

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET  
ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE PERIOD 1 JANUARY - 30 JUNE 2022**

**(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 2022 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.



*Additional explanation for convenience translation into English*

Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 30 June 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

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

A handwritten signature in blue ink, appearing to read "B. Özpoyraz", is written over the printed name.

Burak Özpoyraz, SMMM  
Partner

Istanbul, 17 August 2022

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS  
SUBSIDIARIES**

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**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS  
SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF  
30 JUNE 2022**

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

	Notes	Reviewed Current Period <u>30/06/2022</u>	Audited Previous Period <u>31/12/2021</u>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>2,769,327,837</b>	<b>1,820,920,922</b>
Cash and Cash Equivalents	4	100,373,789	105,381,046
Financial Investments	5	10,805	11,864
Trade Receivables		1,057,734,559	876,132,052
- Trade Receivables from Related Parties	7.20	6,836,978	9,218,818
- Trade Receivables from Third Parties	7	1,050,897,581	866,913,234
Other Receivables		33,460,557	11,648,245
- Other Receivables from Related Parties	20	16,416,080	-
- Other Receivables from Third Parties		17,044,477	11,648,245
Due from Customers Under Construction Contracts	10	556,398,552	409,463,129
Inventories	8	626,987,693	281,910,729
Prepaid Expenses	9	364,374,717	115,367,872
Current Tax Related Assets		927	346,313
Other Current Assets		29,986,238	20,659,672
<b>Non-Current Assets</b>		<b>1,718,266,940</b>	<b>1,434,280,903</b>
Other Receivables		2,000,251	2,007,711
- Other Receivables from Third Parties		2,000,251	2,007,711
Due from Customers Under Construction Contracts	10	1,280,850,457	1,031,838,065
Investment Property	11	340,168,730	340,168,730
Tangible Fixed Assets	12	23,170,241	22,627,175
Intangible Fixed Assets	13	52,435	56,381
Prepaid Expenses	9	32,197	36,135
Deferred Tax Assets		58,217,124	23,490,609
Non-Current Assets Related with Current Period Tax		13,775,505	14,056,097
<b>TOTAL ASSETS</b>		<b>4,487,594,777</b>	<b>3,255,201,825</b>

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 2022**

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

	Notes	Reviewed Current Period <b>30/06/2022</b>	Audited Previous Period <b>31/12/2021</b>
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>		<b>3,532,515,236</b>	<b>2,418,695,953</b>
Short-Term Borrowings	6	499,396,122	490,233,086
Short Term Portion of Long Term Financial Liabilities	6	96,886,388	63,298,852
Trade Payables		1,532,635,005	689,399,613
- Trade Payables to Related Parties	7.20	66,611,478	48,398,205
- Trade Payables to Third Parties	7	1,466,023,527	641,001,408
Employee Benefits	15	62,967,699	56,655,611
Other Payables		35,371,410	16,018,949
- Other Payables to Related Parties	20	9,798,707	1,543,842
- Other Payables to Third Parties		25,572,703	14,475,107
Due to Customers Under Construction Contracts	10	482,562,201	360,137,489
Deferred Income	9	784,255,597	712,519,630
Income Tax Payable		13,483,731	5,223,111
Short-Term Provisions		24,957,083	25,209,612
- Short-Term Provisions for Employee Benefits	15	17,585,411	12,292,243
- Other Short-Term Provisions	14	7,371,672	12,917,369
<b>Long Term Liabilities</b>		<b>187,476,844</b>	<b>191,539,880</b>
Long-Term Borrowings	6	80,916,510	102,689,356
Other Borrowings		25,867,783	23,368,465
- Other Borrowings to Related Parties	20	25,102,500	23,161,667
- Other Borrowings to Third Party		765,283	206,798
Deffered Income	9	-	95,179
Long-Term Provisions		32,515,100	23,932,960
- Long-Term Provisions for Employee Benefits	15	32,515,100	23,932,960
Deferred Tax Liabilities		48,177,451	41,453,920
<b>Total Liabilities</b>		<b>3,719,992,080</b>	<b>2,610,235,833</b>
<b>EQUITY</b>		<b>767,602,697</b>	<b>644,965,992</b>
<b>Equity Attributable to Equity Holders of Parent</b>		<b>768,289,067</b>	<b>645,136,416</b>
Share Capital	16	265,000,000	265,000,000
Capital Advances	16	1,721,045	1,721,045
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)		(3,634,657)	(2,037,663)
Revaluation and Measurement (Losses)		(3,634,657)	(2,037,663)
- Increase / (Decrease) from Revaluation of Tangible Assets	16	(101,224)	(101,224)
- Defined Benefit Plans Remeasurement Gains / Losses	16	(3,533,433)	(1,936,439)
Other Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)		732,415,876	539,230,377
- Currency translation Adjustments	16	732,415,876	539,230,377
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	(102,401,710)	20,624,726
Net Profit /(Loss) for the Period	19	(68,435,854)	(123,026,436)
<b>Non-Controlling Interest</b>		<b>(686,370)</b>	<b>(170,424)</b>
<b>TOTAL LIABILITIES</b>		<b>4,487,594,777</b>	<b>3,255,201,825</b>

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 01.01.2022 - 30.06.2022**

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

	Notes	Reviewed		Not Reviewed	
		Current Period 01.01.-30.06.2022	Previous Period 01.01.-30.06.2021	Current Period 01.04.-30.06.2022	Previous Period 01.04.-30.06.2021
<b>PROFIT OR LOSS</b>					
Revenue	3	1,235,953,063	390,295,879	653,093,734	227,494,765
Cost of Sales (-)	3	(1,204,049,791)	(412,671,675)	(640,132,644)	(222,998,062)
<b>GROSS PROFIT/LOSS</b>		<b>31,903,272</b>	<b>(22,375,796)</b>	<b>12,961,090</b>	<b>4,496,703</b>
General Administrative Expense (-)	3	(30,091,641)	(14,142,446)	(13,643,404)	(7,860,267)
Other Operating Income	3	272,696,068	112,449,534	151,498,855	34,292,994
Other Operating Expense (-)	3	(271,740,047)	(80,223,598)	(163,421,296)	(25,825,310)
<b>OPERATING PROFIT/LOSS</b>		<b>2,767,652</b>	<b>(4,292,306)</b>	<b>(12,604,755)</b>	<b>5,104,120</b>
Impairment (losses) / gains in accordance with TFRS 9, net		(2,910)	(5,215)	(1,415)	(32,414)
Income From Investing Activities	3	4,700	521,722	(14,792)	493,630
Expense From Investing Activities (-)	3	(414,813)	(54,094)	(414,730)	(51,914)
<b>OPERATING PROFIT/LOSS BEFORE FINANCING INCOME AND EXPENSES</b>		<b>2,354,629</b>	<b>(3,829,893)</b>	<b>(13,035,692)</b>	<b>5,513,422</b>
Financing Income	3.18	8,598,631	25,222,106	4,285,236	22,751,842
Financing Expenses (-)	3.18	(95,948,695)	(75,946,370)	(52,281,523)	(48,559,201)
<b>PROFIT/LOSS BEFORE TAX FROM ONGOING ACTIVITIES</b>		<b>(84,995,435)</b>	<b>(54,554,157)</b>	<b>(61,031,979)</b>	<b>(20,293,937)</b>
<b>Tax from Continuing Operations Income/Expense</b>		16,043,635	1,720,317	12,503,490	15,750
-Tax on Income	3	(11,998,304)	(1,330,595)	2,098,684	(1,199,674)
-Deferred Tax Income/ (Expense)	3	28,041,939	3,050,912	10,404,806	1,215,424
<b>PERIOD PROFIT / (LOSS) FROM ONGOING ACTIVITIES</b>		<b>(68,951,800)</b>	<b>(52,833,840)</b>	<b>(48,528,489)</b>	<b>(20,278,187)</b>
<b>PROFIT/ (LOSS) FOR THE PERIOD</b>		<b>(68,951,800)</b>	<b>(52,833,840)</b>	<b>(48,528,489)</b>	<b>(20,278,187)</b>
<b>Distribution of the Profit / (Loss) for the Year</b>					
Non-controlling Shares	16	(515,946)	135,791	(456,353)	(279,842)
Parent Company Shares	19	(68,435,854)	(52,969,631)	(48,072,136)	(19,998,345)
<b>Earnings Per Share</b>					
<b>Earnings Per Share</b>	19	(0.26)	(0.26)	(0.18)	(0.10)

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 01.01.2022 - 30.06.2022**

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

	Notes	Reviewed		Not Reviewed	
		Current Period 01.01.-30.06.2022	Previous Period 01.01.-30.06.2021	Current Period 01.04.-30.06.2022	Previous Period 01.04.-30.06.2021
<b>PROFIT/ (LOSS) FOR THE PERIOD</b>		<b>(68,951,800)</b>	<b>(52,833,840)</b>	<b>(48,528,489)</b>	<b>(20,278,187)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items not to be Reclassified to Profit or Loss :</b>					
Defined Benefit Plans Remeasurement Gains / (Losses)	15	(1,596,994)	(297,361)	(1,010,797)	(148,605)
Taxes Related to Other Comprehensive Income (expenses) Items not to be Reclassified to Profit		477,024	74,340	301,926	37,151
Deferred Tax Income (Expenses)		477,024	74,340	301,926	37,151
<b>Items to be Reclassified to Profit or Loss:</b>					
Gain / (Loss) from Foreign Currency Conversion Differences		193,185,499	44,683,234	132,446,892	4,540,060
<b>OTHER COMPREHENSIVE INCOME/ EXPENSES</b>		<b>191,588,505</b>	<b>44,385,873</b>	<b>131,436,095</b>	<b>4,391,455</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>122,636,705</b>	<b>(8,447,967)</b>	<b>82,907,606</b>	<b>(15,886,732)</b>
<b>Appropriation of Total Comprehensive Income:</b>					
Non-Controlling Interests		(515,946)	135,791	(456,353)	(279,842)
Parent Company Share		123,152,651	(8,583,758)	83,363,959	(15,606,890)

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 CHANGES IN EQUITY FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2022**

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

Notes	Paid-in Capital	Capital Advance	Premiums /Discounts Related with Shares	The Merge Effect of Business Combinations Under Common Control	Other Comprehensive Income (expenses) Items not to be Reclassified to Profit (Loss)		Other Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)	Foreign Currency Conversion Differences	Restricted Reserves Allocated from Profits	Other Equity Shares	Other Reserves	Retained Earnings/(Losses)	Net Profit /(Loss) for the Period	Equity Attributable to Parent Company	Non-controlling Shares	Equity
					Increase / (Decrease) from Revaluation of Tangible Assets	Defined Benefit Plans Remeasurement Gains / Losses										
<b>Balances as of 1 January 2021 (beginning of period)</b>	<b>200,000,000</b>	<b>-</b>	<b>1,498,280</b>	<b>(62,334,320)</b>	<b>(101,224)</b>	<b>(1,664,772)</b>	<b>278,170,476</b>	<b>13,950,112</b>	<b>(13,842,938)</b>	<b>5,851,513</b>	<b>168,857,068</b>	<b>(142,173,131)</b>	<b>448,211,064</b>	<b>(5,760,052)</b>	<b>442,451,012</b>	
Transfers	-	-	-	-	-	-	-	-	-	-	-	(142,173,131)	142,173,131	-	-	-
Total Comprehensive Income/Expenses	-	-	-	-	-	(297,361)	44,683,234	-	-	-	-	(52,969,631)	(8,583,758)	135,791	<b>(8,447,967)</b>	
Capital Advance	-	26,000,000	-	-	-	-	-	-	-	-	-	-	26,000,000	-	<b>26,000,000</b>	
Transactions with Non-Controlling Shareholders	-	-	-	-	-	-	-	-	-	-	-	(6,059,211)	-	(6,059,211)	5,222,260	<b>(836,951)</b>
<b>Balance as of 30 June 2021 (end of period)</b>	<b>200,000,000</b>	<b>26,000,000</b>	<b>1,498,280</b>	<b>(62,334,320)</b>	<b>(101,224)</b>	<b>(1,962,133)</b>	<b>322,853,710</b>	<b>13,950,112</b>	<b>(13,842,938)</b>	<b>5,851,513</b>	<b>20,624,726</b>	<b>(52,969,631)</b>	<b>459,568,095</b>	<b>(402,001)</b>	<b>459,166,094</b>	
<b>Balances as of 1 January 2022 (beginning of period)</b>	<b>16 265,000,000</b>	<b>-</b>	<b>1,721,045</b>	<b>(62,334,320)</b>	<b>(101,224)</b>	<b>(1,936,439)</b>	<b>539,230,377</b>	<b>13,950,112</b>	<b>(13,842,938)</b>	<b>5,851,513</b>	<b>20,624,726</b>	<b>(123,026,436)</b>	<b>645,136,416</b>	<b>(170,424)</b>	<b>644,965,992</b>	
Transfers	-	-	-	-	-	-	-	-	-	-	-	(123,026,436)	123,026,436	-	-	-
Total Comprehensive Income/Expenses	-	-	-	-	-	(1,596,994)	193,185,499	-	-	-	-	(68,435,854)	123,152,651	(515,946)	<b>122,636,705</b>	
<b>Balance as of 30 June 2022 (end of period)</b>	<b>16 265,000,000</b>	<b>-</b>	<b>1,721,045</b>	<b>(62,334,320)</b>	<b>(101,224)</b>	<b>(3,533,433)</b>	<b>732,415,876</b>	<b>13,950,112</b>	<b>(13,842,938)</b>	<b>5,851,513</b>	<b>(102,401,710)</b>	<b>(68,435,854)</b>	<b>768,289,067</b>	<b>(686,370)</b>	<b>767,602,697</b>	

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 2022

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

	Notes	Reviewed	
		Current Period 01.01.-30.06.2022	Previous Period 01.01.-30.06.2021
<b>A. CASHFLOWS FROM OPERATING ACTIVITIES</b>		<b>94,991,501</b>	<b>(52,465,509)</b>
Profit/(Loss) for the period		(68,951,800)	(52,833,840)
<b>Adjustments to reconcile net profit to cash provided by operating activities</b>		<b>314,283,777</b>	<b>81,859,502</b>
Adjustments for Depreciation and Amortisation	12.13	4,812,728	3,633,492
Adjustments for Provisions		7,815,116	660,372
<i>Adjustments for Provisions/(Reversals) of Employee Benefits</i>	15	13,357,903	868,468
<i>Adjustments for Provisions/(Reversals) of Litigation</i>	14	206,473	(213,311)
<i>Other Adjustments for Provisions/(Reversals)</i>	14	(5,752,170)	-
<i>Adjustments for Provisions/(Reversals)</i>		2,910	5,215
Financial income / expense net		57,042,249	34,194,095
<i>Adjustments Regarding Interest income</i>		(1,539,366)	(1,908,059)
<i>Adjustments Regarding Interest expense</i>		58,581,615	36,102,154
Tax (Income)/(expenses)		(16,043,635)	(1,720,317)
Corrections related to losses (gains) arising from the disposal of tangible fixed assets		(5,512)	(382,556)
<i>Adjustments for Arising from the Disposal of Tangible Fixed Assets Losses (Gains)</i>		(5,512)	(382,556)
Adjustments for Unrealized Foreign Currency Translation Differences		260,662,831	45,474,416
<b>Changes in Net Working Capital</b>		<b>(137,257,446)</b>	<b>(74,565,769)</b>
Adjustments for Increase/(Decreases) in Financial Investments	5	1,059	2,353
Increases / (Decreases) in Trade Receivables		(181,602,507)	(134,246,153)
<i>-Increases / (Decreases) in Trade Receivables from Related Parties</i>	7.20	2,381,840	1,702,724
<i>-Increases / (Decreases) in Trade Receivables from Third Parties</i>	7	(183,984,347)	(135,948,877)
Increases / (Decreases) in Other Receivables		(21,804,852)	(4,764,493)
<i>-Increases / (Decreases) in Other Receivables from Related Parties</i>	20	(16,416,080)	200,981
<i>-Increases / (Decreases) in Other Receivables from Third Parties</i>		(5,388,772)	(4,965,474)
Increases / (Decreases) in Receivables from Ongoing Construction, Commitment, and Service Agreements	10	(395,947,815)	(147,504,804)
Increases / (Decreases) in Inventories	8	(345,076,964)	(54,077,172)
Increases / (Decreases) in Prepaid Expenses	9	(249,002,907)	(19,904,173)
Increases / (Decreases) in Trade Payables		843,235,392	136,838,133
<i>-Increases / (Decreases) in Trade Payables to Related Parties</i>	7.20	18,213,273	(7,821,352)
<i>-Increases / (Decreases) in Trade Payables to Third Parties</i>	7	825,022,119	144,659,485
Increases / (Decreases) in Employee Benefits	15	6,312,088	19,775,355
Increases / (Decreases) in Payables from Ongoing Construction, Commitment, and Service Agreements	10	122,424,712	7,148,877
Increases / (Decreases) in Other Payables		21,851,779	18,310,507
<i>-Increases / (Decreases) in Other Payables to Related Parties</i>	20	10,195,698	24,493,948
<i>-Increases / (Decreases) in Other Payables to Third Parties</i>		11,656,081	(6,183,441)
-Increases / (Decreases) in Deferred Income	9	71,640,788	78,269,653
Adjustments for (Gains)/Losses from Changes in Capitals		(9,288,219)	25,586,148
-Increases / (Decreases) in Other Assets		(43,426,176)	5,668,526
-Increases / (Decreases) in Other Liabilities		34,137,957	19,917,622
<b>Cash Flows from Operating Activities</b>		<b>108,074,531</b>	<b>(45,540,107)</b>
Payments in the coverage of benefits provided to employees	15	(7,858,992)	(4,334,549)
Tax Returns (Payments)		(5,224,038)	(2,590,853)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(1,570,049)</b>	<b>(306,784)</b>
Cash Inflows from Tangible and Intangible Asset Sales		6,780	733,507
<i>-Cash Inflows from Tangible Asset Sales</i>	12	6,780	733,507
Cash Outflows from Tangible and Intangible Asset Purchases		(1,576,829)	(1,040,291)
<i>-Cash Outflows from Tangible Asset Purchases</i>	12	(1,576,829)	(1,040,291)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(98,527,615)</b>	<b>46,242,127</b>
Cash Inflows from Capital Advances		-	26,000,000
Cash Inflows From Borrowing		679,420,974	211,269,158
<i>Proceeds from borrowings</i>	6	679,420,974	211,269,158
Cash Outflows Related to Debt Payments		(720,906,340)	(156,832,936)
<i>Repayment of borrowings</i>	6	(720,906,340)	(156,832,936)
Interests paid	18	(58,581,615)	(36,102,154)
Interests received	18	1,539,366	1,908,059
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)</b>		<b>(5,106,163)</b>	<b>(6,530,166)</b>
<b>D. FOREIGN CURRENCY CONVERSION DIFFERENCES IMPACT ON CASH AND CASH EQUIVALENTS</b>		<b>98,906</b>	<b>3,353,398</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(5,007,257)</b>	<b>(3,176,768)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	4	<b>105,381,046</b>	<b>54,408,574</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	4	<b>100,373,789</b>	<b>51,231,806</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(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

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 30 June 2022, 30.43% of shares are traded in Istanbul Stock exchange, INC. (BIST) according to Central Registry Agency (CRA) records (31 December 2021 : 35.71%) (Note :16).

As of 30 June 2022, 1,556 personnel have been employed within the Group (31 December 2021: 2,408).

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 United Arab	2005
Anel Emirates General Contracting LLC	Project Commitment	Service	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
Anel Dar Libya Constructing & Services LLC	Project Commitment	Service	Libia	2010

# ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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

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### 1. ORGANIZATION AND ACTIVITIES

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.

### 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.

The accompanying condensed consolidated interim financial statements for the period ended 30 June 2022 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 2022 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 2021.

Consolidated financial statements were approved by the Board of Directors on 17 August 2022. 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.

# ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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

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### 2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

#### 2.1. Basic Standards of Presentation (Continued)

##### **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.

##### **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.

In the Abu Dhabi International Airport MTB electrical work project worth USD531 million (AED1.9 billion) undertaken by Anel Emirates LLC, a subsidiary, the delay of the settlement of final accounts between our employer TAV-CCC-Arabtec JV (JV) and Abu Dhabi Airport Management (ADAC) caused a delay of the Group's settlement of accounts with JV. As per the agreement, JV applied for arbitration of reconciliation with ADAC. In line with the agreement, in June 2021 the Company began the process of arbitration for the resolution of the dispute.

There is accrual of income worth USD76.9 million, calculated in line with the completion percentage of the project as per the TFRS 15 "Revenue from Customer Agreements" standard. USD26.6 million of the income accrual provision was collected as advance payment for work carried out, and was reflected in the deferred income (advance received) account in the TFRS consolidated financial position statement.

In the financial statements dated 30 June 2022, a net receivable of USD50.3 million is stated, and the claim amount being arbitrated is above the net receivable number and it is possible that an amount of more than USD50.3 may be collected as a receivable at the end of the process.

An income accrual of USD76.9 million, calculated in line with the completion percentage (TRY1,280,850,457 as of the reporting period), was recognised under current assets in the previous consolidated financial statements, and although efforts are being made to complete the arbitration process in 2022, it is possible the process may continue into 2023. Therefore, Group management decided that, in line with the periodicity principle, it is appropriate for the relevant amount to be recognised under long-term receivables (longer than one year) in the 2022 year-end balance sheet.

The Company has applied to Denizbank A.Ş. as the leading bank for the restructuring of financial debts to banks within the scope of the Financial Restructuring Framework Agreement as of 25 March 2022, the necessary application documents have been prepared and the process of maintaining the situation continues as of the approval date of the financial statements.

Although this adjustment negatively affected the Group's net working capital, the Group is meeting with financial institutions to ensure the financial liabilities are made up of revolving credit and that payment terms of financial debts are deferred in order to achieve a liquidity balance in 2022. If deemed necessary, it is possible that financial liabilities may be spread over a long term.

# ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(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 exchanging consolidating overseas activities are as follows:

<u>Name of the Company</u>	<u>Currency</u>	<u>30 June 2022</u>		<u>31 December 2021</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)	4,5773	4,0730	3,6618	2,4383
Azerbaycan Branch	New Manat United Arab Emirates	9,8008	8,7211	7,8406	5,1994
Anel Emirates	Dirham	4,5399	4,0398	3,6319	2,4084
Anel Mep	Qatar Riyal (QAR)	4,5773	4,0730	3,6618	2,4383

# ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(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

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 2022, contains the financial statements of the Company's subsidiaries that have control over their financial and activity policies. As of 30 June 2022 direct and indirect participation rate of subsidiaries subject to consolidation are as follows:

<u>Subsidiaries</u>	<u>Establishment and place of organization</u>	<u>Core Business</u>	<u>Currency</u>	<u>30.06.2022</u>	<u>31.12.2021</u>
Anel Marin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	Turkey	Marine Electrical, Electronic Project	Turkish Lira	93.00	93.00
Anel Emirates General Contracting LLC	United Arab Emirates	Commitment Project	US Dollar	100.00	100.00
Anelmep Maintenance and Operations LLC	Qatar	Commitment Project	Qatari Riyal	100.00	100.00
Anel Engineering & Contracting Ltd.	England	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 Estate Project	Lira	98.39	98.39
Anel Dar Libya Constructing & Services LLC	Libya	Commitment	US Dollar	65.00	65.00

# ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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

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### 2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

#### 2.1. Basic Standards of Presentation (Continued)

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.

Reevaluates 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.)
- Accounting policies have been adjusted in the financial statements of subsidiaries in order to match the accounting policies followed by the Group if necessary.

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.

#### *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..



# ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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

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### 2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

#### 2.1. Basic Standards of Presentation (Continued)

##### *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

##### *"Standards, amendments and interpretations applicable as at 30 June 2022:"*

- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to TFRS 4 Insurance Contracts – deferral of TFRS 9 (effective 1 January 2021);** These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial instrument until 1 January 2023

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS  
SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

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

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**2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)**

**2.2. New and revised Turkish Accounting Standards (Continued)**

- **Amendment to TFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the TASB published an amendment to TFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the TASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

**(b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2022:**

- **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'.

- **Amendments to TAS 1, Presentation of financial statements' on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to 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.
- **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.

# ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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

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### 2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

#### 2.2. New and revised Turkish Accounting Standards (Continued)

- **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.
- **TFRS 17, ‘Insurance Contracts’, as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

#### 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 2021.

#### 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. Inflation accounting

Public Oversight Accounting and Auditing Standards Authority ("POA") made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies for the year 2021. As of the preparation date of this financial statements, POA did not make an additional announcement and no adjustment was made to this financial statements in accordance with TAS 29.

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS  
SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

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

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**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.

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3. SEGMENT REPORTING (Continued)

30.06.2022	Project Commitment	Rent Income	Telecommunication	Marine Electrical and Electronics	Consolidation Adjustments	Total
Net Revenue Non-Group	1,207,780,526	11,369,959	-	17,466,958	-	1,236,617,443
Intra Group Revenue	-	-	-	-	(664,380)	(664,380)
<b>Total Net Revenue</b>	<b>1,207,780,526</b>	<b>11,369,959</b>	<b>-</b>	<b>17,466,958</b>	<b>(664,380)</b>	<b>1,235,953,063</b>
Cost of Sales (-)	(1,177,100,535)	(1,318,277)	-	(25,630,979)	-	(1,204,049,791)
<b>Gross Profit / Loss</b>	<b>30,679,991</b>	<b>10,051,682</b>	<b>-</b>	<b>(8,164,021)</b>	<b>(664,380)</b>	<b>31,903,272</b>
General and Administrative Expenses (-)	(28,523,261)	(3,606,747)	(244,861)	(881,347)	3,164,575	(30,091,641)
Other Operating Income	258,049,435	3,166,664	294,564	13,751,792	(2,566,387)	272,696,068
Other Operating Expenses	(256,904,069)	(497,416)	(2,826,079)	(11,512,483)	-	(271,740,047)
<b>Operating Profit</b>	<b>3,302,096</b>	<b>9,114,183</b>	<b>(2,776,376)</b>	<b>(6,806,059)</b>	<b>(66,192)</b>	<b>2,767,652</b>
Impairment (losses)/gains in accordance with TFRS 9, net	-	-	-	(2,910)	-	(2,910)
Income from Investment Operations	5,759	-	(1,059)	-	-	4,700
Expense from Investment Operations (-)	(414,813)	-	-	-	-	(414,813)
<b>Operating Profit / (Loss) before Finance Income and Expense</b>	<b>2,893,042</b>	<b>9,114,183</b>	<b>(2,777,435)</b>	<b>(6,808,969)</b>	<b>(66,192)</b>	<b>2,354,629</b>
Financing Income	1,193,658	5,700,076	30,273	5,964,404	(4,289,780)	8,598,631
Financing Expenses (-)	(62,932,356)	(36,014,817)	(835,831)	(455,471)	4,289,780	(95,948,695)
<b>OPERATING PROFIT/(LOSS) BEFORE TAX</b>	<b>(58,845,656)</b>	<b>(21,200,558)</b>	<b>(3,582,993)</b>	<b>(1,300,036)</b>	<b>(66,192)</b>	<b>(84,995,435)</b>
<b>Operating Tax Income/(Loss)</b>						
-Period Tax Income/(Loss)	(11,998,304)	-	-	-	-	(11,998,304)
-Deferred Tax Income/(Expense)	20,425,987	9,188,090	-	(1,572,138)	-	28,041,939
<b>PROFIT/(LOSS)</b>	<b>(50,417,973)</b>	<b>(12,012,468)</b>	<b>(3,582,993)</b>	<b>(2,872,174)</b>	<b>(66,192)</b>	<b>(68,951,800)</b>
<b>Investment Expenses</b>						
Property, Plant and Equipment	1,576,829	-	-	-	-	1,576,829
intangible Fixed Assets	-	-	-	-	-	-
Depreciation Expenses	(4,706,763)	(94,219)	-	(7,796)	-	(4,808,778)
Amortisation Expenses	(1,872)	(862)	(597)	(619)	-	(3,950)
<b>Other Information</b>						
- Total Assets	5,970,158,757	366,112,228	73,736,174	120,735,110	(2,043,147,492)	4,487,594,777
- Total Liabilities	4,709,548,511	266,351,709	12,058,763	97,002,706	(1,364,969,609)	3,719,992,080

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3. SEGMENT REPORTING (Continued)

30.06.2021	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)
<b>Total Net Revenue</b>	<b>366,342,993</b>	<b>9,513,529</b>	<b>-</b>	<b>15,003,493</b>	<b>(564,136)</b>	<b>390,295,879</b>
Cost of Sales (-)	(397,820,719)	(1,125,612)	-	(13,730,979)	5,635	(412,671,675)
<b>Gross Profitu</b>	<b>(31,477,726)</b>	<b>8,387,917</b>	<b>-</b>	<b>1,272,514</b>	<b>(558,501)</b>	<b>(22,375,796)</b>
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)
<b>Operating Profit</b>	<b>(38,223,001)</b>	<b>6,685,357</b>	<b>(374,650)</b>	<b>2,064,592</b>	<b>25,555,396</b>	<b>(4,292,306)</b>
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)
<b>Operating Profit / (Loss) before Finance Income and Expense</b>	<b>(37,753,020)</b>	<b>6,685,357</b>	<b>(377,003)</b>	<b>2,059,377</b>	<b>25,555,396</b>	<b>(3,829,893)</b>
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)
<b>OPERATING PROFIT / (LOSS) BEFORE TAX</b>	<b>(67,905,558)</b>	<b>(15,419,048)</b>	<b>(608,417)</b>	<b>3,823,470</b>	<b>25,555,396</b>	<b>(54,554,157)</b>
<b>Operating Tax Income / (Loss)</b>						
-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
<b>PROFIT / (LOSS)</b>	<b>(72,894,517)</b>	<b>(9,248,245)</b>	<b>(608,417)</b>	<b>4,361,943</b>	<b>25,555,396</b>	<b>(52,833,840)</b>
<b>Investment Expenses</b>						
Tangible Fixed Assets	999,894	40,397	-	-	-	1,040,291
Intangible Fixed Assets	-	-	-	-	-	-
Depreciation Expenses	(3,497,883)	(87,973)	-	(10,128)	-	(3,595,984)
Amortization	(25,767)	(862)	(691)	(10,188)	-	(37,508)
<b>Other Information</b>						
-Total Assets	2,821,252,625	306,682,177	73,473,246	60,110,844	(1,284,313,576)	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

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**3. SEGMENT REPORTING (Continued)**

**Geographical Segments**

<b><u>01.01.- 30.06.2022</u></b>	<b><u>Turkey</u></b>	<b><u>Qatar</u></b>	<b><u>England</u></b>	<b><u>Netherland</u></b>	<b><u>Azerbaijan</u></b>	<b><u>United Arab Emirates</u></b>	<b><u>Elimination</u></b>	<b><u>Total</u></b>
Revenue	125,263,615	1,055,517,148	501,960	1,922,030	634,030	52,778,660	(664,380)	1,235,953,063
Due from Customers Under Construction Contracts	88,240,237	459,809,754	-	8,348,561	-	1,280,850,457	-	1,837,249,009
Assets according to Segment	1,671,943,191	3,230,510,919	15,026,106	26,918,224	37,496,945	1,548,846,884	(2,043,147,492)	4,487,594,777
Investment Expenses	22,420	1,468,953	-	-	-	85,456	-	1,576,829

  

<b><u>01.01.- 30.06.2021</u></b>	<b><u>Turkey</u></b>	<b><u>Qatar</u></b>	<b><u>England</u></b>	<b><u>Netherland</u></b>	<b><u>Russia</u></b>	<b><u>Azerbaijan</u></b>	<b><u>United Arab Emirates</u></b>	<b><u>Elimination</u></b>	<b><u>Total</u></b>
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 to 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

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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 2022 and 1 January - 30 June 2021 is as follows:

		<u>01.01. - 30.06.2022</u>	
<u>Operating Segment</u>	<u>Subject</u>	<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Project Commitment	Project Commitment	836,001,510	69%
Project Commitment	Project Commitment	167,895,450	14%
Project Commitment	Project Commitment	47,244,868	4%
Project Commitment	Project Commitment	37,617,014	3%
		<u>01.01. - 30.06.2022</u>	
<u>Operating Segment</u>	<u>Subject</u>	<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Ship Electrical and Electronics	Service Sale	10,188,605	58%
		<u>01.01. - 30.06.2021</u>	
<u>Operating Segment</u>	<u>Subject</u>	<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Project Commitment	Project Commitment	57,221,904	16%
Project Commitment	Project Commitment	37,042,914	10%
Project Commitment	Project Commitment	78,167,648	21%
Project Commitment	Project Commitment	86,071,691	23%
		<u>01.01. - 30.06.2021</u>	
<u>Operating Segment</u>	<u>Subject</u>	<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Ship Electrical and Electronics	Service Sale	11,747,350	74%
Ship Electrical and Electronics	Service Sale	1,518,739	10%

**4. CASH AND CASH EQUIVALENTS**

	<u>30.06.2022</u>	<u>31.12.2021</u>
Cash	1,075,053	69,744
Banks	99,298,726	105,311,292
- Demand Deposits	99,298,726	105,284,702
- Time Deposit Maturity less than 3 Months	-	26,590
Other Cash and Cash Equivalents	10	10
<b>Total</b>	<b>100,373,789</b>	<b>105,381,046</b>

The Group has no time deposit as of 30 June 2022.

The Group has blocked deposit amounting to TRY9,758,285, USD12,254, EUR24,283, GBP425, QAR8,301,412 regarding the letter of credits. (31 December 2021: TRY67,723,080)



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**5. FINANCIAL INVESTMENTS**

<b>Short Term Financial Investment</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
FV gain/losses of financial assets recognized in income statement	10,805	11,864
<b>Total</b>	<b>10,805</b>	<b>11,864</b>

<b>Financial investments whose fair value differences are reflected to profit / loss.</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
<u>Shares</u>		
Shares traded on the stock exchange (*)	10,805	11,864
<b>Total</b>	<b>10,805</b>	<b>11,864</b>

(\*) The shares traded on the stock exchange have FV gain amounting to TRY1,059 in the current period (31 December 2021: TRY1,343 fair value gain).

**6. FINANCIAL BORROWINGS**

	<b>30.06.2022</b>	<b>31.12.2021</b>
Bank Loans	677,199,020	655,851,508
Credit Card Debts	-	369,786
<b>Total</b>	<b>677,199,020</b>	<b>656,221,294</b>

**a) Bank Loans:**

		<b>30.06.2022</b>			
			<b>Short-Term</b>		
			<b>Portion of Long</b>		
<b>Currency</b>	<b>Weighted Average Interest Rate (%)</b>	<b>Short Term</b>	<b>Term Loans</b>	<b>Long Term</b>	<b>Total</b>
TRY	18.00-33.00	374,070,038	-	-	374,070,038
Euro	4.20	-	96,886,388	80,916,510	177,802,898
QAR	4.75	125,326,084	-	-	125,326,084
<b>Total</b>		<b>499,396,122</b>	<b>96,886,388</b>	<b>80,916,510</b>	<b>677,199,020</b>

		<b>31.12.2021</b>			
			<b>Short-Term</b>		
			<b>Portion of Long</b>		
<b>Currency</b>	<b>Weighted Average Interest Rate (%)</b>	<b>Short Term</b>	<b>Term Loans</b>	<b>Long Term</b>	<b>Total</b>
TRY	9.50-33.00	320,442,780	-	-	320,442,780
Euro	3.50-6.80	16,324,292	63,298,852	102,689,356	182,312,500
QAR	4.75	153,096,228	-	-	153,096,228
<b>Total</b>		<b>489,863,300</b>	<b>63,298,852</b>	<b>102,689,356</b>	<b>655,851,508</b>

	<b>30.06.2022</b>	<b>31.12.2021</b>
Payable within 1 year	596,282,510	553,162,152
Payable within 2 - 3 years	53,944,340	49,928,720
Payable within 3 - 4 years	26,972,170	50,143,256
Payable within 4 - 5 years	-	2,617,380
<b>Total</b>	<b>677,199,020</b>	<b>655,851,508</b>

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**6. FINANCIAL BORROWINGS (Continued)**

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

	<u>30.06.2022</u>	<u>31.12.2021</u>
<b>1 January Opening Balance</b>	<b>655,851,508</b>	<b>418,997,499</b>
Cash inflows from borrowing	639,425,975	58,696,392
Cash outflows related to principal payments	(720,906,340)	(67,706,940)
Accruals	39,994,999	7,928,132
Exchange rate differences	62,832,878	13,366,417
<b>30 June Closing Balance</b>	<b>677,199,020</b>	<b>431,281,500</b>

**7. TRADE RECEIVABLES AND PAYABLES**

**a) Trade Receivables:**

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

	<u>30.06.2022</u>	<u>31.12.2021</u>
<b>Short Term Trade Receivables</b>		
Customers	617,525,108	600,806,710
Notes Receivables and Postdated Checks	2,824,890	12,047,121
Less: Unrealized Finance Income	(407,269)	(298,923)
Adjustment on application of TFRS 9	-	2,047,454
Doubtful Receivables	(14,829)	(11,919)
Less: Doubtful Receivables Provisions	1,466,610	1,338,132
Collaterals held by Employers (*)	(1,466,610)	(1,338,132)
<b>Sub Total</b>	<b>430,969,681</b>	<b>252,322,791</b>
<b>Short Term Trade Receivables</b>	<b>1,050,897,581</b>	<b>866,913,234</b>
Receivables from Related Parties (Note 20)	6,836,978	9,218,818
<b>Total</b>	<b>1,057,734,559</b>	<b>876,132,052</b>

As of 30 June 2022, the weighted average of interest rate 24.23%, 0.13%, 0.06% 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 (2021: TRY19.64%, US Dollars 0.08%, Euro : 0.61 %, 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 2022, trade receivables' amounting TRY1,466,610 (2021: TRY1,338,132) 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:

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**7. TRADE RECEIVABLES AND PAYABLES (Continued)**

	<b><u>1 January – 30 June 2022</u></b>	<b><u>1 January – 30 June 2021</u></b>
Beginning of the period	1,338,132	1,202,765
Liquidation of Subsidiary	-	(118,169)
Foregin exchange differences	128,478	60,646
<b>End of the period</b>	<b><u>1,466,610</u></b>	<b><u>1,145,242</u></b>

**b) Trade Payables:**

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

<b><u>Short Term Trade Payables</u></b>	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Suppliers	926,418,903	447,999,823
Notes Payable and Postdated Checks	436,229,533	129,430,687
Less: Unrealized Finance Expense	(636,291)	(333,031)
Expense Accruals	91,538	2,285,537
Financial Guarantees Given to the Subcontractor (*)	103,919,844	61,618,392
<b>Sub Total</b>	<b><u>1,466,023,527</u></b>	<b><u>641,001,408</u></b>
Trade Payables to Related Parties (Note 20)	66,611,478	48,398,205
<b>Total</b>	<b><u>1,532,635,005</u></b>	<b><u>689,399,613</u></b>

As of 30 June 2022, the weighted average of interest rates are 23.94%, 0.15%, and 0.15% 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 2021: TRY20.15%, US Dollars : 0.15%, Euro : 0.59% 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**

	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Raw Materials and Equipments	626,943,007	281,870,929
Other Stocks	44,686	39,800
<b>Total</b>	<b><u>626,987,693</u></b>	<b><u>281,910,729</u></b>

As of 30 June 2022, the Group has no Stock pledged as collateral for the loans used. (31 December 2021: None).

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**9. PREPAID EXPENSES AND DEFERRED REVENUES**

<b><u>Short-Term Prepaid Expenses</u></b>	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Advances Given for Inventories	310,320,968	74,743,153
Other Advances Given	52,018,630	37,012,518
Prepaid Expenses for the Following Months	2,035,119	3,612,201
<b>Total</b>	<b>364,374,717</b>	<b>115,367,872</b>
<b><u>Long-Term Prepaid Expenses</u></b>	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Prepaid expenses to next years	32,197	36,135
<b>Total</b>	<b>32,197</b>	<b>36,135</b>
<b><u>Short-Term Deferred Income</u></b>	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Advances Received	778,404,860	707,881,992
Other Advances Received	2,051,008	2,214,764
Prepaid Income to Future Months	3,799,729	2,422,874
<b>Total</b>	<b>784,255,597</b>	<b>712,519,630</b>
<b><u>Long-Term Deferred Incomes</u></b>	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Prepaid Income to Future Months	-	95,179
<b>Total</b>	<b>-</b>	<b>95,179</b>

**10. CONSTRUCTION CONTRACTS**

	<b><u>30.06.2022(*)</u></b>	<b><u>31.12.2021</u></b>
Assets regarding Construction Contracts In Progress	1,837,249,009	1,441,301,194
<b>Total</b>	<b>1,837,249,009</b>	<b>1,441,301,194</b>

(\*) The Group has accounted the balance amounting to TRY1,280,850,457 under non-current assets (31 December 2021: TRY1,031,838,065).

Assets related to construction projects in progress are as follows:

	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Contract Assets Under Domestic Construction Contracts		
Unearned Assets regarding Domestic Construction Contracts (*)	88,240,237	41,340,507
Unearned Assets regarding Overseas Construction Contracts (*)	1,749,008,772	1,399,960,687
<b>Assets regarding Construction Contracts In Progress</b>	<b>1,837,249,009</b>	<b>1,441,301,194</b>
	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Liabilities Regarding Construction Contracts In Progress	482,562,201	360,137,489
<b>Total</b>	<b>482,562,201</b>	<b>360,137,489</b>

(\*) 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.

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**10. CONSTRUCTION CONTRACTS (Continued)**

Liabilities related to construction projects in progress are as follows:

	<u><b>30.06.2022</b></u>	<u><b>31.12.2021</b></u>
Over-invoiced Portion regarding Domestic Construction Contracts	30,337,132	23,281,043
Over-invoiced Portion regarding Overseas Construction Contracts	452,225,069	336,856,446
<b>Contractual obligations arising from ongoing construction and contracting works</b>	<u><b>482,562,201</b></u>	<u><b>360,137,489</b></u>

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

As of 30 June 2022, short-and long-term advances has been received regarding the ongoing construction contracts is amounting to TRY778,404,860 (31 December 2021: TRY707,881,992).

**11. INVESTMENT PROPERTY**

The Group did not purchase investment property during the interim period (30 June 2021: None). The Group did not sell investment property during the interim period (30 June 2021: None).

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12. TANGIBLE ASSETS

30.06.2022

<u>Cost Value</u>	<u>Buildings</u>	<u>Plant, Machinery and Equipment</u>	<u>Vehicles</u>	<u>Fixtures</u>	<u>Special Costs</u>	<u>Other Fixed Assets</u>	<u>Total</u>
<b>Opening Balance</b>	<b>8,301,270</b>	<b>60,226,306</b>	<b>7,307,169</b>	<b>41,527,879</b>	<b>386,884</b>	<b>167,761</b>	<b>117,917,269</b>
Currency translation adjustment	-	15,233,686	1,764,602	7,921,766	-	-	24,920,054
Additions	-	1,464,964	-	111,865	-	-	1,576,829
Disposals	-	-	-	(9,964)	-	-	(9,964)
<b>Closing Balance</b>	<b>8,301,270</b>	<b>76,924,956</b>	<b>9,071,771</b>	<b>49,551,546</b>	<b>386,884</b>	<b>167,761</b>	<b>144,404,188</b>
<b><u>Accumulated Depreciation and Impairment</u></b>							
<b>Opening Balance</b>	<b>(767,454)</b>	<b>(48,960,378)</b>	<b>(7,301,568)</b>	<b>(37,710,926)</b>	<b>(382,007)</b>	<b>(167,761)</b>	<b>(95,290,094)</b>
Currency translation adjustment	-	(11,924,311)	(1,764,602)	(7,454,858)	-	-	(21,143,771)
Additions	(79,949)	(3,737,655)	(1,200)	(987,313)	(2,661)	-	(4,808,778)
Disposals	-	-	-	8,696	-	-	8,696
<b>Closing Balance</b>	<b>(847,403)</b>	<b>(64,622,344)</b>	<b>(9,067,370)</b>	<b>(46,144,401)</b>	<b>(384,668)</b>	<b>(167,761)</b>	<b>(121,233,947)</b>
<b>Tangible Fixed Assets, net</b>	<b>7,453,867</b>	<b>12,302,612</b>	<b>4,401</b>	<b>3,407,145</b>	<b>2,216</b>	<b>-</b>	<b>23,170,241</b>

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12. TANGIBLE ASSETS (Continued)

30.06.2021

<u>Cost Value</u>	<u>Buildings</u>	<u>Leasehold improvements</u>	<u>Vehicles</u>	<u>Fixtures</u>	<u>Special Costs</u>	<u>Other Tangible Assets</u>	<u>Vehicles</u>	<u>Total</u>
<b>Opening Balance</b>	<b>7,068,946</b>	<b>502,766</b>	<b>45,030,867</b>	<b>4,871,089</b>	<b>42,429,758</b>	<b>412,165</b>	<b>167,761</b>	<b>100,483,352</b>
Currency translation adjustment	-	93,471	8,510,595	804,451	6,194,441	4,700	-	15,607,658
Additions	-	-	808,500	-	231,791	-	-	1,040,291
Disposals	-	-	(158,304)	(295,000)	(105,940)	-	-	(559,244)
<b>Closing Balance</b>	<b>7,068,946</b>	<b>596,237</b>	<b>54,191,658</b>	<b>5,380,540</b>	<b>48,750,050</b>	<b>416,865</b>	<b>167,761</b>	<b>116,572,057</b>
<b><u>Accumulated Depreciation and Impairment</u></b>								
<b>Opening Balance</b>	<b>(633,715)</b>	<b>(330,389)</b>	<b>(36,555,808)</b>	<b>(4,273,696)</b>	<b>(37,878,372)</b>	<b>(401,967)</b>	<b>(129,159)</b>	<b>(80,203,106)</b>
Currency translation adjustment	-	(62,866)	(6,421,228)	(768,899)	(5,740,789)	(4,700)	(38,602)	(13,037,084)
Additions	(70,690)	(13,505)	(2,193,799)	(432,956)	(882,373)	(2,661)	-	(3,595,984)
Disposals	-	-	3,626	157,333	47,334	-	-	208,293
<b>Closing Balance</b>	<b>(704,405)</b>	<b>(406,760)</b>	<b>(45,167,209)</b>	<b>(5,318,218)</b>	<b>(44,454,200)</b>	<b>(409,328)</b>	<b>(167,761)</b>	<b>(96,627,881)</b>
<b>Tangible Fixed Assets, net</b>	<b>6,364,541</b>	<b>189,477</b>	<b>9,024,449</b>	<b>62,322</b>	<b>4,295,850</b>	<b>7,537</b>	<b>-</b>	<b>19,944,176</b>

Total depreciation expenses of current period is TRY4,808,778. (30 June 2021: TRY3,595,984). Depreciation expenses amounting to TRY4,671,015 (30 June 2021: TRY3,417,942) is included in cost of goods sold (Note 17), amounting to TRY137,763 (30 June 2021: TRY178,042) is included in general administrative expense but not allocated in marketing expenses (30 June 2021: None).

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**13. INTANGIBLE ASSETS**

	<b><u>30.06.2022</u></b>	
<b><u>Cost Value</u></b>	<b><u>Rights</u></b>	<b><u>Total</u></b>
<b>Opening Balance</b>	<b>9,700,064</b>	<b>9,700,064</b>
Currency translation adjustment	1,502,173	1,502,173
Additions	-	-
Disposals	-	-
<b>Closing Balance</b>	<b>11,202,237</b>	<b>11,202,237</b>
<b><u>Accumulated Depreciation and Impairment</u></b>		
<b>Opening Balance</b>	<b>(9,643,683)</b>	<b>(9,643,683)</b>
Currency translation adjustment	(1,502,169)	(1,502,169)
Additions	(3,950)	(3,950)
Disposals	-	-
<b>Closing Balance</b>	<b>(11,149,802)</b>	<b>(11,149,802)</b>
<b>Intangible Assets, net</b>	<b>52,435</b>	<b>52,435</b>
		<b><u>30.06.2021</u></b>
<b><u>Cost Value</u></b>	<b><u>Rights</u></b>	<b><u>Total</u></b>
<b>Closing Balance</b>	<b>7,449,421</b>	<b>7,449,421</b>
Currency translation adjustment	698,784	698,784
Additions	-	-
Disposals	-	-
<b>Closing Balance</b>	<b>8,148,205</b>	<b>8,148,205</b>
<b><u>Accumulated Depreciation and Impairment</u></b>		
<b>Closing Balance</b>	<b>(7,331,402)</b>	<b>(7,331,402)</b>
Currency translation adjustment	(698,450)	(698,450)
Additions	(37,508)	(37,508)
Disposals	-	-
<b>Closing Balance</b>	<b>(8,067,360)</b>	<b>(8,067,360)</b>
<b>Intangible Assets, net</b>	<b>80,845</b>	<b>80,845</b>

Total amortization expenses of current period is TRY3,950 (30 June 2021: TRY37,508). Amortization expenses amounting to TRY2,707 (30 June 2021: TRY19,063) is included in cost of goods sold (Note 17), amounting to TRY1,243 (30 June 2021: TRY18,445) is included in general administrative expense.

**14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES**

<b><u>Other short term provisions</u></b>	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Litigation provisions	7,371,672	7,165,199
Other	-	5,752,170
<b>Total</b>	<b>7,371,672</b>	<b>12,917,369</b>

The details of litigation provisions are as follows:

	<b><u>30.06.2022</u></b>	<b><u>30.06.2021</u></b>
Beginning of period	7,165,199	7,183,501
Provision in period	462,517	472,661
Negative: canceled in period	(256,044)	(543,060)
Subsidiary Liquidation	-	(142,912)
<b>End of period</b>	<b>7,371,672</b>	<b>6,970,190</b>



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**14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)**

**Contingent Liabilities**

As of 30 June 2022, there are 47 lawsuits against the Group amounting to TRY43,470,216 and USD54,734 (TRY equivalent 911,945). (31 December 2021: 46 lawsuits TRY9,935,651 and USD54,734 / equivalent TRY484,029). Group has been made provision amounting TRY7,371,672 (31 December 2021: 7,165,199) regarding to this lawsuits.

**Collaterals-Pledge-Mortgages-Bails**

As of 30 June 2022 and 31 December 2021, 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:

	<b><u>30.06.2022</u></b>			
	<b><u>US Dollar</u></b>	<b><u>Euro</u></b>	<b><u>TRY</u></b>	<b><u>TRY Equivalent</u></b>
Letters of Guarantees Received	536,513	803,432	4,860,632	27,755,384
Guarenteed Bill Received	26,008	-	2,830,527	3,263,857
Guaranteed Cheques Received	55,378	-	25,000	947,675
<b>Total</b>	<b>617,899</b>	<b>803,432</b>	<b>7,716,159</b>	<b>31,966,916</b>

  

	<b><u>31.12.2021</u></b>			
	<b><u>US Dollar</u></b>	<b><u>Euro</u></b>	<b><u>TRY</u></b>	<b><u>TRY Equivalent</u></b>
Letters of Guarantees Received	602,848	840,512	3,728,513	24,444,426
Guarenteed Bill Received	10,000	-	3,080,527	3,213,817
Guaranteed Cheques Received	55,378	-	25,000	763,133
<b>Total</b>	<b>668,226</b>	<b>840,512</b>	<b>6,834,040</b>	<b>28,421,376</b>

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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)						
30.06.2022	US Dollars	Euro	TRY	GBP	AED	TRY Equivalent
A) CPMB's given for Company's own legal personality	2,517,548	38,487,318	140,807,457	418,497	147,208,505	1,533,748,064
B) CPMB's given on behalf of fully consolidated companies	256,356,795	3,187,079	433,114,770	-	-	4,767,528,215
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	-	-	85,680	-	-	85,680
i) Total amount of CPMB's given on behalf of majority shareholder	-	-	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	85,680	-	-	85,680
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-
<b>TOTAL</b>	<b>258,874,343</b>	<b>41,674,397</b>	<b>574,007,907</b>	<b>418,497</b>	<b>147,208,505</b>	<b>6,301,361,959</b>

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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)							
31.12.2021	US Dollars	Euro	TRY	GBP	AED	QATARI RİYAL	TRY Equivalent
A) CPMB's given for Company's own legal personality	4,175,568	38,928,736	142,492,070	1,290,000	147,208,505	18,638,074	1,413,886,704
B) CPMB's given on behalf of fully consolidated companies	260,314,598	3,182,579	435,632,430	-	-	-	3,959,714,438
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	-	-	85,680	-	-	-	85,680
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	-	-	85,680	-	-	-	85,680
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>264,490,166</b>	<b>42,111,315</b>	<b>578,210,180</b>	<b>1,290,000</b>	<b>147,208,505</b>	<b>18,638,074</b>	<b>5,373,686,822</b>

Other groups of CPM is given by the Group's equity ratios 0% (31 December 2021: % 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 2022 and 31 December 2021 is shown below.

							<b><u>30.06.2022</u></b>
<b><u>Collaterals, Pledges, Mortgages and Bails</u></b>	<b><u>Total TRY Equivalent</u></b>	<b><u>US Dollars</u></b>	<b><u>Euro</u></b>	<b><u>AED</u></b>	<b><u>GBP</u></b>	<b><u>TRY</u></b>	
Collaterals	2,856,999,479	122,874,343	4,474,397	147,208,505	418,497	47,007,907	
Pledges	-	-	-	-	-	-	
Mortgages	3,444,362,480	136,000,000	37,200,000	-	-	527,000,000	
<b>Total</b>	<b>6,301,361,959</b>	<b>258,874,343</b>	<b>41,674,397</b>	<b>147,208,505</b>	<b>418,497</b>	<b>574,007,907</b>	

  

							<b><u>31.12.2021</u></b>
<b><u>Collaterals, Pledges, Mortgages and Bails</u></b>	<b><u>Total TRY Equivalent</u></b>	<b><u>US Dollars</u></b>	<b><u>Euro</u></b>	<b><u>AED</u></b>	<b><u>Qatari Rival</u></b>	<b><u>GBP</u></b>	<b><u>TRY</u></b>
Collaterals	2,468,441,742	128,490,166	4,911,315	147,208,505	18,638,074	1,290,000	51,210,180
Pledges	-	-	-	-	-	-	-
Mortgages	2,905,245,080	136,000,000	37,200,000	-	-	-	527,000,000
<b>Total</b>	<b>5,373,686,822</b>	<b>264,490,166</b>	<b>42,111,315</b>	<b>147,208,505</b>	<b>18,638,074</b>	<b>1,290,000</b>	<b>578,210,180</b>

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**15. EMPLOYEE BENEFITS**

<b><u>Provisions for Short Term Employee Benefits</u></b>	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Unused Vacation Rights	17,585,411	12,292,243

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

	<b><u>1 January 30 June 2022</u></b>	<b><u>1 January 30 June 2021</u></b>
Provisions as of 1 January	12,292,243	8,873,582
Additional provision	9,791,417	3,882,339
Using in period	(7,348,117)	(5,049,921)
Foreign currency conversion adjustments	2,849,868	1,308,057
<b>End of the period</b>	<b><u>17,585,411</u></b>	<b><u>9,014,057</u></b>

<b><u>Employee Benefits Liabilities</u></b>	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Due To Personnel	60,947,435	55,537,159
Social Security Withholdings Payable	2,020,264	1,118,452
<b>Total</b>	<b><u>62,967,699</u></b>	<b><u>56,655,611</u></b>

<b><u>Provisions for Long Term Employee Benefits</u></b>	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Provisions for Employee Termination Benefits	32,515,100	23,932,960

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:

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

	<b><u>30.06.2022</u></b>	<b><u>31.12.2021</u></b>
Annual Discount Rate (%)	3.81	3.91
Probability of Retirement (%)	90.37	90.82

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 2022 the accompanying financial statements provisions for the future probably obligation arising from the retirement of employees is calculated by estimating the present value.

The Group's provision for severance pay is calculated over TRY15,371.40 (31 December 2021: TRY8,284.51), effective as of 1 July 2022, 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</u> <u>30 June 2022</u>	<u>1 January</u> <u>30 June 2021</u>
Provision as of 1 January	23,932,960	14,848,250
Service Cost	8,793,794	1,623,512
Interest Cost	46,791	40,837
Payments	(7,858,992)	(4,334,549)
Actuarial Gain/Loss	2,074,018	371,701
Foreign Currency Exchange Differences	5,526,529	2,054,033
<b>Provision as of 30 June</b>	<b>32,515,100</b>	<b>14,603,784</b>

**16. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS**

**a) Capital**

The Company's issued share capital as at 30 June 2022 and 31 December 2021 dates are as follows:

<b>Shareholders (*)</b>	<u>30.06.2022</u>		<u>31.12.2021</u>	
	<u>Share</u> <u>Amount TRY</u>	<u>Share</u> <u>Percentage (%)</u>	<u>Share</u> <u>Amount TL</u>	<u>Share</u> <u>Percentage (%)</u>
Rıdvan Çelikel	117,517,315.59	44.35	117,517,315.59	44.35
Capital Strategy Funds Spc-The Opportunistic Series Segregateg				
Portfolio	59,168,525.10	22.33	47,162,245.10	17.80
Other	88,314,159.31	33.32	100,320,439.31	37.85
<b>Pain in Capital</b>	<b>265,000,000.00</b>	<b>100.00</b>	<b>265,000,000.00</b>	<b>100.00</b>

(\*) As published on 30 June 2022 at kap.gov.tr.

As at 30 June 2022, 30.43% (31 December 2021: 35.71%) 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 TRY400,000,000. The Company's issued share capitals' historical value is TRY265,000,000 (31 December 2021: TRY265,000,000) which is consisted of authorized and fully paid 53,454,935.13 pcs of A-group shares and 211,545,064.87 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>30.06.2022</u>	<u>31.12.2021</u>
Capital Advance	1,721,045	1,721,045
<b>Total</b>	<b>1,721,045</b>	<b>1,721,045</b>

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

**c) Premiums on Shares / (Discounts)**

	<u>30.06.2022</u>	<u>31.12.2021</u>
Effect of Transactions involving Enterprises or Entities under Joint Control	(62,334,320)	(62,334,320)
<b>Total</b>	<b>(62,334,320)</b>	<b>(62,334,320)</b>

**d) Revaluation and Measurement Gain/(Loss)**

	<u>30.06.2022</u>	<u>31.12.2021</u>
Tangible Assets Revaluation Gain/(Loss)	(101,224)	(101,224)
<b>Total</b>	<b>(101,224)</b>	<b>(101,224)</b>

**e) Foreign Currency Translation Differences**

	<u>30.06.2022</u>	<u>31.12.2021</u>
Foreign Currency Translation Differences	732,415,874	539,230,377
<b>Total</b>	<b>732,415,874</b>	<b>539,230,377</b>

**f) Defined Benefit Plans Revaluation and Measurement Gain/(Loss)**

	<u>30.06.2022</u>	<u>31.12.2021</u>
Defined Benefit Plans Revaluation and Measurement Gain/ (Loss)	(3,533,433)	(1,936,439)
<b>Total</b>	<b>(3,533,433)</b>	<b>(1,936,439)</b>

**g) Restricted Reserves**

	<u>30.06.2022</u>	<u>31.12.2021</u>
Restricted Reserves	13,950,112	13,950,112
<b>Total</b>	<b>13,950,112</b>	<b>13,950,112</b>

**h) Retained Earnings)**

	<u>30.06.2022</u>	<u>31.12.2021</u>
Accounting for expected credit losses in accordance with IFRS 9	(1,828,789)	(1,828,789)
Retained Earnings	(100,572,921)	22,453,515
<b>Total</b>	<b>(102,401,710)</b>	<b>20,624,726</b>

**i) Non-controlling Shares**

	<u>30.06.2022</u>	<u>31.12.2021</u>
1 January	(170,424)	(5,760,052)
Subsidiary Liquidation	-	5,222,260
Minority Share Profit/(Loss)	(515,946)	367,368
<b>Total</b>	<b>(686,370)</b>	<b>(170,424)</b>

**a) Other Equity Shares**

	<u>30.06.2022</u>	<u>31.12.2021</u>
Other Equity Shares	(13,842,938)	(13,842,938)
<b>Total</b>	<b>(13,842,938)</b>	<b>(13,842,938)</b>

**k) Other Reserves**

	<u>30.06.2022</u>	<u>31.12.2021</u>
Other Reserves	5,851,513	5,851,513
<b>Total</b>	<b>5,851,513</b>	<b>5,851,513</b>

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

**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.

In the 2021 Ordinary General Assembly held on 20 July 2022, the following Board of Directors proposal was unanimously accepted: "As a result of the activities carried out between 01 January 2021 and 31 December 2021, which were audited independently and based on consolidated financial statements prepared as per the provisions of the Capital Markets Board's "Communiqué on the Principles of Financial Reporting for Capital Markets" Serial No. II, No:14.1, the net period loss was TRY123,026,436. According to the financial statements for the same period prepared in line with the Tax Procedural Law, the period profit was TRY29,014,200.62. After making legal deductions as per the law and articles of association and deducting taxes and funds from the period profit, the remaining balance should be included in the "Extraordinary Reserves" account and not be distributed."

**17. REVENUE/COST OF SALES**

<b><u>Sales Revenues (Net)</u></b>	<b><u>01.01.-30.06.2022</u></b>	<b><u>01.01.-30.06.2021</u></b>	<b><u>01.04.-30.06.2022</u></b>	<b><u>01.04.-30.06.2021</u></b>
Domestic Sales	124,649,025	110,269,040	45,898,186	43,187,787
Export Sales	1,111,337,668	280,844,996	607,244,344	184,257,705
Other Revenues	18,296	221,091	3,130	56,051
<b>Total Revenues</b>	<b>1,236,004,989</b>	<b>391,335,127</b>	<b>653,145,660</b>	<b>227,501,543</b>
Sales Returns (-)	(51,926)	(1,039,248)	(51,926)	(6,778)
<b>Sales Revenues (Net)</b>	<b>1,235,953,063</b>	<b>390,295,879</b>	<b>653,093,734</b>	<b>227,494,765</b>
Cost of Goods Sold	(2,423,723)	(585,425)	(244,203)	(159,797)
Cost of Services Sold	(1,196,952,346)	(408,649,245)	(637,619,917)	(221,058,947)
Depreciation Expenses	(4,671,015)	(3,417,942)	(2,267,480)	(1,766,284)
Amortisation Expenses	(2,707)	(19,063)	(1,044)	(13,034)
<b>Cost of Sales</b>	<b>(1,204,049,791)</b>	<b>(412,671,675)</b>	<b>(640,132,644)</b>	<b>(222,998,062)</b>
<b>GROSS PROFIT/LOSS</b>	<b>31,903,272</b>	<b>(22,375,796)</b>	<b>12,961,090</b>	<b>4,496,703</b>



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**18. FINANCIAL INCOME / (EXPENSES)**

	<u>01.01.-</u> <u>30.06.2022</u>	<u>01.01.-</u> <u>30.06.2021</u>	<u>01.04.-</u> <u>30.06.2022</u>	<u>01.04.-</u> <u>30.06.2021</u>
<b>Financing Income</b>				
Foreign Exchange Gains	7,026,691	23,310,859	3,434,388	20,861,810
Interest Income	1,539,366	1,908,059	841,933	1,888,619
Unearned Interest Income	32,574	3,188	8,915	1,413
<b>Total</b>	<b>8,598,631</b>	<b>25,222,106</b>	<b>4,285,236</b>	<b>22,751,842</b>
	<u>01.01.-</u> <u>30.06.2022</u>	<u>01.01.-</u> <u>30.06.2021</u>	<u>01.04.-</u> <u>30.06.2022</u>	<u>01.04.-</u> <u>30.06.2021</u>
<b>Financing Expenses (-)</b>				
Foreign Exchange Losses (-)	37,358,120	39,842,336	19,199,184	27,993,684
Loan Interest Expenses (-)	58,581,615	36,102,154	33,082,152	20,564,581
Unearned Interest Expense (-)	8,960	1,880	187	936
<b>Total</b>	<b>95,948,695</b>	<b>75,946,370</b>	<b>52,281,523</b>	<b>48,559,201</b>
<b>Financial income/expense,net</b>	<b>(87,350,064)</b>	<b>(50,724,264)</b>	<b>(47,996,287)</b>	<b>(25,807,359)</b>

**19. EARNINGS / (LOSS) PER SHARE**

	<u>01.01.-</u> <u>30.06.2022</u>	<u>01.01.-</u> <u>30.06.2021</u>	<u>01.04.-</u> <u>30.06.2022</u>	<u>01.04.-</u> <u>30.06.2021</u>
<b>Earnings Per Share /</b>				
Net Profit(Loss) of the Parent Company	(68,435,854)	(52,969,631)	(48,072,136)	(19,998,345)
Weighted Average Number of Shares	265,000,000	200,000,000	265,000,000	200,000,000
Earning Per Share Profit(Loss) from Ongoing Activities	(0.26)	(0.26)	(0.18)	(0.10)

**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.

	30.06.2022					
	Receivables		Payables			
	Short Term		Short Term		Short Term	
Balances with Related Parties	Trade	Other	Trade	Other	Trade	Other
Anelsis Mühendislik Sanayi ve Ticaret A.Ş. (*)	1,198,306	403,253	47,465,959	219,372	-	-
Epsinom Teknik Hizmetler Ltd. (*)	-	15,987,622	-	2,654,792	-	-
Anelnet Teknik Hizmetler Ltd. Şti. (*)	4,980,362	-	549,793	517,583	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (**)	17,196	-	-	983,178	-	25,102,500
Anel Holding A.Ş. (*)	709,613	25,205	20,159,533	5,423,782	-	-
Çelikel Eğitim Vakfı	5,716	-	-	-	-	-
Unpaid Interest Income / Expense (-)	(74,215)	-	(1,563,807)	-	-	-
<b>Total</b>	<b>6,836,978</b>	<b>16,416,080</b>	<b>66,611,478</b>	<b>9,798,707</b>	<b>-</b>	<b>25,102,500</b>

(\*) 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 26.65% as of 30 June 2022.

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

	31.12.2021					
	Receivables		Payables		Payables	
	Short Term		Short Term		Long Term	
Balances with Related Parties	Trade	Other	Trade	Other	Trade	Trade
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	38,814	-	28,403,523	-	-	-
Epsinom Teknik Hizmetler LTD.	-	-	-	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti.	8,795,732	-	169,043	-	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (**)	-	-	-	-	-	23,161,667
Anel Holding A.Ş. (*)	436,601	-	21,387,882	1,543,842	-	-
Çelikel Eğitim Vakfı	1,943	-	-	-	-	-
Unpaid Interest Income / Expense (-)	(54,272)	-	(1,562,243)	-	-	-
<b>Total</b>	<b>9,218,818</b>	<b>-</b>	<b>48,398,205</b>	<b>1,543,842</b>	<b>-</b>	<b>23,161,667</b>

(\*) 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 21.35%.

(\*\*) Consists of the loan utilized from Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.

Transactions with related parties between 1 January- 30 June 2022 and 1 January - 30 June 2021 are as follows:

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**20. RELATED PARTY DISCLOSURES (Continued)**

<b>Related Party Transactions</b>	<b>01.01-30.06.2022</b>					
	<b>Stock Purchases</b>	<b>Interest Income</b>	<b>Interest Expense</b>	<b>Service Sales</b>	<b>Service Purchase</b>	<b>Exchange Difference Expense</b>
Anelnet Mühendislik Sanayi ve Ticaret A.Ş.	13,334,447	6,106	6,129	136,763	58,437	210,139
Anelnet Teknik Hizmetler Ltd. Şti.	3,594	-	3,805	31,665	879,751	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	-	-	13,304	25,658	3,300	-
Çelikel Eğitim Vakfı	-	-	-	901	-	-
Epsinom Teknik Hizmetler Ltd.Şti.	-	1,519,540	1,983,618	2,253	-	134,037
Anel Holding A.Ş.	-	7,587	633,799	808,676	10,985,215	-
<b>Total</b>	<b>13,338,041</b>	<b>1,533,232</b>	<b>2,640,655</b>	<b>1,005,917</b>	<b>11,926,704</b>	<b>344,176</b>

<b>Related Party Transactions</b>	<b>01.01-30.06.2021</b>					
	<b>Stock Purchases</b>	<b>Interest Income</b>	<b>Interest Expense</b>	<b>Service Sales</b>	<b>Service Purchase</b>	<b>Exchange Difference Expense</b>
Anelnet 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	-
<b>Total</b>	<b>11,663,165</b>	<b>26,711</b>	<b>348,595</b>	<b>950,833</b>	<b>9,615,789</b>	<b>475,070</b>

Related party transactions between 1 January - 30 June 2022 and 1 January - 30 June 2021 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 2022 and 1 January - 30 June 2021 as are as follows:

<b>Benefits Provided by Top-Level Management</b>	<b>01.01.-30.06.2022</b>	<b>01.01.-31.03.2021</b>
Employee Short Term Benefits	5,034,624	2,129,879
<b>Total</b>	<b>5,034,624</b>	<b>2,129,879</b>

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**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.

**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:

<b>FOREIGN CURRENCY POSITION TABLE</b>					
<b>30.06.2022</b>					
	<b>TRY Equivalent</b>	<b>US Dollars</b>	<b>Euro</b>	<b>GBP</b>	<b>CHF</b>
1. Trade Receivables	49,365,826	36,321	2,807,161	-	-
2. Montetary Financial Assets	647,397	12,254	25,008	438	-
3. Other	61,823,134	1,512,183	2,083,764	21,455	-
<b>4. Current Assets (1+2+3)</b>	<b>111,836,357</b>	<b>1,560,758</b>	<b>4,915,933</b>	<b>21,893</b>	-
<b>5. Total Assets (4)</b>	<b>111,836,357</b>	<b>1,560,758</b>	<b>4,915,933</b>	<b>21,893</b>	-
6. Trade Payables	168,280,627	5,367,839	4,513,913	6,680	-
7. Financial Liabilities	96,731,477	-	5,558,833	-	-
8a. Other Monetary Liabilitie	-	-	-	-	-
8b. Other Non Monetary Liabilitie	37,676,127	1,451,499	758,611	-	14,168
<b>9. Short Term Liabilities (6+7+8)</b>	<b>302,688,231</b>	<b>6,819,338</b>	<b>10,831,357</b>	<b>6,680</b>	<b>14,168</b>
10. Financial Liabilities	80,916,510	-	4,650,000	-	-
<b>11. Long Term Liabilities</b>	<b>80,916,510</b>	-	<b>4,650,000</b>	-	-
<b>12. Total Liabilities (9+11)</b>	<b>383,604,741</b>	<b>6,819,338</b>	<b>15,481,357</b>	<b>6,680</b>	<b>14,168</b>
<b>13. Net Foreign Currency Assets / (Liabilities ) (5-12)</b>	<b>271,768,384)</b>	<b>5,258,580)</b>	<b>10,565,424)</b>	<b>15,213</b>	<b>(14,168)</b>
<b>14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)</b>	<b>295,915,391)</b>	<b>5,319,264)</b>	<b>11,890,577)</b>	<b>(6,242)</b>	-

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

<b>FOREIGN CURRENCY POSITION TABLE</b>						
<b>31.12.2021</b>						
	<b>TRY Equivalent</b>	<b>US Dollars</b>	<b>Euro</b>	<b>GBP</b>	<b>QAR</b>	<b>CHF</b>
1. Trade Receivables	29,002,933	154,744	1,785,702	-	-	-
2. Monetary Financial Assets	24,874,232	1,232,543	557,209	2,183	-	-
3. Other	17,511,770	922,147	321,499	20,600	-	-
<b>4. Current Assets (1+2+3)</b>	<b>71,388,935</b>	<b>2,309,434</b>	<b>2,664,410</b>	<b>22,783</b>	-	-
<b>5. Total Assets (4)</b>	<b>71,388,935</b>	<b>2,309,434</b>	<b>2,664,410</b>	<b>22,783</b>	-	-
6. Trade Payables	114,379,330	4,380,862	3,688,641	6,680	3,077	-
7. Financial Liabilities	78,261,618	-	5,178,122	-	-	-
8 Other Non Monetary Liabilities	36,550,793	1,431,449	1,139,947	-	-	14,168
<b>9. Short Term Liabilities (6+7+8)</b>	<b>229,191,741</b>	<b>5,812,311</b>	<b>10,006,710</b>	<b>6,680</b>	<b>3,077</b>	<b>14,168</b>
10. Financial Liabilities	102,689,353	-	6,794,365	-	-	-
<b>11. Long Term Liabilities</b>	<b>102,689,353</b>	-	<b>6,794,365</b>	-	-	-
<b>12. Total Liabilities (9+11)</b>	<b>331,881,094</b>	<b>5,812,311</b>	<b>16,801,075</b>	<b>6,680</b>	<b>3,077</b>	<b>14,168</b>
<b>13. Net Foreign Currency Assets / (Liabilities ) (5-13)</b>	<b>(260,492,159)</b>	<b>(3,502,877)</b>	<b>(14,136,665)</b>	<b>16,103</b>	<b>(3,077)</b>	<b>(14,168)</b>
<b>14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)</b>	<b>(241,453,136)</b>	<b>(2,993,575)</b>	<b>(13,318,217)</b>	<b>(4,497)</b>	<b>(3,077)</b>	-

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 20% and decrease sensitivity. The ratio of 20% 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.

Sensitivity analysis covers only monetary items in the open foreign currency at the end of the year and shows the effects of the 20% exchange rate at the end of the year. Positive value refers to the increase in profit/dice and other equity pens..

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

<b>Exchange Rate Sensitivity Analysis Table</b>				
<b>30.06.2022</b>				
	<b>Profit/(Loss)</b>		<b>Equity</b>	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
20% change in US Dollars against TRY:				
1- US Dollar net assets / liabilities	(17,554,612)	17,554,612	-	-
2- US Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>(17,554,612)</b>	<b>17,554,612</b>	-	-
20% change in EUR against TRY::				
4- Euro net assets / liabilities	(36,770,634)	36,770,634	-	-
5- Euro Hedged (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(36,770,634)</b>	<b>36,770,634</b>	-	-
20% change in GBP against TRY:				
7- GBP net assets / liabilities	61,705	(61,705)	-	-
8- GBP Hedged (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>61,705</b>	<b>(61,705)</b>	-	-
10% change in CHF against TRY:				
10- CHF net assets / liabilities	(49,535)	49,535	-	-
11 - CHF Hedged(-)	-	-	-	-
<b>12- CHF Net Effect(13+14)</b>	<b>(49,535)</b>	<b>49,535</b>	-	-
<b>TOTAL (3+6+9+12)</b>	<b>(54,313,076)</b>	<b>54,313,076</b>	-	-

<b>Exchange Rate Sensitivity Analysis Table</b>				
<b>31.12.2021</b>				
	<b>Profit/Loss</b>		<b>Equity</b>	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
20% change in US Dollars against TRY:				
1- US Dollar net assets / liabilities	(9,354,783)	9,354,783	-	-
2- US Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>(9,354,783)</b>	<b>9,354,783</b>	-	-
20% change in Euro against TRY::				
4- Euro net assets / liabilities	(42,732,028)	42,732,028	-	-
5- Euro Hedged (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(42,732,028)</b>	<b>42,732,028</b>	-	-
20% change in GBP against TRY:				
7- GBP net assets / liabilities	58,165	(58,165)	-	-
8- GBP Hedged (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>58,165</b>	<b>(58,165)</b>	-	-
20% change in QAR against TRY:				
10- QAR net assets / liabilities	(2,258)	2,258	-	-
11- QAR Hedged(-)	-	-	-	-
<b>12- QAR Net Effect (10+11)</b>	<b>(2,258)</b>	<b>2,258</b>	-	-
20% change in CHF against TRY::				
13- CHF net assets / liabilities	(41,523)	41,523	-	-
14- CHF Hedged(-)	-	-	-	-
<b>15- CHF Net Effect(10+11)</b>	<b>(41,523)</b>	<b>41,523</b>	-	-
<b>TOTAL(3+6+9+12)</b>	<b>(52,072,427)</b>	<b>52,072,427</b>	-	-

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

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

**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 2021: Not available.)

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

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

<b>30 June 2022</b>	<b>Financial Assets Carried at Fair Value</b>	<b>Credits and Receivables (Including Cash and Cash Equivalents)</b>	<b>Available for sale Financial Assets</b>	<b>Other Financial Valued at Amortized Cost Value</b>	<b>Book Value</b>	<b>Note</b>
<b>Financial Assets</b>						
Cash and Cash Equivalents	-	100,373,789	-	-	100,373,789	4
Trade Receivables	-	1,057,734,559	-	-	1,057,734,559	7.20
<b>Financial Liabilities</b>						
Financial Liabilities	-	-	-	677,199,020	677,199,020	6
Trade Payables	-	-	-	1,532,635,005	1,532,635,005	7.20
Other Financial Liabilities	-	-	-	13,483,731	13,483,731	
<b>31 December 2021</b>						
<b>Financial Assets</b>						
Cash and Cash Equivalents	-	105,381,046	-	-	105,381,046	4
Trade Receivables	-	876,132,052	-	-	876,132,052	7.20
<b>Financial Liabilities</b>						
Financial Liabilities	-	-	-	656,221,294	656,221,294	6
Trade Payables	-	-	-	689,399,613	689,399,613	7.20
Other Financial Liabilities	-	-	-	5,223,111	5,223,111	



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**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:

<b>Financial Assets</b>	<b>30.06.2022</b>	<b>The level of the Fair Value at the reporting date</b>		
		<b>First Level (TRY)</b>	<b>Second Level (TRY)</b>	<b>Third Level (TRY)</b>
Real Estate for Investment	340,168,730	-	340,168,730	-
Stocks	10,805	10,805	-	-
<b>Total</b>	<b>340,179,535</b>	<b>10,805</b>	<b>340,168,730</b>	<b>-</b>

<b>Financial Assets</b>	<b>31.12.2021</b>	<b>The level of the Fair Value at the reporting date</b>		
		<b>First Level (TRY)</b>	<b>Second Level (TRY)</b>	<b>Third Level (TRY)</b>
Real Estate for Investment	340,168,730	-	340,168,730	-
Stocks	11,864	11,864	-	-
<b>Total</b>	<b>340,180,594</b>	<b>11,864</b>	<b>340,168,730</b>	<b>-</b>

**23. EXPLANATIONS RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS  
EQUITY**

The Group's shareholders' equity amounting to 768,289,065 consists of shareholders' equity of the Parent Company (TRY686,370) for the interim accounting period ending on 30 June 2022 (31 December 2021: TRY645,136,416 and TRY170,424).

**24. EVENTS AFTER THE REPORTING PERIOD**

None.

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