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INTERNATIONAL INDEPENDENT AUDITING, CONSULTING &
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SETAŞ İNŞAAT TİCARET VE
SANAYİ ANONİM ŞİRKETİ

FINANCIAL STATEMENTS &
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

Ankara, June 3, 2025



APPROVED TRANSNATIONAL AUDIT FIRM



MEMBER OF THE
FORUM OF FIRMS



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INDEPENDENT AUDITORS' REPORT

*To the Shareholders of
Setaş İnşaat Ticaret ve Sanayi A.Ş.*

A) Report on the Audit of the Financial Statements

1) Opinion

We have audited the financial statements of Setaş İnşaat Ticaret ve Sanayi Anonim Şirketi Company ("the Company"), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards ("IFRS").

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards ("ISAs") which are a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are, in our professional judgment, those matters that are of most importance in the independent audit of the current period financial statements. Whether key audit matters are addressed in our independently audited framework of the financial statements as a whole and in our change of opinion on the financial statements, we do not express a separate opinion on these matters.



3) Key Audit Matters (Con't)

Key Audit Matters	Auditor's Response
<p>Application of the hyperinflationary accounting</p> <p>As stated in 2.1.1.2 to the financial statements, the Company has started to apply "TAS 29 Financial Reporting in Hyperinflation economies" since the functional currency of the Company (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2024.</p> <p>In accordance with TAS 29, financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in TAS 29, the Company utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in 2.1.1.2.</p> <p>Given the significance of the impact of TAS 29 on the reported result and financial position of the Company, we have assessed the hyperinflation accounting as a key audit matter.</p>	<p>Our audit procedures included the following;</p> <p>We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed,</p> <p>We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations,</p> <p>We have audited the restatements of corresponding figures as required by TAS 29.</p> <p>We assessed the adequacy of the disclosure in inflation adjusted financial statements for compliance with TAS 29.</p>

4) Emphasis of Matter

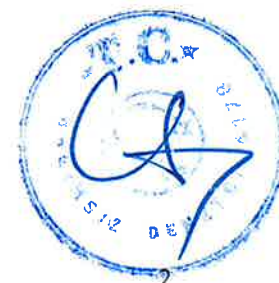
Within the scope of the "Announcement on Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit" dated November 23, 2023 published by POA, the financial statements as of December 31, 2024 are subject to inflation adjustment in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies". In this context, we draw attention to footnote 2, which includes explanations regarding the transition to inflation accounting. This matter does not affect our opinion.

5) Responsibilities of Management and Those Charged with Governance for Financial Statements

Company management; It is responsible for the internal control that it deems necessary for the preparation of the financial statements in accordance with IFRS, their fair presentation, and preparation without material misstatement due to error or fraud.

Management while preparing financial statements; It is responsible for evaluating the Company's ability to continue as a going concern, explaining continuity-related issues when necessary, and using the business continuity principle unless there is an intention or obligation to liquidate the Company or terminate the commercial activity.

Those charged with senior management are responsible for overseeing the Company's financial reporting process.



6) Independent Auditor's Responsibilities Regarding the Independent Audit of Financial Statements

In an independent audit, we, the independent auditors, have the following responsibilities:

Our aim is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to error or fraud and to issue an independent auditor's report containing our opinion. Reasonable assurance as a result of an audit conducted in accordance with ISAs; This is a high level of assurance, but does not guarantee that a material misstatement will always be detected. Inaccuracies may be caused by error or cheating. Misstatements are considered material if, individually or collectively, they are reasonably expected to affect the economic decisions made by users of financial statements on the basis of those statements.

As a requirement of the independent audit conducted in accordance with the BDS, we use our professional judgment and maintain our professional scepticism throughout the independent audit. Also by us:

- The risks of material misstatement due to error or fraud in the financial statements are identified and evaluated; Audit procedures that respond to these risks are designed and performed and sufficient and appropriate audit evidence is obtained to form a basis for our opinion. (Since fraud may include acts of collusion, fraud, wilful negligence, misrepresentation or violation of internal control, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error.)
- Internal control related to the audit is evaluated in order to design audit procedures appropriate to the situation, not to express an opinion on the effectiveness of the Company's internal control.
- The appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures are evaluated.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to the relevant disclosures in the financial statements in our report or, if these disclosures are insufficient, to express an unqualified opinion. Our conclusions are based on the audit evidence obtained up to the date of the independent auditor's report. However, future events or conditions may terminate the Company's continuity.
- Evaluate the general presentation, structure and content of the financial statements, including the disclosures, and whether they reflect the underlying transactions and events in a manner that ensures fair presentation.



B) Report on Other Legal and Regulatory Requirements

- a. In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January 31 December 2024 and financial statements are not in compliance with law and provisions of the Company's articles of association in relation to financial reporting.
- b. In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Aslan KAYA.

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Aslan KAYA, MSA
Responsible Auditor

Ankara, June 3, 2025

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(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.

**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023**

(Amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of TRY as of December 31, 2024 and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024, unless otherwise indicated.)

ASSETS	Notes	2024 EUR	2024 USD	Audited	Audited
				Current Period	Prior Period
				31 December 2024	31 December 2023
Current Assets		8.258.617	8.599.423	303.390.207	316.910.710
Cash and Cash Equivalents	3	5.900.925	6.144.436	216.777.549	281.422.797
Financial Assets	4	-	-	-	1.374
Trade Receivables		2.111.343	2.198.471	77.562.728	28.606.185
<i>Receivables from Related Parties</i>	5,6	-	-	-	28.265.838
<i>Receivables from Third Parties</i>	6	2.111.343	2.198.471	77.562.728	340.347
Other Receivables		35.204	36.657	1.293.263	3.380.141
<i>Receivables from Related Parties</i>	5,7	-	-	-	61.964
<i>Receivables from Third Parties</i>	7	35.204	36.657	1.293.263	3.318.177
Prepaid Expenses	8	140.473	146.270	5.160.455	3.500.213
Assets Related to Current Period Tax	13	792	824	29.086	-
Other Current Assets	11	69.880	72.764	2.567.126	-
Non-Current Assets		7.615.113	7.929.363	279.750.311	349.889.855
Financial Assets	4	-	-	-	721.894
Property, Plant and Equipment	9	7.615.113	7.929.363	279.750.311	343.021.126
Prepaid Expenses	8	-	-	-	6.146.835
TOTAL ASSETS		15.873.730	16.528.786	583.140.518	666.800.565

(*) USD amounts presented above have been translated from TRY for convenience purposes only, at the USD average CBRT bid rates for the year ended 31 December 2024, and therefore do not form part of these financial statements (Note 2.1)

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.

**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023**

(Amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of TRY as of December 31, 2024 and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024, unless otherwise indicated)

LIABILITIES	Notes	2024 EUR	2024 USD	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
Current Liabilities		325.362	338.790	11.974.111	30.295.112
Short Term Borrowings	4	4.098	4.267	150.825	8.016
Trade payables		68.430	71.254	2.518.394	3.675.456
<i>Payables to Third Parties</i>	6	68.430	71.254	2.518.394	3.675.456
Employee Benefit Obligations	10	60.488	62.984	2.226.096	4.185.707
Other Payables		79.023	82.284	2.908.239	7.419.933
<i>Payables to Related Parties</i>	5,7	63.989	66.630	2.354.951	-
<i>Payables to Third Parties</i>	7	15.034	15.654	553.288	7.419.933
Current Income Tax Liability	13	113.009	117.672	4.158.986	15.006.000
Other Current Liabilities	11	314	327	11.571	-
Non-Current Liabilities		1.308.774	1.362.786	48.166.021	68.886.590
Long-Term Provision		154.057	160.414	5.669.655	5.212.355
<i>Long Term Provision for the Employee Benefits</i>	10	154.057	160.414	5.669.655	5.212.355
Deferred Tax Liabilities	13	1.154.717	1.202.371	42.496.366	63.674.235
Equity		14.239.594	14.827.211	523.000.386	567.618.863
Paid-in Share Capital	12	2.717.214	2.829.351	100.000.000	100.000.000
Adjustment to Share Capital	12	17.895.807	18.634.347	658.608.630	658.608.630
Other Comprehensive Income/ (Loss) Not To Be Reclassified to Profit or Loss		9.583	9.979	352.686	2.615.131
<i>Income/(Loss) on Remeasurements of Defined Benefit Plans</i>		9.583	9.979	352.686	2.615.131
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		26.444	25.090	-	-
<i>Currency Translation Differences</i>		26.444	25.090	-	-
Restricted Reserves Allocated From Net Profit	12	2.839.823	2.957.019	104.512.290	92.873.390
Retained Earnings		(9.308.390)	(9.692.537)	(342.571.077)	(243.323.643)
Net Profit or Loss		59.112	63.962	2.097.857	(43.154.645)
TOTAL LIABILITIES AND EQUITY		15.873.730	16.528.786	583.140.518	666.800.565

(*) USD amounts presented above have been translated from TRY for convenience purposes only, at the USD average CBRT bid rates for the year ended 31 December 2024, and therefore do not form part of these financial statements (Note 2.1)

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

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SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

(Amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of TRY as of December 31, 2024 and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024, unless otherwise indicated)

	Notes	2024 EUR	2024 USD	Audited Current Period 1 January 2024 31 December 2024	Audited Prior Period 1 January 2023 31 December 2023
Revenue	14	8.020.285	8.678.298	284.634.287	220.923.211
Cost of Sales (-)	14	(5.583.609)	(6.041.708)	(198.158.365)	(99.945.988)
GROSS PROFIT		2.436.676	2.636.590	86.475.922	120.977.223
General Administrative Expenses (-)	15	(890.534)	(963.597)	(31.604.442)	(30.732.270)
Other Income from Operating Activities	16	2.184.416	2.363.634	77.523.397	138.738.065
Other Expense from Operating Activities (-)	16	(298.992)	(323.522)	(10.611.011)	(10.755.143)
OPERATING PROFIT		3.431.566	3.713.104	121.783.866	218.227.875
Gains from Investment Activities	17	3.109.692	3.364.823	110.360.810	33.955.411
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		6.541.258	7.077.927	232.144.676	252.183.286
Financial Income	18	398.226	430.898	14.132.750	29.260.215
Financial Expense (-)	18	(2.958)	(3.201)	(104.979)	(30.432)
Monetary Gain and (Loss)	22	(5.902.327)	(6.386.576)	(209.469.470)	(236.004.389)
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		1.034.198	1.119.048	36.702.977	45.408.680
Tax Income / (Expense) from Continued Operations		(975.086)	(1.055.086)	(34.605.120)	(88.563.325)
Current Income Tax Expense	13	(754.644)	(816.557)	(26.781.770)	(43.011.003)
Deferred Tax Income / Expense	13	(220.442)	(238.528)	(7.823.350)	(45.552.322)
PROFIT / (LOSS) FOR THE PERIOD		59.112	63.962	2.097.857	(43.154.645)
OTHER COMPREHENSIVE INCOME					
Items Not To Be Reclassified To Profit or Loss		(63.750)	(68.980)	(2.262.445)	684.558
Remeasurement Gain (Loss) from Defined Benefit Plans		(82.792)	(89.585)	(2.938.241)	889.036
Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss	13	19.042	20.605	675.796	(204.478)
OTHER COMPREHENSIVE INCOME		(63.750)	(68.980)	(2.262.445)	684.558
TOTAL COMPREHENSIVE INCOME		(4.638)	(5.018)	(164.588)	(42.470.087)

(*) USD amounts presented above have been translated from TRY for convenience purposes only, at the USD average CBRT bid rates for the year ended 31 December 2024, and therefore do not form part of these financial statements (Note 2.1)

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.

**STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

(Amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of TRY as of December 31, 2024 and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024, unless otherwise indicated)

AUDITED CURRENT PERIOD	Paid-in capital	Capital Adjustment Differences	Other accumulated comprehensive income and expense not to be reclassified to profit or loss		Restricted reserves	Retained earnings/(losses)		Total Equity
			Actuarial gain/(loss) arising from defined benefit plans	to profit or loss		Previous Years Profit/Loss	Net Profit or Loss	
1 January 2023	64.000.000	634.741.695	1.930.573	65.842.964	68.436.737	(99.702.278)	735.249.691	
Transfers	-	-	-	27.030.426	(126.732.704)	99.702.278	-	
Total Comprehensive Income	-	-	684.558	-	-	(43.154.645)	(42.470.087)	
Capital Increase	36.000.000	23.866.935	-	-	-	-	59.866.935	
Dividends	-	-	-	-	(185.027.676)	-	(185.027.676)	
31 December 2023	100.000.000	658.608.630	2.615.131	92.873.390	(243.323.643)	(43.154.645)	2.089.267.173	
AUDITED PREVIOUS PERIOD	Paid-in capital	Capital Adjustment Differences	Other accumulated comprehensive income and expense not to be reclassified to profit or loss		Restricted reserves	Retained earnings/(losses)		Total Equity
			Actuarial gain/(loss) arising from defined benefit plans	to profit or loss		Previous Years Profit/Loss	Net Profit or Loss	
1 January 2024	100.000.000	658.608.630	2.615.131	92.873.390	(243.323.643)	(43.154.645)	567.618.863	
Transfers	-	-	-	11.638.900	(54.793.545)	43.154.645	-	
Total Comprehensive Income	-	-	(2.262.445)	-	-	2.097.857	(164.588)	
Dividends	-	-	-	-	(44.453.889)	-	(44.453.889)	
31 December 2024	100.000.000	658.608.630	352.686	104.512.290	(342.571.077)	2.097.857	523.000.386	

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

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023***(Amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of TRY as of December 31, 2024 and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024, unless otherwise indicated)*

		<i>Audited</i> Current Period 1 January 2024	<i>Audited</i> Prior Period 1 January 2023
	<i>Notes</i>	31 December 2024	31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES		(229.860.964)	(166.083.578)
Profit/(Loss) for the Year		2.097.857	(43.154.645)
Adjustments to Reconcile Profit/(Loss) for the Year		(179.834.662)	(112.604.352)
Adjustments Related to Depreciation and Amortization Expenses	9	34.412.131	24.572.281
Adjustments Related to Provisions (Cancellation) for Employee Benefits	10	(1.567.021)	(264.067)
Adjustments Related to Tax Expense/Income	13	34.605.120	88.563.325
Adjustments for Losses (Gains) Arising from the Disposal of Property, Plant and Equipment	9	(91.621.019)	3.862.441
Monetary Loss /Gain		(155.663.873)	(229.338.332)
Changes in Working Capital		(36.409.563)	10.338.650
Decrease (Increase) in Financial Investments	4	500.952	284.321
Decrease (Increase) in Trade Receivables from Related Parties	5,6	19.577.558	5.512.485
Decrease (Increase) in Trade Receivables from Third Parties	6	(53.485.966)	59.535
Decrease (Increase) in Other Operating Receivables from Related Parties	5,7	42.918	4.058.544
Decrease (Increase) in Other Operating Receivables from Third Parties	7	1.402.501	(1.710.385)
Decrease (Increase) in Prepaid Expenses	8	3.107.516	1.731.308
Increase (Decrease) in Trade Payables to Third Parties	6	(801.407)	127.026
Increase (Decrease) in Employee Benefit Obligations	10	(1.357.271)	1.457.580
Increase (Decrease) in Other Operating Liabilities to Related Parties	5,7	1.631.092	(1.992.297)
Increase (Decrease) in Other Operating Payables to Third Parties	7	(4.755.994)	1.726.289
Decrease (Increase) in Other Operating Assets	11	(2.596.212)	-
Increase (Decrease) in Other Operating Liabilities	11	324.750	(915.756)
Cash Flows from Operations Activities		(214.146.368)	(145.420.347)
Tax Refunds (Payments)	13	(15.714.596)	(20.663.231)
CASH FLOWS FROM INVESTING ACTIVITIES		46.967.689	(59.570.459)
Cash Inflows from the Sale of Property, Plant and Equipment	9	94.799.412	66.829.971
Cash Outflows from Purchase of Property, Plant and Equipment	9	(47.831.723)	(126.400.430)
CASH FLOWS FROM FINANCING ACTIVITIES		(44.473.420)	(141.553.464)
Cash Outflows from Other Financial Debt Repayments	4	98.913	(8.016)
Dividends Paid		(44.572.333)	(141.545.448)
MONETARY LOSS / GAIN ON CASH AND CASH EQUIVALENTS		162.721.447	132.272.275
NET INCREASE IN CASH AND CASH EQUIVALENTS		(64.645.248)	(234.935.226)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		281.422.797	516.358.023
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	216.777.549	281.422.797

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

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Unless otherwise indicated, the amounts are expressed in Turkish Lira and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY

Setaş İnşaat Ticaret ve Sanayi A.Ş. was established in Adana on October 20, 1975, and was registered on the same date. On January 28, 2008, the company relocated to the address “Nasuh Akar Mah. 1400 Sok. No: 34/3 Balgat, Ankara.” Since then, it has been engaged in construction and contracting activities.

The Company operates in its main field of activity, construction and contracting services. As of 2016, natural gas distribution construction projects in Kütahya city center, Emet, Gediz, and Tavşanlı are ongoing. Additionally, the Manyas Plain Left Bank Irrigation Project, which began in 2015, was terminated by contract in 2021. These projects are classified as long-term construction contracts in accordance with TFRS 15 Revenue from Contracts with Customers. As of the end of 2020, the Evreşe Kavak Plain Irrigation Project was transferred to the General Directorate of State Hydraulic Works (DSİ) (Note 18).

As of December 31, 2024, the Company employed 23 personnel (December 31, 2023: 51).

The shareholding structure of the Company as of 31 December 2024 and 31 December 2023 is as follows

Shareholders	31 December 2024		31 December 2023	
	Share Rate (%)	Amount (TL)	Share Rate (%)	Amount (TL)
Abdullah Rasim Akdoğan	81	81.000.000	81	81.000.000
Akın Can Akdoğan	17	17.000.000	17	17.000.000
Mehmet Yılmaz Akdoğan	2	2.000.000	2	2.000.000
Capital	100	100.000.000	100	100.000.000
Inflation Adjustment		658.608.630		658.608.630
Adjusted Capital		758.608.630		758.608.630

NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of Presentation

These financial statements are based on the statutory records with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the International Financial Reporting Standards (IFRS).

Financial Reporting in Hyperinflationary Economy

The accounting policies adopted in to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2024 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) ON 23 November 2023. TAS 29 is applied to the financial statements, including the financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on a historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of 31 December 2024 as per TAS 29.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish Lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Unless otherwise indicated, the amounts are expressed in Turkish Lira and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024)

NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)**2.1. Basis of Presentation (Cont'd)****Financial Reporting in Hyperinflationary Economy (Cont'd)**

Year end	Index	Index, (%)	Conversion Factor
2004	113,86	13,86	19,33041
2005	122,65	7,72	15,16005
2006	134,49	9,65	13,82541
2007	145,77	8,39	12,75557
2008	160,44	10,06	11,58925
2009	170,91	6,53	10,87929
2010	181,85	6,4	10,2248
2011	200,85	10,45	9,25756
2012	213,23	6,16	8,72007
2013	229,01	7,4	8,11921
2014	247,72	8,17	7,50597
2015	269,54	8,81	6,89835
2016	292,54	8,53	6,35599
2017	327,41	11,92	5,67906
2018	393,88	20,3	4,72068
2019	440,5	11,84	4,22107
2020	504,81	14,6	3,68333
2021	686,95	36,08	2,70672
2022	1128,45	64,27	1,64773
2023	1859,38	64,77	1

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e. as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

On the application of TAS 29, the entity used the conservation coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish Lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index-linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2024. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2024 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e. before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 31 December 2024.

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Unless otherwise indicated, the amounts are expressed in Turkish Lira and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024)

NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.2. Statement of Compliance to IFRS

Presented financial statements and notes have been prepared in accordance with International Accounting Standards ("IAS") published and constituted by Public Oversight Accounting and Auditing Standards Authority and related comments.

2.3. Functional and Presentation Currency

The financial statements of the Company are presented in the currency of the main economic environment in which they operate (functional currency).

2.4. Comparative Information and Restatement of Prior Period Financial Statements

The financial statements of the Company are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends.

The Company's statement of financial position as of December 31, 2024, statement of financial position prepared as of December 31, 2023 and statement of comprehensive income for the year ended December 31, 2024, statement of cash flow and statement of changes in shareholders' equity for the year ended December 31, 2023. prepared in comparison with the financial statements.

Going Concern Assumption

The financial statements of the Company are prepared on a going concern basis, which presumes the realization of assets and settlement of liabilities in the normal course of operations and in the next year.

2.5. Changes in Accounting Policies, Accounting Estimates and Errors

Any change in the accounting policies resulted from the first-time adoption of a new standards is made either retrospectively or prospectively in accordance with the transition requirements of the standards. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period 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.

No changes have been observed at the accounting estimates of the Company in the current year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Unless otherwise indicated, the amounts are expressed in Turkish Lira and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024)

NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.6 The New Standards, Amendments and Interpretations

The accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2024, are consistent with those used in the previous year, except for the new and amended TFRS and TFRS interpretations effective as of January 1, 2024, summarized below.

a) *New standards, amendments, and interpretations effective from January 1, 2024*

- Amendments to IAS 1 - Classification of Liabilities as Current and Non-Current
- Amendments to IFRS 16 - Lease Liabilities in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

These amendments have no significant impact on the Group's financial position and performance.

b) *Standards issued but not yet effective and not early adopted*

As of the approval date of the financial statements, the following new standards, interpretations, and amendments have been issued but are not yet effective for the current reporting period and have not been early adopted by the Group. The Group will assess the impact of these standards, interpretations, and amendments after they become effective and make necessary adjustments to the consolidated financial statements and disclosures accordingly.

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 21 - Lack of Exchangeability
- IFRS 17 - Insurance Contracts Standard

This standard is not applicable to the Group.

c) *Amendments effective upon issuance*

- Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules

These amendments have no significant impact on the Group's financial position and performance.

d) *Amendments issued by the International Accounting Standards Board (IASB) but not yet endorsed by KGK*

The additional amendments to IFRS 9 and IFRS 7, as well as various improvements to IFRS accounting standards, including IFRS 18 and IFRS 19, have been issued by IASB but have not yet been endorsed/adopted by KGK into TFRS. Therefore, they do not form part of TFRS. The Group will consider these amendments in its financial statements and disclosures only after they become effective within TFRS.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

- Amendments to IFRS 9 and IFRS 7 - Contracts for the Sale of Electricity from Natural Resources
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Disclosures for Non-Publicly Accountable Subsidiaries

This standard is not applicable to the Group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Unless otherwise indicated, the amounts are expressed in Turkish Lira and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024)

NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7 Summary of Significant Accounting Policies

2.7.1 Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity')

(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;
- (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 company (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 company 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 defined 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.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) 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 party is a transfer of resources, services or liabilities between the reporting entity and the related party, disregarding it is with or without a value.

2.7.2 Revenue Recognition

Company recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer Company adopted TFRS 15 "Revenue from Contracts with Customers" which purposes a five step model framework mentioned below for recognizing the revenue.

- Identify the contract with customers
- Identify separate performance obligations
- Determine the transaction price in contract
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue

The Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.

For each performance obligation identified, the entity determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company transfers control of a good or services over time and therefore satisfies a performance obligation and recognizes revenue over time.

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FOR THE YEAR ENDED DECEMBER 31, 2024**

(Unless otherwise indicated, the amounts are expressed in Turkish Lira and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024)

NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.2 Revenue Recognition (Cont'd)

The Company recognize revenue when the entity satisfies a performance obligation by transferring a promised good or services to the customer. An asset is transferred when the customer obtains control of that asset or service.

The Company considers the following in the assessment of transfer of control of goods sold and services,

- a) The entity has a right to payment for the goods or service,
- b) The customer has legal title to the goods or service,
- c) The entity has transferred physical possession of the asset,
- d) The customer has the significant risk and rewards related to the ownership of the goods or services,
- e) The customer has accepted the goods or services.

The Company does not adjust the promised amount of consideration for the effects of a significant financing component since the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognized as income from operating activities in current period.

Electricity Sales Revenue

Electricity sales revenues are recorded over the invoiced amounts on an accrual basis, in case of electricity delivery.

2.7.3 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 method most appropriate to the class of inventory, with the majority being valued on a first-in-first out 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 or 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. As of every reporting period, net realizable value is reviewed once again.

Spare Parts and Material Stocks

Spare parts and material stocks are valued at the lower of cost or net realizable value. The cost elements of spare parts and material stocks include materials and other costs that are necessary to bring them to their present location and condition. The cost of spare parts and material stocks is determined on the weighted average cost basis. Company has provided provision for the slow-moving spare parts.

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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.4 Property, Plant and Equipment

The machinery, plants and equipment which are kept in use for production are expressed in revalued amounts. The revalued amount is determined by deducting the accumulated impairment in the periods after the fair value determined on the revaluation date. Revaluations are made in regular basis according not to differ significantly from the book value of the fair value to be determined at the balance sheet date. The increase originated from the revaluation of the lands which is issued are recorded in the revaluation fund in the equity.

The decrease in the book value; which consist of revaluation, is of machinery, plants and equipment's, if the asset exceeds its balance in the revaluation fund for the previous revaluation, it is recorded in the income statement. When the revalued tangible asset is sold or withdrawn from production, the remaining balance in the revaluation fund is transferred directly to retained earnings. Any transfer is made from the revaluation fund to retained earnings unless the asset is excluded from the balance sheet.

The machinery, plants and equipment except property, plant and equipment are shown over the accumulated depreciation from the cost values and if any, the amount after the accumulated impairments are deducted. Lands are not depreciable and shown over the amount after deducting accumulated impairments from cost values.

Properties in the course of construction for production, supply 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 Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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 estimated 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 finance 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 profit or loss.

2.7.5 Construction in Progress

Properties in the course of construction for production, supply 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 Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.6 Intangible Assets

Intangible Assets Purchased

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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Trademarks and Licenses

Acquired trademarks and licenses are shown at historical cost. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (3-49 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 (5-10 years).

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding 3 years).

2.7.7 Borrowing Costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings.

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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.8 Financial Instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company's 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 recognized immediately in profit or loss.

Financial Assets

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

Company classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. Company 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.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortized 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, Company may make the following irrevocable election/designation at initial recognition of a financial asset; the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

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(Unless otherwise indicated, the amounts are expressed in Turkish Lira and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024)

NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.8 Financial Instruments (Cont'd)

Amortized 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 amortized 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 Company 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, Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

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

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured 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 recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy).

The financial assets of the Company which are carried at fair value include derivative instruments that are not subject to hedge accounting. Derivative financial instruments are initially recognized at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Gains or losses arising from the valuation of these kind of assets are recognized in the statement of income. Derivative instruments which are carried at fair value through profit or loss include forward foreign exchange and commodity purchase and sale transactions. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative.

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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.8 Financial Instruments (Cont'd)

Financial Assets at Fair Value Through Other Comprehensive Income

The financial assets of the Company which are carried at fair value include derivative instruments that are subject to hedge accounting. Derivative financial instruments are initially recognized at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Gains and losses arising from the valuation of these kind of assets are accounted other comprehensive income/expense in the statement of comprehensive income related to cash flow hedge.

Derivative instruments which are accounted in other comprehensive income include commodity purchase and sales transactions, interest rate swap transactions and cross currency swap transactions. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative.

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

Financial Asset

Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts.

No impairment loss is recognized 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 Company 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.

For all other financial instruments, the Company recognizes 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 Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.8 Financial Instruments (Cont'd)

Financial Assets at Fair Value Through Other Comprehensive Income (Cont'd)

Financial Asset (Cont'd)

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 Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derecognition of Financial Assets

The Company 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 recognized 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 Company 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.

Financial Liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized 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 Company continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

**NOTES TO THE FINANCIAL STATEMENTS
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(Unless otherwise indicated, the amounts are expressed in Turkish Lira and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024)

NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.8 Financial Instruments (Cont'd)

Financial Liabilities (Cont'd)

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.

The Company does not reclassify any financial liability.

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company'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 recognized in profit or loss.

Derivative Financial Instruments

The Company 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.

Derivatives are recognized 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 recognized 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 recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company 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 realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge Accounting

The Company 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 Company 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 Company 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 Company actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.8 Financial Instruments (Cont'd)

Financial Liabilities (Cont'd)

Hedge Accounting (Cont'd)

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 Company adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge).

- The Company 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.

2.7.9 Foreign Currency Transactions

Foreign Currency Transactions and Balances

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

In preparing the financial statements of the individual entities, transactions in currencies in foreign currencies (other than TRY) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items (including advances) 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 retranslated at the rates prevailing on 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.

The exchange rates used by the Company as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2024	31 December 2023	31 December 2023
	<u>Buying</u>	<u>Sales</u>	<u>Buying</u>	<u>Sales</u>
USD	35,2803	35,3438	29,4382	29,4913
EUR	36,7362	36,8024	32,5739	32,6326

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.

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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.10 Employee Benefits

Provision for Employment Termination Benefits

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Company arising from the retirement of its employees based on the actuarial projections.

TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains / losses.

In accordance with TAS 19 "Employee Benefits" effective before 1 January 2013, the actuarial gains / losses were recognized in the statement of income whereas the amendment, effective as of 1 January 2013, requires the actuarial gains / losses to be recognized under other comprehensive income.

Unused Vacation Rights

Liabilities arising from unused vacations of the employees are accrued in the period when the unused vacations are qualified.

Profit-Sharing and Bonus Plans

The Company recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.7.11 Post Reporting Date Events

Events after the reporting periods include all events that take place between the balance sheet date and the date of authorization for the release of the financial statements, although the events occurred after the announcements related to the net profit/loss or even after the public disclosure of other selective financial information.

In the case that events occur requiring an adjustment, the Company adjusts the amount recognized in its financial statements to reflect the adjustments after the balance sheet date.

2.7.12 Taxation on Income

Turkish tax legislation does not permit a parent company and its subsidiary to file a tax return. Therefore, provisions for taxes, as reflected in the accompanying financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.12 Taxation on Income (Cont'd)

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 Company 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.

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 Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred Tax for The Period

Current and deferred tax are recognized as an expense or income in the income statement, except when they relate to the items credited or debited directly to the equity (in this case the deferred tax related to these items is also recognized directly in the equity), or where they arise from the initial accounting of a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7. Summary of Significant Accounting Policies (Cont'd)

2.7.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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.

2.7.14 Statement of Cash Flows

Cash flows during the period are classified and reported as operating, investing and financing activities in the statement of cash flows.

Cash flows arising from operating activities represent the cash flows that are used in or provided by the Company's steel products and metal sales activities.

Cash flows arising from investment activities represent the cash flows that are used in or provided by the investing activities (direct investments and financial investments) of the Company.

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Company and the repayments of these funds.

Cash and cash equivalents comprises of the cash on hand, the demand deposits and highly liquid other short-term investments which their maturities are three months or less from the date of acquisition, are readily convertible to cash and are not subject to a significant risk of changes in value.

The translation difference that occurs due to translation from functional currency to presentation currency is shown as translation difference on cash flow statement.

2.7.15 Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared. Dividend income is recognized by the Company at the date the right to collect the dividend is realized.

2.8. Significant Judgments and Estimates of the Company on Application of Accounting Policies

The Company, according to TAS makes estimates and assumptions prospectively while preparing its financial statements. These accounting estimates are rarely identical to the actual results.

The estimates and assumptions that may cause significant adjustments to the carrying values of assets and liabilities in the following reporting periods are listed below.

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NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.8. Significant Judgments and Estimates of the Company on Application of Accounting Policies (Cont'd)

Useful Lives of Tangible and Intangible Assets

The Company amortizes the non-current assets based on the useful lives of those assets stated in the accounting policies.

Deferred Taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between IFRS and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized.

The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. If based on the weight of all available evidence, it is Company's belief that taxable profit will not be available sufficient to utilize some portion of these deferred tax assets, then some portion of or all of the deferred tax assets are not recognized.

The Company has not recognized deferred tax assets because it is in the development stage and it is not apparent that taxable profit will be available sufficient to recognize deferred tax assets. If future results of operations exceed Company's current expectations, the existing unrecognized deferred tax assets may be recognized, resulting in future tax benefits.

Provisions for Employee Benefits

The Company makes various assumptions such as discount rate, inflation rate, real salary increase rate, voluntary retirement probability in the calculation of seniority and retirement pay obligation.

NOTE 3. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash	4.092	1.825
Banks	216.773.457	281.420.972
<i>Time Deposits</i>	211.912.117	278.593.670
<i>Demand Deposits</i>	4.861.340	2.827.302
TOTAL	216.777.549	281.422.797

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4. FINANCIAL INSTRUMENTS**Financial Investments**

Short term Financial Investments	31 December 2024	31 December 2023
Other Securities	-	1.374
Total	-	1.374

Short term Financial Investments	31 December 2024	31 December 2023
Subsidiaries (*)	-	721.894
Total	-	721.894

(*) The related amount belonged to Set Varlık A.Ş. in 2023 and was transferred in the 2024 period.

Financial Borrowings

Financial Borrowings	31 December 2024	31 December 2023
Other Financial Liabilities	150.825	8.016
TOTAL	150.825	8.016

NOTE 5. RELATED PARTY DISCLOSURES

	31 December 2024	
	Payables	
	Long-term	
	Other Receivables	
A. Rasim Akdoğan		2.354.951
TOTAL		2.354.951

	31 December 2023	
	Receivables	
	Short-term	
	Trade Receivables	Other Receivables
Cinigaz Doğalgaz Dağıtım A.Ş. (**)	27.917.051	-
Binatom Elektrik Üretim A.Ş.	148.854	-
Setel Elektrik İhr.İth. toptan Satış A.Ş.	199.932	-
Set Varlık Kiralama A.Ş. (*)	-	61.964
TOTAL	28.265.838	61.964

(*) The related amount belonged to Set Varlık A.Ş. in 2023 and was transferred in the 2024 period.

(**) The related company was transferred on November 04, 2024, and registered on the same date.

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6. TRADE RECEIVABLES AND PAYABLES

The details of the Company's short-term trade receivables are as follows:

Short Term Trade Receivables	31 December 2024	31 December 2023
Trade Receivables	79.312.394	384.279
Deferred Finance Income (-)	(1.749.666)	(43.932)
Due from Related Parties (Note 5)	-	31.914.344
Discount on Receivables from Related Parties (-)	-	(3.648.506)
Doubtful Trade Receivables	145.419	76.355
Provision for Doubtful Trade Receivables (-)	(145.419)	(76.355)
TOTAL	77.562.728	28.606.185

Short Term Trade Payables	31 December 2024	31 December 2023
Trade Payables	2.494.533	3.730.706
Rediscount on Notes Payables (-)	(1.392)	(175.509)
Other Trade Payables	25.253	120.259
TOTAL	2.518.394	3.675.456

NOTE 7. OTHER RECEIVABLES AND PAYABLES**a) Other Receivables**

The details of the Company's other short-term and long-term receivables are as follows:

Other Short-Term Receivables	31 December 2024	31 December 2023
Deposits and Guarantees	1.288.201	1.160.320
Receivables from Associates (Note 5)	-	61.964
Receivables from Public Authorities	-	2.150.549
Other Various Receivables	5.062	7.308
Doubtful Other Receivables	1.563.625	2.256.187
Provision for Doubtful Other Receivables (-)	(1.563.625)	(2.256.187)
TOTAL	1.293.263	3.380.141

b) Other Payables

The details of the Company's other short-term payables are as follows:

Other Short-Term Payables	31 December 2024	31 December 2023
Due to Shareholders (Note 5)	2.354.951	-
Taxes and Funds Payable	553.288	7.419.933
TOTAL	2.908.239	7.419.933

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NOTE 8. PREPAID EXPENSES AND DEFERRED REVENUE

The details of the Company's prepaid expenses and deferred income are as follows:

Short-Term Prepaid Expenses	31 December 2024	31 December 2023
Order Advances Given	2.019.617	636.405
Prepaid Expenses	3.115.838	2.863.808
Advances Given to Personnel	25.000	-
TOTAL	5.160.455	3.500.213
Long-term Prepaid Expenses	31 December 2024	31 December 2023
Prepaid Taxes and Funds	-	6.146.835
TOTAL	-	6.146.835

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(Unless otherwise indicated, the amounts are expressed in Turkish Lira and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024)

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

Cost Value	Land	Buildings	Machinery, Equipment and Installations	Motor Vehicles	Furnitures and Fixtures	Total
As of 1 st January 2024 Opening Balance	88.468.849	163.382.643	160.287.649	61.182.805	57.656.882	530.978.829
Inflows	-	-	252.586	47.047.158	531.979	47.831.723
Outflows	(22.112.383)	-	(30.692.892)	(40.905.067)	(1.089.070)	(94.799.412)
December 31, 2024 Closing Balance	66.356.466	163.382.643	129.847.343	67.324.896	57.099.791	484.011.140
Accumulated Depreciation						
As of 1 st January 2024 Opening Balance	-	(5.283.479)	(118.252.030)	(29.837.403)	(34.584.791)	(187.957.703)
Period Cost	-	(3.377.288)	(15.708.619)	(14.724.208)	(602.016)	(34.412.131)
Outflows (-)	-	-	10.223.806	7.829.991	55.207	18.109.004
December 31, 2024 Closing Balance	-	(8.660.767)	(123.736.843)	(36.731.620)	(35.131.600)	(204.260.829)
December 31, 2024 Net Book Value	66.356.466	154.721.876	6.110.500	30.593.277	21.968.191	279.750.311
Cost Value						
As of 1 st January 2023 Opening Balance	81.414.750	85.508.579	181.564.773	65.083.800	57.836.468	471.408.369
Inflows	7.054.099	101.623.483	8.391.550	6.669.102	2.662.196	126.400.430
Outflows	-	(23.749.418)	(29.668.674)	(10.570.097)	(2.841.781)	(66.829.971)
December 31, 2023 Closing Balance	88.468.849	163.382.643	160.287.649	61.182.805	57.656.882	530.978.829
Accumulated Depreciation						
As of 1 st January 2023 Opening Balance	-	(4.317.410)	(128.313.854)	(31.622.813)	(36.464.978)	(200.719.055)
Period Cost	-	(1.480.640)	(17.416.059)	(4.713.988)	(961.595)	(24.572.281)
Outflows (-)	-	514.570	27.477.883	6.499.398	2.841.781	37.333.633
December 31, 2023 Closing Balance	-	(5.283.479)	(118.252.030)	(29.837.403)	(34.584.791)	(187.957.703)
December 31, 2023 Net Book Value	88.468.849	158.099.164	42.035.619	31.345.403	23.072.091	343.021.126

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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NOTE 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The depreciation periods of tangible fixed assets are as follows:

	<u>Useful Life</u>
Buildings	42-50 Year
Machinery, Equipment and Installations	5-6 Year
Motor Vehicles	5-15 Year
Furniture's and Fixtures	3-15 Year

NOTE 10. EMPLOYEE BENEFITS

Benefits such as those who can enjoy the benefits of the Company's periods are obtained:

<u>Liabilities Within the Scope of Employee Benefits</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Debts to Personnel	1.713.706	2.401.695
Social Security Deductions Payable	512.390	1.784.012
TOTAL	2.226.096	4.185.707

<u>Provisions within the Scope of Employee Benefits</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Provision for Employment Termination Benefits	5.669.655	5.212.355
TOTAL	5.669.655	5.212.355

Unused Vacation Provision

These are the permits that are carried forward and can be used in the next period if the rights for the current period are not fully exercised. These leave may not be entitled to demand cash payments for unused rights if they left the job. An obligation arises for the business as employees perform services that increase their entitlement to future pay leave. Although the possibility that employees may leave without exercising their accumulated unearned rights affects the way that liability is measured, the entity has an obligation and is recognized in the financial statements, even if they are on paid leave.

Retirement and Employee Pay Provision

The Company is obliged to pay severance pay to each employee who, in accordance with the Turkish Labor Law, has completed at least one year of service and retires after 25 years of working life (at the age of 58 for women and 60 for men), whose employment relationship is terminated, who is called for military service, or who has passed away.

The severance pay to be paid amounts to one month's salary for each year of service and is capped at exactly 41,828.42 TRY as of December 31, 2024 (December 31, 2023: exactly 23,489.83 TRY).

Severance pay provisions are not subject to any funding, nor is there any requirement for funding. The severance pay provision represents the present value of the estimated total obligation of the Group arising from future potential liabilities due to employees' retirements under the Turkish Labor Law. The provision for the present value of the defined benefit obligation is calculated using the projected unit credit method. All actuarial gains and losses are recognized in equity as other comprehensive income.

TFRS requires the development of actuarial valuation assumptions to estimate potential severance pay liabilities within defined benefit plans. In the consolidated financial statements, the Group applies the projected unit credit method and, based on past experiences, calculates a liability considering employees entitled to severance pay as of the date of termination of their service period. This provision is determined by estimating the present value of the potential liabilities arising from employees' retirements in the future.

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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NOTE 10. EMPLOYEE BENEFITS

Accordingly, the following financial and demographic actuarial assumptions have been made for calculating the total provision:

	2024	2023
Discount Rate, Net (%)	2.16	2.90

The fundamental assumption is that the severance pay ceiling determined for each year of service increases in proportion to inflation. Thus, the applied discount rate represents the real rate, adjusted for expected inflation effects. Since the severance pay ceiling is revised every six months, the Company's severance pay provision is calculated based on the ceiling amount of exactly 46,655.43 TRY effective from January 1. 2025 (January 1. 2024: exactly 35,058.58 TRY).

Provision for Severance Pay	31 December 2024	31 December 2023
Beginning of the Period / Opening Balance	5.212.355	6.721.272
Service Cost	6.005.534	3.980.798
Interest Cost	104.979	22.356
Compensations Paid	(7.626.642)	(945.278)
Actuarial Gain	(440.858)	(1.924.633)
Monetary Gain / (Loss)	2.414.287	(2.642.160)
Period End Balance	5.669.655	5.212.355

NOTE 11. OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2024	31 December 2023
Outstanding VAT	2.567.126	-
TOTAL	2.567.126	-

Other Short Term Liabilities	31 December 2024	31 December 2023
Matured, Delayed or Deferred Tax by Installments and Other Liabilities	11.571	-
TOTAL	11.571	-

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NOTE 12. SHAREHOLDERS EQUITY AND OTHER EQUITY INSTRUMENTS

The capital structure of the Company as of 31 December 2024 and 31 December 2023 is as follows:

Shareholders	31 December 2024		31 December 2023	
	Share Rate (%)	Amount (TL)	Share Rate (%)	Amount (TL)
Abdullah Rasim Akdoğan	81	81.000.000	81	81.000.000
Akın Can Akdoğan	17	17.000.000	17	17.000.000
Mehmet Yılmaz Akdoğan	2	2.000.000	2	2.000.000
Capital	100	100.000.000	100	100.000.000
Inflation Adjustment		658.608.630		658.608.630
Adjusted Capital		758.608.630		758.608.630

	31 December 2024	31 December 2023
Legal Reserves	104.512.290	92.873.390
TOTAL	104.512.290	92.873.390

NOTE 13. TAX ASSETS AND LIABILITIES

Assets related to current period tax for the years ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Prepaid Taxes and Funds	29.086	-
TOTAL	29.086	-

Income taxes for the years ended 31 December 2024 and 2023 are as follows:

In Statement Of Financial Position	1 Ocak 2024	1 Ocak 2023
	31 Aralık 2024	31 Aralık 2023
Current Period Corporate Tax Provision	26.781.770	43.011.003
Less: Prepaid Taxes And Funds	(22.622.784)	(28.005.003)
Tax Payable (Net)	4.158.986	15.006.000
Deferred Tax Liability	42.496.366	63.674.235
Deferred Tax Liability (Net)	(42.496.366)	(63.674.235)

The analysis of the current tax expense provision reflected in the income statement for the periods ending on 31 December 2024 and 31 December 2023 is presented below:

Statement of Income	1 January 2024	1 January 2023
	31 December 2024	31 December 2023
Current Period Corporate Tax Provision	(26.781.770)	(43.011.003)
Deferred Tax Income / (Loss)	(7.823.350)	(45.552.322)
Tax Income / (Expense)	(34.605.120)	(88.563.325)

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NOTE 13. TAX ASSETS AND LIABILITIES

Current Tax Expense and Deferred Tax

Tax expense includes current tax expense and deferred tax expense. Tax is recognized in the statement of profit or loss, provided that it is not related to a transaction accounted directly under equity. Otherwise, the tax effect is recognized under equity as well as the related transaction.

In the Turkish taxation system, tax losses can be offset against future taxable income for the next five years and are not deductible (retrospectively) from previous years' earnings.

In addition, temporary taxes are levied at a rate of 25% over the bases declared in interim periods during the year to be deducted from the corporation tax. (December 31, 2023: 25%)

As of December 31, 2024, and 2023, the tax provision has been set aside under the current tax legislation. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are calculated to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are offset against each other if the same country is subject to tax legislation and there is a legally enforceable right to offset current tax assets against current tax liabilities.

Tax assets and liabilities

Corporation Tax

The Company and its subsidiaries established in Turkey and other countries in the scope of consolidation, associates and joint ventures are subject to the tax legislation and practices in force in the countries they are operating.

The corporate tax rate in Turkey 25% (However, it will be applied as 25% for the corporate earnings of the institutions for the 2023 taxation periods.) The corporate tax rate is the addition of the expenses that are not considered to be deductible in accordance with the tax laws to the commercial income of the corporations. Is applied to the net corporate income to be found as result of deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the thirtieth day of the fourth month following the end of the year in which it relates, and is paid in one instalment until the end of the relevant month.

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare until the 17th day of the second month following that period and pay it until the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial debt to the government.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the Corporate tax base of the period not exceeding 5 years. Declarations and related accounting records can be examined within five years of tax.

Turkish tax legislation does not permit a parent company with its subsidiaries to file a tax declaration on its consolidated financial statements. Thus, tax liabilities recognized in the Consolidated Financial Statements of the Group are separately calculated for all subsidiaries included in the scope of consolidation. On the statement of position as of December 31, 2024 and December 31, 2023 taxes payable is netted off for each subsidiary and are separately classified in the Consolidated.

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NOTE 13. TAX ASSETS AND LIABILITIES (CONT'D)

	Deferred Tax	
	31 December 2024	31 December 2023
Deferred Tax Assets		
Tangible and Intangible Fixed Asset	50.326.450	39.147.198
Severance Pay	1.417.414	1.303.089
Provision for Doubtful Receivables	427.261	583.136
Prepaid Expenses	554.500	-
Discount	437.417	923.110
Construction and Repair Costs Spanning Multiple Years	-	21.683.712
Deferred Tax Liabilities		
Tangible and Intangible Fixed Asset	(94.544.611)	(93.131.632)
Prepaid Expenses	(1.033.654)	(153.460)
Discount	(348)	(43.877)
Other Receivables	(80.795)	(537.638)
Construction and Repair Progress Billings Over Multiple Years	-	(33.447.873)
TOTAL	(42.496.366)	(63.674.235)

	1 January 2024	1 January 2023
	31 December 2024	31 December 2023
Deferred Tax Asset / (Liability) Movements:		
Opening Balance as of January 1	(63.674.235)	(43.267.274)
Recognized in the Profit or Loss Statement	(7.823.350)	(45.552.322)
Accounted Under Equity	675.796	(204.478)
Monetary (Gain) / Loss	28.325.423	25.349.839
Closing Balance as of 31 December	(42.496.366)	(63.674.235)

NOTE 14. SALES REVENUE AND SALES COST

a) Revenue:

	1 January 2024	1 January 2023
	31 December 2024	31 December 2023
Sales	284.634.287	220.923.211
Domestic	276.470.643	220.414.648
Construction Contract Works	49.414.065	135.376.102
Vehicle Rental Income	10.571.501	25.191.696
Construction Progress Revenues Over Multiple Years	216.485.077	59.846.850
Sales Returns	8.163.644	508.563
TOTAL	284.634.287	220.923.211

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NOTE 14. SALES REVENUE AND SALES COST (CONT'D)

b) Cost of Sales:

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
Cost Of Sold Services (-)	(198.158.365)	(99.945.988)
Personnel Expenses (-)	(141.868.829)	(21.918.820)
External Benefits and Services (-)	(1.612.977)	(2.012.509)
Electricity, Water, Gas Expenses (-)	(78.385)	(233.554)
Raw Materials (-)	(1.325.090)	(3.868.244)
Depletion and Depreciation Expenses (-)	(5.064.548)	(4.924.527)
Maintenance and Repair Expenses (-)	(1.396.823)	(4.558.668)
Rental Expenses (-)	(279.887)	(796.519)
Travel and Transportation Expenses (-)	(147.711)	(325.651)
Fuel Expenses (-)	(3.909.567)	(6.855.041)
Miscellaneous Expenses (-)	(13.031.659)	(16.782.376)
Transportation Expenses (-)	(3.979.035)	(4.589.087)
Subcontractor Expenses (-)	(25.463.854)	(33.080.992)
TOTAL	(198.158.365)	(99.945.988)

NOTE 15. OPERATIONAL EXPENSES

The details of the Company's general administrative expenses by periods are as follows:

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
General Administrative Expenses (-)	(31.604.442)	(30.732.270)
TOTAL	(31.604.442)	(30.732.270)

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
General Administrative Expenses (-)		
Personnel Expenses (-)	(14.996.496)	(9.933.073)
Electricity, Water, Gas Expenses (-)	(420.222)	(637.167)
Consulting and Advisory Services (-)	(1.692.728)	(3.928.491)
Depletion and Depreciation Expenses (-)	(2.214.176)	(2.717.337)
Maintenance and Repair Expenses (-)	(1.896.577)	(3.334.493)
Rental Expenses (-)	(1.898.141)	(2.006.188)
Travel and Transportation Expenses (-)	(713.929)	(1.352.775)
Insurance Expenses (-)	(1.084.147)	(666.479)
Fuel Expenses (-)	(351.875)	(520.866)
Taxes, Duties, and Fees Expenses (-)	(1.057.092)	(1.682.554)
Miscellaneous Expenses (-)	(5.279.059)	(3.952.847)
TOTAL	(31.604.442)	(30.732.270)

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NOTE 16. OTHER OPERATING INCOME AND EXPENSES FROM MAIN ACTIVITIES

The details of other income from main activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
Provisions No Longer Required	-	679.523
Foreign Exchange Gain	49.586.024	100.826.363
Trade Receivables Interest Income from Maturity Differences	1.392	175.508
Other Income	27.935.981	37.056.671
TOTAL	77.523.397	138.738.065

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
Provision Expenses (-)	(1.709.044)	(44.642)
Foreign Exchange Expenses (-)	(4.639.395)	(3.294.789)
Discount Interest Expenses (-)	(1.749.666)	(5.898.987)
Other Expenses (-)	(2.512.906)	(1.516.725)
TOTAL	(10.611.011)	(10.755.143)

NOTE 17. INCOME FROM INVESTMENT ACTIVITIES

The details of income from investment activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
Securities Sale Profits	630.787	484.219
Gain on Sale of Fixed Assets	109.730.023	33.471.192
TOTAL	110.360.810	33.955.411

NOTE 18. FINANCING INCOME AND EXPENSE

The details of financial expenses for the years ended 31 December 2024 and 2023 are as follows:

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
Interest Income	14.132.750	29.260.215
TOTAL	14.132.750	29.260.215

The details of financing income for the years ended 31 December 2024 and 2023 are as follows:

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
Financing Interest Expenses	-	(8.077)
Other Interest Expenses	(104.979)	(22.356)
TOTAL	(104.979)	(30.432)

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NOTE 19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Company's main financial instruments consist of bank loans, cash and short-term deposits. The main purpose of these financial instruments is to finance the Company's operating activities.

a) Capital Risk Management

The company pays attention to maintain the debt-equity balance in a way that minimizes financial risks in its capital management.

The Company regularly predicts future equity amounts, debt-to-equity ratios and similar ratios through regular long-term projections and takes the necessary measures to strengthen equity.

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
Total Borrowings	150.825	8.016
Less: Cash and Cash Equivalents	216.777.549	281.422.797
Net Receivable (Debit)	216.626.724	281.414.781
Adjusted Equity	522.647.700	565.003.732
Net (Receivable) Debt / Adjusted Equity Ratio (%)	41	50

b) Financial Risk Factors

The main risks posed by the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The company management and board of directors examine and accept the policies regarding the management of the following risks. The Company also considers the market value risk of all its financial instruments.

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NOTE 19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

b.1) Credit Risk Management

Carrying values of financial assets show the maximum exposure to credit risk. The maximum exposure to credit risk as of the reporting date is as follows.

	CURRENT PERIOD		Receivables				Bank Deposits
	31 December 2024		Trade Receivables		Other Receivables		
	Related Parties	Other Parties	Related Parties	Other Parties	Related Parties	Other Parties	
Maximum Net Credit Risk As Of Balance Sheet Date (A+B+C+D+E)(1)	-	77.562.728	-	77.562.728	-	1.293.263	216.773.457
The Part Of Maximum Risk Under Guarantee With Collateral	-	-	-	-	-	-	-
A. Net Book Value Of Financial Assets That Are Neither Past Due Nor Impaired (2)	-	77.562.728	-	77.562.728	-	1.293.263	216.773.457
B. Carrying Amount of Financial Assets with Re-Discussed Conditions That Are Considered Overdue or Impaired If Not Re-Discussed (3)	-	-	-	-	-	-	-
C. Net Book Value Of Financial Assets That Renegotiate (6)	-	-	-	-	-	-	-
-Overdue (Gross Net Book Value)	-	-	-	-	-	-	-
D. Net Book Value Of Impaired Asset (4)	-	-	-	-	-	-	-
Overdue (Gross Net Book Value)	-	145.419	-	145.419	-	-	-
Impairment (-)	-	(145.419)	-	(145.419)	-	-	-
The Part Of Net Value Under Guarantee With Collateral Etc.	-	-	-	-	-	-	-
Undue (Gross Net Book Value)	-	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-	-
The Part Of Net Value Under Guarantee With Collateral Etc.	-	-	-	-	-	-	-
E. Credit Risk off the Statement of Financial Position (5)	-	-	-	-	-	-	-

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NOTE 19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

b.1) Credit Risk Management (Cont'd)

	PREVIOUS PERIOD		Receivables					
	31 December 2023		Trade Receivables		Other Receivables		Bank Deposits	
	Related Parties	Other Parties	Related Parties	Other Parties	Related Parties	Other Parties	Related Parties	Other Parties
Maximum Net Credit Risk As Of Balance Sheet Date (A+B+C+D+E)(1)	28.265.838	340.347	28.265.838	340.347	61.964	3.318.177	281.420.972	-
The Part of Maximum Risk Under Guarantee With Collateral	-	-	-	-	-	-	-	-
A. Net Book Value Of Financial Assets That Are Neither Past Due Nor Impaired (2)	28.265.838	340.347	28.265.838	340.347	61.964	3.318.177	281.420.972	-
B. Carrying Amount of Financial Assets with Re-Discussed Conditions That Are Considered Overdue or Impaired If Not Re-Discussed (3)	-	-	-	-	-	-	-	-
C. Net Book Value Of Financial Assets That Renegotiate (6) -Overdue (Gross Net Book Value)	-	-	-	-	-	-	-	-
D. Net Book Value Of Impaired Asset (4) Overdue (Gross Net Book Value)	-	-	-	-	-	-	-	-
Impairment (-)	-	76.355	-	(76.355)	-	-	-	-
The Part Of Net Value Under Guarantee With Collateral Etc. Undue (Gross Net Book Value)	-	-	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-	-	-
The Part Of Net Value Under Guarantee With Collateral Etc. E. Credit Risk off the Statement of Financial Position (5)	-	-	-	-	-	-	-	-

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NOTE 19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

b.2) Liquidity Risk Table

Liquidity risk is the risk that a company will not be able to meet its funding needs. The Company aims to ensure the continuity and variability of cash inflows through long-term bank loans.

The table below shows the maturity distribution of the Company's non-derivative and non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discounting and based on the earliest due dates. Interests to be paid on these liabilities are included in the table below.

Current Period 31 December 2024

Maturities According to the Agreement (Current Period)	Book Value	Total Cash Outflow According to Contract (I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Other Financial Liabilities	150.825	150.825	150.825	-	-	-
Trade Payables	2.518.394	2.519.786	2.519.786	-	-	-
Other Payables	2.908.239	2.908.239	2.908.239	-	-	-
Total Liabilities	5.577.458	5.578.850	5.578.850	-	-	-

Previous Period 31 December 2023

Maturities According to the Agreement (Prior Period)	Book Value	Total Cash Outflow According to Contract (I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Other Financial Liabilities	8.016	8.016	8.016	-	-	-
Trade Payables	3.675.456	3.850.964	3.850.964	-	-	-
Other Payables	7.419.933	7.419.933	7.419.933	-	-	-
Total Liabilities	11.103.405	11.278.913	11.278.913	-	-	-

b.3) Market Risk Management

The Company's operations are primarily exposed to financial risks related to changes in foreign exchange rates and interest rates, as detailed below.

Market risks are also evaluated with sensitivity analysis.

b.3.1) Currency Risk Management

Transactions in foreign currencies cause exchange rate risk.

The distribution of the Company's monetary and non-monetary assets in foreign currency and monetary and non-monetary liabilities as of the balance sheet date is as follows:

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**NOTE 19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(CONT'D)*****b.3.1) Currency Risk Management (Cont'd)***

EXCHANGE POSITION TABLE	Current Period (31 December 2024)		
	TL Equivalent	USD	EUR
1. Monetary Financial Assets (Including Cash Bank Accounts)	153.400.975	4.352.535	2.458
2. Non-Monetary Financial Assets	99.897	2.836	-
3. Current Assets	153.500.872	4.355.371	2.458
4. Total Assets	153.500.872	4.355.371	2.458
5. Net Foreign Currency Asset/(Liability) Position	153.500.872	4.355.371	2.458

EXCHANGE POSITION TABLE	Prior Period (31 December 2023)		
	TL Equivalent	USD	EUR
1. Monetary Financial Assets (Including Cash Bank Accounts)	177.218.037	6.020.002	-
2. Non-Monetary Financial Assets	430.000	14.607	-
3. Current Assets	177.648.037	6.034.609	-
4. Total Assets	177.648.037	6.034.609	-
5. Net Foreign Currency Asset/(Liability) Position	177.648.037	6.034.609	-

Currency Risk Sensitivity

The Company is exposed to currency risk mainly in US Dollar and Euro.

The table below shows the sensitivity of the Company to 10% increase or decrease in USD and Euro exchange rates. The 10% rate is the rate used when reporting the exchange rate risk within the Company to the senior managers, and the said rate expresses the possible change expected by the management in the exchange rates. The sensitivity analysis covers only the outstanding foreign currency denominated monetary items at the end of the year and shows the effects of the 10% increase in foreign currency exchange rates at the end of the year.

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NOTE 19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

b.3) Market Risk Management (Cont.)

b.3.1) Currency Risk Management (Cont.)

Foreign Currency Sensivity Table		
Current Period	31 December 2024	
	Profit and Loss	
	Gain of Foreign Currency	Depreciation of Foreign Currency
Change of USD Against TRY by 10%:		
1- USD Net Assets / Liabilities	15.341.054	(15.341.054)
2- Net Effect of USD	15.341.054	(15.341.054)
Change of EUR Against TRY by 10%:		
3- EUR Net Assets / Liabilities	9.031	(9.031)
4- Net Effect of EUR	9.031	(9.031)
Total	15.350.085	(15.350.085)

Foreign Currency Sensivity Table		
Previous Period	31 December 2023	
	Profit and Loss	
	Gain of Foreign Currency	Depreciation of Foreign Currency
Change of USD Against TRY by 10%:		
1- USD Net Assets / Liabilities	17.764.803	(17.764.803)
2- Net Effect of USD	17.764.803	(17.764.803)
Total	17.764.803	(17.764.803)

b.3.2) Interest Rate Risk Management

The Company's borrowings at fixed and variable interest rates expose it to interest rate risk. The interest rates of financial assets and liabilities are disclosed in the related notes. As of December 31, 2024, the Company is exposed to interest rate risk due to its variable-rate loan.

INTEREST POSITION TABLE	Current Period	Previous Period
	31 December 2024	31 December 2023
Variable Interest Rate Financial Instruments	212.062.942	278.601.686
Financial Assets	211.912.117	278.593.670
Financial Liabilities	150.825	8.016

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**NOTE 20. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES
WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING)**

Financial Assets

It is assumed that the carrying values of financial assets shown at cost, including cash and cash equivalents, are equal to their fair values due to their short-term nature.

It is anticipated that the carrying values of trade receivables, together with the related impairment provisions, reflect the fair value.

Financial Liabilities

The fair values of short-term bank loans and other monetary liabilities are considered to be close to their book values due to their short-term nature.

Bank loans are expressed at discounted cost and transaction costs are added to the initial cost of the loans. Since the Company's floating rate bank loans have been repriced recently, their fair values are considered to represent the value they carry. Since there is no significant change in market interest rates between the date of use of the Company's fixed-rate loan and the reporting date, it is considered that the fair values of the loans represent the value they carry.

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NOTE 20. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING)
(CONT'D)

	Financial Assets / Liabilities Indicated from Amortized Value	Financial Instruments Followed in Other Comprehensive Income Statement That Fair Value	Note
31 December 2024			
Financial Assets			
Cash and Cash Equivalents	216.777.549	-	3
Receivables from Third Parties	77.562.728	-	6
Receivables from third Party Contracts	1.293.263	-	7
Financial Liabilities			
Financial Debts	150.825	-	4
Payables to Third Parties	2.518.394	-	6
Due to Related Party Contracts	2.354.951	-	5,7
Receivables to third Party Contracts			7
31 December 2023			
Financial Assets			
Cash and Cash Equivalents	281.422.797	-	3
Receivables from Related Parties	28.265.838	-	5,6
Receivables from Third Parties	340.347	-	6
Due from Related Party Contracts	61.964	-	5,7
Receivables from third Party Contracts	3.318.177	-	7
Financial Liabilities			
Financial Debts	8.016	-	4
Payables to Third Parties	3.675.456	-	6
Receivables to third Party Contracts	7.419.933	-	7

Company management considers that the book value of financial instruments reflects their fair values.

SETAŞ İNŞAAT TİCARET VE SANAYİ A.Ş.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of TRY as of December 31, 2024 and translated to USD for convenience of readers only at the official exchange rates prevailing at December 31, 2024, unless otherwise indicated)

NOTE 21. EVENTS AFTER THE REPORTING PERIOD

Not available. (31 December 2023: Not available.)

NOTE 22. EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/LOSSES

Non-Monetary Items	31 December 2024
Statement of Financial Position Items	(184.140.538)
Tangible Fixed Assets	62.221.877
Advances Given for Orders	593.619
Short-Term Other Receivables	657.471
Long-Term Other Receivables	563.548
Legal Reserves	(28.665.625)
Capital Adjustment Differences	(233.179.148)
Retained Earnings / Accumulated Losses	13.667.720
Statement of Profit or Loss Items	(25.328.932)
Revenue	(74.781.309)
Cost of Sales	53.802.923
General Administrative Expenses (-)	6.000.903
Finance Income	(1.865.006)
Income and Profits from Operating Activities	(9.122.740)
Expenses and Losses from Operating Activities (-)	636.297
Net Monetary Position Gains/Losses	(209.469.470)

NOTE 23. FEES FOR SERVICES RECEIVED FROM THE INDEPENDENT AUDIT FIRM

The fees for services received from the independent audit firm are as follows, based on the Board Decision published in the Repeated Official Gazette on March 30, 2022, and the related letter dated August 19, 2022, issued by the Public Oversight, Accounting and Auditing Standards Authority;

	1 January 2024
Fees For Services Received From the Independent Audit Firm	31 December 2024
Independent Audit Fee for the Reporting Period	315.000 TL+KDV
Total	315.000 TL+KDV

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