

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TOGETHER
WITH INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE PERIOD 1 JANUARY - 30 JUNE 2021

(CONVENIENCE TRANSLATION OF CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
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 Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2021 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.

Burak Özpoyraz, SMMM
Partner

Istanbul, 18 August 2021

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Reviewed	Audited
	Notes	Current Period 30/06/2021	Previous Period 31/12/2020
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	51,231,806	54,408,574
Financial Investments	5	8,168	10,521
Trade Receivables		366,622,111	232,375,958
- Trade Receivables from Related Parties	7,20	7,874,821	9,577,545
- Trade Receivables from Third Parties	7	358,747,290	222,798,413
Other Receivables		9,164,458	4,405,259
- Other Receivables from Related Parties	20	-	200,981
- Other Receivables from Third Parties		9,164,458	4,204,278
Due from Customers Under Construction Contracts	10	970,687,480	823,182,676
Inventories	8	169,860,702	115,783,530
Prepaid Expenses		38,983,556	18,687,326
Current Tax Related Assets		70,681	37,951
Other Current Assets		17,867,473	27,077,845
Non-Current Assets		352,708,881	342,016,658
Other Receivables		93,081	87,787
- Other Receivables from Third Parties		93,081	87,787
Investment Property	11	281,506,054	281,506,054
Tangible Fixed Assets	12	19,944,176	20,280,246
Intangible Fixed Assets	13	80,845	118,019
Prepaid Expenses	9	257,057	649,114
Deferred Tax Assets		41,088,736	33,145,622
Non-Current Assets Related with Current Period Tax		9,738,932	6,229,816
TOTAL ASSETS		1,977,205,316	1,617,986,298

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Reviewed	Audited
	Notes	Current Period 30/06/2021	Previous Period 31/12/2020
LIABILITIES			
Short-Term Liabilities		1,352,815,995	1,034,189,723
Short-Term Borrowings	6	374,259,583	281,495,172
Short Term Portion of Long Term Financial Liabilities	6	35,185,720	47,255,638
Trade Payables		343,458,853	206,620,720
- Trade Payables to Related Parties	7,20	20,338,894	28,160,246
- Trade Payables to Third Parties	7	323,119,959	178,460,474
Employee Benefits	15	36,150,756	16,375,401
Other Payables		11,640,908	14,478,734
- Other Payables to Related Parties	20	4,630,796	1,285,181
- Other Payables to Third Parties		7,010,112	13,193,553
Due to Customers Under Construction Contracts	10	25,711,109	18,562,232
Deferred Income	9	509,094,224	430,824,571
Income Tax Payable		1,330,595	2,520,172
Short-Term Provisions		15,984,247	16,057,083
- Short-Term Provisions for Employee Benefits	15	9,014,057	8,873,582
- Other Short-Term Provisions	14	6,970,190	7,183,501
Long Term Liabilities		165,223,227	141,345,563
Long-Term Borrowings	6	87,487,596	90,841,004
Other Borrowings		21,148,333	-
- Other Borrowings to Third Party	20	21,148,333	-
Long-Term Provisions		14,603,784	14,848,250
- Long-Term Provisions for Employee Benefits	15	14,603,784	14,848,250
Deferred Tax Liabilities		41,983,514	35,656,309
Total Liabilities		1,518,039,222	1,175,535,286
EQUITY			
Equity Belongs to Parent Company		459,166,094	442,451,012
Share Capital	16	200,000,000	200,000,000
Capital Advances	16	26,000,000	-
Share Premium	16	1,498,280	1,498,280
Effects of Business Combinations Under Common Control	16	(62,334,320)	(62,334,320)
Other Comprehensive Income (Expense) Items not to be Reclassified to Profit (Loss)		(2,063,357)	(1,765,996)
Revaluation and Measurement (Losses)		(2,063,357)	(1,765,996)
- Increase / (Decrease) from Revaluation of Tangible Assets	16	(101,224)	(101,224)
- Defined Benefit Plans Remeasurement Gains / Losses	16	(1,962,133)	(1,664,772)
Other Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)		322,853,710	278,170,476
- Foreign Currency Conversion Difference	16	322,853,710	278,170,476
Restricted Reserves Allocated from Profits		13,950,112	13,950,112
- Legal Reserves	16	13,950,112	13,950,112
Other Equity Shares	16	(13,842,938)	(13,842,938)
Other reserves	16	5,851,513	5,851,513
Retained Earnings/(Losses)	16	20,624,726	168,857,068
Net Profit/(Loss) for the Period	19	(52,969,631)	(142,173,131)
Non-Controlling Interest	16	(402,001)	(5,760,052)
TOTAL LIABILITIES		1,977,205,316	1,617,986,298

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 01.01.2021 - 30.06.2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Reviewed		Not Reviewed	
		Current Period	Previous Period	Current Period	Previous Period
		01.01.-30.06.2021	01.01.-30.06.2020	01.04.-30.06.2021	01.04.-30.06.2020
PROFIT OR LOSS					
Revenue	3	390,295,879	449,052,679	227,494,765	190,650,868
Cost of Sales (-)	3	(412,671,675)	(420,923,841)	(222,998,062)	(178,200,327)
GROSS PROFIT/LOSS		(22,375,796)	28,128,838	4,496,703	12,450,541
General Administrative Expense (-)	3	(14,142,446)	(17,574,274)	(7,860,267)	(9,500,604)
Other Operating Income	3	112,449,534	40,391,652	34,292,994	16,733,192
Other Operating Expense (-)	3	(80,223,598)	(33,155,854)	(25,825,310)	(12,782,291)
OPERATING PROFIT/LOSS		(4,292,306)	17,790,362	5,104,120	6,900,838
Impairment (losses) / gains in accordance with TFRS 9, net		(5,215)	1,171,611	(32,414)	29,995
Income From Investing Activities	3	521,722	6,928,622	493,630	659
Expense From Investing Activities (-)	3	(54,094)	(168,143)	(51,914)	(114,650)
OPERATING PROFIT/LOSS BEFORE FINANCING INCOME AND EXPENSES		(3,829,893)	25,722,452	5,513,422	6,816,842
Financing Income	3.18	25,222,106	9,395,607	22,751,842	3,521,481
Financing Expenses (-)	3.18	(75,946,370)	(36,993,212)	(48,559,201)	(18,030,033)
PROFIT/LOSS BEFORE TAX FROM ONGOING ACTIVITIES		(54,554,157)	(1,875,153)	(20,293,937)	(7,691,710)
Continuing Operations Tax Income/Expense		1,720,317	(4,457,624)	15,750	(461,606)
-Tax Income/ (Expense) For Period	3	(1,330,595)	(7,242)	(1,199,674)	35,772
-Deferred Tax Income/ (Expense)	3	3,050,912	(4,450,382)	1,215,424	(497,378)
PERIOD PROFIT / (LOSS) FROM ONGOING ACTIVITIES		(52,833,840)	(6,332,777)	(20,278,187)	(8,153,316)
PROFIT/ (LOSS) FOR THE PERIOD		(52,833,840)	(6,332,777)	(20,278,187)	(8,153,316)
Distribution of the Profit / (Loss) for the Year					
Non-controlling Shares	16	135,791	(572,222)	(279,842)	(300,199)
Parent Company Shares	19	(52,969,631)	(5,760,555)	(19,998,345)	(7,853,117)
Earnings Per Share					
Earnings Per Share	19	(0.26)	(0.05)	(0.10)	(0.07)

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Reviewed		Not Reviewed	
	Current Period 01.01.-30.06.2021	Previous Period 01.01.-30.06.2020	Current Period 01.04.-30.06.2021	Previous Period 01.04.-30.06.2020
PROFIT/ (LOSS) FOR THE PERIOD	(52,833,840)	(6,332,777)	(20,278,187)	(8,153,316)
OTHER COMPREHENSIVE INCOME				
Items not to be Reclassified to Profit or Loss :				
Defined Benefit Plans Remeasurement Gains / (Losses)	15	(371,701)	(185,756)	(111,495)
Taxes Related to Other Comprehensive Income (expenses) Items not to be Reclassified to Profit		74,340	37,151	22,299
Deferred Tax Income (Expenses)		74,340	37,151	22,299
Items to be Reclassified to Profit or Loss:				
Gain / (Loss) from Foreign Currency Conversion Differences		44,683,234	4,540,060	20,612,972
OTHER COMPREHENSIVE INCOME/ EXPENSES	44,385,873	57,656,142	4,391,455	20,523,776
TOTAL COMPREHENSIVE INCOME	(8,447,967)	51,323,365	(15,886,732)	12,370,460
Appropriation of Total Comprehensive Income:				
Non-Controlling Interests		135,791	(279,842)	(300,199)
Parent Company Share		(8,583,758)	(15,606,890)	12,670,659

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements.

ANEL ELEKTRİK PROJE TAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Dipnot	Paid-in Capital	Capital Advance	Premiums /Discounts Related with Shares	The Merge Effect of Business Combinations Under Common Control	Sales Option Valuation Fund Regarding Non-controlling	Other Comprehensive Income (expenses) Items not to be Reclassified to Profit (Loss)		Other Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)	Restricted Reserves Allocated from Profits	Other Equity Shares	Other Reserves	Retained Earnings/(Losses)		Equity Attributable to Parent Company	Non-controlling Shares	Equity	
						Foreign Currency Conversion Differences	Increase / (Decrease) from Revaluation of Tangible Assets					Defined Benefit Plans Remeasurement Gains / Losses	Net Profit / (Loss) for the Period				
Balances as of 1 January 2020 (beginning of period)	110,000,000	-	1,498,280	(62,334,320)	(8,691,856)	(101,224)	(1,494,559)	201,665,115	13,960,750	(13,842,938)	5,851,513	256,199,568	3,543,334	506,193,663	1,336,034	507,529,697	
Transfers	-	-	-	-	-	-	-	-	-	-	-	3,543,334	(3,543,334)	-	-	-	
Total Comprehensive Income/Expenses	-	-	-	-	-	-	(191,881)	57,848,023	-	-	-	-	(5,760,555)	51,895,587	(572,222)	51,323,365	
Increase/Decrease Due to Share Ratio Changes in Subsidiaries	-	-	-	-	8,691,856	-	-	-	-	-	-	-	-	8,691,856	-	8,691,856	
Transactions with Non-Controlling Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,404,222)	(6,404,222)	
Balance as of 30 June 2020 (end of period)	110,000,000	-	1,498,280	(62,334,320)	-	(101,224)	(1,686,440)	259,453,138	13,960,750	(13,842,938)	5,851,513	259,742,902	(5,760,555)	566,781,106	(5,640,410)	561,140,696	
Balances as of 1 January 2021 (beginning of period)	16	200,000,000	-	1,498,280	(62,334,320)	-	(101,224)	(1,664,772)	278,170,476	13,950,112	(13,842,938)	5,851,513	168,857,068	(142,173,131)	448,211,064	(5,760,052)	442,451,012
Transfers	-	-	-	-	-	-	-	-	-	-	-	(142,173,131)	142,173,131	-	-	-	
Total Comprehensive Income/Expenses	-	-	-	-	-	-	(297,361)	44,683,234	-	-	-	-	(52,969,631)	(8,583,758)	135,791	(8,447,967)	
Capital Advance	-	26,000,000	-	-	-	-	-	-	-	-	-	-	26,000,000	-	26,000,000	26,000,000	
Transactions with Non-Controlling Shareholders	-	-	-	-	-	-	-	-	-	-	-	(6,059,211)	-	(6,059,211)	5,222,260	(836,951)	
Balance as of 30 June 2021 (end of period)	16	200,000,000	26,000,000	1,498,280	(62,334,320)	-	(1,962,135)	322,853,710	13,950,112	(13,842,938)	5,851,513	20,624,726	(52,969,631)	459,568,095	(402,001)	459,166,094	

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Reviewed	
		Current Period	Previous Period
		01.01.-30.06.2021	01.01.-30.06.2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		(52,465,509)	(112,962,879)
Profit/(Loss) for the period		(52,833,840)	(6,332,777)
Adjustments to reconcile net profit to cash provided by operating activities		81,859,502	115,039,093
Adjustments for Depreciation and Amortisation		3,633,492	3,285,481
Adjustments for Provisions		660,372	1,330,900
Adjustments for Provisions/(Reversals) of Employee Benefits	15	868,468	2,978,277
Adjustments for Provisions/(Reversals) of Litigation	14	(213,311)	(475,766)
Adjustments for Provisions/(Reversals)		5,215	(1,171,611)
Financial income / expense net		34,194,095	15,986,137
Adjustments Regarding Interest income		(1,908,039)	(2,465,450)
Adjustments Regarding Interest expense		36,102,154	18,451,587
Tax (Income)/(expenses)		(1,720,317)	4,457,624
Corrections related to losses (gains) arising from the disposal of tangible fixed assets		(382,556)	166,554
Adjustments for Arising from the Disposal of Tangible Fixed Assets Losses (Gains)		(382,556)	166,554
Adjustments for Losses (Gains) Arising from the Disposal of Subsidiaries or Joint Operations		-	(6,933,847)
Adjustments for Other Items That Cause Cash Flows From Investing or Financing Activities		-	37,664,611
Adjustments for Unrealized Foreign Currency Translation Differences		45,474,416	59,081,633
Changes in Net Working Capital		(74,565,769)	(211,407,403)
Adjustments for Increase/(Decreases) in Financial Investments	5	2,353	(6,358)
Increases / (Decreases) in Trade Receivables		(134,246,153)	(1,548,552)
-Increases / (Decreases) in Trade Receivables from Related Parties	7, 20	1,702,724	882,721
-Increases / (Decreases) in Trade Receivables from Third Parties	7	(135,948,877)	(2,431,273)
Increases / (Decreases) in Other Receivables		(4,764,493)	11,169,297
-Increases / (Decreases) in Other Receivables from Related Parties	20	200,981	10,751,009
-Increases / (Decreases) in Other Receivables from Third Parties		(4,965,474)	418,288
Increases / (Decreases) in Receivables from Ongoing Construction, Commitment, and Service Agreements	10	(147,504,804)	(245,887,981)
Increases / (Decreases) in Inventories	8	(54,077,172)	16,662,974
Increases / (Decreases) in Prepaid Expenses	9	(19,904,173)	1,013,582
Increases / (Decreases) in Trade Payables		136,838,133	(41,685,849)
-Increases / (Decreases) in Trade Payables to Related Parties	7, 20	(7,821,352)	4,777,306
-Increases / (Decreases) in Trade Payables to Third Parties	7	144,659,485	(46,463,155)
Increases / (Decreases) in Employee Benefits	15	19,775,355	22,533,411
Increases / (Decreases) in Payables from Ongoing Construction, Commitment, and Service Agreements	10	7,148,877	(674,292)
Increases / (Decreases) in Other Payables		18,310,507	4,446,598
-Increases / (Decreases) in Other Payables to Related Parties	20	24,493,948	622,399
-Increases / (Decreases) in Other Payables to Third Parties		(6,183,441)	3,824,199
-Increases / (Decreases) in Deferred Income	9	78,269,653	15,515,705
Adjustments for (Gains)/Losses from Changes in Capitals		25,586,148	7,054,062
-Increases / (Decreases) in Other Assets		5,668,526	(11,779,836)
-Increases / (Decreases) in Other Liabilities		19,917,622	18,833,898
Cash Flows from Operating Activities		(45,540,107)	(102,701,087)
Payments in the coverage of benefits provided to employees	15	(4,334,549)	(9,109,984)
Tax Returns (Payments)		(2,590,853)	(1,151,808)
B. CASH FLOW FROM INVESTING ACTIVITIES		(306,784)	(50,128)
Cash Inflows From Sales That Will Cause Loss of Control of Subsidiaries		-	6,933,847
Cash Outflows from Purchase of Subsidiary Share		-	(6,420,773)
Cash Inflows from Tangible and Intangible Asset Sales		733,507	323,403
-Cash Inflows from Intangible Asset Sales		733,507	123,921
-Cash Inflows from Tangible Asset Sales		-	199,482
Cash Outflows from Tangible and Intangible Asset Purchases		(1,040,291)	(886,605)
-Cash Outflows from Intangible Asset Purchases		(1,040,291)	(885,374)
-Cash Outflows from Tangible Asset Purchases		-	(1,231)
C. CASH FLOWS FROM FINANCING ACTIVITIES		46,242,127	38,007,074
Cash Inflows from Capital Advances		26,000,000	-
Cash Inflows From Borrowing		211,269,158	185,274,747
Proceeds from borrowings	6	211,269,158	185,274,747
Cash Outflows Related to Debt Payments		(156,832,936)	(131,281,536)
Repayment of borrowings	6	(156,832,936)	(131,281,536)
Interests paid	18	(36,102,154)	(18,451,587)
Interests received	18	1,908,059	2,465,450
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)		(6,530,166)	(75,005,934)
D. FOREIGN CURRENCY CONVERSION DIFFERENCES IMPACT ON CASH AND CASH EQUIVALENTS		3,353,398	321,209
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(3,176,768)	(74,684,725)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	54,408,574	105,056,111
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	4	51,231,806	30,371,386

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

1. ORGANIZATION AND ACTIVITIES

The Company was first established in 1986 by the title of “Anel Elektrik Proje Taahhut Ve Ticaret Limited Sirketi”. The Company’s commercial type has been changed to “Anel Elektrik Proje Taahhut Ve Ticaret Anonim Sirketi” (The ‘Company-Anel Elektrik’) in 26/12/2006. The company’s head Office is located in Saray Mahallesi Site Yolu Caddesi No:5/4 34768 Anel İş Merkezi, Ümraniye/İstanbul

Branch Adresses :

Doha Branch: P.O. Box: 21346 Doha – Qatar

Azerbaijan Branch: C. Cabbarlı 44, Caspian Plaza Kat:2 D:4 Bakü – Azerbaijan

Rusya Şubesi: 127422, Russian Federation, Moscow, Timiryazevskaya street, 1. Business Centre - Premier

Holland Branch: Transpolisark, Siriusdreef 17-27, 2132 WT Hoofddorp Amsterdam

The Company and its subsidiaries (“the Group”) operates in three divisions just as; project construction, ship electricity and electronics, energy and telecommunication. The following fields of activity at the same time, underlie the reporting according to Group's activities.

Project Construction - providing electricity and mechanic works according to project agreement

Ship Electricity and Electronics - Ship electrical and electronics systems design

Real Estate - Real estate purchase and sale and operational leasing

Telecommunication - Telecommunication (as of the current period, there are no projects actually carried out in these areas).

The Company’s shares were offered to public since 2010 and as at 13 August 2021, 36.6% of shares are traded in Istanbul Stock exchange, INC. (BIST) according to Central Registry Agency (CRA) records (31 December 2020 : 26.79%) (Note :16).

As of 30 June 2021, 1,490 personnel have been employed within the Group (31 December 2020: 805 people).

Çelikel family is the party that holds the main control with the main shareholder of the company. The information regarding the subsidiaries of the Company is given below:

Subsidiaries included to full consolidation are as follows:

<u>Name of Company</u>	<u>Field of Company</u>	<u>Activity Type</u>	<u>Foundation of Company</u>	<u>Foundation of Year</u>
Anel Marin Gemi Elektrik Elektronik Sist. Tic. ve San. A.Ş.	Ship Electricity and Electronics	Service	Turkey	2005
Anel Dar Libya Constructing & Services LLC	Project Commitment	Service	Libia	2010
Anel Emirates General Contracting LLC	Project Commitment	Service	United Arab Emirates	2010
Anelmep Maintenance and Operations LLC	Project Commitment	Service	Qatar	2008
Anel Yapı Gayrimenkul A.Ş.	Real Estate	Service	Turkey	2007
Anel Engineering & Contracting Ltd.	Project Commitment	Service	England	2017
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	Telecommunications	Service	Turkey	2003
Liquidaton Process Anel Enerji Elektrik Üretim San. ve Tic. A.Ş.	Solar Energy Projects	Service	Turkey	2009
Anel BG EOOD (*)	Solar Energy Projects	Service	Bulgaria	2011

(*) Legal personalites of the subsidiaries Anel Enerji Elektrik Üretim San. ve Tic. A.Ş. and Anel BG EOOD have been terminated as of 28 June 2021 and as of May 5, 2021 respectively which were operating in the energy sector.

The Company does not have any subsidiaries traded on any stock exchange. Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.’s shares are in the status of publicly traded corporations that are not publicly traded.

The Company and its subsidiaries will be referred to as the “Group” in these consolidated financial statements.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS

2.1. Basic Standards of Presentation

Basis of Presentation of Consolidated Financial Statements

Statement of compliance with Turkish Financial Reporting Statement (“TFRS”)

The accompanying financial statements are prepared in accordance with Turkish Financial Reporting Standards Accounting Standards (“TFRS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) together with the provisions of accordance with to Capital Market Board of Turkey (“CMB”)’s “Principles of Financial Reporting in Capital Market” dated 13 June 2013 and published in the Official Gazette numbered 28676 Series II. No.14.1. TFRS consist of standards and interpretations which are published as Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, TAS interpretations and TFRS interpretations.

Preparation of financial statements

The accompanying financial statements are presented in accordance with the TAS Taxonomy issued by POA and announcement regarding with formats of financial statements and notes issued by CMB.

Consolidated financial statements are published in the Official Gazette dated 13 June 2013 and numbered 28676 of the Capital Markets Board (“CMB”), Series II, “Financial Reporting in the Capital Markets” No. 14.1.

The accompanying condensed consolidated interim financial statements for the period ended 30 June 2021 are prepared in accordance with the Turkish Accounting Standard No:34 “Interim Financial Reporting”. According to TAS 34, entities are allowed to prepare a complete or condensed consolidated set of interim financial statements. In this respect, the Group has preferred to prepare its interim consolidated financial statements for the period as of 30 June 2021 as condensed, and disclosures and notes that are required to be involved in the annual consolidated financial statements prepared according to TAS/TFRS are condensed or not included. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

Consolidated financial statements were approved by the Board of Directors on 18 August 2021. The General Assembly have the right to amend the financial statements.

Basis of measurement

The consolidated financial statements are prepared on the basis of historical costs, except for investment properties and financial investments measured at fair value.

Comparative information, changes in accounting policies and restatement of prior period financial statements

In order to allow the determination of financial position and performance of the Group are prepared in the comparative prior period consolidated financial statements of the current period. In order to comply with the presentation of the consolidated financial statements for the period necessary, comparative figures are reclassified.

As of 30 June 2021, in order to ensure consistency with the presentation of the current period financial statements, joint venture loss amounting to (TRY 370,017) classified under investment activities in the income statement for the period ended 30 June 2020 has been reclassified to foreign sales account under revenue.

Going concern

Consolidated financial statements are prepared according to the continuity of the Company under the assumption that the Group will benefit from its assets in the next year and its activities in the natural flow and fulfill its obligations.

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.1. Basic Standards of Presentation (Continued)

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Functional and presentation currency

The financial statements of the group's subsidiaries are reported in terms of their local currencies. The consolidated financial statements are presented in Turkish Lira ("TRY").

TAS 21 "Effects of Changes in Foreign Exchange Rates," according to the consolidation of branches and subsidiaries of the Group's assets and liabilities of foreign countries in parity with the balance sheet date are translated into Turkish Lira. The average exchange rate of the period with revenue and expense items are translated into Turkish Lira. Closing and average exchange rate differences resulting from the use of foreign currency translation differences in equity accounts are being followed.

The foreign exchange rates those were used in exchangeing consolidating overseas activities are as follows:

<u>Name of the Company</u>	<u>Currency</u>	<u>30 June 2021</u>		<u>31 December 2020</u>	
		<u>End of the Period</u>	<u>Average of the Period</u>	<u>End of the Period</u>	<u>Average of the Period</u>
Katar Branch	Qatari Riyal (QAR)	2,3915	2,1608	2,0166	1,9256
Azerbaycan Branch	New Manat	5,1207	4,6268	4,3179	4,1230
Russia Branch	Russian Ruble	0,1201	0,1085	0,0990	0,0945
Anel BG EOOD (*)	Bulgarian Lev	-	-	4,5798	4,0815
Anel Emirates	United Arab Emirates Dirham	2,3720	2,1432	2,0001	1,9098
Anel Mep	Qatar Riyal (QAR)	2,3915	2,1608	2,0166	1,9256

(*) Legal personality of Anel BG EOOD has ended as of 5 May 2021.

Consolidation Principles

The following methods are used in the presentation of the Company's subsidiaries operating in foreign countries in the financial statements:

Operations of branch-like enterprises are subject to valuation, such as the operations of the main partnership. In this context, the Central Bank of the Republic of Turkey, which is valid at the end of the reporting period of the monetary and non-monetary items in the financial statements prepared with their respective currencies and the partnerships subject to joint management ("TCMB ") is translated into Turkish lira through exchange rates. The income and expense items are distributed regularly over the years, and the average annual rates are translated into Turkish lira. The exchange rate differences arising from the cycle are monitored in the consolidated Balance sheet under the Equity account group in the "foreign currency cycle differences" account. Equity items are also translated into Turkish lira through TCMB exchange rates, which are valid at the end of the reporting period. The emerging cycle differences related to the equity of branch-like enterprises and independent foreign enterprises in foreign countries that are involved in the consolidation are again followed by the "foreign money Cycle differences" account under the Equity account group Served.

The consolidated financial statements in the relationship include the financial statements of the Company and its subsidiaries. The financial statements of the companies involved in the consolidation are prepared with the same date as the consolidated financial statements.

Subsidiaries

Consolidated financial statements as of 30 June 2021, contains the financial statements of the Company's subsidiaries that have control over their financial and activity policies. As of 30 June 2021 direct and indirect participation rate of subsidiaries subject to consolidation are as follows:

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.1. Basic Standards of Presentation (Continued)

Consolidation Principles (Continued)

<u>Subsidiaries</u>	<u>Establishment and place of organization</u>	<u>Core Business</u>	<u>Currency</u>	<u>Effective Share in Capital (%)</u>	
				<u>30.06.2021</u>	<u>31.12.2020</u>
Liquidation Process Anel Enerji Elek. Üretim San. ve Tic. A.Ş. (*)	Turkey	Energy	Turkish Lira	-	75.32
Anel Marin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	Turkey	Marine Electrical, Electronic	Turkish Lira	93.00	93.00
Anel Dar Libya Constructing & Services LLC	Libia	Project Commitment	US Dollar	65.00	65.00
Anel BG EOOD (**)	Bulgaria	Enerji	Bulgarian Lev	-	100.00
Anel Emirates General Contracting LLC	United Arab Emirates	Project Commitment	US Dollar	100.00	100.00
Anelmep Maintenance and Operations LLC	Qatar	Project Commitment	Qatari Riyal	100.00	100.00
Anel Engineering & Contracting Ltd.	England	Project Commitment	British Sterling	100.00	100.00
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	Turkey	Telecommunication	Turkish Lira	96.61	96.61
Anel Yapı Gayrimenkul A.Ş.	Turkey	Real Estatel	Turkish Lira	98.39	98.39

(*) Legal personality of Anel Enerji Elektrik Üretim San. ve Tic. A.Ş. have been terminated as of 28 June 2021.

(**) Legal personality of Anel BG EOOD has ended as of 5 May 2021.

Control is deemed to exist if the parent company has control over more than half of the voting rights, directly or indirectly, in an association and has the authority to manage the entity's financial and operating policies. In the consolidation of financial statements, all profits and losses, including intercompany balances, transactions and unrealized profits and losses, are offset. Consolidated financial statements are prepared by applying consistent accounting policies for similar transactions and accounts. The financial statements of the subsidiaries are prepared for the same accounting period as the parent. Subsidiaries include the controlling party the console will start to be consoled and the console will be terminated when the control is removed from the group. Income and expenses of subsidiaries purchased or disposed of during the year are included in profit or loss in the consonant and other comprehensive income statement until the date of elimination from the date of purchase.

Revaluates whether or not the company has control over its investment if there is a situation or event that may cause any changes to at least one of the criteria listed above.

Non-controlling shares in the net assets of subsidiaries incorporated into the consolidation It is included as a separate pencil in the equity. The shareholders of consolidated subsidiaries and their main non-affiliate shares within the current term operations have been individually shown as "non-controlling shares" in consolidated financial statements. Non-controlling shares consist of the amount of the main non-affiliate shares in the shareholders' equity changes from the date of purchase, with the amounts belonging to the shares that are not already in the initial purchase date. Even if non-controlling interests result in a negative balance, total comprehensive income is transferred to the parent shareholders and non-controlling inter.

In the event that the company does not have the majority voting rights on the invested company/entity, the investment company/entity should be eligible for adequate voting to direct/manage the activities of the related investment alone. It has control power on it. The company should evaluate whether the majority of the voting in the respective investment, including the following elements, is sufficient to provide control power. Consider all relevant events and conditions.

- Comparing Company's vote right with other shareholders vote rights
- Company's and other shareholders potential vote rights;
- Other rights according to agreements and
- Other conditions which shows Company's current power to ability manage related operations (past voting on general assemblies.)

In the event that the group is required, the financial statements of the subsidiaries have been made to make adjustments to the accounting policies in order to be the same as the accounting policies.

All intra-group assets and liabilities, equity, revenues and expenses and cash flows for transactions between group companies are eliminated in consolidation.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.1. Basic Standards of Presentation (Continued)

Elimination Transactions On the Consolidation

Unrealized gains and expenses arising from intra-group transactions, intra-group balances and intra-group transactions are eliminated on a straight-line basis in preparation of the financial statements. Profits and Losses arises from transactions between parent and subsidiaries subject to consolidation offsets as far as parent's share on subsidiary. Unrecognized losses are deleted in the same way as unrealized gains unless there is evidence of impairment.

Regulatory principles of the consolidated balance sheet and consolidated income statement

Full Consolidation Method:

The Company and its subsidiaries paid-in capital and balance sheet items were collected. The collection process, the consolidation of the subsidiaries' receivables and payables decreased from each other

- .- The consolidated balance sheet of the Company's paid in capital paid-in capital paid-in capital of subsidiaries are not included in the consolidated balance sheet.
- Consolidated subsidiaries paid / issued capital items included in the set of all equity, the parent company and its subsidiaries and the consolidated balance sheet is reduced to the amounts attributable to non-controlling interests in shareholders' equity account group and the "Minority Interests" group name is shown.
- Companies which are subject to consolidation have been bought current and non-current assets from each other, in principle, these assets are shown at acquisition cost, which entities subject to consolidation adjustments will be made in the accompanying consolidated balance sheet prior to the sale has taken place.
- The Company's income statement and its subsidiaries are separately collected and consolidation of the process of collecting the goods and services subject to the sales of companies that they have made to each other, the total sales amounts and reduced the cost of goods sold
- The net profit or loss of consolidated subsidiaries other than the shares of companies subject to the portion that corresponds to the consolidation method, the consolidated net profit for the "Minority Interests" group name is shown.
- Adjustment has been made on subsidiary's financial statement to bring in compliance with accounting policies used by intragroup companies under necessity.

2.2. New and revised Turkish Accounting Standards

a) "Standards, amendments and interpretations applicable as at 30 June 2021:"

- **Amendment to TFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the TASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

This ease of application often causes the lease concession to be recognized as a variable lease payment during periods when the event or condition that triggers the reduction in lease payments occurs. The Group is evaluating the possible effects of the application of TFRS 16 on its consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.2. New and revised Turkish Accounting Standards (Continued)

- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.
- **Amendments TFRS 4, ‘Insurance contracts’, deferral of TFRS 9;** effective from annual periods beginning on or after 1 January 2021. These amendments change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial Instrument until 1 January 2023.

b) “Standards, amendments and interpretations that are issued but not effective as at 30 June 2021:”

- **TFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **Amendments to TAS 1, Presentation of financial statements’ on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to TAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the ‘settlement’ of a liability.
- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
- **Amendments to TFRS 3, ‘Business combinations’ update** a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to TAS 16, ‘Property, plant and equipment’** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to TAS 37, ‘Provisions, contingent liabilities and contingent assets’** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.

- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3. Changes in Accounting Estimates and Errors

The preparation of the consolidated financial statements requires the use of estimates and assumptions that may affect the amounts of the reported assets and liabilities as of the reporting date, the disclosure of contingent assets and liabilities, and the amounts reported during the reporting period. Although these estimates and assumptions are based on the best available information on current events and transactions, actual results may differ from those assumptions.

If the changes in accounting estimates are related to only one period, they are applied in the current period when the change is made and if it is related to the future periods, they are applied both in the period in which the change is made and prospectively. Significant accounting estimates used in the current period are consistent with the accounting estimates used in the preparation of the consolidated financial statements for the period ended 31 December 2020.

2.4. Business Combination

The Group accounts for business combinations using the purchase method when control is transferred to the Group. In a business combination, the amount transferred is measured at its fair value; The transferred price is calculated as the sum of the fair values of the assets transferred by the acquirer, the debts undertaken against the previous owners of the acquired business and the equity shares issued by the acquirer. Purchase-related costs are generally accounted as expense when they occur.

If the changes in accounting estimates are related to only one period, they are applied in the current period when the change is made and if it is related to the future periods, they are applied both in the period in which the change is made and prospectively.

2.5 Significant Changes Within the Current Period

The effects of the Covid-19 Epidemic, which affects almost all sectors around the world, have decreased. However, challenges such as social distancing practices that cause delays and pauses in the projects undertaken, additional safety and health practices at construction sites and worker camps, shortages of workers, equipment and materials, travel restrictions and quarantine rules continue due to the precautionary actions of countries.

In recent years, the effects of the COVID-19 Epidemic in the European countries where the project has been undertaken have created delays and pauses due to the applied restrictions, reduced working hours and limited number of personnel to the construction sites, and have occurred in a similar direction with the Gulf region, creating additional costs.

Delays and pauses caused by these situations continue to adversely affect the Group's ongoing projects. In order to minimize the impact of this situation, the Group management continues to take measures to ensure the continuation of the projects by paying attention to the monitoring and coordination of the measures taken and by not endangering the health of the employees.

In order to ensure that the activities are minimally affected by the Covid epidemic and that the employees have a safe working environment, widespread use of technological tools and remote working software has been ensured. The rapid adaptation to new working conditions following the emergence of pandemic conditions showed that the Group has a high level of readiness to use high technology and support innovative solutions.

In addition to the difficulties experienced due to COVID-19, delayed payments by employers and unsettled claims and change orders, which are widespread in the Gulf Area, can also negatively affect cash flows and profit margins. The Group continues to take measures to reduce this impact.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.5 Significant Changes Regarding the Current Period (Continued)

The reflection of the above-mentioned developments on the ongoing projects can be summarized as follows:

In the University College London Hospital Proton Beam Therapy Unit (UCLH PBT4) Project, although the operations in the construction site was not completely stopped, the number of personnel who could work in the field at any time was limited, and as a result, the completion date of the project was inevitably extended beyond the expected. The project has now been completed and the negotiations with the main contractor regarding the additional costs of the project and their compensations are continuing.

Abu Dhabi International Airport Midfield Terminal Building Project followed a stagnant course in this period due to the impact of the Covid-19 Pandemic, as well as delayed payments and unsolved change orders. As a common point could not be reached with the employer regarding the final calculation of the project, which was 99% completed, arbitration was applied in the United Arab Emirates ("UAE") for the purpose of resolving the disagreement within the scope of the contract, and the arbitration process is continuing.

While the Ain Dubai (Bluewaters) Project is about completion stage, the project completion time has been extended due to the impact of the Covid-19 Pandemic and is expected to be completed by the end of August.

Azerbaijan Ministry of Taxes Building is progressing in accordance with the program, and negotiations with the main contractor are continuing regarding the additional costs caused by the Covid-19 Pandemic measures.

The Galataport Project had a short pause, and the negotiations regarding the time extension and additional costs are mostly positive, and the negotiations with the employer are continuing.

In the Istanbul Modern Museum and Schiphol Airport Pier A Airside Expansion Projects, there was no pause in the projects; Indirect staff working from home for only short periods of time has been practiced.

3. SEGMENT REPORTING

The Group has determined operating segments based on internal reports regularly audited by the competent authority to take decisions on its activities. The authority of the Group to make decisions is the Board of Directors.

The Group's competent authority to review the results and activities on a product-by-product basis and geographical distribution basis in order to make decisions about the resources allocated to the divisions and to evaluate the performance of the divisions. The distribution on the basis of group product groups is as follows: Electrical and mechanical project commitment, ship electrical electronics and energy. Revenue of the Group's reportable operating segments comes largely from project commitment.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

3. SEGMENT REPORTING (Continued)

30 June 2021	Project Commitment	Rent Income	Telecommunication	Marine Electrical and Electronics	Consolidation Adjustments	Total
Net Revenue Non-Group	366,342,993	9,513,529	-	15,003,493	-	390,860,015
Intra Group Revenue	-	-	-	-	(564,136)	(564,136)
Total Net Revenue	366,342,993	9,513,529	-	15,003,493	(564,136)	390,295,879
Cost of Sales (-)	(397,820,719)	(1,125,612)	-	(13,730,979)	5,635	(412,671,675)
Gross Profit / Loss	(31,477,726)	8,387,917	-	1,272,514	(558,501)	(22,375,796)
General and Administrative Expenses (-)	(38,669,242)	(787,726)	(305,893)	(510,315)	26,130,730	(14,142,446)
Other Operating Income	106,892,395	163,202	67,026	5,343,744	(16,833)	112,449,534
Other Operating Expenses	(74,968,428)	(1,078,036)	(135,783)	(4,041,351)	-	(80,223,598)
Operating Profit	(38,223,001)	6,685,357	(374,650)	2,064,592	25,555,396	(4,292,306)
Impairment (losses)/gains in accordance with TFRS 9, net	-	-	-	(5,215)	-	(5,215)
Income from Investment Operations	521,476	-	246	-	-	521,722
Expense from Investment Operations (-)	(51,495)	-	(2,599)	-	-	(54,094)
Operating Profit / (Loss) before Finance Income and Expense	(37,753,020)	6,685,357	(377,003)	2,059,377	25,555,396	(3,829,893)
Financing Income	4,962,355	20,952,261	2,723	2,202,519	(2,897,752)	25,222,106
Financing Expenses (-)	(35,114,893)	(43,056,666)	(234,137)	(438,426)	2,897,752	(75,946,370)
OPERATING PROFIT/(LOSS) BEFORE TAX	(67,905,558)	(15,419,048)	(608,417)	3,823,470	25,555,396	(54,554,157)
Operating Tax Income/(Loss)						
-Period Tax Income/(Loss)	-	-	-	(1,330,595)	-	(1,330,595)
-Deferred Tax Income/(Expense)	(4,988,959)	6,170,803	-	1,869,068	-	3,050,912
PROFIT/(LOSS)	(72,894,517)	(9,248,245)	(608,417)	4,361,943	25,555,396	(52,833,840)
Investment Expenses						
Property, Plant and Equipment	999,894	40,397	-	-	-	1,040,291
intangible Fixed Assets	-	-	-	-	-	-
Depreciation Expenses	(3,497,883)	(87,973)	-	(10,128)	-	(3,595,984)
Amortisation Expenses	(25,767)	(862)	(691)	(10,188)	-	(37,508)
Other Information						
- Total Assets	2,821,252,625	306,682,177	73,473,246	60,110,844	(1,284,313,57)	1,977,205,316
- Total Liabilities	2,282,986,870	186,997,916	6,015,948	39,422,882	(997,384,394)	1,518,039,222

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

3. SEGMENT REPORTING (Continued)

30 June 2020	Project Commitment	Rent Income	Telecommunicator	Marine Electrical and Electronics	Energy	Consolidation Adjustments	Total
Net Revenue Non-Group	434,896,060	9,431,416	23,799	5,879,038	654,659	-	450,884,972
Intra Group Revenue	-	-	-	-	-	(1,462,276)	(1,462,276)
Total Net Revenue	434,896,060	9,431,416	23,799	5,879,038	654,659	(1,462,276)	449,422,696
Cost of Sales (-)	(414,337,105)	(1,283,109)	(120,342)	(4,650,916)	(532,418)	49	(420,923,841)
Gross Profit	20,558,955	8,148,307	(96,543)	1,228,122	122,241	(1,462,227)	28,498,855
General and Administrative Expenses (-)	(16,869,875)	(686,354)	(274,357)	(567,582)	(101,808)	925,702	(17,574,274)
Other Operating Income	39,821,629	164,077	53,615	220,645	17,509	114,177	40,391,652
Other Operating Expenses (-)	(32,103,423)	(550,883)	(165,980)	(249,007)	(86,561)	-	(33,155,854)
Operating Profit	11,407,286	7,075,147	(483,265)	632,178	(48,619)	(422,348)	18,160,379
Impairment (losses) / gains in accordance with TFRS 9, net	1,171,713	-	-	(102)	-	-	1,171,611
Income from Investment Operations	6,922,264	-	6,358	-	-	-	6,928,622
Expense from Investment Operations (-)	(438,842)	-	(96,264)	-	(3,054)	-	(538,160)
Equity Method Investments Profit / (Loss) 's Shares	-	-	-	-	-	-	-
Operating Profit / (Loss) before Finance Income and Expense	19,062,421	7,075,147	(573,171)	632,076	(51,673)	(422,348)	25,722,452
Financing Income	10,467,942	456,047	2,659	678,182	3,142	(2,212,365)	9,395,607
Financing Expenses (-)	(18,471,077)	(18,840,793)	(154,363)	(179,521)	(1,559,823)	2,212,365	(36,993,212)
OPERATING PROFIT / (LOSS) BEFORE TAX	11,059,286	(11,309,599)	(724,875)	1,130,737	(1,608,354)	(422,348)	(1,875,153)
Operating Tax Income / (Loss)							
-Period Tax Income / (Loss)	-	-	-	-	(7,242)	-	(7,242)
-Deferred Tax Income/(Expense)	(3,433,842)	(344,609)	369	(676,590)	4,290	-	(4,450,382)
PROFIT / (LOSS)	7,625,444	(11,654,208)	(724,506)	454,147	(1,611,306)	(422,348)	(6,332,777)
Investment Expenses							
Tangible Fixed Assets	469,359	405,090	-	10,924	-	-	885,374
Intangible Fixed Assets	1,231	-	-	-	-	-	1,231
Depreciation Expenses	(3,138,776)	(85,751)	(774)	(9,293)	(670)	-	(3,235,264)
Amortization	(34,820)	(862)	(4,259)	(10,188)	(88)	-	(50,217)
Other Information							
-Total Assets	2,088,142,782	304,369,683	73,453,278	26,301,811	1,447,146	(973,427,210)	1,520,287,490
-Total Liabilities	1,395,543,048	162,138,403	5,162,541	17,063,992	20,744,734	(641,505,924)	959,146,794

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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3. SEGMENT REPORTING (Continued)

Geographical Segments

1 January.- 30 June 2021	Turkey	Qatar	England	Netherland	Russia	Azerbaijan	United Arab Emirates	Elimination	Total
Revenue	109,793,928	205,792,383	1,219,109	12,035,313	-	20,044,979	41,974,303	(564,136)	390,295,879
Due from Customers Under Construction									
Contracts	70,065,350	205,189,852	-	8,301,853	-	9,858,203	677,272,222	-	970,687,480
Assets according to Segment	1,297,544,624	1,126,677,998	16,004,476	18,475,986	79,584	31,514,236	771,221,988	(1,284,313,576)	1,977,205,316
Investment Expenses	134,828	905,463	-	-	-	-	-	-	1,040,291
1 January.- 30 June 2020	Turkey	Qatar	England	Netherland	Russia	Bulgaria	United Arab Emirates	Elimination	Total
Revenue	146,734,484	23,413,988	50,551,807	11,943,676	-	659,030	37,621,840	(1,466,647)	449,052,679
Due to Customers Under Construction									
Contracts	67,376,532	73,286,830	86,167,213	3,447,463	-	-	14,350,841	-	786,621,985
Assets according to Segment	1,074,775,817	593,278,063	107,021,894	14,609,225	50,812	951,536	39,919,050	(973,427,210)	1,520,287,490
Investment Expenses	590,576	35,449	-	4,769	-	-	255,812	-	886,606

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3. SEGMENT REPORTING (Continued)

Information on the share of customers in the revenue according to the operating segments of the revenue obtained by the Group in the periods of 1 January - 30 June 2021 and 1 January - 30 June 2020 is as follows:

<u>Operating Segment</u>	<u>Amount in Gross Revenue</u>	<u>1 January - 30 June 2021</u> <u>Share in Gross Revenue</u>
Project Commitment	57,221,904	16%
Project Commitment	37,042,914	10%
Project Commitment	78,167,648	21%
Project Commitment	86,071,691	23%

<u>Operating Segment</u>	<u>Amount in Gross Revenue</u>	<u>1 January - 30 June 2021</u> <u>Share in Gross Revenue</u>
Ship Electrical and Electronics	11,747,350	74%
Ship Electrical and Electronics	1,518,739	10%

<u>Operating Segment</u>	<u>Amount in Gross Revenue</u>	<u>1 January - 30 June 2020</u> <u>Share in Gross Revenue</u>
Project Commitment	50,551,808	12%
Project Commitment	39,264,791	9%
Project Commitment	33,274,573	8%
Project Commitment	22,868,858	5%

<u>Operating Segment</u>	<u>Amount in Gross Revenue</u>	<u>1 January - 30 June 2020</u> <u>Share in Gross Revenue</u>
Ship Electrical and Electronics	554,919	9%

4. CASH AND CASH EQUIVALENTS

	<u>30 June 2021</u>	<u>31 December 2020</u>
Cash	87,114	268,980
Banks	51,116,155	54,139,584
- Demand Deposits	50,999,614	54,029,669
- Time Deposit Maturity less than 3 Months	116,541	109,915
Other Cash and Cash Equivalents	28,537	10
Total	51,231,806	54,408,574

Details of time deposits maturity less than 3 months are as follows:

<u>Currency</u>	<u>Interest Rate (%)</u>	<u>30 June 2021</u>	<u>Interest Rate (%)</u>	<u>31 December 2020</u>
TRY	12.65- 18.87	107,801	9.00- 17.30	102,574
US Dollar	0.7	8,740	1.00	7,341
Total Time Deposit		116,541		109,915

	<u>30 June 2021</u>	<u>31 December 2020</u>
Opening balance	109,915	98,478
Addition	6,626	11,437
Disposal (-)	-	-
Time deposit at the end of the period	116,541	109,915

There is no blockage on cash and cash equivalents as of the reporting date (31 December 2020: None).

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5. FINANCIAL INVESTMENTS

Short Term Financial Investment	30 June 2021	31 December 2020
FV gain/losses of financial assets recognized in income statement	8,168	10,521
Total	8,168	10,521

Financial investments whose fair value differences are reflected to profit / loss.

Shares	30 June 2021	31 December 2020
Shares traded on the stock exchange (*)	8.168	10.521
Total	8.168	10.521

(*) The shares traded on the stock exchange have FV gain amounting to TRY 2,353 in the current period (31 December 2020: TRY 6,887 fair value gain).

6. FINANCIAL BORROWINGS

	30 June 2021	31 December 2020
Bank Loans	496,932,882	418,997,499
Credit Card Debts	17	594,315
Total	496,932,899	419,591,814

a) Bank Loans:

	30 June 2021				
	Weighted Average Interest Rate (%)	Short-Term Portion of Long Term Loans		Long Term	Total
Currency		Short Term			
TRY	9.50- 25.5	324,750,091	-	-	324,750,091
Euro	3.50-6.80	13,599,211	35,185,720	87,487,596	136,272,527
QAR	25.30	35,910,264	-	-	35,910,264
Total		374,259,566	35,185,720	87,487,596	496,932,882

	31 December 2020				
	Weighted Average Interest Rate (%)	Short-Term Portion of Long Term Loans		Long Term	Total
Currency		Short Term			
TRY	9.50- 21.50	266,179,333	-	-	266,179,333
Euro	3.00-6.80	13,233,842	47,255,638	90,841,004	151,330,484
QAR	5.60	1,487,682	-	-	1,487,682
Total		280,900,857	47,255,638	90,841,004	418,997,499

	30 June 2021	31 December 2020
Payable within 1 year	409,445,286	328,156,495
Payable within 2 - 3 years	34,169,169	29,638,042
Payable within 3 - 4 years	34,311,413	29,757,569
Payable within 4 - 5 years	19,007,014	29,885,433
Payable within 5 years and longer term	-	1,559,960
Total	496,932,882	418,997,499

As of 30 June 2021, there are no mortgages (31 December 2020: None).

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6. FINANCIAL BORROWINGS (Continued)

The movement table of the Group's loans is as follows:

	<u>30 June 2021</u>	<u>30 June 2020</u>
1 January Opening Balance	<u>418,997,499</u>	<u>321,560,536</u>
Cash inflows from borrowing	188,009,900	182,549,320
Cash outflows related to principal payments	(156,832,936)	(131,281,536)
Accruals	23,259,258	2,725,427
Exchange rate differences	23,499,161	14,911,105
30 June Closing Balance	<u>496,932,882</u>	<u>390,464,852</u>

7. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

The Group's trade receivables as at balance sheet date are as follows:

<u>Short Term Trade Receivables</u>	<u>30 June 2021</u>	<u>31 December 2020</u>
Customers	229,804,316	113,197,517
Notes Receivables and Postdated Checks	2,198,942	2,147,838
Less: Unrealized Finance Income	(126,218)	(75,602)
Adjustment on application of TFRS 9	(35,426)	(30,211)
Doubtful Receivables	1,145,242	1,202,765
Less: Doubtful Receivables Provisions	(1,145,242)	(1,202,765)
Collaterals held by Employers (*)	126,905,676	10,558,871
Sub Total	<u>358,747,290</u>	<u>222,798,413</u>
Receivables from Related Parties (Note 20)	7,874,821	9,577,545
Total	<u>366,622,111</u>	<u>232,375,958</u>

As of 30 June 2021, the weighted average of interest rate 21.47%, 0.12%, 0.59% used to calculate unearned finance income for short-term trade receivables in terms of TRY, US Dollars and Euro and average maturity of receivables are 2 months (2020: TRY 17.51%, US Dollars 0.10%, Euro : 0.59%, 2 months).

(*) Before the completion of the work defined in the construction contracts or until completion, in some cases the commercial debts held by the employer within a longer period of time and not yet outstanding are classified as "subcontractor return share debts".

As of 30 June 2021, trade receivables' amounting TRY 1,145,242 (2020: TRY 1,202,765) is a provision for doubtful receivables.

Provision for doubtful receivables for trade receivables is determined based on past experience.

The movement schedule of the Group for doubtful trade receivables is as follows:

	<u>1 January – 30 June 2021</u>	<u>1 January – 30 June 2020</u>
Beginning of the period	1,202,765	1,117,593
Provisions within the period	-	-
Less: Collected within the current period	-	-
Liquidation of Subsidiary	(118,169)	-
Foreign currency exchange differences	60,646	59,461
End of the period	<u>1,145,242</u>	<u>1,177,054</u>

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7. TRADE RECEIVABLES AND PAYABLES (Continued)

b) Trade Payables:

The Group's trade payables at the balance sheet date are as follows:

Short Term Trade Payables	30 June 2021	31 December 2020
Suppliers	238,924,336	131,661,830
Notes Payable and Postdated Checks	44,732,906	12,656,287
Less: Unrealized Finance Expense	(394,384)	(295,990)
Expense Accruals	782,719	952,180
Financial Guarantees Given to the Subcontractor (*)	39,074,382	33,486,167
Sub Total	323,119,959	178,460,474
Trade Payables to Related Parties (Note 20)	20,338,894	28,160,246
Total	343,458,853	206,620,720

As of 30 June 2021, the weighted average of interest rates are 21.41%, 0.13%, and 0.57% used to calculate unearned finance expense for short-term trade payables in terms of TRY, US Dollars and Euro and weighted average maturity is 3 months (31 December 2020: TRY 17.37%, US Dollars : 0.19%, Euro : 0.57% 3 months).

(*) Before the completion of the work defined in the construction contracts or until completion, in some cases the commercial debts held by the employer within a longer period of time and not yet outstanding are classified as "subcontractor return share debts".

Details of receivables from related parties and due to related parties are disclosed in Note 20.

8. INVENTORIES

	30 June 2021	31 December 2020
Raw Materials and Equipments	169,846,303	115,766,767
Trade Goods	14,399	16,763
Provision for Inventories (-)	-	-
Total	169,860,702	115,783,530

Provision for Inventories Movement	01 January - 30 June 2021	01 January - 30 June 2020
Opening Balance	-	371,625
Additional During the Period	-	-
Disposal During the Period (-)	-	-
Closing Balance	-	371,625

Inventory Impairment Breakdown	01 January - 30 June 2021	01 January - 30 June 2020
Raw Materials and Equipments	-	371,625
Total	-	371,625

As of 30 June 2021, the Group has no Stock pledged as collateral for the loans used. (31 December 2020: None).

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9. PREPAID EXPENSES AND DEFERRED REVENUES

<u>Short-Term Prepaid Expenses</u>	<u>30 June2021</u>	<u>31 December2020</u>
Advances Given for Inventories	22,041,173	10,083,299
Other Advances Given	14,393,627	3,865,710
Prepaid Expenses for the Following Months	2,548,756	4,738,317
Total	38,983,556	18,687,326

<u>Long-Term Prepaid Expenses</u>	<u>30 June2021</u>	<u>31 December2020</u>
Prepaid expenses to next years	257,057	649,114
Total	257,057	649,114

<u>Short-Term Deferred Income</u>	<u>30 June2021</u>	<u>31 December2020</u>
Advances Received	505,965,592	427,999,535
Other Advances Received	360,582	871,591
Prepaid Income to Future Months	2,768,050	1,953,445
Total	509,094,224	430,824,571

10. CONSTRUCTION CONTRACTS

	<u>30 June2021</u>	<u>31 December2020</u>
Assets regarding Construction Contracts In Progress	970,687,480	823,182,676
Total	970,687,480	823,182,676

Assets related to construction projects in progress are as follows:

	<u>30 June2021</u>	<u>31 December2020</u>
Unearned Assets regarding Domestic Construction Contracts (*)	70,065,350	90,090,800
Unearned Assets regarding Overseas Construction Contracts (*)	900,622,130	733,091,876
Assets regarding Construction Contracts In Progress	970,687,480	823,182,676

	<u>30 June2021</u>	<u>31 December2020</u>
Liabilities Regarding Construction Contracts In Progress	25,711,109	18,562,232
Total	25,711,109	18,562,232

(*) There is reasonable assurance that the entity will fulfill the necessary conditions for the acquisition of assets that have not yet been acquired and the fair value of the consideration received has been reflected in the financial statements on an accrual basis.

Liabilities related to construction projects in progress are as follows:

	<u>30 June2021</u>	<u>31 December2020</u>
Over-invoiced Portion regarding Domestic Construction Contracts	22,245,717	3,220,478
Over-invoiced Portion regarding Overseas Construction Contracts	3,465,392	15,341,754
Contractual obligations arising from ongoing construction and contracting works	25,711,109	18,562,232

Guarantees given and received for the projects described in Note 14.

As of 30 June 2021, short-and long-term advances has been received regarding the ongoing construction contracts is amounting to TRY 505,965,592 (31 December 2020: TRY 427,999,535).

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11. INVESTMENT PROPERTY

The Group did not purchase investment property during the interim period (30 June 2020: None). Group did not sell investment property during the interim period (30 June 2020: None).

12. TANGIBLE ASSETS

The Group has purchased property, plant and equipment amounting to TRY 1,040,291 during the interim period (30 June 2020: TRY 885,375). During the interim period, TRY 559,244 tangible fixed assets were sold. (30 June 2020: TRY 497,253 and disposal of subsidiary: TRY 53,653,028).

Total depreciation expenses of current period is TRY 3,595,984. (30 June 2020: TRY 3,235,264). Depreciation expenses amounting to TRY 3,417,942 (30 June 2020: TRY 3,017,314) is included in cost of goods sold (Note 17), amounting to TRY 178,042 (30 June 2020: TRY 217,950) is included in general administrative expense but not allocated in marketing expenses (30 June 2020: None).

13. INTANGIBLE ASSETS

The Group did not purchased intangible assets during the interim period (30 June 2020: TRY 1,231). Intangible assets have not been sold during the interim period (30 June 2020: TRY 199,482).

Total amortization expenses of current period is TRY 37,508 (30 June 2020: TRY 50,217). Amortization expenses amounting to TRY 19,063 (30 June 2020: TRY 10,562) is included in cost of goods sold (Note 17), amounting to TRY 18,445 (30 June 2020: TRY 39,655) is included in general administrative expense.

14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

<u>Other short term provisions</u>	<u>30 June 2021</u>	<u>31 December 2020</u>
Litigation provisions	6,970,190	7,183,501
Total	6,970,190	7,183,501

The details of litigation provisions are as follows:

	<u>30 June 2021</u>	<u>31 June 2020</u>
Beginning of period	7,183,501	7,194,942
Provision in period	472,661	258,024
Negative: canceled in period	(543,060)	(733,790)
Subsidiary Liquidation	(142,912)	-
End of period	6,970,190	6,719,176

Contingent Liabilities

As of 30 June 2021, there are 47 lawsuits against the Group amounting to TRY 10,909,599 and US Dollar 95,601 (TRY equivalent 832,227). (31 December 2020: 61 lawsuits TRY 12,535,694 and US Dollar 97,601 / equivalent TRY 716,441). Group has been made provision amounting TRY 6,970,190 (31 December 2020: 7,183,501) regarding to this lawsuits.

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14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Other Legal Actions

Within the scope of the Abu Dhabi International Airport MTB electrical works project, with an initial contract value of 941 million AED, undertaken in 2013 by Anel Emirates LLC, a subsidiary of our company established in the United Arab Emirates, a total of 1.6 billion AED excluding VAT was collected from the progress payments made against the works performed. The most important reasons for the increase in the project cost are the additional works and time extension in the project.

The completion rate of the project has reached around 99.9% as of August 2021, and it is planned that the construction works within the scope of the project will be delivered to the employer in 2021. The expected project size is US Dollar 531 million (AED 1.9 billion), and according to the Capital Markets Board legislation, there is an income accrual of US Dollar 77.7 million according to the percentage of completion within the scope of TFRS 15 Revenue from Customer Contracts, and this income accrual provision is US Dollar 26.6 million. The US Dollar portion has been collected as an advance payment for the works completed and is included in the deferred income (advances received) account in the IFRS consolidated statement of financial position liabilities.

Our consolidated financial reports dated as of 30 June 2021 include a net receivables amount of 51.1 million US Dollar. It also delayed in the presentation with JV.

Pursuant to the contract, the JV resorted to arbitration to reach an agreement with ADAC. In the ongoing process, our Company has also started the arbitration process, as we explained in our announcement dated on 5 June 2021 (<https://www.kap.org.tr/tr/Bildirim/940315>) for the settlement of the dispute arising under our contract. The accounts to be negotiated during the arbitration process were reviewed by both our Company's engineers and 3rd parties. In the evaluation made before the arbitration, it is anticipated that the results will be in parallel with the amounts in our financial reports.

Collaterals-Pledge-Mortgages-Bails

As of 30 June 2021 and 31 December 2020, the Group's collateral/pledge/mortgage position statements are as follows:

There are no guarantees obtained for undertaking projects of the Group. Other collaterals received are as follows:

	<u>US Dollar</u>	<u>Euros</u>	<u>TRY</u>	<u>30 June 2021</u> <u>TRY Equivalent</u>
Letters of Guarantees Received	632,856	953,146	2,379,589	17,767,609
Guarenteed Bill Received	-	-	1,641,928	1,641,928
Guaranteed Cheques Received	55,378	-	25,000	507,077
Total	688,234	953,146	4,046,517	19,916,614

	<u>US Dollar</u>	<u>Euros</u>	<u>TRY</u>	<u>31 December 2020</u> <u>TRY Equivalent</u>
Letters of Guarantees Received	527,996	986,600	2,415,099	15,178,048
Guarenteed Bill Received	-	-	1,641,928	1,641,928
Guaranteed Cheques Received	55,378	-	25,000	431,502
Total	583,374	986,600	4,082,027	17,251,478

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14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (Continued)

CPMB's given by the Group (Collaterals, Pledges, Mortgages, Bails)							
30 June 2021	US Dollars	Euro	TRY	GBP	AED	QATARİ RİYAL	TRY Equivalent
A) CPMB's given for Company's own legal personality	4,894,008	39,027,515	143,578,668	1,290,000	147,208,505	18,638,074	999,957,553
B) CPMB's given on behalf of fully consolidated companies	264,200,963	3,579,279	435,621,050	-	-	-	2,772,640,710
C) CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-	-
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause	-	-	-	-	-	-	-
E) Total amount of other CPMB's	-	-	51,380	-	-	-	51,380
i) Total amount of CPMB's given on behalf of majotary shareholder	-	-	-	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	51,380	-	-	-	51,380
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-	-
TOTAL	269,094,971	42,606,794	579,251,098	1,290,000	147,208,505	18,638,074	3,772,649,643

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14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (Continued)

CPMB's given by the Group (Collaterals, Pledges, Mortgages, Bails)							
31 December 2020	US Dollars	Euro	TRY	GBP	AED	QATARİ RİYAL	TRY Equivalent
A) CPMB's given for Company's own legal personality	5,923,871	39,256,458	45,111,454	2,580,000	147,208,505	18,638,074	799,886,152
B) CPMB's given on behalf of fully consolidated companies	228,193,077	3,581,936	585,879,050	-	-	-	2,293,196,053
C) CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-	-
D) CPMB's given within the scope of Corporate Governance Communique's 12/2 clause	-	-	-	-	-	-	-
E) Total amount of other CPMB's	-	-	286,000	-	-	-	286,000
i) Total amount of CPMB's given on behalf of majotary shareholder	-	-	-	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	286,000	-	-	-	286,000
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-	-
TOTAL	234,116,948	42,838,394	631,276,504	2,580,000	147,208,505	18,638,074	3,093,368,205

Other groups of CPM is given by the Group's equity ratios 0% (31 December 2020: % 0).

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14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (Continued)

The distribution of CPMB’s by type as of 30 June 2021 and 31 December 2020 is shown below.

30 June 2021

<u>Collaterals,Pledges,Mortgages and Bails</u>	<u>Total TRY Equivalent</u>	<u>US Dollars</u>	<u>Euro</u>	<u>AED</u>	<u>Qatari Rival</u>	<u>GBP</u>	<u>TRY</u>
Collaterals	1,676,183,043	133,094,971	5,406,794	147,208,505	18,638,074	1,290,000	52,251,098
Pledges	-	-	-	-	-	-	-
Mortgages	2,096,466,600	136,000,000	37,200,000	-	-	-	527,000,000
Total	3,772,649,643	269,094,971	42,606,794	147,208,505	18,638,074	1,290,000	579,251,098

31 December 2020

<u>Collaterals,Pledges,Mortgages and Bails</u>	<u>Total TRY Equivalent</u>	<u>US Dollars</u>	<u>Euro</u>	<u>AED</u>	<u>Qatari Rival</u>	<u>GBP</u>	<u>TRY</u>
Collaterals	1,574,224,325	134,116,948	5,638,394	147,208,505	18,638,074	2,580,000	181,276,504
Pledges	-	-	-	-	-	-	-
Mortgages	1,519,143,880	100,000,000	37,200,000	-	-	-	450,000,000
Total	3,093,368,205	234,116,948	42,838,394	147,208,505	18,638,074	2,580,000	631,276,504

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15. EMPLOYEE BENEFITS

<u>Provisions for Short Term Employee Benefits</u>	<u>30 June 2021</u>	<u>31 December 2020</u>
Unused Vacation Rights	9,014,057	8,873,582

The movements of unused vacation rights during the year are as follows:

	<u>1 January - 30 June 2021</u>	<u>1 January - 30 June 2020</u>
Provisions as of 1 January	8,873,582	9,597,017
Additional provision	3,882,339	1,793,864
Using in period	(5,049,921)	(2,962,243)
Foreign currency conversion adjustments	1,308,057	1,247,143
End of the period	<u>9,014,057</u>	<u>9,675,781</u>

<u>Employee Benefits Liabilities</u>	<u>30 June 2021</u>	<u>31 December 2020</u>
Due To Personnel	35,177,697	14,794,713
Social Security Withholdings Payable	973,059	1,580,688
Total	<u>36,150,756</u>	<u>16,375,401</u>

<u>Provisions for Long Term Employee Benefits</u>	<u>30 June 2021</u>	<u>31 December 2020</u>
Provisions for Employee Termination Benefits	14,603,784	14,848,250

Under Turkish law, and any group that fills a one-year service period is terminated without due cause, is called up for military service, dies, 20-year period of service for men, 25 women have been filled or the retirement age (women 58 and 60 years), the staff has to make severance payments.

The liability is not subject to any funding. The provision Grup'in, arising from the retirement of employees is calculated by estimating the present value of future probable obligation. TAS 19 ("Employee Benefits"), group obligations under defined benefit plans using actuarial valuation methods to be developed. Accordingly, the actuarial assumptions used in calculating the total liabilities are as follows:

As at balance sheet date provisions calculated according to assumption % 8.5 expected salary increasing rate and % 13 discount rate and approximately % 3.67 real discount rate and retiring assumption as follows. (31 December 2020: % 3.67). The severance provisions for the employees that works Group's Qatar and United Arab Emirates branches are not subject to any discount due to local laws of these countries where the units are.

	<u>30 June 2021</u>	<u>31 December 2020</u>
Annual Discount Rate (%)	3.67	3.67
Probability of Retirement (%)	92.29	91.96

The main assumption, the maximum liability for each year of service will only grow in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of 30 June 2021 the accompanying financial statements provisions for the future probable obligation arising from the retirement of employees is calculated by estimating the present value.

The Group's provision for severance pay is calculated over TRY 8,284.51 (31 December 2020: TRY 7,117), effective as of 1 July 2021, since the severance pay ceiling is adjusted every six months.

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15. EMPLOYEE BENEFITS (Continued)

The movement of provision for severance pay as follows:

	<u>1 January – 30 June 2021</u>	<u>1 January – 30 June 2020</u>
Provision as of 1 January	14,848,250	20,047,227
Service Cost	1,623,512	3,866,679
Interest Cost	40,837	40,126
Payments	(4,334,549)	(9,109,984)
Actuarial Gain/Loss	371,701	239,851
Foreign Currency Exchange Differences	2,054,033	2,428,830
Provision as of 30 June	14,603,784	17,512,729

16. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

a) Capital

The Company's issued share capital as at 30 June 2021 and 31 December 2020 dates are as follows:

	<u>30 June 2021</u>		<u>31 December 2020</u>	
	<u>Share Amount TRY</u>	<u>Share Percentage (%)</u>	<u>Share Amount TL</u>	<u>Share Percentage (%)</u>
Shareholders (*)				
Rıdvan Çelikel	88,692,314	44.35	88,692,314	44.35
Avniye Mukaddes Çelikel (**)	888	0.00	10,321,888	5.16
Capital Strategy Funds Spc-The Opportunistic Series Segregateg Portfolio	37,159,782	18.58	43,322,415	21.66
Other	74,147,016	37.07	57,663,383	28.83
Pain in Capital	200,000,000	100.00	200,000,000	100.00

(*) As published on 26 June 2021 at kap.gov.tr.

(**) Avniye Mukaddes Çelikel sold its 10,321,000 AnelE shares on 2 February 2021.

As at 30 June 2021, % 32.52 (31 December 2020: %26.79) of Company shares are being traded in BIST according to Central Registry Agency ("CRA") report.

The Company is subject to authorized capital system and the equity ceiling is TRY 400,000,000. The Company's issued share capitals' historical value is TRY 200,000,000. (31 December 2020: TRY 200,000,000) which is consisted of authorized and fully paid 40,343,347.27 pcs of A-group shares and 159,656,652.73 pcs of B-group shares and each having TRY1 nominal value. A-group shareholders have 2 (two) voting rights and B-group shareholders have one (1) voting rights for each share owned at the General Assembly meeting. All of the A-group shares are owned by Rıdvan Çelikel.

b) Capital Advance

	<u>30 June 2021</u>	<u>31 December 2020</u>
Capital Advance (*)	26,000,000	-
Total	26,000,000	-

(*) Rıdvan Çelikel, the ultimate controlling party of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş., was transferred a fund amounting to TRY 24,000,000 in February 2021 and TRY 2,000,000 in June 2021, a total of TRY 26,000,000 in cash, to be used in the prospective capital increase.

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16. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Continued)

c) Premiums on Shares / (Discounts)

	<u>30 June 2021</u>	<u>31 December 2020</u>
Premiums/(Discounts) Related with Shares	1,498,280	1,498,280
Total	1,498,280	1,498,280

d) Effect of Common Controlled Entities or Enterprises Mergers

	<u>30 June 2021</u>	<u>31 December 2020</u>
Business combination under common control transaction	(62,334,320)	(62,334,320)
Total	(62,334,320)	(62,334,320)

e) Revaluation and Measurement Gain/(Loss)

	<u>30 June 2021</u>	<u>31 December 2020</u>
Tangible Assets Revaluation Gain/(Loss)	(101,224)	(101,224)
Total	(101,224)	(101,224)

f) Foreign Currency Translation Differences

	<u>30 June 2021</u>	<u>31 December 2020</u>
Foreign Currency Translation Differences	322,853,710	278,170,476
Total	322,853,710	278,170,476

g) Defined Benefit Plans Revaluation and Measurement Gain/(Loss)

	<u>30 June 2021</u>	<u>31 December 2020</u>
Defined Benefit Plans Revaluation and Measurement Gain/ (Loss)	(1,962,133)	(1,664,772)
Total	(1,962,133)	(1,664,772)

h) Restricted Reserves

	<u>30 June 2021</u>	<u>31 December 2020</u>
Restricted Reserves	13,950,112	13,950,112
Total	13,950,112	13,950,112

i) Retained Earnings

	<u>30 June 2021</u>	<u>31 December 2020</u>
Accounting for expected credit losses in accordance with TFRS 9	(1,828,789)	(1,828,789)
Retained Earnings	22,453,515	170,685,857
Total	20,624,726	168,857,068

j) Non-controlling Shares

	<u>30 June 2021</u>	<u>31 December 2020</u>
1st January Balance	(5,760,052)	1,336,034
Transaction with minority	-	(6,353,360)
Subsidiary Liquidation	5,222,260	-
Minority Share Profit/(Loss)	135,791	(742,726)
Total	(402,001)	(5,760,052)

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16. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Continued)

k) Other Equity Shares

	<u>30 June 2021</u>	<u>31 December 2020</u>
Other Equity Shares	(13,842,938)	(13,842,938)
Total	(13,842,938)	(13,842,938)

l) Other Reserves

	<u>30 June 2021</u>	<u>31 December 2020</u>
Other Reserves	5,851,513	5,851,513
Total	5,851,513	5,851,513

Profit Distribution

Publicly held companies, the CMB's profit distribution came into force from the date of February 1, 2014 II-1.19 Dividend accordance with the notification.

The companies distribute their profits within the framework of the profit distribution policies to be determined by the general assemblies and in accordance with the provisions of the related legislation by the decision of the general assembly. A minimum distribution ratio has not been determined within the scope of the said communiqué. Companies pay dividends in the manner specified in their articles of incorporation or profit distribution policies. In addition, dividends may be paid in installments of equal or different consistency, and cash dividend advances may be distributed over the profit in the interim period financial statements.

The Company has decided to allocate other reserves, distribute profits to the next year and distribute profit shares to the members of the board of directors, members of the partnership and persons outside the shareholders unless the profit share determined for the shareholders is reserved in the articles of association or in the profit distribution policy. as well as for the shareholders, the profit share can not be distributed to these persons unless the profit share is paid in cash.

Equity inflation adjustment differences and carrying values of extraordinary reserves can be used for bonus share capital increase, cash dividend distribution or loss deduction. However, equity inflation adjustment differences will be subject to corporation tax if used for cash profit distribution.

At the 2020 Ordinary General Assembly Meeting held on 22 April 2021; as a result of 2020 activities; Since there is no net distributable profit for the period in the audited consolidated financial statements prepared in accordance with the provisions of the Capital Markets Board's Communiqué Serial: II, No: 14.1 "Communiqué on the Principles of Financial Reporting in the Capital Markets" and in the solo financial statements for the same period prepared in accordance with the Tax Procedure Law. It has been mutually approved by the attendees of the meeting not to distribute dividends for 2020.

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17. REVENUE/COST OF SALES

	<u>1 January - 30 June 2021</u>	<u>1 January - 30 June 2020</u>	<u>1 April - 30 June 2021</u>	<u>1 April - 30 June 2020</u>
Sales Revenues (Net)				
Domestic Sales	110,269,040	142,788,589	43,187,787	51,625,700
Export Sales	280,844,996	301,377,302	184,257,705	137,394,141
Other Revenues	221,091	5,191,181	56,051	1,723,326
Total Revenues	391,335,127	449,357,072	227,501,543	190,743,167
Sales Returns (-)	(1,039,248)	(304,393)	(6,778)	(92,299)
Sales Revenues (Net)	390,295,879	449,052,679	227,494,765	190,650,868
I- Cost of Goods Sold	(585,425)	(17,964,788)	(159,797)	(7,863,271)
II- Cost of Services Sold	(408,649,245)	(399,931,177)	(221,058,947)	(168,760,407)
III- Depreciation Expenses	(3,417,942)	(3,017,314)	(1,766,284)	(1,572,027)
IV- Amortisation Expenses	(19,063)	(10,562)	(13,034)	(4,622)
Cost of Sales (I+II+III+IV)	(412,671,675)	(420,923,841)	(222,998,062)	(178,200,327)
GROSS PROFIT/LOSS	(22,375,796)	28,128,838	4,496,703	12,450,541

18. FINANCIAL INCOME / (EXPENSES)

	<u>1 January - 30 June 2021</u>	<u>1 January - 30 June 2020</u>	<u>1 April - 30 June 2021</u>	<u>1 April - 30 June 2020</u>
Financing Income				
Foreign Exchange Gains	23,310,859	6,930,157	20,861,810	2,536,408
Interest Income	1,908,059	2,465,450	1,888,619	985,073
Unearned Interest Income	3,188	-	1,413	-
Total	25,222,106	9,395,607	22,751,842	3,521,481
Financing Expenses (-)				
Foreign Exchange Losses (-)	39,842,336	18,389,103	27,993,684	8,389,704
Loan Interest Expenses (-)	36,102,154	18,451,587	20,564,581	9,615,648
Unearned Interest Expense (-)	1,880	152,522	936	24,681
Total	75,946,370	36,993,212	48,559,201	18,030,033
Financial income/expense,net	(50,724,264)	(27,597,605)	(25,807,359)	(14,508,552)

19. EARNINGS / (LOSS) PER SHARE

	<u>1 January - 30 June 2021</u>	<u>1 January - 30 June 2020</u>	<u>1 April - 30 June 2021</u>	<u>1 April - 30 June 2020</u>
Earnings Per Share /				
Net Profit/(Loss) of the Parent Company	(52,969,631)	(5,760,555)	(19,998,345)	(7,853,117)
Weighted Average Number of Shares	200,000,000	110,000,000	200,000,000	110,000,000
Earning Per Share Profit/(Loss) from Ongoing Activities	(0.26)	(0.05)	(0.10)	(0.07)

20. RELATED PARTY DISCLOSURES

Related parties of the Company and the transactions between subsidiaries have been eliminated on consolidation, are not disclosed in this note.

Trade receivables from related parties are generally arise from sales and maturities of approximately 2 months.

Trade payables to related parties usually arise from purchase transactions and average maturity is 2 months. Payables are not interest bearing.

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20. RELATED PARTY DISCLOSURES (Continued)

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

	30 June 2021					
	Receivables		Payables			
	Short Term		Short Term		Long Term	
Balances with Related Parties	Trade	Other	Trade	Other	Trade	Other
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	425,868	-	9,730,799	-	-	-
Epsinom Teknik Hizmetler LTD.	1,733	-	-	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti.	6,566,561	-	3,099	-	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (**)	4,570	-	-	-	-	21,148,333
Anel Holding A.Ş. (*)	955,489	-	11,319,487	4,630,796	-	-
Çelikel Vakfı	932	-	-	-	-	-
Unpaid Interest Income / Expense (-)	(80,332)	-	(714,491)	-	-	-
Total	7,874,821	-	20,338,894	4,630,796	-	21,148,333

(*) Interest is accrued under the provisions of V.U.K. regarding non-commercial transactions with related parties (not linked to the payment program). The average interest rate is 19.71% as of 30 June 2021.

(**) Consist of the loan provided by Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. during the reporting period.

	31 December 2020			
	Receivables		Payables	
	Short Term		Short Term	
Balances with Related Parties	Trade	Other	Trade	Other
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	21,376	-	3,754,057	-
Anelnet Teknik Hizmetler Ltd. Şti. (*)	9,074,261	200,981	421,252	1,285,181
Anel Holding A.Ş. (*)	544,322	-	24,836,775	-
Unpaid Interest Income / Expense (-)	(62,414)	-	(851,838)	-
Total	9,577,545	200,981	28,160,246	1,285,181

(*) Non-commercial transactions with related parties (not related to the payment program) interest is accrued under the provisions of year the average interest rate is 13.85%.

Transactions with related parties between 1 January- 30 June 2021 and 1 January - 30 June 2020 are as follows:

Related Party Transactions	01.01-30.06.2021					
	Stock Purchases	Interest Income	Interest Expense	Service Sales	Service Purchase	Exchange Difference Expense
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	11,654,707	6,498	27,827	200,084	742,850	467,434
Anelnet Teknik Hizmetler Ltd. Şti.	1,003	20,213	159,195	15,469	505,252	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	7,455	-	114,688	25,240	1,820	7,636
Çelikel Eğitim Vakfı	-	-	-	1,350	-	-
Epsinom Teknik Hizmetler Ltd.Şti.	-	-	-	1,884	-	-
Anel Holding A.Ş.	-	-	46,885	706,806	8,365,867	-
Total	11,663,165	26,711	348,595	950,833	9,615,789	475,070

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20. RELATED PARTY DISCLOSURES (Continued)

Related Party Transactions	01.01-30.06.2020						
	Stock Purchases	Interest Income	Interest Expense	Service Sales	Service Purchase	Exchange Difference Expense	Exchange Difference Income
Anel Mühendislik Sanayi ve Ticaret A.Ş.	12,703,296	-	-	178,396	750	143,808	-
Anelnet Teknik Hizmetler Ltd. Şti.	-	10,983	30,065	17,899	547,871	-	31,091
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	2,695	1,682,114	3,404	20,099	2,707	-	-
Çelikel Eğitim Vakfı	-	-	-	2,967	-	-	-
EKB(Energina Compañia)	-	29,197	-	-	-	-	-
Epsinom Teknik Hizmetler Ltd.Şti.	-	-	-	1,678	-	-	-
Anel Holding A.Ş.	-	452,715	-	662,905	9,683,529	-	-
Total	12,705,991	2,175,010	33,469	883,944	10,234,857	143,808	31,091

Related party transactions between 1 January - 30 June 2021 and 1 January - 30 June 2020 are as follows:-
Product sales consist of electrical supplies - Service purchases consist of department attendance fee, building maintenance fee, electricity and water expense, food expense, security expense, transportation expense, labour service expenses. - Service sales consist of labour service income, building maintenance fee, consultancy, electricity and water expense, food expense, security expense, transportation expense and department attendance fee.

Group's key management personnels are Board Chairman and Members and vice general manager. Benefits supplied to key management personnel as of 1 January - 30 June 2021 and 1 January - 30 June 2020 as are as follows:

<u>Benefits Provided by Top-Level Management</u>	<u>1 January- 30 June 2021</u>	<u>1 January- 30 June 2020</u>
Employee Short Term Benefits	4,813,882	4,572,340
Total	4,813,882	4,572,340

21. THE NATURE AND EXTENT OF RISKS ARISING RISKS FROM FINANCIAL INSTRUMENTS

a) Financial Risk Method

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a.1) Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices that may adversely affect a business. These are foreign currency risk, interest rate risk, and price change risk of financial instruments or commodities.

In the current year, there has been no change in the market risk the Group is exposed to or in the management and measurement methods of the risks it is exposed to, compared to the previous year.

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21. THE NATURE AND EXTENT OF RISKS ARISING RISKS FROM FINANCIAL INSTRUMENTS (Continued)

a) Financial Risk Method (Continued)

a.1.1) Currency Risk Management

Foreign currency transactions expose the Group to foreign currency risk. These risks are monitored and limited by the analysis of foreign currency position.

The group's foreign currency denominated monetary and non-monetary assets and liabilities as of the date of the balance sheet are as follows:

FOREIGN CURRENCY POSITION TABLE						
30 June 2021						
	TRY Equivalent	US Dollars	Euro	GBP	AED	CHF
1. Trade Receivables	33,542,511	1,167,954	2,255,317	-	-	-
2. Monetary Financial Assets	2,195,212	200,635	40,856	2,094	-	-
3. Other	4,881,131	344,903	181,261	-	-	-
4. Current Assets (1+2+3)	40,618,854	1,713,492	2,477,434	2,094	-	-
5. Total Assets (4)	40,618,854	1,713,492	2,477,434	2,094	-	-
6. Trade Payables	47,569,088	3,436,287	1,702,910	-	2,385	-
7. Financial Liabilities	48,244,977	-	4,654,829	-	-	-
8. Other Non Monetary Liabilities	27,266,217	1,701,278	1,188,923	-	-	14,168
9. Short Term Liabilities (6+7+8)	123,080,282	5,137,565	7,546,663	-	2,385	14,168
10. Financial Liabilities	87,487,594	-	8,441,082	-	-	-
11. Long Term Liabilities	87,487,594	-	8,441,082	-	-	-
12. Total Liabilities (9+11)	210,567,876	5,137,565	15,987,745	-	2,385	14,168
13. Net Foreign Currency Assets / (Liabilities) (5-12)	(169,949,022)	(3,424,073)	(13,510,311)	2,094	(2,385)	(14,168)
14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)	(147,563,936)	(2,067,698)	(12,502,648)	2,094	(2,385)	-

FOREIGN CURRENCY POSITION TABLE						
31 December 2020						
	TRY Equivalent	US Dollars	Euro	GBP	AED	CHF
1. Trade Receivables	13,359,571	157,771	1,354,528	-	-	-
2. Monetary Financial Assets	9,091,128	774,013	376,359	1,939	-	-
3. Other	3,315,341	253,432	155,966	5,038	-	-
4. Current Assets (1+2+3)	25,766,040	1,185,216	1,886,853	6,977	-	-
5. Total Assets (4)	25,766,040	1,185,216	1,886,853	6,977	-	-
6. Trade Payables	29,456,129	2,364,816	1,318,366	22,274	-	-
7. Financial Liabilities	46,805,247	-	5,196,022	-	-	-
8. Other Non Monetary Liabilities	39,039,165	2,646,092	2,164,562	-	-	14,168
9. Short Term Liabilities (6+7+8)	115,300,541	5,010,908	8,678,950	22,274	-	14,168
10. Financial Liabilities	104,803,250	-	11,634,593	-	-	-
11. Long Term Liabilities	104,803,250	-	11,634,593	-	-	-
12. Total Liabilities (9+11)	220,103,791	5,010,908	20,313,543	22,274	-	14,168
13. Net Foreign Currency Assets / (Liabilities) (5-13)	(194,337,752)	(3,825,692)	(18,426,690)	(15,297)	-	(14,168)
15. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)	(158,613,927)	(1,433,032)	(16,418,094)	(20,335)	-	-

The Group is exposed to foreign exchange risk arising primarily with respect to transactions denominated in US Dollars, Euro, GBP and CHF.

The following table shows the group's US Dollars, Euro, British Pound and Swiss Franc rates to increase the 10% and decrease sensitivity. The ratio of 10% to senior executives is the rate used to report the risk of setup within the company, and the rate of management It represents the possible change in exchange rates.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

21. THE NATURE AND EXTENT OF RISKS ARISING RISKS FROM FINANCIAL INSTRUMENTS (Continued)

a) Financial Risk Method (Continued)

Sensitivity analysis covers only monetary items in the open foreign currency at the end of the year and shows the effects of the 10% exchange rate at the end of the year. Positive value refers to the increase in profit/dice and other equity pens.

Exchange Rate Sensitivity Analysis Table				
30 June 2021				
	Profit/(Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
10% change in US Dollars against TRY				
1- US Dollar net assets / liabilities	(2,980,724)	2,980,724	-	-
2- US Dollar Hedged (-)	-	-	-	-
3- USD Dollar Net Effect (1+2)	(2,980,724)	2,980,724	-	-
10% change in EUR against TRY:				
4- Euro net assets / liabilities	(14,002,761)	14,002,761	-	-
5- Euro Hedged (-)	-	-	-	-
6- Euro Net Effect (4+5)	(14,002,761)	14,002,761	-	-
10% change in GBP against TRY:				
7- GBP net assets / liabilities	2,520	(2,520)	-	-
8- GBP Hedged (-)	-	-	-	-
9- GBP Net Effect (7+8)	2,520	(2,520)	-	-
10% change in QAR against TRY				
10- QAR net assets / liabilities	(570)	570	-	-
11- QAR Hedged(-)	-	-	-	-
12- QAR Net Effect(10+11)	(570)	570	-	-
10% change in CHF against TRY::				
13- CHF net assets / liabilities	(13,366)	13,366	-	-
14 - CHF Hedged(-)	-	-	-	-
15- CHF Net Effect(13+14)	(13,366)	13,366	-	-
TOTAL (3+6+9+12+15)	(16,994,901)	16,994,901	-	-

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

21. THE NATURE AND EXTENT OF RISKS ARISING RISKS FROM FINANCIAL INSTRUMENTS (Continued)

a) Financial Risk Method (Continued)

Exchange Rate Sensitivity Analysis Table				
31 December 2020				
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
10% change in US Dollars against TRY:				
1- U S Dollar net assets / liabilities	(2,808,248)	2,808,248	-	-
2- U S Dollar Hedged (-)	-	-	-	-
3- USD Dollar Net Effect (1+2)	(2,808,248)	2,808,248	-	-
10% change in Euro against TRY:				
4- Euro net assets / liabilities	(16,598,578)	16,598,578	-	-
5- Euro Hedged (-)	-	-	-	-
6- Euro Net Effect (4+5)	(16,598,578)	16,598,578	-	-
10% change in GBP against TRY:				
7- GBP net assets / liabilities	(15,211)	15,211	-	-
8- GBP Hedged (-)	-	-	-	-
9- GBP Net Effect (7+8)	(15,211)	15,211	-	-
10% change in CHF against TRY:				
10- CHF net assets / liabilities	(11,737)	11,737	-	-
11- CHF Hedged(-)	-	-	-	-
12- CHF Net Effect(10+11)	(11,737)	11,737	-	-
TOTAL(3+6+9+12)	(19,433,774)	19,433,774	-	-

The Group does not hedge its foreign currency liability by using derivative financial instruments.

a.1.2) Interest Rate Risk Management

Changes in market interest rates lead to the fact that financial instruments are worth a fair value or fluctuations in future cash flows, the group's need to cope with the risk of interest rate. Risk prevention strategies are assessed regularly to comply with the interest rate expectation and the defined risk. Thus, the creation of the optimal risk prevention strategy, the review of the position of the balance sheet and the interest expenditures to be kept under the control of different interest rates is aimed.

All of the financial obligations of the Group consist of fixed interest loans. Therefore, there is no interest rate risk calculation for interest changes. (31 December 2020: Not available.)

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

22. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES)

Group management believes that the carrying values of financial instruments present their fair values.

30 June 2021	Financial Assets Carried at Fair Value	Credits and Receivables (Including Cash and Cash Equivalents)	Available for sale Financial Assets	Other Financial Valued at Amortized Cost Value	Book Value	Note
Financial Assets						
Cash and Cash Equivalents	-	51,231,806	-	-	51,231,806	4
Trade Receivables	-	366,622,111	-	-	366,622,111	7,20
Financial Liabilities						
Financial Liabilities	-	-	-	496,932,899	496,932,899	6
Trade Payables	-	-	-	343,458,853	343,458,853	7,20
Other Financial Liabilities	-	-	-	1,330,595	1,330,595	
31 Aralık 2020						
Financial Assets						
Cash and Cash Equivalents	-	54,408,574	-	-	54,408,574	4
Trade Receivables	-	232,375,958	-	-	232,375,958	7,20
Financial Liabilities						
Financial Liabilities	-	-	-	419,591,814	419,591,814	6
Trade Payables	-	-	-	206,620,720	206,620,720	7,20
Other Financial Liabilities	-	-	-	2,520,172	2,520,172	

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

22. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES) (Continued)

Financial Instrument fair values determine as follows;

- First Level: Financial assets and liabilities are valued at the market prices traded on the active market for the same assets and liabilities..
- Second Level: Financial assets and liabilities may be found on the market as a direct or indirect price other than the market price of the relevant asset or liability at the first level is valued from the entries used.
- Third Level: Financial assets and liabilities are valued from inputs that are not based on an observable data in the market used to find the value of the asset or obligation to be true.

The fair value hierarchy of financial assets and level of classification is as follows:

Financial Assets	30.06.2021	First Level (TRY)	The level of the Fair Value at the reporting date	
			Second Level (TRY)	Third Level (TRY)
Real Estate for Investment	281,506,054	-	281,506,054	-
Total	281,506,054	-	281,506,054	-

Financial Assets	31.12.2020	First Level (TRY)	The level of the Fair Value at the reporting date	
			Second Level (TRY)	Third Level (TRY)
Real Estate for Investment	281,506,054	-	281,506,054	-
Total	281,506,054	-	281,506,054	-

23. EXPLANATIONS RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

The Group's shareholders' equity amounting to 459,568,095 consists of shareholders' equity of the Parent Company (TRY402,001) for the interim accounting period ending on 30 June 2021 (31 December 2020: TRY448,211,064 and TRY5,760,052).

24. EVENTS AFTER THE REPORTING PERIOD

None.

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