**	**(5,322)**	**(14,155)**	**(102,236)**
Net book value as of 31 December 2021	**10,191**	**59,047**	**28,923**	**12,775**	**89,919**	**200,855**

15. RIGHT OF USE ASSETS

	Forest usage rights	Vehicles	Land	Buildings	Machinery and equipment	Total
Cost value						
Opening balance as of 1 January 2020	5,667	65,660	27,834	7,646	5,901	112,708
Additions	3,286	50,553	2,038	7,619	50,147	113,643
Disposals	(1,517)	(2,070)	-	-	(1,234)	(4,821)
Closing balance as of 31 December 2020	**7,436**	**114,143**	**29,872**	**15,265**	**54,814**	**221,530**
Accumulated depreciation and impairment (-)						
Opening balance as of 1 January 2020	(149)	(10,789)	(568)	(1,688)	(1,359)	(14,553)
Disposals	-	797	-	-	1,235	2,032
Charge for the year	(118)	(18,883)	(611)	(1,648)	(4,156)	(25,416)
Closing balance as of 31 December 2020	**(267)**	**(28,875)**	**(1,179)**	**(3,336)**	**(4,280)**	**(37,937)**
Net book value as of 31 December 2020	**7,169**	**85,268**	**28,693**	**11,929**	**50,534**	**183,593**

Amortization expense of TRY 9,670 has been charged to cost of sales (31 December 2020: TRY 8,969) and TRY 55,096 to administrative and operating expenses (31 December 2020: TRY 16,447).

16. BANK BORROWINGS

	31 December 2021	31 December 2020
Short-term bank borrowings	4,485,298	765,609
Current portion of long-term bank borrowings	5,969,290	6,790,626
Total short-term bank borrowings	**10,454,588**	**7,556,235**

	31 December 2021	31 December 2020
Long-term bank borrowings	22,332,092	15,743,705
Total bank borrowings	**22,332,092**	**15,743,705**

The details of borrowings are as follows:

		31 December 2021	
Currency	**Interest rates (%)**	**Current**	**Non-Current**
TL	7.5 - 23.70	683,334	2,877,788
USD	0.40 - 6.90	5,779,343	18,220,164
EUR	0.25 - 7.25	3,903,849	1,234,140
RUB	16.50	88,062	-
		10,454,588	**22,332,092**

		31 December 2020	
Currency	**Interest rates (%)**	**Current**	**Non-Current**
TL	7.50 - 14.75	699,576	908,202
USD	1.06 - 6.90	4,032,374	11,246,433
USD	5.5+LIBOR	1,154,180	2,121,839
EUR	0.14 - 7.25	1,608,393	1,467,231
RUB	17.00	61,712	-
		7,556,235	**15,743,705**

16. BANK BORROWINGS (Continued)

The redemption of borrowings is as follows:

	31 December 2021	31 December 2020
Within 1 year	10,454,588	7,556,235
1-2 years	4,597,625	6,062,841
2-3 years	4,567,065	4,382,457
3-4 years	4,550,230	1,656,253
4-5 years	4,742,153	801,584
More than 5 years	3,875,019	2,840,570
	32,786,680	**23,299,940**

The reconciliation of the liabilities arising from bank loans is as follows:

	2021	2020
Balance as of 1 January	23,299,940	21,494,895
Proceeds from borrowings	4,745,487	2,506,859
Acquisition effect	-	71,276
Payment of borrowings (-)	(5,646,098)	(6,218,522)
Translation loss	4,453,250	3,139,703
Exchange in foreign currency differences	6,235,718	1,856,708
Change in accruals	(301,617)	449,021
Balance as of 31 December	**32,786,680**	**23,299,940**

Fair value of Group's liabilities approximates their carrying amounts.

İçtaş Yenilenebilir Enerji ve Üretim A.Ş. is obliged to fulfill certain financial indicators yearly accordance with the credit agreement. The financial indicator is the Debt Service Coverage Ratio ("DSCR"), which should be 1.10: 1. The DSCR represents the ratio of total cash flow from operations of the period to the period debt service amount. The calculation of the DSCR is to be submitted to the creditors within 150 days following the year-end reporting period with the financial report. As of 31 December 2020, DSCR is below 1.10:1. Therefore, pursuant to waiver letter dated 27 April 2022, financial institutions have agreed to waive corresponding covenant for 12 months effective from 31 December 2021.

Tredaş and İçtaş İşletme are obliged to fulfill certain financial indicators in accordance with the loan agreement. On and after the first calculation date, the historic DSCR for the previous calculation period and the projected DSCR in each calculation period until the discharge date should be at least 1.10:1. On each calculation date, Tredaş and İçtaş İşletme shall provide to the Increditor Agent a Compliance Certificate evidencing compliance with the ratios. The calculation of the DSCR has to be submitted to the creditors within 120 days following the reporting period with the financial report. As of 31 December 2021, ratios do not comply with the related covenants. In this respect, the Group management has obtained a waiver letter from the facility agent on behalf of the lending institutions.

16. BANK BORROWINGS (Continued)

Zafer Uluslararası Havalimanı is subject to covenant clauses, whereby the Company is required to meet certain key performance indicators. According to the agreement the Company shall ensure that; the annual debt service cover ratio ("DSCR") as at the second date of each calendar year falling after the last day of the Availability Period applicable to the Senior Commercial Facility but before the buy-down date is greater than or equal to 1, thereafter the annual debt service cover ratio as at each calculation date is greater than or equal to 1.2; and the debt to equity ratio as at each utilization date is no greater than 3. If, as at the relevant Calculation Date or a Utilisation Date (as the case may be), the Borrower is not in compliance with the Annual Debt Service Cover Ratio or the Debt to Equity Ratio in accordance with conditions stated above, the Lenders and the Borrower shall consult with one another for a period not exceeding 45 (forty five) /days commencing on the date on which the Financial Report evidencing such non-compliance was delivered to the Facility Agent.

17. LEASE LIABILITIES

	31 December 2021	31 December 2020
Short-term lease liabilities	98,400	42,814
Long-term lease liabilities	218,379	165,138
Total lease liabilities	**316,779**	**207,952**

The reconciliation of the liabilities arising from leases is as follows:

	2021	2020
Balance as of 1 January	207,952	111,321
Acquisition effect	1,449	-
Additions	80,665	113,643
Disposals	(58,290)	(52,662)
Foreign currency differences	70,298	15,182
Interest expense	14,705	20,468
Balance as of 31 December	**316,779**	**207,952**

18. GOODWILL

The details of the Goodwill balances as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
İçtaş İşletme ve Ticaret A.Ş. (*)	304,049	304,049
	304,049	**304,049**

(*) As a result of taking over the operating rights of Trakya Elektrik Dağıtım A.Ş. within the scope of privatization of electricity distributing companies by İçtaş İşletme ve Ticaret A.Ş. on 30 December 2011, TRY304,049 portion of the total difference between the purchase price and the nominal share price has been accounted as goodwill in the consolidated financial statements.

19. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

Short-term provisions	31 December 2021	31 December 2020
Provision for lawsuit (*)	92,794	65,384
Provisions for unused vacation	21,268	20,995
Provision for costs	6,650	6,650
	120,712	**93,029**

(*) Provision of lawsuits, are allocated on possible cash outflows related to the case. Provision as of 31 December 2021, it is calculated after the evaluation by the group management which the case is possible to result against the Group.

Long-term provisions	31 December 2021	31 December 2020
Provisions for employment termination benefits	64,596	43,577
Other provisions	17,770	6,613
	82,366	**50,190**

The movement of provision for lawsuit is as follows:

	2021	2020
Balance as of 1 January	65,384	49,866
Acquisition effect	221	-
Period charge	30,886	23,851
Cancelled provision	(1,192)	(8,333)
Payments	(3,608)	-
Currency translation differences	1,103	-
Balance as of 31 December	**92,794**	**65,384**

b) Contingent assets and liabilities

Contingent assets	31 December 2021	31 December 2020
Guarantee letter received	223,643	419,204
	223,643	**419,204**

Contingent liabilities	31 December 2021	31 December 2020
Contingencies	20,165,833	13,238,109
Guarantee letter given	10,940,830	7,776,386
	31,106,663	**21,014,495**

20. COMMITMENTS

Guarantees- Pledges -Mortgages ("GPM")

Guarantees-Pledges-Mortgages ("GPM") position of the Group as of 31 December 2021 and 2020.

31 December 2021	TL equivalent	TL	USD	EURO	SAR	Other
A. Total amount of GPM given on behalf of the legal entity	2,313,263	548,235	49,557	48,503	63,205	145,448
- *Letters of guarantee*	2,313,263	548,235	49,557	48,503	63,205	145,448
B. Total amount of GPM given against the subsidiaries included in full consolidation	21,200,116	1,662,366	965,491	439,698	-	-
- *Letters of guarantee*	2,545,673	259,998	95,940	66,468	-	-
- *Contingencies*	18,654,443	1,402,368	869,551	373,230	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-	-
D. Total amount of other GPM given	7,593,284	199,087	416,413	121,334	-	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	7,593,284	199,087	416,413	121,334	-	-
- *Letters of guarantee*	6,081,894	199,087	416,413	21,334	-	-
- *Contingencies*	1,511,390	-	-	100,000	-	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-	-
Total	**31,106,663**	**2,409,688**	**1,431,461**	**609,535**	**63,205**	**145,448**

20. COMMITMENTS (Continued)

31 December 2020	TL equivalent	TL	USD	EURO	SAR
A. Total amount of GPM given on behalf of the legal entity	4,544,722	735,346	318,598	121,983	168,651
- *Letters of guarantee*	4,544,722	735,346	318,598	121,983	168,651
B. Total amount of GPM given against the subsidiaries included in full consolidation	7,376,028	148,246	851,500	99,838	-
- *Letters of guarantee*	1,236,472	148,246	107,000	32,288	-
- *Contingencies*	6,139,556	-	744,500	67,550	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-	-
D. Total amount of other GPM given	9,093,745	58,899	818,224	325,141	-
i. Total Amount of GPM on behalf of the main partner	-	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	9,093,745	58,899	818,224	325,141	-
- *Letters of guarantee*	1,995,192	58,899	193,224	55,141	-
- *Contingencies*	7,098,553	-	625,000	270,000	-
iii. Total amount of GPM on behalf of third parties that do not cover C	-	-	-	-	-
Total	**21,014,495**	**942,491**	**1,988,322**	**546,962**	**168,651**

21. OTHER ASSETS AND LIABILITIES

a) Other current assets

	31 December 2021	31 December 2020
Carried forward VAT	479,810	130,439
Income accruals	357,571	248,344
Prepaid taxes and dues	36,173	57,739
Revenue difference correction component	9,692	1,761
Other	30,025	37,250
	913,271	**475,533**

21. OTHER ASSETS AND LIABILITIES (Continued)

b) Other non-current assets

	31 December 2021	31 December 2020
Prepaid taxes and dues	223,252	290,311
Correction of energy loss component	51,708	4,903
Investment difference correction component	-	32,439
Other	96,443	24,212
	371,403	**351,865**

c) Other current liabilities

	31 December 2021	31 December 2020
Expense accruals	119,879	32,351
Taxes and funds payable	113,983	62,410
Other liabilities	12,488	12,877
	246,350	**107,638**

22. SHARE CAPITAL AND LEGAL RESERVES

a) Capital

The composition of the Group's share capital as of 31 December 2021 and 2020 are as follows:

	31 December 2021		31 December 2020	
Shareholders	**(%)**	**TL**	**(%)**	**TL**
Fırat ÇEÇEN	22.65	6,116	22.65	6,116
Serhat ÇEÇEN	21.20	5,725	21.20	5,725
Salih ÇEÇEN	21.20	5,725	21.20	5,725
İbrahim ÇEÇEN	13.88	3,749	13.88	3,749
Murat ÇEÇEN	1.00	270	1.00	270
Yıldırım AKDEMİR	0.05	15	0.05	15
IC İbrahim Çeçen Yatırım Holding A.Ş	20.00	5,400	20.00	5,400
Capital	**100**	**27,000**	**100**	**27,000**
Inflation adjustment		805		805
		27,805		**27,805**

The total number of ordinary shares authorized, as at 31 December 2021, is 27 million shares (31 December 2020: 27 million shares) with a par value of TRY 0.001 per share.

22. SHARE CAPITAL AND LEGAL RESERVES (Continued)

b) Legal Reserves

	31 December 2021	31 December 2020
Legal Reserves	34,949	34,949
	34,949	**34,949**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

23. REVENUE

	1 January - 31 December 2021	1 January - 31 December 2020
Non-construction income	7,757,148	4,718,689
Construction income	6,535,851	5,369,037
Sales returns and discounts (-)	(26,512)	(23,667)
	14,266,487	**10,064,059**

Details of non-construction income are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Energy sales and distribution services income	6,226,387	3,877,098
Toll income	617,290	486,918
Prefabricated and steel containers and buildings sales income	264,426	84,853
Aviation services income	56,005	29,203
Other	593,040	240,617
	7,757,148	**4,718,689**

24. COST OF SALES

	1 January - 31 December 2021	1 January - 31 December 2020
Construction costs	(6,124,732)	(4,596,386)
Cost of energy sales and distribution services	(5,275,657)	(3,091,383)
Cost of prefabricated and steel containers and buildings	(121,316)	(26,609)
Cost of aviation services	(85,810)	(41,770)
Other	(559,592)	(256,473)
	(12,167,107)	**(8,012,621)**

25. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities as of 31 December 2021 and 2020 are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Gains on sales of property, plant and equipment	46,892	128,656
Interest income	29,752	46,242
Other	-	5,544
	76,644	**180,442**

26. ADMINISTRATIVE, OPERATING AND MARKETING EXPENSES

a) Details of administrative and operating expenses

	1 January - 31 December 2021	1 January - 31 December 2020
Employee benefit expenses	(150,752)	(151,876)
Depreciation and amortization expenses	(101,584)	(46,568)
Consulting and lawsuit expenses	(83,834)	(46,353)
Outsourcing expenses	(27,177)	(30,623)
Other	(71,542)	(70,771)
	(434,889)	**(346,191)**

b) Details of marketing expenses

	1 January - 31 December 2021	1 January - 31 December 2020
Employee benefit expenses	(3,462)	(2,043)
Advertisement expenses	(998)	(408)
Travelling expenses	(456)	(291)
Consultancy expenses	(366)	(301)
Other	(1,554)	(1,414)
	(6,836)	**(4,457)**

27. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the periods ended 31 December 2021 and 2020 are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange gain from operating activities	3,142,681	7,143,567
Other	777,557	235,606
	3,920,238	**7,379,173**

The details of other expense from operating activities for the periods ended 31 December 2021 and 2020 are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange loss from operating activities	(2,905,779)	(7,506,329)
Adjustment to financial asset (Note 11) (*)	(1,419,079)	(1,089,729)
Loss to joint venture due to capital increase (**)	(177,050)	-
Provision expense for doubtful receivables (Note 7)	(74,010)	(61,507)
Impairment of receivables from investments accounted by the equity method	-	(177,071)
Incurred loss from asset deal transactions (***)	-	(220,386)
Other	(306,826)	(425,055)
	(4,882,744)	**(9,480,077)**

(*) This amount refers to difference between actual toll income collection and estimated toll income collection in the amortised cost model defined with respect to the framework of IFRIC 12 (' Service concession arrangements') financial asset model.

(**) As of 31 December 2021, the losses consist of capital increase related to the joint venture Yeniköy Kemerköy Elektrik Üretim ve Ticaret A.Ş.

	17 March 2020
IC İçtaş Astaldi ICA İnşaat Anonim Şirketi	(15,759)
ICA Astaldi-IC İçtaş WHSD İnşaat Anonim Şirketi	(256,079)
IC İçtaş-Astaldi Adi Ortaklığı	72,636
IC İçtaş Astaldi Simple Partnership	(21,184)
Total net assets	**(220,386)**
Cash consideration	-
Total loss from asset deal transaction	**(220,386)**

(***) The Group purchased all shares from Astaldi S.p.A. on 17 March 2020. As a result of this transaction, these joint operations have become to fully owned subsidiaries. These transactions are considered as an asset deal. The Group recognized the incurred loss from this transaction under other operating expenses amounting to TRY220,386.

28. FINANCE INCOME AND EXPENSES

	1 January - 31 December 2021	1 January - 31 December 2020
Income from service concession arrangements	3,572,117	3,022,652
Income from derivative instruments	751,657	181,852
Foreign exchange gain from financial activities	273,184	110,767
Interest income	96,325	40,326
Other financial income	804	129
	4,694,087	**3,355,726**

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange loss from financial activities	(6,226,154)	(1,833,632)
Interest expense on bank loans	(2,689,837)	(2,276,283)
Other financial expense	(184,225)	(116,946)
	(9,100,216)	**(4,226,861)**

29. INCOME TAXES

Current tax liability:	31 December 2021	31 December 2020
Current corporate tax provision	90,112	71,811
Less: prepaid taxes and funds	(3,494)	(12,056)
	86,618	**59,755**

Tax expense comprises of:	1 January - 31 December 2021	1 January - 31 December 2020
Tax expense from continuing operations		
Current tax expense	185,289	142,497
Deferred tax expense relating to temporary differences	793,162	235,923
	978,451	**378,420**

29. INCOME TAXES (Continued)

Corporate tax

The Company and its subsidiaries located in Turkey is subject to Turkish corporate taxes. Corporate tax provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and deducting exempt income, non-taxable income and other incentives (previous years losses, if any, and investment incentives utilized, if preferred).

The effective tax rate in 2021 is 25% (2020: 22%). The effective tax rates of other countries are used for the calculation of corporate taxes at those countries.

Investment Incentives

The revoked phrase "only attributable to 2006, 2007 and 2008" stated in Provisional Article 69 of Income Tax Law No: 193 with the effect of Article 5 of Law No: 6009 after having published in the Official Gazette No: 27659 as at 1 August 2010 and the Constitutional Court's issued resolution no: 2009/144 published in the Official Gazette as at 8 January 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of undeductible and carry forward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period's income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation. The application had been canceled with the announcement mentioned at Law No:6009 as at 18 February 2012.

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

Tax rate used in the calculation of deferred tax assets and liabilities was %23 over temporary timing differences expected to be reversed in 2022, %20 over temporary timing differences expected to be reversed in 2023 and the following years.

Group recognized TRY 1,426,335 (31 December 2020: TRY 946,136) of deferred tax asset over carry forward tax losses. As of 31 December 2021, Üçüncü Köprü İşletme recognized TRY 1,380,653 (31 December 2020: TRY 928,204) of deferred tax assets over carry forward tax losses.

29. INCOME TAXES (Continued)

Deferred Tax (Continued)

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

	31 December 2021	31 December 2020
Service concession arrangements adjustment	(8,174,622)	(4,118,881)
Adjustments related to profit elemination	(1,032,883)	(1,244,558)
Adjustments related to construction contracts	(400,049)	63,778
Depreciation/ amortization differences of property, plant and equipment and other intangible assets	(72,630)	(97,472)
Tax losses carried forward	1,426,335	946,136
Derivative financial instruments	(129,882)	56,490
Other	(1,201)	(45,194)
	(8,384,932)	**(4,439,701)**

As of 31 December 2021 and 2020, the expiry dates of prior year losses for which deferred tax assets have not been recognised are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
2021	-	394,264
2022	423,413	524,361
2023	1,212,037	1,217,004
2024	794,796	1,205,783
2025	1,610,426	1,416,136
2026	6,544,375	-
	10,585,047	**4,757,548**

29. INCOME TAXES (Continued)

Deferred Tax (Continued)

Movement of deferred tax (assets) / liabilities for the years ended 31 December 2021 and 2020 are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Opening balance	**4.439.701**	**3.520.613**
Acquisition effect	1.293	24.602
Tax expense/income recognized in OCI	(19.045)	(21.162)
Translation effect	3.169.821	679.725
Tax expense/income recognized in profit or loss	793.162	235.923
Closing balance	**8.384.932**	**4.439.701**

Total charge for the year can be reconciled to the accounting profit as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Loss before tax	(3,572,862)	(956,372)
Tax at the domestic income tax rate of 25% (2020: 22%)	893,216	210,402
Tax effects of		
- non-tax-deductible expenses	(2,140,618)	(442,450)
- income exempt from tax	1,222,640	322,885
- net effect of carry forward tax losses	(220,613)	(105,577)
- unused tax losses not accounted as deferred tax	(1,636,094)	(122,200)
- change in tax rate	1,126,151	322,977
- consolidation adjustments exempt from tax	(299,625)	(326,487)
- currency impact on non-monetary items and other	76,492	(237,970)
	(978,451)	**(378,420)**

30. FINANCIAL INSTRUMENTS

a) Financial assets

Short-term financial assets	31 December 2021	31 December 2020
Receivables from service concession arrangements	11,551,829	5,745,298
Restricted bank deposits (*)	53,611	44,386
Other	38	-
	11,605,478	**5,789,684**

Long term financial assets	31 December 2021	31 December 2020
Receivables from service concession arrangements	41,563,487	27,234,938
Restricted bank deposits (*)	-	23,779
	41,563,487	**27,258,717**

(*) As of 31 December 2021, TRY53,611 of restricted deposits are due to loans borrowed from Türkiye İş Bankası A.Ş. for İçtaş İnşaat.

b) Derivative financial instruments

	31 December 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
Short term	1,017,495	82,263	-	65,106
Long term	-	159,344	-	261,359
	1,017,495	**241,607**	**-**	**326,465**

Currency Derivatives:

Group utilizes currency derivatives to hedge significant future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

Interest Derivatives (Cash Flow Hedges):

The Group is exposed to interest rate risk and manages the exposure of a certain part of the loan by entering into interest rate swap contracts.

31. OTHER FINANCIAL LIABILITIES

Other financial obligations	31 December 2021	31 December 2020
Short term financial obligations (*)	50,000	51,428
	50,000	**51,428**

(*) The balance consists of factoring debt of Enerji Yatırım Holding.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency position

	31 December 2021				
	USD	**EUR**	**RUB**	**Other (*)**	**Total TL Equivalent**
Cash and cash equivalent	21,084	23,915	2,603	69,569	711,857
Trade receivables	35,797	6,096	634	1,076,942	1,646,161
Other receivables	16,987	10,043	-	31,225	409,160
Bank loans	(548,281)	(314,829)	-	-	(12,079,490)
Trade payables	(175,025)	(13,304)	(330,354)	(77,598)	(2,675,011)
Other payables	(104,580)	(23,516)	(15)	(22,732)	(1,774,610)
Lease liabilities	-	(9,927)	-	-	(150,036)
Balance sheet net foreign currency position	**(754,018)**	**(321,522)**	**(327,132)**	**1,077,406**	**(13,911,969)**
Derivative instruments	(3,175)	-	-	-	(42,320)
Off-balance sheet net foreign currency position	**(3,175)**	**-**	**-**	**-**	**(42,320)**
Net foreign currency position	**(757,193)**	**(321,522)**	**(327,132)**	**1,077,406**	**(13,954,289)**

	31 December 2020				
	USD	**EUR**	**RUB**	**Other (*)**	**Total TL Equivalent**
Cash and cash equivalent	116,267	29,217	9	75,564	1,192,207
Trade receivables	80,881	17,947	575	2,006	757,434
Other receivables	3,774	20,007	-	68,671	276,595
Bank loans	(685,387)	(298,623)	-	(205,688)	(7,926,737)
Trade payables	(226,980)	(72,128)	-	(48,252)	(2,364,121)
Other payables	(77,636)	(63,075)	-	(80,606)	(1,218,666)
Lease liabilities	(48)	(4,592)	-	(70,109)	(111,826)
Balance sheet net foreign currency position	**(789,129)**	**(371,247)**	**584**	**(258,414)**	**(9,395,114)**
Derivative instruments	(16,623)	-	-	-	(122,021)
Off-balance sheet net foreign currency position	**(16,623)**	**-**	**-**	**-**	**(122,021)**
Net foreign currency position	**(805,752)**	**(371,247)**	**584**	**(258,414)**	**(9,517,135)**

a) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies which give rise to foreign exchange exposure. This risk is managed by counterbalancing the foreign currency denominated assets and liabilities.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is disclosed in Note 32.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and EUR.

The following table details the Group's sensitivity to a 20% (2020: 20%) increase and decrease in the USD and EUR exchange rates. 20% (2020: 20%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates (2020: 20%).

The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

	USD		EUR	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Effect of change in exchange rate	(2,014,035)	(1,182,924)	(972,108)	(668,832)

	RUB		Other	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Effect of change in exchange rate	(11,732)	12	215,481	(51,682)

b) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the equity balance.

The capital structure of the Group consists of debt, which includes the payables to Privatization Administration, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Board of Directors establishes the policies, procedures, parameters and rules for capital risk management and develops risk management strategies accordingly. The objective of the Group is to limit the exposure to various risks while ensuring that the Group has sufficiently using its capital to maximize net sales income.

The Group's overall strategy did not change significantly over the years.

Significant accounting policies

The Group's accounting policies about financial instruments are disclosed in Note 2.7 "Significant Accounting Policies; Financial assets and financial liabilities" to the consolidated financial statements.

c) Financial risk factors

The Group's activities expose it to a variety of financial risks: interest risk, credit risk, foreign exchange risk and liquidity risk. The Board identifies, and evaluates financial risks in close co-operation with the Group's operating units. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Furthermore, group uses financial derivatives to be protected from different financial risks.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
31 December 2021	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	620,875	2,372,799	550,201	530,548	1,677,312	1,017,495
- Secured portion of maximum credit risk guarantee or etc. (**)	-	452,031	-	-	-	-
A. Net book value of not due or not impaired financial assets	620,875	2,372,799	550,201	530,548	1,677,312	1,017,495
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	259,260	-	-	-	-
- Impairment (-)	-	(259,260)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(**) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk management (Continued)

	Receivables					
	Trade receivables		Other receivables		Bank	Financial
31 December 2020	Related party	Third party	Related party	Third party	deposits	derivatives
Maximum credit risk exposure at balance sheet date (*)	762,095	1,477,117	444,235	350,275	1,596,599	-
- Secured portion of maximum credit risk guarantee or etc. (**)	-	385,062	-	-	-	-
A. Net book value of not due or not impaired financial assets	762,095	1,477,117	444,235	350,275	1,596,599	-
B. Net book value of assets that are due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	228,554	-	-	-	-
- Impairment (-)	-	(228,554)	-	-	-	-
D. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) In determining the amounts, like guarantees, the factors increasing the credit reliability are not taken into consideration.
(**) Guarantees consist of collaterals from customers, collateral cheques and mortgages.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

- Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

- Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data. The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available, estimate is made based on discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

	31 December 2021		31 December 2020	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Level 2	1,017,495	241,607	-	326,465
	1,017,495	**241,607**	**-**	**326,465**

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2021 is as follows:

31 December 2021		Total cash outflow	Less than			More than
Contractual Maturity Analysis	Carrying value	according to contract (I+II+III+IV)	3 months (I)	3-12 months (II)	1-5 years (III)	5 years (IV)
Non-derivative financial liabilities						
Bank loans	32,786,680	43,098,984	3,900,199	8,101,871	22,663,889	8,433,025
Trade payables	3,930,250	3,930,250	-	3,930,250	-	-
Other liabilities	246,392	246,392	-	246,350	42	-
Other payables	4,456,637	4,460,731	-	2,313,939	2,146,792	-
Lease liabilities	316,779	364,479	23,270	90,740	233,388	17,081
Other financial liabilities	50,000	50,000	-	50,000	-	-
Total liabilities	**41,786,738**	**52,150,836**	**3,923,469**	**14,733,150**	**25,044,111**	**8,450,106**

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2020 is as follows:

31 December 2020		Total cash outflow	Less than			More than
Contractual Maturity Analysis	Carrying value	according to contract (I+II+III+IV)	3 months (I)	3-12 months (II)	1-5 years (III)	5 years (IV)
Non-derivative financial liabilities						
Bank loans	23,299,940	26,343,437	1,954,250	6,546,438	14,056,572	3,786,177
Trade payables	3,663,753	3,668,687	-	3,668,687	-	-
Other liabilities	110,871	110,871	-	107,638	3,233	-
Other payables	3,316,655	3,319,609	-	1,520,985	1,726,504	72,120
Lease liabilities	207,952	186,389	-	36,013	115,024	35,352
Other financial liabilities	51,428	51,428	-	51,428	-	-
Total liabilities	**30,650,599**	**33,680,421**	**1,954,250**	**11,931,189**	**15,901,333**	**3,893,649**

33. ASSETS CLASSIFIED AS HELD FOR SALE

The Group had a negotiation for sales of shares for ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş. ("the Component") as of 31 December 2020. Because of the fact that assets and liabilities of ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş., which were expected to be sold within twelve months have been classified as a disposal group held for sale and were presented separately in the consolidated statement of financial position as of 31 December 2020.

In 2021, share sale negotiations of ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş. was cancelled. With respect to the IFRS 5 (Changes to a plan of sale), the results of operations of the Component previously presented in discontinued operations are reclassified and included in income from continuing operations for the year ended as of 31 December 2020. Besides, the Group amended its consolidated financial statements for the year-ended 31 December 2020.

33. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

The classes of assets comprising the disposal group classified as held for sale are as follows:

ASSETS	Classified as held for sale 2020	Amendment Effects	31 December 2020
Current assets			
Cash and cash equivalents	1,391,466	277,040	1,668,506
Financial investments	42,875	1,511	44,386
Trade receivables	2,169,105	70,107	2,239,212
- Trade receivables from related parties	*761,639*	456	762,095
- Trade receivables from third parties	*1,407,466*	69,651	1,477,117
Inventories	*289,897*	8,623	298,520
Other receivables	335,513	20	335,533
- Other receivables from related parties	*2,916*	-	2,916
- Other receivables from third parties	*332,597*	20	332,617
Prepaid expenses	480,410	47,991	528,401
- Prepaid expenses from related parties	*17,758*	-	17,758
- Prepaid expenses from third parties	*462,652*	47,991	510,643
Contract assets	125,113	-	125,113
- Due from customers under construction contracts related parties	*104,743*	-	104,743
- Due from customers under construction contracts third parties	*20,370*	-	20,370
Receivables from service concession agreements	257,322	5,487,976	5,745,298
Other current assets	467,218	8,315	475,533
Subtotal	**5,558,919**	**5,901,583**	**11,460,502**
Assets classified as held for sale	***30,925,314***	**(30,925,314)**	**-**
Total current assets	**36,484,233**	**(25,023,731)**	**11,460,502**
Non-current assets			
Financial investments	23,779	-	23,779
Other receivables	458,720	257	458,977
- Other receivables from related parties	*441,319*	-	*441,319*
- Other receivables from third parties	*17,401*	*257*	*17,658*
Receivables from service concession agreements	1,071,776	26,163,162	27,234,938
Investments accounted using the equity method	423,662	-	423,662
Property, plant and equipment	1,324,198	29,383	1,353,581
Intangible assets	1,449,711	-	1,449,711
Goodwill	304,049	-	304,049
Right of use assets	183,593	-	183,593
Investment properties	2,368	-	2,368
Prepaid expenses	89,789	-	89,789
- Prepaid expenses from third parties	*89,789*	-	*89,789*
Deferred tax assets	385,774	-	385,774
Other non-current assets	316,693	35,172	351,865
Total non-current assets	**6,034,112**	**26,227,974**	**32,262,086**
TOTAL ASSETS	**42,518,345**	**1,204,243**	**43,722,588**

33. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

The classes of liabilities comprising the disposal group classified as held for sale are as follows:

LIABILITIES	Classified as held for sale 2020	Amendment Effects	31 December 2020
Current liabilities			
Short-term bank borrowings	765,609	-	765,609
Short-term portion of long-term bank borrowings	2,714,956	4,075,670	6,790,626
Short-term lease liabilities	42,814	-	42,814
Trade payables	3,644,769	18,984	3,663,753
- Trade payables to related parties	*220,272*	321	220,593
- Trade payables to third parties	3,424,497	18,663	3,443,160
Other financial liabilities	51,428	-	51,428
Payables related to employee benefits	58,112	267	58,379
Derivative financial instruments	38,929	26,177	65,106
Contract liabilities	1,165,253	-	1,165,253
- Due to customers under construction contracts	*1,154,127*	-	1,154,127
- Due to customers under construction contracts (related parties)	*11,126*	-	11,126
Deferred revenue	415,972	549	416,521
- Deferred revenue to related parties	*145,918*	-	145,918
- Deferred revenue to third parties	*270,054*	549	270,603
Other payables	1,336,658	181,373	1,518,031
- Other payables to related parties	*117,741*	-	117,741
- Other payables to third parties	*1,218,917*	181,373	1,400,290
Short-term provisions	93,029	-	93,029
- Provision for employment benefits	*20,995*	-	*20,995*
- Other short-term provisions	*72,034*	-	*72,034*
Corporate tax payable	*59,755*	-	*59,755*
Other current liabilities	101,774	5,864	107,638
Subtotal	**10,489,058**	**4,308,884**	**14,797,942**
Liabilities directly associated with assets classified as held for sale	**16,395,564**	**(16,395,564)**	**-**
Total current liabilities	**26,884,622**	**(12,086,680)**	**14,797,942**
Non-current liabilities			
Long-term bank borrowings	6,837,082	8,906,623	15,743,705
Long-term lease liabilities	165,138	-	165,138
Derivative financial instruments	261,359	-	261,359
Long-term provisions	50,190	-	50,190
- Provision for employment benefits	*43,577*	-	*43,577*
- Other long-term provisions	*6,613*	-	*6,613*
Other payables	1,798,624	-	1,798,624
- Other payables to related parties	*1,577,421*	-	*1,577,421*
- Other payables to third parties	*221,203*	-	*221,203*
Deferred revenue	745,023	588	745,611
- Deferred revenue to related parties	*153,971*	-	*153,971*
- Deferred revenue to third parties	*591,052*	*588*	*591,640*
Deferred tax liabilities	441,763	4,383,712	4,825,475
Other non-current liabilities	3,233	-	3,233
Total non-current liabilities	**10,302,412**	**13,290,923**	**23,593,335**
TOTAL LIABILITIES	**37,187,034**	**1,204,243**	**38,391,277**

33. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

The results of ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyol Yatırım ve İşletme A.Ş. are presented separately in the consolidated statement of profit or loss under discontinued operations as of 31 December 2020. The reclassifications related to the consolidated profit or loss items for the year ended 31 December 2020 are as follows:

	Classified as held for sale 1 January-31 December 2020	Amendment Effects	Amended amounts 1 January-31 December 2020
Revenue	9,466,038	598,021	10,064,059
Cost of sales (-)	(7,938,757)	(73,864)	(8,012,621)
Gross profit	**1,527,281**	**524,157**	**2,051,438**
Marketing, selling and distribution expenses (-)	(4,457)	-	(4,457)
General administrative expenses (-)	(283,016)	(63,175)	(346,191)
Other income from operating activities	7,379,046	127	7,379,173
Other expenses from operating activities (-)	(8,389,242)	(1,090,835)	(9,480,077)
Profit for the period from continuing operations	**229,612**	**(629,726)**	**(400,114)**
Income from investing activities	180,442	-	180,442
Share of net profit of associates and joint ventures accounted for using the equity method	134,435	-	134,435
Operating profit before finance income	**544,489**	**(629,726)**	**(85,237)**
Financial income	148,304	3,207,422	3,355,726
Financial expense (-)	(2,791,262)	(1,435,599)	(4,226,861)
Loss before tax from continuing operations	**(2,098,469)**	**1,142,097**	**(956,372)**
Tax (expense) from continuing operations	**(136,560)**	**(241,860)**	**(378,420)**
Tax expense for the year	(142,497)	-	(142,497)
Deferred tax (expense)/income	5,937	(241,860)	(235,923)
Net profit / (loss) for the current period from continuing operations	**(2,235,029)**	**900,237**	**(1,334,792)**
Profit before tax from discontinuing operations	1,342,805	(1,342,805)	-
Tax expense from discontinuing operations	**(442,568)**	**442,568**	-
Deferred tax (expense)/income	(442,568)	442,568	-
Net income / (loss) after tax from discontinued operations	**900,237**	**(900,237)**	-
Net profit / (loss) of the current period Attributable to:			
Equity holders of the Parent	(829,671)	-	(829,671)
Non-controlling interests	(505,121)	-	(505,121)

34. EVENTS AFTER THE BALANCE SHEET DATE

The conditions set out in the Tax Procedural Code for the application of inflation adjustment for tax purposes were met by the end of 2021, and hence taxpayers were obliged to restate their 2021 consolidate financial statements for inflation unless a legislative change was introduced to the contrary.

The data announced by the Turkish Statistical Institute ("TUIK") on 3 January 2022 did indeed show that the inflation rate exceeded 10%in 2021 and exceeded 100%in the last three years (including 2021), thus making inflation adjustment for tax purposes obligatory in 2021.

As per Tax Procedure Law No. 7352 and the Law on the Amendment of the Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734, the application of inflation adjustment in the consolidated financial statements prepared according to the tax procedure law was postponed to 31 December 2023. In addition, hyperinflation accounting for IFRS consolidated financial statements will be applied as of 30 June 2022 and will be applicable only for companies whose functional currency is the Turkish lira. Therefore, the Group will not apply hyperinflation accounting in its IFRS consolidated financial statements and will apply hyperinflation accounting only in its tax purpose financial statements at the end of 2023.

The Group calculates its deferred tax on the temporary difference between tax basis financial statements and the IFRS financial statement. The Procedure Code is considered in non-adjusting subsequent events. With respect to the Tax Procedural Code, the Group will restate its statutory tax bases in the first reporting period of 2022. This will increase the tax base of statutory books and decrease the deferred tax liability of the Group. An evaluation of the necessary actions pertaining to this study is still in progress and the Group management is assessing its effect.

ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş.

The Company fully received the top-up payment for the guarantee revenue of 2021 second half on 28 January 2022 and adjusted the guarantee revenue amount applicable for 2022 first half based on the contractual USD/TRY exchange rate and All Urban Consumer Price Index.

Due to the Sarıyer- Kilyos tunnel construction to be built by the Company in 2022, the current operation contract will be extended for 398 days. An agreement was reached with the Ministry of Transport and Infrastructure regarding the said extension on March 25, 2022.

IC İçtaş Zafer Uluslararasi Havalimani Yatirim ve İşletme A.Ş.

The Company fully received the payment for the guarantee revenue of 2021 on 6 January 2022 as EUR 6,938,738.

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To: the Board of Directors of IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.

In reference to our engagement letter dated 15 October 2024, where we were appointed as auditors for the Group's consolidated financial statements as of 31 December 2024, I am writing to provide an update on the current status of our audit.

Our audit teams are still diligently working on the audit of the Group's consolidated financial statements for the year ended 31 December 2024

For this reason, we inform you that the completion date for consolidated IFRS report is planned to be 31 July 2025.

We would like to keep you informed of the progress made thus far in the audit process.

Sincerely,

PwC Bagimsiz Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 17 March 2025