

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023**

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of Hacı Ömer Sabancı Holding A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Hacı Ömer Sabancı Holding A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2023 and the related condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

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

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

Gökhan Yüksel, SMMM
Partner

Istanbul, 9 August 2023

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**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2023 AND 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Note References	Reviewed Current Period 30 June 2023	Audited Prior Period 31 December 2022
ASSETS			
Current Assets		1.037.240.879	720.809.364
Cash and Cash Equivalents	5	117.324.599	64.878.197
Balances with the Central Bank of the Republic Turkey	6	150.907.759	114.589.752
Financial Assets	7	90.677.540	65.154.120
- Fair Value Through Profit or Loss		13.085.336	13.779.757
- Fair Value Through Other Comprehensive Income		59.674.091	28.987.545
- Measured at Amortised Cost		16.562.633	20.654.473
- Time Deposits		1.355.480	1.732.345
Trade Receivables		8.576.886	6.606.610
Receivables from Finance Sector Operations	9	556.085.586	410.059.537
Other Receivables	8	13.630.451	7.702.134
Derivative Instruments	10	42.323.469	10.160.764
Inventories		18.358.876	13.450.139
Prepaid Expenses	11	20.633.076	15.932.110
Deferred Commission Expenses		1.459.183	1.019.808
Current Tax Assets	20	1.530.595	600.741
Other Current Assets	22	15.242.807	10.064.237
Assets Classified As Held for Sale	23	490.052	591.215
Non-current Assets		625.197.324	525.120.563
Financial Assets	7	285.081.364	232.511.741
- Fair Value Through Other Comprehensive Income		176.398.495	147.083.960
- Measured at Amortised Cost		107.692.955	85.427.781
- Time Deposits		989.914	-
Trade Receivables		1.952	1.418
Receivables From Finance Sector Operations	9	218.905.560	196.986.616
Other Receivables	0	1.571.160	1.593.482
Derivative Instruments	10	47.849.257	38.719.765
Investments Accounted Through Equity Method	12	20.238.074	17.611.848
Investment Property		800.897	489.142
Property, Plant and Equipment	13	24.604.588	16.377.089
Right of Use Asset	15	4.315.181	3.132.198
Intangible Assets		18.228.053	14.564.657
- Goodwill	16	5.486.224	4.078.784
- Other Non Current Assets	14	12.741.829	10.485.873
Prepaid Expenses	11	231.929	463.916
Deferred Commission Expenses		1.294.230	972.698
Deferred Tax Assets	20	1.587.096	1.456.256
Other Non Current Assets	22	487.983	239.737
Total Assets		1.662.438.203	1.245.929.927

These consolidated financial statements have been approved for issue by the Board of Directors on 9 August 2023. General Assembly has the right to change these condensed consolidated financial statements.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2023 AND 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Note	Reviewed	Audited
		Current	Prior
	References	Period	Period
		30 June	31 December
		2023	2022
Short Term Liabilities		1.272.457.521	902.103.780
Short Term Borrowings	17	33.958.061	25.356.285
Short Term Portion of Long-Term Borrowings	17	44.154.748	37.578.916
Liabilities from Leasing Transactions	18	980.292	630.347
Trade Payables		17.378.294	15.486.832
Payables of Finance Sector Operations	19	1.085.840.044	749.663.848
Payables related to Employee Benefits		630.621	261.785
Other Payables	8	42.418.561	35.041.548
Derivative Financial Instruments	10	12.991.684	5.798.902
Deferred Income	11	1.118.123	511.771
Current Tax Liabilities	20	1.525.830	10.263.913
Short Term Provisions		28.081.925	17.303.456
- Short Term Provisions for Employee		2.457.998	1.778.295
- Insurance Technical Provisions	21	24.078.532	14.539.144
- Other Short-Term Provisions	21	1.545.395	986.017
Other Short Term Liabilities	22	3.355.985	4.192.286
Liabilities Related to Asset Group Held for Sale	23	23.353	13.891
Long Term Liabilities		160.185.514	143.593.588
Long Term Borrowings	17	86.867.741	73.982.765
Liabilities from Leasing Transactions	18	3.904.168	2.897.906
Payables of Finance Sector Operations	19	19.331.412	24.639.838
Other Payables	8	15.146.637	16.075.205
Derivative Financial Instruments	10	10.794.063	9.308.148
Government Incentives		29.871	28.737
Deferred Income	11	528.553	505.021
Long Term Provisions		19.046.264	13.012.271
- Long Term Provisions for Employee Benefits		3.506.015	2.973.784
- Insurance Technical Provisions	21	13.312.862	8.373.738
- Other Long-Term Provisions	21	2.227.387	1.664.749
Taxes and Funds Payable		12.000	10.829
Deferred Tax Liabilities	20	3.619.670	2.590.383
Other Long Term Liabilities	22	905.135	542.485
EQUITY		229.795.168	200.232.559
Equity Attributable to the Parent		117.862.065	100.832.151
Share Capital		2.040.404	2.040.404
Adjustment to Share Capital		3.426.761	3.426.761
Share Premium		22.237	22.237
Treasury shares (-)		(1.860.159)	(944.255)
Other Equity Reserves		36.558	30.912
Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss			
- Actuarial Gain/Loss		(1.489.666)	(1.220.212)
Other Comprehensive Income or Expenses Will Be Reclassified to Profit or Loss			
- Currency Translation Reserve	27	19.228.622	10.995.205
- Gains/Losses on Hedge	27	(4.836.320)	(2.992.643)
- Revaluation Reserve	27	(918.376)	3.172.128
Restricted Reserves		4.598.533	2.822.896
Retained Earnings		78.213.482	39.650.339
Net Income for the Period		19.399.989	43.828.379
Non-controlling Interests		111.933.103	99.400.408
TOTAL EQUITY AND LIABILITIES		1.662.438.203	1.245.929.927

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HACI ÖMER SABANCI HOLDİNG A.Ş.
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD
ENDED 30 JUNE 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Note References	Reviewed Current Period 1 January- 30 June 2023	Reviewed Prior Period 1 January- 30 June 2022	Not Reviewed 1 April- 30 June 2023	Not Reviewed 1 April- 30 June 2023
CONTINUING OPERATIONS					
Sales (net)	25	46.944.989	28.050.392	25.121.760	15.587.518
Cost of Sales (-)	25	(37.755.088)	(22.234.282)	(20.004.902)	(12.286.580)
Gross Profit From Non-Financial Operations		9.189.901	5.816.110	5.116.858	3.300.938
Interest, Premium, Commission and Other Income	25	117.071.621	61.660.277	63.382.474	35.683.643
Interest, Premium, Commission and Other Expense (-)	25	(58.919.497)	(25.083.023)	(28.484.128)	(14.120.476)
Gross Profit From Financial Operations		58.152.124	36.577.254	34.898.346	21.563.167
GROSS PROFIT		67.342.025	42.393.364	40.015.204	24.864.105
General Administrative Expenses (-)		(23.874.206)	(9.886.283)	(11.925.050)	(5.306.352)
Marketing, Selling and Distribution Expenses (-)		(4.708.420)	(2.460.572)	(2.423.973)	(1.296.384)
Research and Development Expenses (-)		(94.279)	(38.879)	(47.835)	(21.883)
Other operating Income	26	10.157.343	4.925.267	8.148.043	3.486.214
Other operating Expenses	26	(3.878.297)	(2.363.354)	(2.699.173)	(1.399.842)
Share of profit/loss of investments accounted for using the equity method	12	4.500.172	2.492.096	2.631.739	1.250.093
OPERATING PROFIT		49.444.338	35.061.639	33.698.955	21.575.951
Gains From Investment Activities	27	679.921	3.538.154	427.892	201.287
Losses From Investment Activities (-)	27	(10.442)	(3.084)	(2.222)	(119)
OPERATING PROFIT BEFORE					
FINANCIAL INCOME / (EXPENSES)		50.113.817	38.596.709	34.124.625	21.777.119
Financial Income	28	544.058	480.045	428.384	299.498
Financial Expenses (-)	28	(2.366.769)	(1.073.923)	(1.430.537)	(556.064)
NET INCOME BEFORE TAX					
FROM CONTINUING OPERATIONS		48.291.106	38.002.831	33.122.472	21.520.553
Tax Income / (Expense) from Continuing Operations					
Current Tax Expense	20	(2.528.789)	(5.061.228)	1.363.618	6.402.105
Deferred Tax Income/(Expense)	20	(5.688.323)	(2.867.004)	(7.635.875)	(11.266.672)
PROFIT FOR THE PERIOD					
FROM CONTINUING OPERATIONS		40.073.994	30.074.599	26.850.215	16.655.986
DISCONTINUED OPERATIONS					
Income After Tax from Discontinued Operations		(98)	(2.394)	(50)	(2.347)
PROFIT FOR THE PERIOD		40.073.896	30.072.205	26.850.165	16.653.639
ALLOCATION OF PROFIT					
- Non-controlling Interests		20.673.907	13.730.092	13.537.235	8.562.249
- Owner of the Company		19.399.989	16.342.113	13.312.930	8.091.390
Earnings per share					
- hundreds of ordinary shares (TRY)		9,51	8,01	6,53	3,97
Earnings per share from continuing operations					
- hundreds of ordinary shares (TRY)		9,51	8,01	6,53	3,97

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HACI ÖMER SABANCI HOLDİNG A.Ş.
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE
INTERIM PERIOD ENDED 30 JUNE 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Reviewed Current Period 1 January- 30 June 2023	Reviewed Prior Period 1 January- 30 June 2022	Not Reviewed 1 April- 30 June 2023	Not Reviewed 1 April- 30 June 2023
INCOME FOR THE PERIOD	40.073.896	30.072.205	26.850.165	16.653.639
Other Comprehensive Income / (Loss):				
Items that will not be Reclassified				
To Profit or Loss	(507.702)	(280.840)	(346.706)	(247.843)
Actuarial (losses) / gains	(484.404)	(257.404)	(325.200)	(220.862)
Other comprehensive income/(expense)				
shares of investments accounted				
by equity method, after tax	(23.298)	(23.436)	(21.506)	(26.981)
Items that will be Reclassified				
To Profit or Loss	194.665	8.717.791	2.143.202	24.849
Fair value gains/(losses) from				
financial assets through other				
comprehensive income, after tax	(10.066.238)	3.133.724	(7.406.099)	(2.949.777)
Currency translation differences	15.009.460	3.993.858	13.561.600	2.045.599
Cash flow hedges, after tax	88.698	2.973.008	326.485	1.521.868
Loss from the derivative				
financial assets related to the hedging				
of net investment in a foreign operation, after tax	(4.998.879)	(1.437.607)	(4.461.701)	(682.854)
Other comprehensive income/(expense) shares of				
investments accounted by equity method, after tax	161.624	54.808	122.917	90.013
OTHER COMPREHENSIVE				
INCOME (AFTER TAX)	(313.037)	8.436.951	1.796.496	(222.994)
TOTAL COMPREHENSIVE INCOME	39.760.859	38.509.156	28.646.661	16.430.645
ALLOCATION OF TOTAL				
COMPREHENSIVE INCOME				
- Non-controlling Interests	18.331.088	18.277.622	12.617.503	8.165.343
- Equity Holders of the Parent	21.429.771	20.231.534	16.029.158	8.265.302

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Accumulated Other Comprehensive Income or Loss That Will															
	Not be reclassified					Be reclassified					Restricted reserve	Retained earnings for the period to the parent	Net income	Equity attributable	Non-controlling interest	Total
	Profit or Loss					Profit or Loss										
	Share capital	Adjustment to share capital	Treasury shares (-)	Share premium	Other equity shares	Actuarial gains / losses	Currency translation reserve	Hedge reserve	Revaluation funds							
Balance at 1 January 2022	2.040.404	3.426.761	(298.646)	22.237	-	(238.606)	6.690.649	(2.450.148)	(719.033)	1.532.498	29.378.702	12.032.098	51.416.916	52.187.266	103.604.182	
Transfers	-	-	-	-	-	-	-	-	-	343.960	11.688.138	(12.032.098)	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	(1.558.437)	-	(1.558.437)	(895.009)	(2.453.446)	
Subsidiary disposals	-	-	-	-	-	-	25.245	-	-	-	-	2.643.361	2.668.606	-	2.668.606	
Other changes	-	-	-	-	-	-	-	-	-	-	87.175	-	87.175	4.486	91.661	
Share buy back transactions	-	-	(770.685)	-	-	-	-	-	-	770.685	(770.685)	-	(770.685)	-	(770.685)	
Total comprehensive income	-	-	-	-	-	(138.250)	2.035.726	679.759	1.286.941	-	-	13.698.752	17.562.928	18.277.622	35.840.550	
Balances at 30 June 2022	2.040.404	3.426.761	(1.069.331)	22.237	-	(376.856)	8.751.620	(1.770.389)	567.908	2.647.143	38.824.893	16.342.113	69.406.503	69.574.365	138.980.868	
Balance at 1 January 2023	2.040.404	3.426.761	(944.255)	22.237	30.912	(1.220.212)	10.995.205	(2.992.643)	3.172.128	2.822.896	39.650.339	43.828.379	100.832.151	99.400.408	200.232.559	
Transfers	-	-	-	-	-	-	-	-	-	859.733	42.968.646	(43.828.379)	-	-	-	
Dividends (*)	-	-	-	-	-	-	-	-	-	-	(3.482.106)	-	(3.482.106)	(5.808.091)	(9.290.197)	
Increase / (decrease) due to shared-based transactions	-	-	-	-	5.646	-	-	-	-	-	-	-	5.646	-	5.646	
Other changes	-	-	-	-	-	-	-	-	-	-	136	-	136	-	136	
Transaction with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7.629)	-	(7.629)	9.698	2.069	
Share buy back transactions (**)	-	-	(915.904)	-	-	-	-	-	-	915.904	(915.904)	-	(915.904)	-	(915.904)	
Total comprehensive income	-	-	-	-	-	(269.454)	8.233.417	(1.843.677)	(4.090.504)	-	-	19.399.989	21.429.771	18.331.088	39.760.859	
Balances at 30 June 2023	2.040.404	3.426.761	(1.860.159)	22.237	36.558	(1.489.666)	19.228.622	(4.836.320)	(918.376)	4.598.533	78.213.482	19.399.989	117.862.065	111.933.103	229.795.168	

(*) Dividends per share paid by the Holding with a TRY1 nominal value is TRY1,75 (2022: TRY0,75).

(**) Considering the transactions that were matched as of 30 June 2023, shares with a nominal value of full TRY22.986 corresponding to 1,13% of the Company’s share capital were repurchased.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HACI ÖMER SABANCI HOLDİNG A.Ş.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE INTERIM PERIOD
ENDED 30 JUNE 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Note	Reviewed Current Period 1 January- 30 June 2023	Reviewed Prior Period 1 January- 30 June 2022
Net income from continuing operations		40.073.994	30.074.599
Net income from discontinued operations		(98)	(2.394)
Adjustments to reconcile income before taxation to net cash provided by operation activities:			
Tax expense/income		8.217.112	7.928.232
Depreciation and amortization expenses	4	2.427.469	1.522.148
Provision for loan losses		7.236.778	16.363.393
Fair value losses/(gains) on derivative instruments		24.160.988	1.774.225
Interest income/expense and foreign currency gains		(21.708.349)	(15.616.799)
Provision for employment termination benefits		458.669	170.568
Impairment on property, plant and equipment		164	657
Impairment an assets held for sale		50	225
Losses/(gains) on disposal of non-current assets		3.614	(153.527)
Undistributed profits of investments account for using the equity method	12	(4.500.172)	(2.492.096)
Provision for / (reversal of) inventory impairment		93.243	(4.050)
Provision for / (reversal of) doubtful receivables		(80.898)	(43.974)
Unrealised foreign exchange losses/(gains)		(1.134.996)	(5.707.935)
Adjustments for losses (gains)		-	(2.766.445)
Adjustments related to shared-based payments		5.646	-
Net cash provided by operation activities before changes in operating assets and liabilities			
Changes in trade receivables		(1.889.911)	(1.913.008)
Changes in inventories		(5.001.980)	(3.595.900)
Changes in other receivables		(5.903.926)	(3.112.754)
Changes in prepaid expenses		(4.463.774)	(2.566.873)
Changes in derivative financial instruments		(61.985.923)	(8.382.181)
Changes in other assets		(12.632.291)	(8.076.643)
Changes in trade payables		1.891.462	2.488.370
Changes in other liabilities and other payables		24.285.473	28.587.597
Net cash provided in operating activities of assets classified as held for sale		110.625	184.693
Changes in assets and liabilities in finance segment:			
Changes in financial investments		(3.114.594)	3.124.660
Changes in receivables from finance sector operations		(172.633.074)	(133.176.931)
Changes in payables from finance sector operations		340.558.485	156.653.608
Changes in Central Bank of the Republic of Turkey account		(36.318.007)	(42.097.448)
Income taxes paid		(12.196.726)	(11.787.566)
Employment termination benefits paid		(675.120)	(58.265)
Net cash provided from operating activities		105.283.933	7.318.186
Cash flow from investing activities			
Cash inflows/(outflows) from purchase/sale of financial assets measured at fair value through other comprehensive income and measured		(77.279.894)	(38.296.152)
Cash outflows from purchases of property, plant and equipment and intangible asset	4	(7.483.393)	(2.792.377)
Cash inflows from sale of property, plant and equipment and intangible assets	4	567.106	514.333
Cash outflows from purchases of investment properties		(312.528)	-
Cash inflows caused by share sales or capital decrease of associates and/or joint ventures		-	3.069.577
Cash outflows from acquisitions or capital increases in associates and/or joint ventures		-	(746.690)
Dividends received		2.637.677	1.354.860
Other cash inflows/outflows		-	128.665
Net cash provided from / (used in) investing activities		(81.871.032)	(36.767.784)
Cash flow from financing activities			
Cash inflows from financial liabilities	17	36.896.047	27.475.461
Cash outflows from repayments of borrowings	17	(14.621.123)	(9.509.857)
Cash outflows from payments of lease liabilities	18	(786.385)	(479.869)
Cash inflow/(outflow) from repurchased shares		(915.904)	(770.685)
Interest received		36.417	6.154
Dividends paid		(9.290.197)	(2.453.446)
Net cash provided from / (used in) financing activities		11.318.855	14.267.758
Effect of change in foreign currency rates on cash and cash equivalents		13.940.988	8.790.825
Net increase / (decrease) in cash and cash equivalents		48.672.744	(6.391.015)
Cash and cash equivalents in the beginning of the period (*)		54.073.134	51.775.624
Cash and cash equivalents at the end of the period		102.745.878	45.384.609

(*) Cash and cash equivalents at the end of the period comprise interest accruals of TRY6.902 (31 December 2022: TRY9.928). At the beginning and at the end of the current period, restricted deposit is TRY10.805.063 and TRY14.571.819, respectively (31 December 2022: TRY17.642.259 and TRY10.805.063 respectively).

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

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NOTE 1 - ORGANISATION AND OPERATIONS OF THE GROUP

Hacı Ömer Sabancı Holding A.Ş. (the “Holding”) was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey. The number of employees as of 30 June 2023 is 63.476 (31 December 2022: 67.375). Holding’s registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye.

The Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on Borsa Istanbul (“BİST”) (previously known as the Istanbul Stock Exchange (“ISE”)) since 1997. As of 30 June 2023, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 24):

	(%)
Sakıp Sabancı Holding A.Ş.	14,07
Serra Sabancı	7,22
Suzan Sabancı Dinçer	6,94
Çiğdem Sabancı Bilen	6,94
Other	64,83
	100

The Holding, its subsidiaries, associates and joint ventures are together referred as the “Group”. The Holding is managed by Sabancı Family.

Subsidiaries

As of 30 June 2023, the type of activity of subsidiaries and their respective business segments in these condensed consolidated financial statements for the interim period are as follows:

Subsidiaries	Trade Stock Market	Type of Activity	Business Segment	Employee s	Registered Country
Agesa Hayat ve Emeklilik A.Ş. (“Agesa”)	BİST	Individual Pension	Financial Services	1.706	Turkey
Akbank T.A.Ş. (“Akbank”)	BİST	Banking	Banking	15.095	Turkey
Aksigorta A.Ş. (“Aksigorta”)	BİST	Insurance	Financial Services	714	Turkey
Ankara Enternasyonel Otelcilik A.Ş. (“AEO”)	-	Tourism	Other	1	Turkey
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	BİST	Trade	Other	14.040	Turkey
Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa”)	BİST	Cement	Building Materials	2.383	Turkey
Dx Technology Services and Investment BV (“Dx BV”)	-	Information Technology	Digital	523	Holland
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (“Exsa”)	-	Trade	Other	61	Turkey
Sabancı Building Solutions BV (“SBS”)	-	Cement	Building Materials	195	Holland
Sabancı İklim Teknolojileri A.Ş. (“İklim Teknolojileri”)	-	Energy	Energy	6	Turkey
Kordsa Teknik Tekstil A.Ş. (“Kordsa”)	BİST	Tire reinforcement	Industry	4.945	Turkey
Teknosa İç ve Dış Ticaret A.Ş. (“Teknosa”)	BİST	Trade	Digital	2.824	Turkey
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. (“Tursa”)	-	Tourism	Other	2	Turkey

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NOTE 1 - ORGANISATION AND OPERATIONS OF THE GROUP (Continued)

Subsidiaries (Continued)

In addition, A.R.T.S., which was established as a "Structured Entity" in November 1999 to provide long-term financing from abroad, which the Bank has 100% controlling power even though it is not a subsidiary, has been included in the consolidation by full consolidation method.

For the purposes of segment information, Holding’s stand-alone financial statements have been included within the “Other” business segment in Note 4.

Joint Ventures

As of 30 June 2023, the nature of business and operating segments of the Joint Ventures which are accounted through equity method in the consolidated financial statements are as follows:

Joint Ventures	Trade Stock Market	Type of Activity	Business Segment	Number of Ventures	Employees
Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”)	BİST	Cement	Building Materials	Heidelberg	1.955
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (“Brisa”)	BİST	Tire	Industry	Bridgestone	3.203
Enerjisa Enerji A.Ş. (“Enerjisa Enerji”)	BİST	Energy	Energy	E.ON SE	11.944
Enerjisa Üretim Santralleri A.Ş. (“Enerjisa Üretim”)	-	Energy	Energy	E.ON SE	1.567
Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (“Temsa Ulaşım Araçları”)	-	Automotive	Other	PPF Industry CO. B.V.	1.689

All the Joint Ventures are registered in Turkey.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 *Statement of Compliance with TFRS*

Sabancı Holding, its Subsidiaries and Joint Ventures registered in Turkey maintain their books of accounts and prepare their statutory financial statements (“Statutory Financial Statements”) in TRY in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance, applicable Turkish insurance laws for insurance companies and banking law, accounting principles and instructions promulgated by the Banking Regulation and Supervising Agency for banks and accounting principles issued by the CMB for listed companies. The foreign Subsidiaries and Joint Ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Turkish Financial Reporting Standards (“TFRS”).

The accompanying interim condensed consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations (“TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

In accordance with the Turkish Accounting Standard No: 34 “Interim Financial Reporting”, entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

Additionally, the interim condensed consolidated financial statements and disclosures are presented in accordance with the formats published by CMB on 7 June 2013 and the announcement published by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 15 April 2019. The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

POA made an announcement on 20 January 2022 in order to eliminate the hesitations regarding the application of TAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29 Financial Reporting in Hyperinflationary Economies) in 2022 financial reporting period for the entities applying Turkish Financial Reporting Standards (“TFRS”). Accordingly, it has been stated that the entities applying TFRS should not adjust financial statements for TAS 29 Financial Reporting in Hyperinflationary Economies, and no new explanation has been made by the POA regarding the application of TAS 29. Considering that no new explanation has been made as of the date of these consolidated financial statements were prepared, no inflation adjustment was made in accordance with TAS 29 while preparing the consolidated financial statements as of 30 June 2023.

Functional and Presentation Currency

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

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(Continued)

2.1 Basis of Presentation(Continued)

2.1.2 New and Revised Turkish Accounting Standards

The accounting policies adopted in preparation of the interim condensed consolidated financial statements for the period 1 January - 30 June 2023 are consistent with those of the financial statements as at 31 December 2022, except for the adoption of new and amended standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as at 1 January 2023.

Standards, amendments and interpretations that are applicable from 30 June 2023:

- TAS 1 - "Practice statement 2" and narrow scope amendments on TAS 8
- TAS 12 - "Deferred tax related to assets and liabilities arising from a single transaction (Amendments)"
- TFRS 17 – "Insurance Contracts"
- TAS 12 – "International tax reform and pillar two model rules (Amendments)"

These changes did not have a significant impact on the financial position and performance of the Group.

Standards and amendments that are issued but not effective as of 30 June 2023:

- TAS 1 - "Non current liabilities with covenants (Amendments)"
- TFRS 16 - "Leases on sale and leaseback (Amendments)"
- TFRS 16- "General requirements for disclosure of sustainability-related financial information"
- TFRS 16 – "Climate-related disclosures"

The impacts of these amendments on the financial position and performance of the Group is being assessed.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(Continued)

2.1 Basis of Presentation(Continued)

2.1.3 Basis of Consolidation

a) The consolidated financial statements include the accounts of the parent company, Hacı Ömer Sabancı Holding A.Ş., its Subsidiaries and Joint Ventures (collectively referred to as the “Group”) on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements, and are prepared in accordance with Turkish Financial Reporting Standards as explained in Note 2.1.1. The result of operations of Subsidiaries, Joint Ventures and Associates are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively.

b) Subsidiaries are companies in which the Holding has the power to control the financial and operating policies for the benefit of the Holding either through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or certain Sabancı family members and companies whereby the Holding exercises control over the voting rights of the shares held by them.

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

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

The companies which Holding has less than 50% shares are considered as subsidiaries since Holding exercises a dominant influence and power to govern the financial and operating policies through exercise of voting power related to shares held by Holding together with voting power which Holding effectively exercises related to shares held by Sabancı family members. Sabancı family members allow Holding to exercise voting power in respect of shares held in these companies. In the accompanying consolidated financial statements the shares held by Sabancı family members are presented as non-controlling interest.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(Continued)

2.1 Basis of Presentation(Continued)

2.1.3 Basis of Consolidation(Continued)

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and the effective interest of the Holding in these subsidiaries at 30 June 2023 and 31 December 2022:

	30 June 2023		31 December 2022	
	Direct and indirect ownership interest by the Holding and its subsidiaries	Proportion of ownership Interest (%)	Direct and indirect ownership interest by the Holding and its subsidiaries	Proportion of ownership Interest (%)
Subsidiaries				
AEO	76,85	76,85	76,85	76,85
Agesa (*)	40,13	40,13	40,00	40,00
Akbank	40,75	40,75	40,75	40,75
Aksigorta	36,00	36,00	36,00	36,00
Carrefoursa	57,12	57,12	57,12	57,12
SBS	100,00	83,24	100,00	83,24
Çimsa	63,52	58,10	63,52	58,10
Dx BV	100,00	100,00	100,00	100,00
Exsa	61,68	47,90	61,68	47,90
Kordsa	71,11	71,11	71,11	71,11
Teknosa	50,00	50,00	50,00	50,00
Tursa	100,00	100,00	100,00	100,00
Sabancı İklim Teknolojileri	100,00	100,00	100,00	100,00

(*) Sabancı Holding's ownership interest in the related company has changed due to the scope of Agesa's share buy-back programme.

The balance sheets and statements of profit or loss of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the shares held by the Holding and its Subsidiaries is deducted from the related shareholders' equity. Intercompany transactions and balances between the Holding and its Subsidiaries are eliminated in consolidation. The cost of financing the shares in Subsidiaries held by the Holding and its Subsidiaries and the dividends pertaining to these shares are deducted from equity and income for the period, respectively.

The Subsidiaries are included into or excluded from the scope of consolidation subsequent to the date of transmission of the control to the Group. The shares of non-controlling shareholders in the net assets and operating results of Subsidiaries are presented in the consolidated balance sheet and profit or loss table as non-controlling interests. Sabancı Family, “Sabancı Foundation” and a retirement fund for Akbank employees called “Akbank Retirement Fund” established both by Sabancı Family, have a share in the capitals of some subsidiaries and affiliates which are accounted in the consolidated financial statements. This share is considered as non-controlling share in the consolidated financial statements and it is not included in the current period profit.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(Continued)

2.1 Basis of Presentation(Continued)

2.1.3 Basis of Consolidation(Continued)

e) Joint venture - Holding and its subsidiaries have rights on net assets relating to operations subject to a joint arrangement, such net assets are accounted through equity method in the consolidated financial statements.

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 30 June 2023 and 31 December 2022:

	30 June 2023		31 December 2022	
	Direct and indirect ownership interest by the Holding and its subsidiaries	Proportion of ownership Interest (%)	Direct and indirect ownership interest by the Holding and its subsidiaries	Proportion of ownership Interest (%)
Joint Ventures				
Akçansa	39,72	39,72	39,72	39,72
Brisa	43,63	43,63	43,63	43,63
Enerjisa Enerji	40,00	40,00	40,00	40,00
Enerjisa Üretim	50,00	50,00	50,00	50,00
Temsa Ulaşım Araçları	50,00	23,95	50,00	23,95

Investments in Joint Ventures were consolidated by equity method. Sabancı family members do not have any interest in the share capital of the Joint Ventures.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(Continued)

2.1 Basis of Presentation(Continued)

2.1.4 Comparatives and Restatement of Prior Year Financial Statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. Comparative information is reclassified when deemed necessary in order to comply with the presentation of the current period consolidated financial statements.

2.2 Changes in Accounting Policies and Estimates and Errors

Changes made in the accounting policies and corrections regarding accounting errors are applied retrospectively and prior year financial statements are restated.

If changes in accounting estimates and errors are for only one period, changes are applied in the current year but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively. There has been no change in the accounting policies and estimates of the Group's consolidated financial statements.

If any significant accounting errors are found out, changes are applied retrospectively and prior year's financial statements are restated. There has been no significant accounting error that the Group determined in the current year.

The preparation of consolidated financial statements in conformity with Turkish Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates. Estimates are regularly reviewed, related corrections are adjusted and accounted for related period income statement. Changes in accounting estimates, if only for a period in which the change in the current period, if it relates to future periods, both in the period they are recognized in future periods, prospectively applied to the financials to see the effect on net profit/loss for the period

2.3 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended 30 June 2023 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these interim condensed consolidated financial statements for the period ended 30 June 2023 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2022. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(Continued)

2.4 Critical accounting estimates and assumptions

When preparing the consolidated financial statements according to Turkish Financial Reporting Standards, Group management must make some assumptions and estimations which identify the amount of income and expenses as of the reporting period, which identify liabilities and commitments likely to occur as of the balance sheet date and which may affect the amount of assets and liabilities which are reported. These estimations and assumptions may differ from actual results even though they are based on the best knowledge of Group management regarding current events and transactions. Estimations are reviewed regularly, and necessary adjustments are made and reflected on the statement of income for the relevant period. If changes in accounting estimations are related to one period only, they are reflected in the financial statements in the current period of the change. If they are related to future periods, they are reflected in the financial statements prospectively, both in the period of the change and in the future period, and are considered when defining the net period profit or loss.

NOTE 3 - BUSINESS COMBINATIONS

The business combinations between the period 1 January and 30 June 2023 are as follows

None.

The business combinations between the period 1 January and 30 June 2022 are as follows:

51% of the shares in Radiflow Ltd., a global cyber security company operating in the Middle East, USA, European and Asian markets, have been acquired by DxBV in consideration for USD 30.729 post customary adjustments as per acquisition and closing procedures which is a company incorporated in the Netherlands of which Holding is the sole and founding shareholder, as of May 30. Moreover, 100% of the shares in SEM İnternet Reklam Hizmetleri ve Danışmanlık A.Ş. and Liberdatum İnternet Reklam Hizmetleri ve Danışmanlık A.Ş, digital marketing companies operating in Turkey, have been acquired by DxBV as of June 30, 2022 in consideration for a total of USD 14.780 post customary adjustments as per acquisition and closing procedures. Both companies became subsidiaries of DxBV after the acquisition.

In this scope, the fair values of the identifiable assets, liabilities, and conditional liabilities of relevant companies as of the reporting period were predicted by preparing financial statements as per TFRS and were reflected in the financial statements as temporary amounts.

As per the TFRS 3 standard, the measuring period was defined to be a maximum of one year as of the date of purchase, and if added information arises following the completion of the report, additional assets and liabilities may be recognized.

Purchase price and recognized assets and liabilities at the date of purchase:

	<u>Radiflow (TRY)</u>
Purchased assets	341.287
Purchased liabilities	175.846
Total net identifiable assets	165.441
Corresponding to 51%of the purchased	84.375
Cash outflow due to acquisitions	504.019
Ownership rate	51%
Goodwill	419.644

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NOTE 3 - BUSINESS COMBINATIONS (Continued)

The business combinations between the period 1 January and 31 December 2022 are as follows (continued):

Purchase price and recognized assets and liabilities at the date of purchase:

	<u>Sem&Liberdatum (TRY)</u>
Purchased assets	214.345
Purchased liabilities	125.799
Total net identifiable assets	88.546
Cash outflow due to acquisitions	248.141
Ownership rate	100%
Goodwill	159.595

The portion of the purchase price exceeding the fair value of the identifiable assets, liabilities and contingent liabilities acquired because of the purchase amounted by full TRY419.644 and full TRY159.595, respectively, are recorded as goodwill on balance sheet.

Microtex's shares representing 60% were purchased by the Kordsa from Microtex Composites S.r.l (Microtex) on 5 August 2022 amounted by TRY489.565.

A third-party valuation institution is carrying out a study to determine the fair value of identifiable assets and liabilities via the purchasing method according to TFRS 3 Business Combinations standard (TFRS 3), the allocation of the purchasing amount to tangible and intangible fixed assets and value appraisal studies are ongoing as of the date of the report. In this scope, the fair values of the identifiable assets, liabilities, and conditional liabilities of relevant companies as of the reporting period were predicted by preparing financial statements as per TFRS and were reflected in the financial statements as temporary amounts. As per the TFRS 3 standard, the measuring period was defined to be a maximum of one year as of the date of purchase, and if added information arises following the completion of the report, additional assets and liabilities may be recognized.

Purchase price and recognized assets and liabilities at the date of purchase:

	<u>Microtex (TRY)</u>
Purchased assets	806.172
Purchased liabilities	334.187
Total net identifiable assets	471.985
Corresponding to 60%of the purchased	283.191
Cash outflow due to acquisitions	489.565
Ownership rate	60%
Goodwill	206.374

The portion of the purchase price exceeding the fair value of the identifiable assets, liabilities and contingent liabilities acquired as a result of the purchase amounted by TRY206.374 is recorded as goodwill on balance sheet.

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NOTE 4 - SEGMENT REPORTING

Group has established Sabancı Holding Digital Group Line in line with its portfolio management strategies and growth plans in digital businesses. The Group’s subsidiaries DxBV and Teknosa companies, which have recently started their digital transformation with technology marketplace services, have started to be followed under the Digital segment. CarrefourSA, a subsidiary of the Group, which was previously in the retail segment, started to be followed in the other segment. 1 January – 30 June 2022 segment figures has been restated to include the changes in the 1 January – 30 June 2023 period.

The financial information of the Joint Ventures has been included in the segment results, prepared within the framework of the Group’s managerial approach, by full consolidation method (as 100%). The segment reporting information prepared in conformity with this approach is defined as “combined financial information”

1 January - 30 June 2023	Banking	Financial Services	Energy	Industry	Building Materials	Digital	Other
Combined revenue	103.749.938	14.316.500	76.560.912	19.362.102	14.427.775	15.267.648	22.165.373
Combined gross profit	58.830.153	(2.907.283)	13.834.928	4.398.003	3.495.619	2.468.994	11.100.695
Operating expenses	(20.588.144)	(1.677.116)	(3.443.031)	(2.221.531)	(707.841)	(1.671.751)	(3.631.975)
Other operating income/(expenses) (net)	551.338	5.719.372	1.135.672	39.169	30.195	(37.657)	(395.133)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net)	-	516.182	(1.144.218)	(95.247)	284.531	(304.445)	(214.912)
Profit of joint ventures income	-	-	-	-	-	-	(30.079)
Combined operating profit	38.793.347	1.651.155	10.383.351	2.120.394	3.102.504	455.141	6.828.596
Gains/(losses) from investment activities (net)	61.343	316.395	5.648	247.823	381.697	58.536	2.399.716
Financial income/expenses (net)	-	(295.370)	(2.173.063)	(784.249)	(406.982)	(338.149)	(448.832)
Combined profit before tax	38.854.690	1.672.180	8.215.936	1.583.968	3.077.219	175.528	8.779.480
Tax income/(expense) (net)	(6.841.350)	(500.894)	(926.672)	(386.442)	(219.651)	(53.658)	(599.254)
Profit after tax from discontinued operations	-	-	-	(98)	-	-	-
Combined net profit for the period	32.013.340	1.171.286	7.289.264	1.197.428	2.857.568	121.870	8.180.226
Net profit for the period (*)	13.045.436	451.854	3.388.060	460.509	1.345.017	17.237	691.876
1 January - 30 June 2022	Banking	Financial Services	Energy	Industry	Building Materials	Digital	Other
Combined revenue	55.144.419	7.087.764	62.056.979	14.750.972	8.838.364	6.849.011	10.227.433
Combined gross profit	36.566.007	(1.239.567)	10.355.155	3.763.804	1.518.765	1.133.951	4.338.268
Operating expenses	(8.407.756)	(901.131)	(3.134.864)	(1.487.478)	(358.415)	(680.170)	(1.806.593)
Other operating income/(expenses) (net)	417.443	2.243.811	1.215.382	34.113	(1.158)	(2.538)	(37.276)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net)	-	90.192	(1.115.583)	(336.779)	93.263	(77.901)	(160.033)
Profit of joint ventures income	-	-	-	-	-	-	2.237
Combined operating profit	28.575.694	193.305	7.320.090	1.973.660	1.252.455	373.342	2.336.603
Gains/(losses) from investment activities (net)	52.534	245.504	1.424	15.650	13.098	15.101	4.578.752
Financial income/expenses (net)	-	(54.098)	(2.167.283)	94.292	(267.785)	(166.097)	(321.739)
Combined profit before tax	28.628.228	384.711	5.154.231	2.083.602	997.768	222.346	6.593.616
Tax income/(expense) (net)	(7.461.040)	(88.647)	(985.329)	(266.051)	263.186	(21.023)	(411.186)
Profit after tax from discontinued operations	-	-	-	(2.394)	-	-	-
Combined net profit for the period	21.167.188	296.064	4.168.902	1.815.157	1.260.954	201.323	6.182.430
Net profit for the period (**)	8.625.629	124.167	1.969.831	955.488	670.161	108.236	3.888.601

(*) Represents consolidated net profit attributable to the equity holders of the parent.

(**) Combined figures in segment reporting represent amounts after subconsolidation of the Group's subsidiaries.

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NOTE 4 - SEGMENT REPORTING (Continued)

1 April - 30 June 2023	Banking	Financial Services	Energy	Industry	Building Materials	Digital	Other
Combined revenue	56.174.458	7.617.493	36.683.430	9.506.111	7.780.025	8.240.239	8.413.282
Combined gross profit	35.720.984	(2.960.912)	5.581.105	2.197.058	2.207.736	1.367.377	2.289.536
Operating expenses	(10.184.793)	(826.622)	426.962	(1.135.011)	(371.213)	(907.145)	(1.833.380)
Other operating income/(expenses) (net)	187.502	4.713.588	1.286.340	32.806	(13.478)	(37.096)	(77.127)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net)	-	486.146	(750.717)	(102.414)	265.972	(246.727)	(83.154)
Profit of joint ventures income	-	-	-	-	-	-	(14.417)
Combined operating profit	25.723.693	1.412.200	6.543.690	992.439	2.089.017	176.409	281.458
Gains/(losses) from investment activities (net)	22.185	224.137	1.791	134.475	222.034	58.455	2.119.503
Financial income/expenses (net)	-	(166.414)	(1.116.096)	(414.492)	(181.703)	(146.233)	(244.742)
Combined profit before tax	25.745.878	1.469.923	5.429.385	712.422	2.129.348	88.631	2.156.219
Tax income/(expense) (net)	(5.421.615)	(292.350)	(903.853)	(142.286)	(233.607)	(34.782)	(265.642)
Profit after tax from discontinued operations	-	-	-	(50)	-	-	-
Combined net profit for the period	20.324.263	1.177.573	4.525.532	570.086	1.895.741	53.849	1.890.577
Net profit for the period (*)	8.282.137	449.868	2.082.879	204.046	940.156	2.579	1.351.265
1 April - 30 June 2022	Banking	Financial Services	Energy	Industry	Building Materials	Digital	Other
Combined revenue	32.080.556	3.930.468	34.724.926	7.876.405	5.348.379	3.607.275	4.683.343
Combined gross profit	22.032.343	(1.157.283)	5.321.100	1.717.838	1.079.763	617.791	1.296.058
Operating expenses	(4.400.204)	(482.390)	(1.740.146)	(829.912)	(189.661)	(345.041)	(968.136)
Other operating income/(expenses) (net)	301.316	1.755.275	850.441	46.102	(8.865)	(386)	(13.910)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net)	-	63.392	(557.997)	(207.932)	74.304	(33.092)	(86.295)
Profit of joint ventures income	-	-	-	-	-	-	3.590
Combined operating profit	17.933.455	178.994	3.873.398	726.096	955.541	239.272	231.307
Gains/(losses) from investment activities (net)	23.632	91.242	488	13.924	6.039	7.960	819.925
Financial income/expenses (net)	-	(24.501)	(1.078.441)	80.600	(116.668)	(97.582)	(169.634)
Combined profit before tax	17.957.087	245.735	2.795.445	820.620	844.912	149.650	881.598
Tax income/(expense) (net)	(4.844.497)	(56.166)	(549.373)	(101.526)	242.014	(4.986)	(154.184)
Profit after tax from discontinued operations	-	-	-	(2.347)	-	-	-
Combined net profit for the period	13.112.590	189.569	2.246.072	716.747	1.086.926	144.664	727.414
Net profit for the period (**)	5.343.380	77.013	1.027.718	391.369	580.165	80.593	591.152

(*) Represents consolidated net profit attributable to the equity holders of the parent.

(**) Combined figures in segment reporting represent amounts after subconsolidation of the Group's subsidiaries

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NOTE 4 - SEGMENT REPORTING (Continued)

a)Revenue	1 January- 30 June 2023	1 January- 30 June 2022	1April- 30 June 2023	1April- 30 June 2022
Banking	103.749.938	55.144.419	56.174.458	32.080.556
Financial Services	14.316.500	7.087.764	7.617.493	3.930.468
Energy	76.560.912	62.056.979	36.683.430	34.724.926
Industry	19.362.102	14.750.972	9.506.111	7.876.405
Building Materials	14.427.775	8.838.364	7.780.025	5.348.379
Digital	15.267.648	6.849.011	8.240.239	3.607.275
Other	22.165.373	10.227.433	8.413.282	4.683.343
Combined	265.850.248	164.954.942	134.415.038	92.251.352
Less: Joint Ventures	(92.074.914)	(71.293.427)	(44.493.452)	(40.007.058)
Less: Consolidation eliminations and adjustments	(9.758.724)	(3.950.846)	(1.417.352)	(973.133)
Consolidated	164.016.610	89.710.669	88.504.234	51.271.161
b) Operating profit				
	1 January- 30 June 2023	1 January- 30 June 2022	1April- 30 June 2023	1April- 30 June 2022
Banking	38.793.347	28.575.694	25.723.693	17.933.455
Financial Services	1.651.155	193.305	1.412.200	178.994
Energy	10.383.351	7.320.090	6.543.690	3.873.398
Industry	2.120.394	1.973.660	992.439	726.096
Building Materials	3.102.504	1.252.455	2.089.017	955.541
Digital	455.141	373.342	176.409	239.272
Other	6.828.596	2.336.603	281.458	231.307
Combined	63.334.488	42.025.149	37.218.906	24.138.063
Less: Joint Ventures	(13.462.023)	(8.657.703)	(8.096.530)	(4.491.044)
Less: Consolidation eliminations and adjustments	(4.928.299)	(797.903)	1.944.840	678.839
Add: Net profit shares of Joint Ventures and associates	4.500.172	2.492.096	2.631.739	1.250.093
Consolidated	49.444.338	35.061.639	33.698.955	21.575.951
c) Depreciation and amortisation				
	1 January- 30 June 2023	1 January- 30 June 2022	1April- 30 June 2023	1April- 30 June 2022
Banking	957.713	520.784	499.166	281.453
Financial Services	278.641	239.360	143.095	121.452
Energy	771.263	572.466	399.695	295.724
Industry	568.886	412.477	290.127	220.332
Building Materials	270.615	197.064	144.219	97.107
Digital	203.326	102.949	109.293	53.762
Other	414.825	246.587	216.830	128.546
Combined	3.465.269	2.291.687	1.802.425	1.198.376
Less: Joint Ventures	(1.037.800)	(770.481)	(546.163)	(401.855)
Consolidated	2.427.469	1.521.206	1.256.262	796.521

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NOTE 4 - SEGMENT REPORTING (Continued)

d) Profit before tax

	1 January- 30 June 2023	1 January- 30 June 2022	1April- 30 June 2023	1April- 30 June 2022
Banking	38.854.690	28.628.228	25.745.878	17.957.087
Financial Services	1.672.180	384.711	1.469.923	245.735
Energy	8.215.936	5.154.231	5.429.385	2.795.445
Industry	1.583.968	2.083.602	712.422	820.620
Building Materials	3.077.219	997.768	2.129.348	844.912
Digital	175.528	222.346	88.631	149.650
Other	8.779.480	6.593.616	2.156.219	881.598
Combined	62.359.001	44.064.502	37.731.806	23.695.047
Less: Joint Ventures	(11.305.313)	(6.458.682)	(6.983.859)	(3.383.456)
Less: Consolidation eliminations and adjustments	(7.262.754)	(2.095.085)	(257.214)	(41.131)
Add: Net profit shares of Joint Ventures and associates	4.500.172	2.492.096	2.631.739	1.250.093
Consolidated	48.291.106	38.002.831	33.122.472	21.520.553

e) Net profit for the period

	1 January- 30 June 2023	1 January- 30 June 2022	1April- 30 June 2023	1April- 30 June 2022
Banking	32.013.340	21.167.188	20.324.263	13.112.590
Financial Services	1.171.286	296.064	1.177.573	189.569
Energy	7.289.264	4.168.902	4.525.532	2.246.072
Industry	1.197.428	1.815.157	570.086	716.747
Building Materials	2.857.568	1.260.954	1.895.741	1.086.926
Digital	121.870	201.323	53.849	144.664
Other	8.180.226	6.182.430	1.890.577	727.414
Combined	52.830.982	35.092.018	30.437.621	18.223.982
Less: Joint Ventures	(9.994.504)	(5.416.824)	(5.961.981)	(2.779.305)
Add: Net profit shares of Joint Ventures and associates	4.500.172	2.492.096	2.631.739	1.250.093
Less: Consolidation eliminations and adjustments	(7.262.754)	(2.095.085)	(257.214)	(41.131)
Less: Non-controlling interests	(20.673.907)	(13.730.092)	(13.537.235)	(8.562.249)
Consolidated (attributable to the equity holders of the parent)	19.399.989	16.342.113	13.312.930	8.091.390

f) Capital expenditures

	1 January- 30 June 2023	1 January- 30 June 2022	1April- 30 June 2023	1April- 30 June 2022
Banking	1.915.783	1.539.690	1.372.077	971.602
Financial Services	267.850	157.742	157.216	87.357
Energy	9.744.243	2.981.372	5.280.117	1.730.479
Industry	772.707	578.981	455.599	428.492
Building Materials	1.858.639	805.760	750.212	175.378
Digital	333.243	93.489	154.256	62.596
Other	519.999	215.392	259.005	166.198
Combined	15.412.464	6.372.426	8.428.482	3.622.102
Less: Joint Ventures	(7.779.070)	(3.580.049)	(4.227.258)	(2.174.866)
Consolidated	7.633.394	2.792.377	4.201.224	1.447.236

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NOTE 4 - SEGMENT REPORTING (Continued)

g) Total assets

	30 June 2023	31 December 2022
Banking	1.517.102.882	1.137.342.659
Financial Services	52.325.930	35.957.748
Energy	109.367.777	95.512.228
Industry	50.652.304	40.037.700
Building Materials	32.038.486	25.226.247
Digital	11.643.951	9.451.960
Other	41.141.854	35.815.898
Combined	1.814.273.184	1.379.344.440
Less: Joint Ventures	(132.104.055)	(115.530.699)
Less: Consolidation eliminations and adjustments	(39.969.000)	(35.495.662)
Add: Net profit shares of Joint Ventures and associates	20.238.074	17.611.848
Consolidated	1.662.438.203	1.245.929.927

h) Detail of net income/(loss) attributable to equity holders of the parent

One-off income expenses are one-time income or expenses that the Group does not expect to encounter in routine operations. Details of the net profit / (loss) attributable to equity holders of the parent with adjusted segments is as follows:

	1 January- 30 June 2023	1 January- 30 June 2022	1April- 30 June 2023	1April- 30 June 2022
Banking	12.883.857	8.625.629	8.282.137	5.343.380
Financial Services	583.437	190.930	477.262	116.355
Energy	3.953.838	2.028.125	2.502.872	1.054.976
Industry	612.797	970.333	233.610	405.875
Building Materials	1.183.280	396.514	916.534	334.407
Digital	34.150	115.644	17.023	79.509
Other	1.139.969	1.267.926	1.382.050	662.818
Combined	20.391.328	13.595.101	13.811.488	7.997.320

A reconciliation of adjusted net income attributable to equity holders of the Parent is as follows:

	1 January- 30 June 2023	1 January- 30 June 2022	1April- 30 June 2023	1April- 30 June 2022
Adjusted net income for reported operating segments (Equity holders of the Parent)	20.391.328	13.595.101	13.811.488	7.997.320
One off income/(expenses) related to Enerjisa Enerji	(168.965)	(40.889)	(96.894)	(32.997)
One off income/(expenses) related to Holding	(343.654)	2.566.636	29.603	(61.603)
One off income/(expenses) related to Akbank	161.579	-	-	-
One off income/(expenses) related to Carrefoursa	(59.888)	67.387	(37.485)	(1.774)
One off income/(expenses) related to Agesa	(396.813)	(17.405)	(323.099)	5.739
Other	(183.598)	171.283	(70.683)	184.705
Net income (Equity holders of the Parent)	19.399.989	16.342.113	13.312.930	8.091.390

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NOTE 5 - CASH AND CASH EQUIVALENTS

The detail of cash and cash equivalents at 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023			31 December 2022		
	Financial	Non-financial	Total	Financial	Non-financial	Total
Cash	21.611.962	87.100	21.699.062	11.751.683	132.699	11.884.382
Bank						
<i>Time deposit</i>	15.087.401	7.657.880	22.745.281	13.141.634	9.201.368	22.343.002
<i>Demand deposit</i>	29.453.705	2.170.953	31.624.658	25.232.372	1.270.090	26.502.462
Receivables from reserve repo	40.027.909	-	40.027.909	1.462.376	-	1.462.376
Other cash and cash equivalents	-	1.227.689	1.227.689	-	2.685.975	2.685.975
Total	106.180.977	11.143.622	117.324.599	51.588.065	13.290.132	64.878.197

Effective interest rates of USD, EUR and TRY denominated time deposits are 5,86% (31 December 2022: 1,86%), 3,56% (31 December 2022: 1,87%) and 35,22% (31 December 2022: 21,24%), respectively.

The maturity analysis as of 30 June and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Demand deposit	54.377.325	39.503.014
Up to 3 months	62.947.274	25.375.183
Total	117.324.599	64.878.197

As of 30 June 2023, total amount of the restriction on the Group’s off- shore cash and cash equivalents, payment accounts related to floating interest rate bond issue, time and demand deposits in the banks is TRY14.571.819 (31 December 2022: TRY10.805.063).

NOTE 6 – BALANCES WITH THE CENTRAL BANK OF THE REPUBLIC TURKEY

The detail of Balances with the Central Bank of the Republic Turkey at 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Required Reserves	149.614.640	112.257.765
Free Deposits	1.293.119	2.331.987
Total	150.907.759	114.589.752

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NOTE 7 - FINANCIAL ASSETS

a) Financial assets at fair value through profit and loss

The detail of financial assets at fair value through profit and loss is as follows:

	30 June 2023			31 December 2022		
	Other		Total	Other		Total
	Banking Companies			Banking Companies		
Share certificates	2.860.531	-	2.860.531	6.591.527	-	6.591.527
Government bonds	569.525	842.420	1.411.945	437.765	183.387	621.152
Eurobonds	206.750	374.516	581.266	164.826	481.577	646.403
Investment funds	4.134.777	1.689.824	5.824.601	2.041.238	861.811	2.903.049
Other (*)	761.856	1.645.137	2.406.993	1.323.769	1.693.857	3.017.626
Total	8.533.439	4.551.897	13.085.336	10.559.125	3.220.632	13.779.757

(*) The Group has made a foreign currency protected deposit amounting to equivalent of TRY 245.873 (31 December 2022: TRY1.191.355). It is accounted for “Other” under “Financial Assets at fair value through profit and loss”.

Effective interest rates of TRY are as follow:

	30 June 2023	31 December 2022
TRY	19,21%	14,07%

The Group does not have any financial assets measured at fair value through profit or loss given as collateral due to its activities in the finance sector (31 December 2022:None).

The maturity analysis of financial assets at fair value through profit and loss as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023			31 December 2022		
	Other		Total	Other		Total
	Banking Companies			Banking Companies		
On demand	7.312.748	1.937.443	9.250.191	9.737.119	1.270.671	11.007.790
3 to 12 months	229.430	825.899	1.055.329	375.684	1.940.052	2.315.736
1 to 5 years	823.516	1.788.555	2.612.071	182.412	9.909	192.321
Over 5 years	167.745	-	167.745	263.910	-	263.910
Total	8.533.439	4.551.897	13.085.336	10.559.125	3.220.632	13.779.757

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(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 7 - FINANCIAL ASSETS (Continued)

b) Financial assets measured at fair value through other comprehensive income

	30 June 2023			31 December 2022		
	Banking Companies	Other	Total	Banking Companies	Other	Total
Debt securities						
- Government bonds	88.132.119	52.615	88.184.734	82.359.177	653.847	83.013.024
- Eurobonds	90.299.112	3.805.736	94.104.848	60.593.581	2.674.150	63.267.731
- Investment funds	1.790.652	12.614	1.803.266	1.404.413	44.280	1.448.693
- Other bonds denominated in foreign currency	50.603.433	877.099	51.480.532	27.373.373	756.317	28.129.690
Sub-total	230.825.316	4.748.064	235.573.380	171.730.544	4.128.594	175.859.138
Equity securities						
- Listed	-	164.493	164.493	-	93.756	93.756
- Unlisted	328.851	5.862	334.713	116.188	2.423	118.611
Sub-total	328.851	170.355	499.206	116.188	96.179	212.367

**Financial assets at fair
value through other
comprehensive income**

231.154.167 4.918.419 236.072.586 171.846.732 4.224.773 176.071.505

Effective interest rates of USD, EUR, JPY and TRY denominated debt securities are 5,92% (31 December 2022: 5,75%), 3,04% (31 December 2022: 2,86%), 3,09% (31 December 2022: 3,09%) and 20,32% (31 December 2022: 29,35%), respectively.

The Group's financial assets measured through other comprehensive income subject to funds provided from repo are TRY112.426.626 (31 December 2022: TRY42.299.686). Financial assets through other comprehensive income that are given as collateral because of the Group's financing activities are amounting to TRY61.948.946 (31 December 2022: TRY60.619.771).

There are bonds index-linked to consumer prices (“CPI”) in the securities portfolio of Akbank for which the fair value difference is reflected to other comprehensive income and which are measured by amortized cost. These securities are valued and recognised using the effective interest method and are based on the index calculated using real coupon rates, the reference inflation index on the date of issuance and estimated inflation rates. Reference indexes used to calculate the actual coupon payment amounts of the securities are created based on CPIs from two months prior. The bank sets the estimated inflation rate in line with the reference indexes. The estimated inflation rate used is updated during the year when necessary

The maturity analysis in accordance with expiring date as at 30 June 2023 and 31 December 2022 is as follows.

	30 June 2023			31 December 2022		
	Banking Companies	Other	Total	Banking Companies	Other	Total
Demand	2.119.503	2.579.246	4.698.749	1.520.760	2.127.828	3.648.588
Up to 3 months	10.193.053	-	10.193.053	1.492.437	-	1.492.437
3 to 12 months	44.103.639	678.650	44.782.289	23.223.344	623.176	23.846.520
1 to 5 years	133.156.705	1.330.866	134.487.571	102.802.682	891.505	103.694.187
Over 5 years	41.581.267	329.657	41.910.924	42.807.509	582.264	43.389.773
Total	231.154.167	4.918.419	236.072.586	171.846.732	4.224.773	176.071.505

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NOTE 7 - FINANCIAL ASSETS (Continued)

c) Financial Assets measured at Amortised Cost:

The details of financial investments measured at their amortized cost are presented below:

	30 June 2023			31 December 2022		
	Other		Total	Other		Total
	Banking Companies			Banking Companies		
Government bonds	96.509.992	417.746	96.927.738	86.174.530	371.122	86.545.652
Other debt securities	15.773.118	11.554.732	27.327.850	11.928.430	7.608.172	19.536.602
Total	112.283.110	11.972.478	124.255.588	98.102.960	7.979.294	106.082.254

The breakdown of financial assets measured at amortised cost is listed below:

	30 June 2023	30 June 2022
Opening balance, 1 January	106.082.254	57.530.511
Additions	13.826.490	10.452.293
Foreign exchange differences in monetary assets	4.213.550	2.337.329
Valuation effect	5.381.286	9.537.388
Disposals through sales and redemptions	(5.241.789)	(5.856.446)
Reversal / (Allowance) for impairment (*)	(6.203)	(8.962)
Closing balance	124.255.588	73.992.113

(*) Expected loss provision is included.

Effective interest rate of debt securities in USD and TRY are 6,14% and 33,92% (31 December 2022: Effective interest rate of debt securities in USD and TRY are 6,22% and 76,44%).

For financial investments measured at their amortized cost as of 30 June 2023 and 31 December 2022, the remaining period to the maturity dates stated in the contract based on Banking and other sectors is as follows:

	30 June 2023			31 December 2022		
	Other		Total	Other		Total
	Banking Companies			Banking Companies		
Up to 3 months	-	55.385	55.385	547.840	765.965	1.313.805
3 to 12 months	4.938.559	11.568.689	16.507.248	12.607.321	6.733.347	19.340.668
1 to 5 years	78.770.811	348.404	79.119.215	47.499.344	438.202	47.937.546
Over 5 years	28.573.740	-	28.573.740	37.448.455	41.780	37.490.235
Total	112.283.110	11.972.478	124.255.588	98.102.960	7.979.294	106.082.254

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NOTE 8 - OTHER RECEIVABLES AND PAYABLES

Other short term receivables:	30 June 2023	31 December 2022
Receivables from credit card payments	837.220	145.100
Other receivables (*)	12.793.231	7.557.034
Total	13.630.451	7.702.134

(*) Other receivables mainly consist of the collaterals obtained by Akbank for derivative transactions

Other short term payables:	30 June 2023	31 December 2022
Payables related to credit card transactions	14.831.408	12.138.508
Taxes and funds payable	2.337.582	1.620.655
Export deposits and transfer orders	508.763	177.388
Payment orders to correspondent banks	691.095	299.353
Other (*)	24.049.713	20.805.644
Total	42.418.561	35.041.548

Other long term payables:	30 June 2023	31 December 2022
Other (*)	15.146.637	16.075.205
Total	15.146.637	16.075.205

(*) Other payables mainly consist of the collaterals obtained by Akbank for derivative transactions.

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NOTE 9 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

Banking and Financial Services

Loans and advances to customers	30 June 2023	31 December 2022
Consumer loans and credit cards receivables	263.815.265	158.919.995
Project finance loans	113.417.873	84.974.910
Financial institutions	49.293.743	51.509.410
Other manufacturing industries	45.452.230	42.066.864
Construction	60.123.094	38.635.076
Small-scale enterprises	24.697.192	24.903.274
Textile	24.663.194	23.840.532
Mining	22.074.470	20.038.388
Automotive	15.261.511	14.700.989
Food and beverage, wholesale and retail	16.395.532	14.458.186
Chemicals	13.998.536	10.133.707
Telecommunication	2.859.974	2.084.710
Other	128.931.148	127.805.247
Total loans and advances to customers	780.983.762	614.071.288
Leasing receivables	16.799.115	11.925.592
Provision for loan losses	(27.626.209)	(22.190.368)
Receivables from insurance activities	4.834.478	3.239.641
Net loans and advances to customers	774.991.146	607.046.153

The above table includes the bank's live and non-performing total loans, and the loan risk reserve is separated as a result of the bank assessment considering all credit risk.

Effective interest rates of loans and advances to customers in US Dollars, Euros and Turkish Lira are annually 9,03% (31 December 2022: 8,82%), 6,84% (31 December 2022: 5,85%) and 21,36% (31 December 2022: 20,50%).

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NOTE 9 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

As of 30 June 2023, the movement table of credit risk provision of banking industry segment by asset classes is as follows:

	Commercial Loans	Consumer Loans & Credit Cards	Leasing receivables	Total
1 January 2023	15.999.840	5.905.915	284.613	22.190.368
Gross provisions	2.945.422	4.270.100	21.256	7.236.778
Collections	(826.039)	(543.878)	(7.656)	(1.377.573)
Written-off	(393.478)	(29.886)	-	(423.364)
30 June 2023	17.725.745	9.602.251	298.213	27.626.209

As of 31 December 2022, the movement table of credit risk provision of banking industry segment by asset classes is as follows:

	Commercial Loans	Consumer Loans & Credit Cards	Leasing receivables	Total
1 January 2022	14.847.739	3.849.495	317.271	19.014.505
Gross provisions	14.503.632	1.778.743	81.018	16.363.393
Collections	(858.141)	(533.082)	(94.443)	(1.485.666)
Written-off	(12.700.864)	(28.591)	(5.653)	(12.735.108)
31 December 2022	15.792.366	5.066.565	298.193	21.157.124

The maturity analysis of loans and advances to customers as of 30 June 2023 and 31 December 2022 is presented below:

	30 June 2023	31 December 2022
Up to 3 months	346.288.313	231.405.202
3 to 12 months	199.525.517	171.234.040
Current	545.813.830	402.639.242
1 to 5 years	143.990.358	134.771.472
Over 5 years	63.553.365	54.470.206
Non-current	207.543.723	189.241.678
Total	753.357.553	591.880.920

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NOTE 10 - DERIVATIVES

30 June 2023	Fair Value	
	Asset	Liability
Derivative instruments held for trading:		
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales transactions	45.347.044	14.132.977
Forward currency purchases and sales transactions	4.251.374	8.709.585
Currency purchases and sales options	795.504	656.229
Other purchases and sales transactions	6.724.185	-
Total derivative instruments held for trading	57.118.107	23.498.791
Derivative instruments held for hedging:		
Currency and interest rate swaps purchases and sales transactions	33.035.145	286.956
Forward currency purchases and sales transactions	19.474	-
Total derivative instruments held for hedging	33.054.619	286.956
Total derivative instruments	90.172.726	23.785.747
31 December 2022	Fair Value	
Derivative instruments held for trading:	Asset	Liability
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales transactions	15.576.028	13.822.769
Forward currency purchases and sales transactions	2.275.577	473.494
Currency purchases and sales options	731.855	272.870
Other purchases and sales transactions	5.744.608	-
Total derivative instruments held for trading	24.328.068	14.569.133
Derivative instruments held for hedging:		
Currency and interest rate swaps purchases and sales transactions	24.519.881	537.917
Forward currency purchases and sales transactions	6.415	-
Currency purchases and sales options	26.165	-
Total derivative instruments held for hedging	24.552.461	537.917
Total derivative instruments	48.880.529	15.107.050

Akbank hedge against cash flow risk through the use of interest rate swaps against the cash flow risk arising from its financial debts.

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NOTE 11 - PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses:	30 June 2023	31 December 2022
Prepaid expenses	20.110.838	15.694.821
Advance given for inventory purchases	480.194	217.029
Other	42.044	20.260
Total	20.633.076	15.932.110

Long-term prepaid expenses:	30 June 2023	31 December 2022
Advance given for PP&E purchases	117.135	347.633
Prepaid expenses	39.978	62.898
Other	74.816	53.385
Total	231.929	463.916

Short-term deferred income:	30 June 2023	31 December 2022
Unearned commission income	821.813	278.938
Advances received	155.566	117.342
Other	140.744	115.491
Total	1.118.123	511.771

Long-term deferred income:	30 June 2023	31 December 2022
Unearned commission income	501.786	478.030
Deferred income	26.767	26.991
Total	528.553	505.021

NOTE 12 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Book value of Associates and Joint Ventures is as follows:

	30 June 2023	Share (%)	31 December 2022	Share (%)
Brisa	1.403.691	43,63	1.416.764	43,63
Akçansa	1.514.850	39,72	995.742	39,72
Enerjisa Üretim Santralleri	8.173.949	50,00	6.270.016	50,00
Enerjisa Enerji	8.709.641	40,00	8.628.898	40,00
Temsa Ulaşım Araçları	435.943	50,00	300.428	50,00
Total	20.238.074		17.611.848	

HACI ÖMER SABANCI HOLDİNG A.Ş.

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the year ended 30 June 2023 is as follows:

	1 January 2023	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	30 June 2023
Cost:							
Land and land improvements	755.351	195.028	23.544	-	15.404	-	989.327
Buildings	5.323.317	1.114.113	92.626	(85.742)	14.815	-	6.459.129
Machinery and equipment	14.456.412	4.442.985	333.962	(201.399)	216.388	-	19.248.348
Motor vehicles	128.786	11.701	5.439	(4.483)	-	-	141.443
Furniture and fixtures	6.598.336	174.601	1.488.854	(121.994)	(22.566)	(875)	8.116.356
Total	27.262.202	5.938.428	1.944.425	(413.618)	224.041	(875)	34.954.603
Construction in progress	1.628.955	898.814	3.702.278	(1.612)	(265.756)	-	5.962.679
Total	28.891.157	6.837.242	5.646.703	(415.230)	(41.715)	(875)	40.917.282
Accumulated depreciation:							
Land and land improvements	(280.359)	(23.909)	(6.867)	-	-	-	(311.135)
Buildings	(1.777.875)	(395.476)	(73.627)	496	-	-	(2.246.482)
Machinery and equipment	(7.511.555)	(2.428.352)	(421.297)	137.050	2	-	(10.224.152)
Motor vehicles	(105.893)	(3.543)	(6.463)	3.404	-	-	(112.495)
Furniture and fixtures	(2.838.386)	(115.867)	(549.258)	84.300	70	711	(3.418.430)
Total	(12.514.068)	(2.967.147)	(1.057.512)	225.250	72	711	(16.312.694)
Net Book Value	16.377.089	3.870.095	4.589.191	(189.980)	(41.643)	(164)	24.604.588

(*) TRY41.643 of the transfers from construction in progress in the current period is recognized in intangible assets.

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement in property, plant and equipment for the year ended 30 June 2022 is as follows:

	1 January 2023	Currency translation differences	Additions	Disposals	Transfers (*)	Business Combination or Asset acquisiton	Transferred to Asset Held for Sale	Impairment	30 June 2022
Cost:									
Land and land improvements	609.974	66.509	585	(22.166)	(5.071)	-	-	-	649.831
Buildings	4.505.287	474.058	8.525	(42.308)	(38.443)	-	-	-	4.907.119
Machinery and equipment	9.497.996	1.840.733	92.365	(15.364)	275.626	-	(3.470)	-	11.687.886
Motor vehicles	93.937	5.767	4.929	(4.390)	567	-	-	-	100.810
Furniture and fixtures	4.561.495	68.871	943.726	(23.912)	15.655	1.983	(3)	(1.824)	5.565.991
Total	19.268.689	2.455.938	1.050.130	(108.140)	248.334	1.983	(3.473)	(1.824)	22.911.637
Construction in progress	386.855	60.821	274.116	(29.295)	(172.537)	-	-	-	519.960
Total	19.655.544	2.516.759	1.324.246	(137.435)	75.797	1.983	(3.473)	(1.824)	23.431.597
Accumulated depreciation:									
Land and land improvements	(253.437)	(10.356)	(4.977)	3	6.145	-	-	-	(262.622)
Buildings	(1.427.526)	(154.319)	(56.444)	3.643	439	-	-	-	(1.634.207)
Machinery and equipment	(4.697.298)	(968.851)	(260.834)	11.479	(94.447)	-	-	-	(6.009.951)
Motor vehicles	(88.585)	(393)	(4.069)	3.732	43	-	-	-	(89.272)
Furniture and fixtures	(2.618.826)	(47.987)	(342.439)	17.941	(2.613)	-	-	2.090	(2.991.834)
Total	(9.085.672)	(1.181.906)	(668.763)	36.798	(90.433)	-	-	2.090	(10.987.886)
Net Book Value	10.569.872	1.334.853	655.483	(100.637)	(14.636)	1.983	(3.473)	266	12.443.711

(*) TRY14.636 of the transfers from construction in progress in the current period is recognized in intangible assets.

(**) These are the fixed assets owned by Sem and Radiflow, which were acquired by Dx Bv.

(***) The fixed assets located at Niğde Integrated Cement Plant, Kayseri Integrated Cement Plant, Ankara Cement Grinding Plant, as well as the Ambar, Nevşehir, Cırgalan, Aksaray, Ereğli, and Kahramanmaraş Ready-Mix Concrete Facilities, all belonging to Çimsa, have been classified as tangible fixed assets for sale purposes.

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NOTE 14 - INTANGIBLE ASSETS

The movements in intangible assets for the years ended 30 June 2023 and 2022 are as follows:

	1 January 2023	Currency translation differences	Additions	Disposals	Transfers	30 June 2023
Cost:						
Rights	540.866	356.307	839.836	(380.740)	(3.830)	1.352.439
Customer contracts	2.397.836	933.648	-	-	-	3.331.484
Licenses and softwares	390.274	148.709	7.462	-	9.023	555.468
Development investments	251.318	84.909	69.590	-	21.235	427.052
Mineral rights	30.622	12.625	-	-	-	43.247
Trademark	803.435	-	-	-	-	803.435
Bancassurance channel	918.714	-	-	-	-	918.714
Contractual rights	1.451.335	-	-	-	-	1.451.335
Agency channel	354.553	-	-	-	-	354.553
Other intangible assets	6.938.100	443.780	919.802	1.647	15.347	8.318.676
Total	14.077.053	1.979.978	1.836.690	(379.093)	41.775	17.556.403
Accumulated depreciation:						
Rights	(147.208)	(56.267)	(7.560)	-	(70)	(211.105)
Customer contracts	(321.669)	(146.748)	(66.930)	-	-	(535.347)
Licenses and softwares	(205.048)	(86.279)	(22.754)	-	-	(314.081)
Development investments	(97.875)	(40.283)	(20.115)	-	-	(158.273)
Mineral rights	(6.185)	(3.248)	(2.214)	-	-	(11.647)
Bancassurance channel	(91.677)	-	(30.280)	-	-	(121.957)
Contractual rights	(292.139)	-	(71.970)	-	-	(364.109)
Agency channel	(39.036)	-	(12.893)	-	-	(51.929)
Other intangible assets	(2.390.343)	(70.033)	(584.041)	(1.647)	(62)	(3.046.126)
Total	(3.591.180)	(402.858)	(818.757)	(1.647)	(132)	(4.814.574)
Net Book Value	10.485.873	1.577.120	1.017.933	(380.740)	41.643	12.741.829

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NOTE 14 - INTANGIBLE ASSETS (Continued)

	1 January 2022	Currency translation differences	Additions	Disposals	Transfers	30 June 2022
Cost:						
Rights	859.175	187.098	531.008	(280.109)	10.313	1.307.485
Customer contracts	482.352	73.005	-	-	-	555.357
Licenses and softwares	43.724	546	-	(197)	-	44.073
Development investments	50.238	-	25.316	-	(5.992)	69.562
Mineral rights	23.175	3.507	-	-	-	26.682
Trademark	803.435	-	-	-	-	803.435
Bancassurance channel	918.714	-	-	-	-	918.714
Contractual rights	1.451.335	-	-	-	-	1.451.335
Agency channel	354.553	-	-	-	-	354.553
Other intangible assets	5.112.068	397.372	911.807	(1.204)	12.436	6.432.870
Total	10.098.769	661.528	1.468.131	(281.510)	16.757	11.964.066
Accumulated depreciation:						
Rights	(302.909)	(74.460)	(28.015)	19.060	(2.088)	(388.412)
Customer contracts	(15.418)	(3.577)	(17.116)	-	-	(36.111)
Licenses and softwares	(4.167)	(352)	(215)	-	-	(4.734)
Development investments	(3.171)	(358)	(2.325)	-	-	(5.854)
Mineral rights	(1.560)	-	(1.675)	-	-	(3.235)
Bancassurance channel	(30.531)	-	(30.364)	-	-	(60.895)
Contractual rights	(97.291)	-	(24.588)	-	-	(121.879)
Agency channel	(13.000)	-	(12.929)	-	-	(25.929)
Other intangible assets	(1.673.078)	(56.495)	(427.057)	2.281	(33)	(2.154.382)
Total	(2.141.125)	(135.242)	(544.284)	21.341	(2.121)	(2.801.431)
Net Book Value	7.957.644	526.286	923.847	(260.169)	14.636	9.162.635

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NOTE 15 – RIGHT OF USE ASSETS

The movements in right of use assets for the years ended 30 June 2023 and 2022 are as follows:

	1 January 2023	Additions	Disposals	Impairment	Currency translation differences	30 June 2023
Cost:						
Real estates	4.499.887	1.420.300	(94.605)	-	318.114	6.143.696
Fixtures	346	-	-	-	52	398
Motor vehicles	221.451	87.653	(3.955)	-	26.997	332.146
Other	78.981	1.632	-	-	27.264	107.877
Total	4.800.665	1.509.585	(98.560)	-	372.427	6.584.117
Accumulated Depreciation:						
Real estates	(1.536.951)	(487.866)	50.422	-	(78.056)	(2.052.451)
Fixtures	(595)	(80)	-	-	(1.707)	(2.382)
Motor vehicles	(99.974)	(53.666)	3.645	-	(11.535)	(161.530)
Other	(30.947)	(8.865)	-	-	(12.761)	(52.573)
Total	(1.668.467)	(550.477)	54.067	-	(104.059)	(2.268.936)
Net Book Value	3.132.198	959.108	(44.493)	-	268.368	4.315.181
	1 January 2022	Additions	Disposals	Impairment	Currency translation differences	30 June 2022
Cost:						
Real estates	2.742.721	730.469	(104.152)	(2.387)	36.916	3.403.567
Fixtures	462	-	-	-	-	462
Motor vehicles	76.868	40.870	(23.247)	-	18.499	112.990
Other	212.636	15.924	(737)	-	94.995	322.818
Total	3.032.687	787.263	(128.136)	(2.387)	150.410	3.839.837
Accumulated Depreciation:						
Real estates	(953.399)	(269.620)	65.740	1.464	(2.911)	(1.158.726)
Fixtures	(157)	(45)	-	-	-	(202)
Motor vehicles	(47.233)	(18.772)	13.342	-	(1.176)	(53.839)
Other	(51.574)	(19.946)	2.059	-	(19.722)	(89.183)
Total	(1.052.363)	(308.383)	81.141	1.464	(23.809)	(1.301.950)
Net Book Value	1.980.324	478.880	(46.995)	(923)	126.601	2.537.887

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NOTE 16 - GOODWILL

The movements in goodwill for the years ended 30 June 2023 and 2022 are as follows:

	2023	2022
1 January	4.078.784	2.522.764
Currency translation differences	1.407.440	167.689
30 June	5.486.224	2.690.453

NOTE 17 - FINANCIAL LIABILITIES

Short term funds borrowed, bank borrowings and debt securities:

	30 June 2023	31 December 2022
Short term	33.958.061	25.356.285
Short term portion of long term	44.154.748	37.578.916
Total short term	78.112.809	62.935.201
Long term funds borrowed, bank borrowings and debt securities:		
Long term	86.867.741	73.982.765
Total	164.980.550	136.917.966

Maturity analysis as of 30 June 2023 and 31 December 2022 is as follows:

	30 June 2023	31 December 2022
Up to 3 months	18.984.573	16.244.089
3 to 12 months	59.128.236	46.691.112
Short term borrowings and short-term portion of long-term borrowings	78.112.809	62.935.201
1 to 5 years	67.607.080	54.931.142
Over 5 years	19.260.661	19.051.623
Long term borrowings	86.867.741	73.982.765
Total financial liabilities	164.980.550	136.917.966

The detail of short term and long term borrowings at 30 June 2023 and 31 December 2022 are as follows

30 June 2023

	Interest Rate (%)	Short term	Long term	Total
TRY	10,91%-43%	16.600.724	2.910.443	19.511.167
USD	1,84%-10,28%	40.167.578	78.873.924	119.041.502
EUR	0,77%-9,3%	17.958.671	4.103.080	22.061.751
Other	2,75%-9,15%	3.385.836	980.294	4.366.130

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NOTE 17 - FINANCIAL LIABILITIES (Continued)

31 December 2022

	Interest Rate (%)	Short term	Long term	Total
TRY	9,14%-33%	14.376.771	2.945.531	17.322.302
USD	0,23%-7,70%	31.761.175	68.017.523	99.778.698
EUR	1,71%-8,75%	16.665.429	2.935.673	19.601.102
Other	2,75%-8,40%	131.826	84.038	215.864

Financial liability movement as of 30 June 2023 and 2022 is as follows:

	2023	2022
1 January	136.917.966	117.768.234
Additions	36.896.047	27.475.461
Business combination	-	45.309
Payments	(14.621.123)	(9.509.857)
Interest accruals	1.419.501	731.474
Foreign exchange effects	4.368.159	1.438.059
30 June	164.980.550	137.948.680

Major borrowings in 2023:

Banking:

Issued securities:

Securities issued consist of USD, EUR and TRY assets.

As of 30 June 2023, the Group has issued securities of USD 2.757.076 (TRY Equivalent: 71.196.255). The repayment of the issued securities are until 2031. (31 December 2022: USD 3.325.679 – TRY 62.184.547)

As of June 30, 2023, the Group has issued securities of EUR 10.014 (TRY Equivalent: 208.749). The repayment of the issued securities are until 2031. (31 December 2022: EUR 10.114 – TRY 201.621)

In addition, as of 30 June 2023, the Group issued bonds with 1-3 months maturity of TRY 1.185.640, 3-6 months maturity of TRY 1.930.772, 1-5 years maturity of TRY 1.236.940 and over 5 years maturity of TRY 1.435.338. (31 December 2022: 1-3 months term TRY 2.663.511, 3-6 months term TRY 715.365, 1-5 years term TRY 1.280.370 and over 5 years term TRY 1.435.744).

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NOTE 18 – LIABILITIES FROM LEASING TRANSACTIONS

The breakdown of the Group's obligations with respect to the lease transactions in accordance with TFRS 16 is as follows:

Liabilities from short-term lease transactions as of 30 June 2023:

	Up to		Total
	3 months	Between 3 to 12 months	
TRY	359.770	495.280	855.050
USD	-	102.422	102.422
EUR	13.029	6.100	19.129
Other	-	3.691	3.691
30 June 2023	372.799	607.493	980.292

Liabilities from short-term lease transactions as of 31 December 2022:

	Up to		Total
	3 months	Between 3 to 12 months	
TRY	300.935	260.107	561.042
USD	-	59.097	59.097
EUR	10.208	-	10.208
31 December 2022	311.143	319.204	630.347

Liabilities from long-term lease transactions as of 30 June 2023:

30 June 2023	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	Between 4 to 5 years	5 years and more	Total
TRY	304.592	365.177	653.575	672.714	1.131.681	3.127.739
USD	112.378	134.022	46.662	46.136	398.801	737.999
EUR	4.239	4.670	5.132	5.612	18.777	38.430
Total	421.209	503.869	705.369	724.462	1.549.259	3.904.168

Liabilities from long-term lease transactions as of 31 December 2022:

31 December 2022	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	Between 4 to 5 years	5 years and more	Total
TRY	259.225	326.898	472.998	534.853	716.215	2.310.189
USD	74.673	156.293	24.235	25.780	271.808	552.789
EUR	2.803	3.096	3.411	3.739	21.879	34.928
Total	336.701	486.287	500.644	564.372	1.009.902	2.897.906

The movement table of liabilities arising from leasing transactions is as follows:

	2023	2022
1 January	3.528.253	2.227.124
Additions	1.518.204	759.518
Business combination	-	5.387
Payments	(786.385)	(479.869)
Interest accruals	378.275	224.894
Foreign exchange effects	246.113	125.144
30 June	4.884.460	2.862.198

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NOTE 19 – PAYABLES FROM FINANCE SECTOR OPERATIONS

Banking

	30 June 2023			31 December 2022		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	209.864.770	468.793.348	678.658.118	139.495.538	316.203.140	455.698.678
Commercial deposits	123.460.190	164.390.209	287.850.399	98.055.575	136.478.863	234.534.438
Bank deposits	1.033.723	19.954.777	20.988.500	1.476.193	14.786.134	16.262.327
Funds provided from						
repo transactions	-	107.217.844	107.217.844	-	57.277.871	57.277.871
Other	1.568.816	5.506.559	7.075.375	3.006.450	4.965.825	7.972.275
Total	335.927.499	765.862.737	1.101.790.236	242.033.756	529.711.833	771.745.589

Effective interest rates of USD, EUR and TRY denominated customer deposits are %7,03 (31 December 2022: %4,81), %4,75 (31 December 2022: %2,77) and %35,84 (31 December 2022: %15,93).

As of 30 June 2023 and 31 December 2022, deposits and money market borrowings, the analysis of the remaining maturity dates in the contract are presented below:

	30 June 2023	31 December 2022
Up to 1 month	335.927.499	242.033.756
1 to 3 months	659.457.832	471.220.197
3 to 12 months	87.073.493	33.851.798
1 to 5 years	14.549.140	23.479.208
Over 5 years	4.782.272	1.160.630
Total	1.101.790.236	771.745.589

Financial services

	30 June 2023	31 December 2022
Payables from insurance sector operations	3.381.220	2.558.097
Total	3.381.220	2.558.097

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NOTE 20 - TAX ASSETS AND LIABILITIES

	30 June 2023	31 December 2022
Corporate and income taxes payable	2.528.789	22.268.876
Less: prepaid taxes	(2.533.554)	(12.605.704)
Total taxes payable	(4.765)	9.663.172

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes have been calculated on a separate-entity basis in these consolidated financial statements.

As of 30 June 2023, the corporate tax rate has been applied as 20% (2022: 23%) in the financial statements. The publication of the Law No. 7394 in the Official Gazette dated 15.04.2022, for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, the corporate tax rate has been permanently increased to 25%, and the tax rate applied to the cumulative earnings of 2022 is considered as 25%.

Corporate tax is payable at a rate applicable to taxable income calculated by adding back non-deductible expenses, deducting exemptions (such as participation exemption, etc.) and deductions (such as R&D deduction). If no profit is distributed, no further tax is payable.

In accordance with the Law No 7440 on the “Restructuring of Certain Receivables and Amendments to Certain Laws” published in the Official Gazette on 12 March 2023, an additional tax of 10% is to be calculated over the exemptions and deductions subject to corporate income deduction in accordance with the regulations in the laws, by being shown in the corporate tax return for the year 2022 and without being associated with the period’s income; and an additional tax of 5% is to be calculated over the exempted earnings. As of 30 June 2023, related tax amounts were calculated and accrued in the financial statements of Group.

Tax amounts related to comprehensive income items in the consolidated statement of other comprehensive profit or loss for the period ended 30 June 2023 and 2022 are as follows:

	30 June 2023			30 June 2022		
	Before Tax	Tax Charge	After Tax	Before Tax	Tax Charge	After Tax
Fair value gains/(losses) from financial assets through other comprehensive income	(13.421.652)	3.355.413	(10.066.239)	3.917.261	(783.452)	3.133.809
Cash flow hedges	300.080	(75.020)	225.060	3.793.879	(758.776)	3.035.103
Financial assets related to the hedging of net investment in a foreign operation	(6.665.172)	1.666.293	(4.998.879)	(1.797.009)	359.402	(1.437.607)
Currency translation differences	15.034.722	-	15.034.722	3.986.488	-	3.986.488
Actuarial (losses)/gains	(634.628)	126.926	(507.702)	(351.052)	70.210	(280.842)
Other comprehensive income	(5.386.650)	5.073.612	(313.038)	9.549.567	(1.112.616)	8.436.951

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under TAS and their statutory tax financial statements

Since the subsidiaries and joint ventures which are separately taxpayers presented their deferred tax assets and liabilities as net values in their financial statements, the effect of the presentation of the net amounts has been reflected to the Group's consolidated balance sheet. Temporary differences and deferred tax assets and liabilities presented in the table below are based on the gross values.

Deferred tax assets/(liabilities) for the years ended at 30 June 2023 and 31 December 2022 are as follows::

	30 June 2023	31 December 2022
Deferred tax assets	1.587.096	1.456.256
Deferred tax liabilities	(3.619.670)	(2.590.383)
Net Deferred Tax Assets/(Liabilities)	(2.032.574)	(1.134.127)

The movements in deferred income tax assets/(liabilities) for the three-month periods ended 30 June 2023 and 30 June 2022 are as follows:

	2023	2022
1 January	(1.134.127)	(721.465)
Charged to equity	5.124.983	(1.242.666)
Change in foreign currency translation differences	(335.107)	96.256
Charged to statement of profit or loss	(5.688.323)	(2.867.004)
30 June	(2.032.574)	(4.734.879)

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

The deferred tax assets and liabilities calculated using the accumulated temporary differences and the applicable tax rates are as follows:

	Total temporary differences		Deferred tax assets/(liabilities)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Tangible and intangible assets	(3.012.905)	1.267.600	661.740	(314.950)
Inventories	317.792	(368.590)	(63.558)	74.790
Expected credit losses for loans	(16.643.532)	(11.215.871)	4.168.675	2.811.760
Provision for severance pay	(3.453.614)	(2.866.709)	811.536	683.210
Litigation provisions	(88.986)	(49.218)	18.815	11.012
Carry forward tax losses(*)	(21.168.187)	(1.223.503)	5.578.797	274.049
Investment incentives	(97.004)	(517.711)	8.596	92.738
Doubtful receivables provisions	(92.013)	(66.343)	23.094	18.819
Derivative instruments	54.947.894	26.394.486	(13.737.655)	(6.598.239)
Financial lease liabilities	(1.985.606)	(1.472.246)	408.563	301.750
Securities valuation differences	(156.607)	(8.494.256)	39.152	2.125.890
Fair value differences of financial assets and liabilities	798.078	938.295	(159.616)	(187.658)
Geographical region risk provision cancellation	2.491.979	1.942.437	(682.179)	(531.742)
Other temporary differences	(4.181.800)	(522.220)	891.466	104.444
Deferred tax assets/liabilities (net)			(2.032.574)	(1.134.127)

(*) The majority of the related amount consists of deferred tax assets arising from the negative temporary tax base of Akbank for the second quarter.

The Group does not calculate deferred tax assets on past-year losses. As of June 30, 2023, the total calculated deferred tax receivable for the Group amounts to 21,168,187 TRY (December 31, 2022: 1,223,503 TRY), with a carried forward tax loss. This deductible tax loss can be offset against the current period's corporate income for a period not exceeding five years.

Tax Advantages Obtained Under the Investment Incentive System:

The Group's earnings from investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached. In this context, there is no tax advantage that the Group will benefit from the companies included in full consolidation in the foreseeable future as of 30 June 2023.

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NOTE 21 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions	30 June 2023	31 December 2022
Insurance technical provisions	24.078.532	14.539.144
Provision for liabilities	1.462.970	773.937
<i>Credit bonus provision</i>	300.275	207.918
<i>Provisions for litigation</i>	120.556	108.936
<i>Uncompensated and not encashed</i>		
<i>non-cash loans</i>	638.147	457.083
<i>Other short-term provisions</i>	403.992	-
Other debt provisions	82.425	212.080
Total	25.623.927	15.525.161

Other long-term provisions	30 June 2023	31 December 2022
Insurance technical provisions	13.312.862	8.373.738
Provision for liabilities	2.227.387	1.664.749
<i>Provisions for litigation</i>	282.177	250.535
<i>Other long-term provisions</i>	1.945.210	1.414.214
Total	15.540.249	10.038.487

NOTE 22 - OTHER ASSETS AND LIABILITIES

Other Current Assets	30 June 2023	31 December 2022
Cheques in clearance	-	1.485.848
Deductible, deferred and other VAT	709.014	631.284
Other current assets	14.533.793	7.947.105
Total	15.242.807	10.064.237

Other Non-Current Assets	30 June 2023	31 December 2022
Deductible, deferred and other VAT	19.199	2.396
Other non-current assets	468.784	237.341
Total	487.983	239.737

Other Short - Term Liabilities	30 June 2023	31 December 2022
Cheques in clearance	21	2.671.465
Saving deposits insurance	469.321	262.748
Other short - term liabilities	2.886.643	1.258.073
Total	3.355.985	4.192.286

Other Long - Term Liabilities	30 June 2023	31 December 2022
Other Long - Term Liabilities	905.135	542.485
Total	905.135	542.485

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NOTE 23 - ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

Satış amaçlı elde tutulan varlıklar:

	30 June 2023	30 June 2022
Beginning, net book value	577.324	694.573
Acquired	33.586	195.692
Disposed of (-), net	(144.161)	(373.129)
Impairment (-)	(50)	(225)
Other	-	(15.537)
Closing, net book value	466.699	501.374

NOTE 24 - EQUITY

Hacı Ömer Sabancı Holding A.Ş. Holding's authorised and issued capital consists of 204.040.393.100 (31 December 2022: 204.040.393.100) shares of Kr1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 30 June 2023 and 31 December 2022 is as follows:

Shareholders:	Share (%)	30 June 2023	Share (%)	31 December 2022
Sakıp Sabancı Holding A.Ş.	14,07	287.100	14,07	287.100
Serra Sabancı	7,22	147.371	7,22	147.371
Suzan Sabancı Dinçer	6,94	141.567	6,94	141.567
Çiğdem Sabancı Bilen	6,94	141.567	6,94	141.567
Other	64,83	1.322.799	64,83	1.322.799
Share capital	100,00	2.040.404	100,00	2.040.404
Share buyback (-)		(60.053)		(37.067)
Share Premium		22.237		22.237

The Board of Directors of Sabancı Holding have adopted the resolutions in its meeting dated November 9, 2021, for the purposes of supporting price performance of SAHOL shares in the equity market, and hence reducing the net asset value discount by bringing SAHOL shares closer to its fair value, and providing shareholders with a more attractive long-term investment opportunity. Shares buy-back shall be initiated pursuant to the Capital Markets Board's Communiqué on Share Buy-Back No. II-22.1 and the related announcements dated July 21, 2016 and July 25, 2016. In the scope of the relevant decision, considering matching orders as of 30 June 2023, shares with TRY60.053 (31 December 2022: TRY37.067) of nominal value, equivalent to 2,48% of the company capital.

Restricted Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The Company reserves 5% of the historical statutory profit as first legal reserve, until the total reserve reaches 20% of the historical paid in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

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NOTE 24 – EQUITY (Continued)

Dividend Distribution

Listed companies processes their profit distributions according to the II-19.1 numbered CMB profit distribution declaration become effective on or after 1 February 2014.

Group companies distribute their profits within the frame of profit distribution policies determined by general assembly and according to the related declaration by the approval of general assembly. Within the mentioned declaration, minimum rate of distribution is not determined. Companies distribute their profits according to the predetermined terms in their articles of incorporation or profit distribution policies.

Share Buyback

The Board of Directors of Sabancı Holding have adopted the resolutions in its meeting dated November 9, 2021, for the purposes of supporting price performance of SAHOL shares in the equity market, and hence reducing the net asset value discount by bringing SAHOL shares closer to its fair value, and providing shareholders with a more attractive long-term investment opportunity. Shares buy-back shall be initiated pursuant to the Capital Markets Board's Communiqué on Share Buy-Back No. II-22.1 and the related announcements dated July 21, 2016 and July 25, 2016. Share buy back information at the subsequent period of reporting date can be found in the note concerning Events After the Balance Date (Note 32).

Accumulated Other Comprehensive Income or Loss to be Reclassified to Profit or Loss

	Revaluation fund	Cash flow hedge fund	Net investment hedge	Currency translation differences
Balance as of 1 January 2023	3.172.128	623.467	(3.616.110)	10.995.205
Increases/(decreases) during the period	(5.503.248)	732.790	(2.716.057)	8.233.417
Gains transferred to				
income statement	49.243	(474.970)	-	-
Tax effect	1.363.501	(64.454)	679.014	-
Balance as of 30 June 2023	(918.376)	816.833	(5.653.153)	19.228.622

	Revaluation fund	Cash flow hedge fund	Net investment hedge	Currency translation differences
Balance as of 1 January 2022	(719.033)	(144)	(2.450.004)	6.690.649
Increases/(decreases) during the period	2.434.728	1.472.189	(732.283)	2.060.971
Gains transferred to				
income statement	(1.105.063)	109.791	-	-
Net gain or loss recognised at fair value through profit or loss	279.011	-	-	-
Tax effect	(321.735)	(316.395)	146.457	-
Balance as of 30 June 2022	567.908	1.265.441	(3.035.830)	8.751.620

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NOTE 25 - REVENUE AND COST OF SALES

Non-finance sector

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Domestic sales	42.012.963	24.120.680	23.009.487	13.613.834
Foreign sales	6.358.250	4.985.091	2.939.736	2.579.794
Less: Discounts	(1.426.224)	(1.055.379)	(827.463)	(606.110)
Total	46.944.989	28.050.392	25.121.760	15.587.518

	1 January- 30 June 2023	1 January- 30 June 2022	1 January- 30 June 2023	1 January- 30 June 2022
Cost of raw materials and merchandises	(31.747.824)	(18.541.432)	(16.626.301)	(9.805.044)
Change in finished good, work in progress	205.348	450.260	(182.655)	(254.453)
Personnel expenses	(1.351.897)	(776.020)	(717.583)	(411.113)
Depreciation and amortisation	(442.023)	(333.045)	(225.680)	(169.922)
Other	(4.418.692)	(3.034.045)	(2.252.683)	(1.646.048)
Total	(37.755.088)	(22.234.282)	(20.004.902)	(12.286.580)

Finance sector

	1 January- 30 June 2023	1 January- 30 June 2022	1 January- 30 June 2023	1 January- 30 June 2022
Interest income	89.432.894	49.048.261	48.041.642	28.678.490
Insurance premiums	14.306.027	7.086.400	7.608.299	3.929.104
Commission income	13.332.700	5.525.616	7.732.533	3.076.049
Total	117.071.621	61.660.277	63.382.474	35.683.643

	1 January- 30 June 2023	1 January- 30 June 2022	1 January- 30 June 2023	1 January- 30 June 2022
Interest expenses	(39.992.298)	(15.782.615)	(16.861.494)	(8.502.381)
Insurance premiums	(16.338.924)	(7.890.668)	(10.102.572)	(4.868.904)
Commission expenses	(2.588.275)	(1.409.740)	(1.520.062)	(749.191)
Total	(58.919.497)	(25.083.023)	(28.484.128)	(14.120.476)

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NOTE 26 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended 30 June 2023 and 2022 are as follows:

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Foreign currency gains resulting from operations	3.199.094	2.019.151	2.838.448	1.338.096
Due date income from trade receivables	228.632	160.637	171.519	88.840
Other income (*)	6.729.617	2.745.479	5.138.076	2.059.278
Total	10.157.343	4.925.267	8.148.043	3.486.214

(*) Other incomes are related to insurance companies’ investment income transferred to technical profit.

The details of other expenses from operating activities for the years ended 30 June 2023 and 2022 are as follows:

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Foreign currency losses resulting from operations	(2.353.536)	(1.709.823)	(2.069.925)	(1.077.699)
Due date expense from trade receivables	(627.101)	(359.122)	(339.528)	(195.395)
Provision expense	(16.020)	(16.483)	96.503	(10.937)
Other expenses	(881.640)	(277.926)	(386.223)	(115.811)
Total	(3.878.297)	(2.363.354)	(2.699.173)	(1.399.842)

NOTE 27 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of other income from investing activities for the years ended 30 June 2023 and 2022 are as follows:

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Gain on fair value change of financial assets(*)	301.254	324.399	234.339	132.267
Dividend income	83.438	53.048	22.448	24.146
Interest income on time deposits	232.973	240.735	193.991	89.214
Gain on sale of associates	14.000	2.766.445	-	(51.277)
Profit on sale of investment property	6.828	153.527	5.630	6.937
Other	41.428	-	(28.516)	-
Total	679.921	3.538.154	427.892	201.287

(*) Related to time deposits, which are recognised in financial assets measured at fair value through profit or loss.

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NOTE 27 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES (Continued)

The details of other expenses from investing activities for the years ended 30 June 2023 and 2022 are as follows:

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Loss on sale of fixed assets	(10.442)	(3.084)	(2.222)	(119)
Total	(10.442)	(3.084)	(2.222)	(119)

NOTE 28 - FINANCE INCOME/EXPENSES

Financial income and expenses of non-banking segments:

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Financial income				
Foreign currency gains	321.729	433.759	271.953	272.380
Interest Income	36.417	6.154	22.378	2.936
Other financial gains	185.912	40.132	134.053	24.182
Total	544.058	480.045	428.384	299.498

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Financial expenses				
Foreign currency losses	(364.076)	(216.881)	(277.557)	(78.228)
Interest expense	(1.281.024)	(559.301)	(748.788)	(302.179)
Other commission expenses	(367.247)	(172.619)	(199.080)	(93.709)
Other financial expenses	(354.422)	(125.122)	(205.112)	(81.948)
Total	(2.366.769)	(1.073.923)	(1.430.537)	(556.064)

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NOTE 29 - RELATED PARTY DISCLOSURES

Related party balances	30 June 2023	31 December 2022
Receivables from finance sector activities	7.366.767	6.998.277
Trade receivables	318.349	314.353
Trade payables	95.326	515.832
Other receivables	3.951	3.100
Other payables	160.440	676.128
Receivables from finance sector activities	6.979.189	6.266.508
Related party transactions	30 June 2023	30 June 2022
Goods and services sales	398.295	353.709
Goods and services purchases	(1.016.496)	(768.436)
Interest income	379.918	463.153
Interest expense	(279.384)	(109.484)

The Group's joint ventures are recognised in the consolidated financial statements using the equity method. Accordingly, transactions between Group subsidiaries and joint ventures and balances from joint ventures may not be eliminated.

As of 30 June 2023, TRY305.614 (31 December 2022: TRY27.785) was the balance of trade receivables arising from the sales relationship between Kordsa and Brisa. TRY27.070 of other receivables (31 December 2022: 444.252 TRY) arose from the balance related to the dividend relationship of Sabancı Holding with Enerjisa Enerji. TRY141.638 of trade payables arose from the balance related to the purchasing relationship of Çimsa with Enerjisa Üretim. The receivables and payables from finance industry operations consist of credit and deposit transactions between Akbank and the Group joint ventures and other related parties.

As of 30 June 2023, of transactions with related parties, TRY324.400 (30 June 2022: TRY260.226) of product and services sales arises from the sales relationship between Kordsa and Brisa, TRY23.439 (30 June 2022: TRY25.293) from SabancıDX and Brisa, and TRY24.527 (30 June 2022: TRY45.086) from SabancıDX and Enerjisa Enerji. TRY575.515 of goods and services purchases (30 June 2022: TRY507.727) arises from Çimsa's purchasing relationship with Enerjisa Üretim, and TRY277.740 arises from Kordsa's purchasing relationship with Enerjisa Üretim (30 June 2022: TRY181.896).

Key management personnel compensation

The Group defined its key management as board of directors, general manager, general secretary, group chiefs, head of departments and group directors.

Short term benefits include wages, bonuses, social security, health insurance, unused vacation, premium bonuses and incentive premiums. Other long term benefits include private pension system payments. Benefits resulted from discharge include severance pay and unused vacation payments for executive management who is discharged as a result of transfer or retirement.

The detailed schedule of compensation paid or payable to key management for the periods ended 30 June 2023 and 2022 are as follows:r

	30 June 2023	30 June 2022
Short term benefits	164.999	76.907
Benefits resulted from discharge	2.631	363
Other long term benefits	898	435
Total	168.528	77.705

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NOTE 30 – COMMITMENTS

Commitments - other companies	30 June 2023	31 December 2022
Letters of guarantee given	7.393.693	1.439.769
Letters of credit	638.844	-
Other guarantees given	1.969.999	1.856.238
Total	10.002.536	3.296.007

Commitments - banking segment	30 June 2023	31 December 2022
Letters of guarantee given	145.639.869	94.586.133
Letters of credit	28.528.874	20.920.385
Foreign currency acceptance	379.258	195.108
Other guarantees given	24.397.020	20.890.444
Total	198.945.021	136.592.070

The maturity analysis of the off-balance sheet assets of the Banking segment at 30 June 2023 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	80.708.948	64.930.921	145.639.869
Letters of credits	25.303.571	3.225.303	28.528.874
Foreign currency acceptance	379.258	-	379.258
Other guarantees	8.441.627	15.955.393	24.397.020
Total	114.833.404	84.111.617	198.945.021

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2022 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	47.494.664	47.091.469	94.586.133
Letters of credits	16.986.591	3.933.794	20.920.385
Foreign currency acceptance	195.108	-	195.108
Other guarantees	9.957.023	10.933.421	20.890.444
Total	74.633.386	61.958.684	136.592.070

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NOTE 30 – COMMITMENTS (Continued)

The economic sector risk concentrations of the commitments of the Banking segment at 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Construction	40.305.840	26.694.688
Wholesale	36.381.854	23.907.994
Other manufacturing	20.532.257	16.165.076
Financial institutions	21.178.799	14.679.746
Small-scale retailers	16.376.641	10.528.248
Steel and mining	15.567.014	8.285.025
Textile	7.397.392	4.761.548
Transportation	4.845.627	4.473.776
Electricity, gas and water	7.267.630	4.439.428
Food and beverage	5.144.749	3.516.814
Automotive	4.635.164	2.659.686
Chemicals	3.917.512	2.242.967
Agriculture and forestry	1.762.769	2.141.067
Tourism	1.783.191	1.486.055
Telecommunications	1.319.392	765.402
Electronics	427.641	446.959
Other	10.101.549	9.397.591
Total	198.945.021	136.592.070

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NOTE 30 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by the Subsidiaries at 30 June 2023 is as follows:

	30 June 2023				
	Total TRY Equivalent	TRY	USD	EUR	Other TRY Equivalent
A. Total amount of the Collaterals given for its own legal entity	8.531.768	4.304.089	91.772	57.772	231.329
B. Collaterals given on behalf of fully consolidated companies	1.452.074	--	50.201	325	146.579
C. Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	198.963.715	105.639.664	1.751.358	1.567.816	3.958.267
D.Total amount of other Collaterals	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Collaterals	208.947.557	109.943.753	1.893.331	1.625.913	4.336.175
A. Total amount of the mortgages given for its own legal entity	--	--	--	--	--
B. Mortgages given on behalf of fully consolidated companies	--	--	--	--	--
C. Mortgages given on behalf of third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Mortgages	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Mortgages	--	--	--	--	--
A. Total amount of the pledges given for its own legal entity	--	--	--	--	--
B. Pledges given on behalf of fully consolidated companies	--	--	--	--	--
C. Pledges given on behalf of third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Pledges	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Pledges	--	--	--	--	--

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NOTE 30 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by the Joint Ventures at 30 June 2023 is as a follows.

	30 June 2023				
	Total TRY Equivalent	TRY	USD	Other TRY EUR	Equivalent
A. Total amount of the Collaterals given for its own legal entity	1.032.614	292.252	25.729	2.698	--
B. Collaterals given on behalf of fully consolidated companies	4.729.114	4.282.112	16.958	323	--
C. Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Collaterals	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Collaterals	5.761.728	4.574.364	42.687	3.021	--
A. Total amount of the mortgages given for its own legal entity	--	--	--	--	--
B. Mortgages given on behalf of fully consolidated companies	--	--	--	--	--
C. Mortgages given on behalf of third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Mortgages	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Mortgages	--	--	--	--	--
A. Total amount of the pledges given for its own legal entity	--	--	--	--	--
B. Pledges given on behalf of fully consolidated companies	--	--	--	--	--
C. Pledges given on behalf of third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Pledges	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Pledges	--	--	--	--	--

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NOTE 30 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by the Subsidiaries at 31 December 2022 is as follows:

	31 December 2022				
	Total TRY Equivalent	TRY	USD	Other TRY EUR	Other TRY Equivalent
A. Total amount of the Collaterals given for its own legal entity	3.619.884	2.314.990	44.257	14.956	179.219
B. Collaterals given on behalf of fully consolidated companies	2.946.578	--	151.846	--	107.316
C. Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	136.600.239	66.037.084	1.843.771	1.642.365	3.347.396
D. Total amount of other Collaterals	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Collaterals	143.166.701	68.352.074	2.039.874	1.657.321	3.633.931
A. Total amount of the mortgages given for its own legal entity	--	--	--	--	--
B. Mortgages given on behalf of fully consolidated companies	--	--	--	--	--
C. Mortgages given on behalf of third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Mortgages	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Mortgages	--	--	--	--	--
A. Total amount of the pledges given for its own legal entity	--	--	--	--	--
B. Pledges given on behalf of fully consolidated companies	--	--	--	--	--
C. Pledges given on behalf of third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Pledges	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Pledges	--	--	--	--	--

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NOTE 30 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by the Joint Ventures at 31 December 2022 is as follows:

	31 December 2022				
	Total TRY Equivalent	TRY	USD	Other TRY EUR	Equivalent
A. Total amount of the Collaterals given for its own legal entity	1.126.190	315.108	39.002	4.104	--
B. Collaterals given on behalf of fully consolidated companies	2.333.183	1.859.213	24.904	416	--
C. Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Collaterals	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Collaterals	3.459.373	2.174.321	63.906	4.520	--
A. Total amount of the mortgages given for its own legal entity	--	--	--	--	--
B. Mortgages given on behalf of fully consolidated companies	--	--	--	--	--
C. Mortgages given on behalf of third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Mortgages	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Mortgages	--	--	--	--	--
A. Total amount of the pledges given for its own legal entity	--	--	--	--	--
B. Pledges given on behalf of fully consolidated companies	--	--	--	--	--
C. Pledges given on behalf of third parties’ debt for continuation of their economic activities	--	--	--	--	--
D. Total amount of other Pledges	--	--	--	--	--
i. Given on behalf of majority shareholder	--	--	--	--	--
ii. Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii. Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Pledges	--	--	--	--	--

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NOTE 31 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

31.1 Financial Instruments and Financial Risk Management

31.1.1 Financial risk management

The Group is exposed to a variety of financial risks due to its operations. These risks are; market risk (including exchange risk, fair value interest rate risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on minimizing the effects of the unpredictability of financial markets and their possible adverse effects on the Group’s financial performance.

The Group uses financial derivative instruments in order to hedge from various risks. Financial risk management is carried out within the context of policies approved by their Board of Directors for each Subsidiary and Jointly Controlled Entity.

31.1.1.1 Foreign Exchange Risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored and limited by analyzing foreign currency position. The Group aims to lower foreign exchange risk arising from assets and liabilities by using swap and forward derivative instruments

The difference between the assets and liabilities of Akbank both denominated in foreign currency is defined as the “Net Foreign Currency (“FC”) position” and is the exposure to foreign currency risk. Another dimension of the foreign exchange risk is the change in the value of the foreign currencies themselves within the net FC position (cross rate risk). The Bank keeps the amount exposed to foreign exchange risk within the limits determined by the Risk Management Committee. The Risk Management Committee monitors the general economic conditions and developments in the markets and sets new limits when necessary. These limits are set and monitored separately for the net FC position and for the cross rate risk. When necessary swap and forward contracts are used as a tool to hedge the foreign exchange risk.

The Group is exposed to foreign exchange risk arising primarily from the EUR, USD and GBP.

Foreign currency denominated assets and liabilities held by the Group before consolidation eliminations as at 30 June 2023 and 31 December 2022 in terms of TRY are as follows:

	30 June 2023	31 December 2022
Assets	673.965.383	488.236.719
Liabilities	(740.996.449)	(541.636.916)
Net foreign currency balance sheet position	(67.031.065)	(53.400.197)
Net foreign currency position of off-balance sheet derivative financial instruments	46.249.153	64.158.918
Net foreign currency balance sheet and off-balance sheet position	(20.781.912)	10.758.721

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**NOTE 31 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS
(Continued)**

31.1 Financial Instruments and Financial Risk Management (Continued)

31.1.1 Financial risk management (Continued)

31.1.1.1 Foreign Exchange Risk (Continued)

30 June 2023	Total TRY Equivalent	TRY	USD TRY Equivalent	EUR TRY Equivalent	GBP TRY Equivalent	Other TRY Equivalent
Assets:						
Cash and cash equivalents	85.766.771	51.083	55.541.438	22.767.186	2.080.825	5.326.238
Financial investments	139.622.673	183.707	127.121.347	9.389.393	15	2.928.210
Receivables from financial operations	283.636.292	-	114.883.619	168.712.251	34.490	5.933
Reserve deposits at central banks	132.130.187	-	75.622.615	37.992.436	-	18.515.135
Trade receivables	7.808.219	-	4.830.787	2.526.649	35.100	415.683
Other assets	25.001.241	30.133	17.599.192	5.492.815	407	1.878.694
Total assets	673.965.383	264.923	395.598.999	246.880.732	2.150.836	29.069.894
Liabilities						
Funds borrowed and debt						
securities in issue	134.722.269	530.763	108.481.059	21.798.951	3.859.842	51.654
Customer deposit	545.060.312	-	328.033.711	149.800.293	8.566.880	58.659.428
Trade payables	5.637.535	94.259	3.596.639	1.935.994	5.796	4.847
Other payables and provisions	55.576.334	-	47.837.635	7.356.363	162.632	219.704
Total liabilities	740.996.449	625.022	487.949.044	180.891.601	12.595.151	58.935.632
Net assets/(liabilities) foreign currency position of						
off-balance sheet derivative financial instruments	46.249.153	-	74.855.630	(69.522.761)	9.612.723	31.303.561
Monetary items net assets/(liabilities)						
foreign currency position	(20.781.912)	(360.099)	(17.494.415)	(3.533.629)	(831.591)	1.437.822

Net profit effect of the consolidated to the total net foreign currency position is TRY13.207.192 in the long term as of 30 June 2023 (Akbank excluded)

31 December 2022	Total TRY Equivalent	TRY	USD TRY Equivalent	EUR TRY Equivalent	GBP TRY Equivalent	Other TRY Equivalent
Assets:						
Cash and cash equivalents	52.314.899	286.755	29.091.289	17.988.703	409.672	4.538.480
Financial investments	106.726.305	-	97.118.423	7.381.822	-	2.226.060
Receivables from financial operations	210.909.850	-	87.567.511	123.264.615	33.050	44.674
Reserve deposits at central banks	95.135.790	-	55.195.560	36.497.113	-	3.443.117
Trade receivables	2.791.073	292.621	828.700	1.362.244	18.503	289.005
Other assets	20.358.802	12.427	14.527.444	4.578.824	305	1.239.802
Total assets	488.236.719	591.803	284.328.927	191.073.321	461.530	11.781.138
Liabilities						
Funds borrowed and debt						
securities in issue	112.932.618	430.001	92.963.423	19.497.124	-	42.070
Customer deposit	386.252.818	-	225.086.375	113.340.634	7.969.477	39.856.332
Trade payables	2.259.211	302.669	1.374.484	464.537	17.971	99.550
Other payables and provisions	40.192.269	-	34.913.539	4.711.815	29.726	537.189
Total liabilities	541.636.916	732.670	354.337.821	138.014.110	8.017.174	40.535.141
Net assets/(liabilities) foreign currency position of						
off-balance sheet derivative financial instruments	64.158.918	-	78.698.708	(50.996.001)	7.292.828	29.163.383
Monetary items net assets/(liabilities)						
foreign currency position	10.758.721	(140.867)	8.689.814	2.063.210	(262.816)	409.380

Net profit effect of the consolidated to the total net foreign currency position is TRY2.767.348 in the long term as of 31 December 2022 (Akbank excluded).

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**NOTE 31 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS
(Continued)**

31.1 Financial Instruments and Financial Risk Management (Continued)

31.1.1 Financial risk management (Continued)

31.1.1.1 Foreign Exchange Risk (Continued)

The table below summarizes the situations in which the net foreign exchange position in the Group's balance sheet will reach with changes in the exchange rates for the Group companies that are out of the banking industry division in the years ended 30 June 2023 and 2022:

30 June 2023	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in TRY by 20%		
TRY net assets/liabilities	(57.616)	(57.616)
TRY hedge items (-)		
TRY net effect	(57.616)	(57.616)
Change in USD against TRY by 20%		
USD net assets/liabilities	2.479.626	(2.479.626)
USD hedge items (-)		
USD net effect	2.479.626	(2.479.626)
Change in EUR against TRY by 20%		
EUR net assets/liabilities	(161.559)	161.559
EUR hedge items (-)		
EUR net effect	(161.559)	161.559
Change in GBP against TRY by 20%		
GBP net assets/liabilities	6.677	(6.677)
GBP hedge items (-)		
GBP net effect	6.677	(6.677)
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	68.561	(68.561)
Other hedges items(-)		
Other currency net effect	68.561	(68.561)
30 June 2022		
Change in TRY by 20%		
TRY net assets/liabilities	(89.270)	89.270
TRY hedge items (-)		
TRY net effect	(89.270)	89.270
Change in USD against TRY by 20%		
USD net assets/liabilities	1.026.845	(1.026.845)
USD hedge items (-)		
USD net effect	1.026.845	(1.026.845)
Change in EUR against TRY by 20%		
EUR net assets/liabilities	94.988	(94.988)
EUR hedge items (-)		
EUR net effect	94.988	(94.988)
Change in GBP against TRY by 20%		
GBP net assets/liabilities	3.248	(3.248)
GBP hedge items (-)		
GBP net effect	3.248	(3.248)
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	3.177	(3.177)
Other hedges items(-)		
Other currency net effect	3.177	(3.177)

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NOTE 32 - EVENTS AFTER THE REPORTING PERIOD

On November 9, 2021, within the scope of the share buyback program initiated by the Board of Directors, a total of 525 TL nominal value shares, representing 0,03% of Sabancı Holding's capital, were repurchased for a total consideration of TRY26.657, including transaction costs, considering matched orders as of the reporting date after June 30, 2023.

The corporate tax rate has been increased from 20% to 25% (25% to 30% for financial institutions) and the new rate is effective for declarations to be submitted as of 1 October 2023 with the "Law on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6 February 2023 and Amendments to Certain Laws and Decree Law No. 375" published in the Official Gazette dated 15 July 2023. The Group is in the process of assessing the impact of the new legislation on the consolidated financial statements as at the date of these financial statements.

At the Board of Directors meeting held on 28 July 2023, Çimsa's issued capital with a nominal value of TRY135.084.442 was increased to TRY945.591.094 by a 600% bonus issue with a nominal value of TRY810.506.652, fully funded from internal resources. It has been decided that the entire capital increase amounting to TRY 810.506.652 to be made from internal resources will be covered from the real estate sales gain funds included in the Other Capital Reserves account in the financial statements prepared in accordance with the Tax Procedure Law, and from the Retained Earnings account in the financial statements prepared in accordance with TAS/IFRS in accordance with the capital markets legislation. In this context, Çimsa made the necessary application to the Capital Markets Board on 3 August 2023.