ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE INDEPENDENT AUDITORS REPORT

(ORIGINALLY ISSUED IN TURKISH)

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
Valuation work related to determining the fair value of investment properties	
As of 31 December 2022, the Group's investment properties, which have a carrying value of TRY1,048,714,936 and represent a significant share of its total assets, consisted of land, office and commercial units. The accounting policy Group management applies when recognising these investment properties is the "fair value method", as described in detail in Note 2 and Note 12. The fair value of these assets are determined by an independent valuation institution accredited by the Capital Markets Board and used as the basis for the carrying values in the balance sheet after being assessed by Group management. When determining the fair value of investment properties, methods such as benchmark comparison and reduced cash flow are used, and these methods include inputs based on important assumptions such as real discount and inflation, which may lead to changes when determining fair value. Fair value is directly affected by factors such as market conditions and the detailed features of each property. The work carried out to determine the fair value of the investment properties was defined as a key audit matter because the book value of investment properties comprises a significant portion of the Group's aggregate assets and the valuations are subjective in nature and include material assumptions and reasoning.	During our audit, the following audit procedures were used to determine the fair value of investment properties: • The procedures used by Group management to determine the fair value of investment properties were evaluated. • As for the expert institution carrying out the valuation work, we performed the following procedures: • The expert institution's property valuation accreditation and licence were checked. • The expert institution's competence, ability and neutrality were evaluated. • We tested the investment properties' title deed records and ownership rates. • We compared the consistency of the inputs that have significant impact on the property value determined and stated in the valuation reports, such as square meter details of areas that can be rented and unit sales value, against observable market prices, and then tested whether the appraised values fall within an acceptable range. • We have also tested inputs such as rental income, duration of rental contracts, occupancy rates and expenses used in the valuation reports that have a significant impact on property value. • We evaluated with our experts whether the assumptions used by the valuation experts in their valuations, the appraised values such as inflation and the real discount fall within an acceptable range. • We checked whether the fair values in the valuation report complied with the notes and whether the note explanations are sufficient in terms of TFRS.

Key Audit Matters	How the key audit matter was addressed in the audit
Recognising the revenue from construction contracts	
The amount of the consolidated revenue of the Group for the year ending on 31 December 2022 is TRY2,474,793,544 and in most part of the consolidated revenue has been recognised in accordance with percentage of completion method as stated in TFRS 15 Revenue from Customer Contracts. Within the context of this method; amounts, which are recognised as the revenue and cost in relation to the ongoing projects, are based on the estimations and assumptions stated in project budgets. Revenue recognition and the determination of the results of construction projects including specific conditions to relevant projects, estimation of the cost to complete of the projects, the impact of the future incidents on the contract revenue and the recognition of changes in the project, depend on the estimations and judgements of the management. In addition, the regarding estimations and assumptions consist of; the compliance with the requirements set forth in TFRS 15, costs to complete the project, completion of the contracts and estimation on percentage of completion rate.	Procedures: • Processes for determining the accuracy and timing of the revenue recognition in the consolidated financial statements and controls designed by the Group have been understood and assessed. • We focused on the methodologies used by the Group Management while using the estimates and assumptions regarding construction projects and the estimates used for the revenue recognized as a result of the project calculations. • Cost budgets have been reviewed for significant construction projects and the historical accuracy and prudence of the budgets and estimations have been evaluated. • Percentage of completion worksheets prepared by the Group management have been tested. Accordingly, existence and accuracy of the actual costs, additional cost to complete of the project, accuracy of the percentage of completion method and total calculations have been tested by us using recalculation method. We have questioned the expectations in the project schedule in the meetings with accounting and technical teams, and whether the provisions calculated for the projects falling behind the schedule (if any) are in line with the clauses of the contract. • Significant construction contracts have been reviewed. We read the contract clauses and conditions and tested whether the contract conditions have been appropriately reflected on accounting records when recognising relevant contracts as per TFRS 15. Project amount and changes in project amount due to changes in the scope of the work have been confirmed with the contracts and appendices.

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

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

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

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

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

Responsibilities of independent auditors in an independent audit are as follows:

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

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

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

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

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

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

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

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

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

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 13 March 2023.

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 31 December 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

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

Burak Özpoyraz, SMMM
Partner

Istanbul, 13 March 2023

CONTENTS

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

	Notes	Audited Current Period 31.12.2022	Audited Prior Period 31.12.2021
ASSETS			
Current Assets		**2,313,166,457**	**1,820,920,922**
Cash and Cash Equivalents	4	125,624,015	105,381,046
Financial Investments	5	30,258	11,864
Trade Receivables		952,692,714	876,132,052
- Trade Receivables from Related Parties	*7.27*	*13,773,317*	*9,218,818*
- Trade Receivables from Third Parties	*7*	*938,919,397*	*866,913,234*
Other Receivables		9,214,115	11,648,245
- Other Receivables from Third Parties	*8*	*9,214,115*	*11,648,245*
Due from Customers Under Construction Contracts	11	446,027,087	409,463,129
Inventories	9	576,454,702	281,910,729
Prepaid Expenses	10	184,742,443	115,367,872
Current Tax Related Assets	25	1,742	346,313
Other Current Assets	17	18,379,381	20,659,672
Non-Current Assets		**2,585,607,715**	**1,434,280,903**
Other Receivables		2,694,617	2,007,711
- Other Receivables from Third Parties	*8*	*2,694,617*	*2,007,711*
Due from Customers Under Construction Contracts	11	1,450,317,802	1,031,838,065
Investment Property	12	1,048,714,936	340,168,730
Property, Plant and Equipment	13	30,108,217	22,627,175
Intangible Assets	14	50,295	56,381
Prepaid Expenses	10	92,189	36,135
Deferred Tax Assets	25	30,338,958	23,490,609
Non-Current Assets Related with Current Period Tax	25	23,290,701	14,056,097
TOTAL ASSETS		**4,898,774,172**	**3,255,201,825**

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

	Notes	Audited Current Period 31.12.2022	Audited Prior Period 31.12.2021
LIABILITIES			
Short-Term Liabilities		**3,070,940,317**	**2,064,151,191**
Short-Term Borrowings	6	804,281,022	490,233,086
Short Term Portion of Long Term Financial Liabilities	6	147,126,200	63,298,852
Trade Payables		1,080,268,705	689,399,613
- *Trade Payables to Related Parties*	*7.27*	*86,754,439*	*48,398,205*
- *Trade Payables to Third Parties*	*7*	*993,514,266*	*641,001,408*
Employee Benefits	16	40,854,639	56,655,611
Other Payables		42,431,233	16,018,949
- *Other Payables to Related Parties*	*8.27*	*14,352,758*	*1,543,842*
- *Other Payables to Third Parties*	*8*	*28,078,475*	*14,475,107*
Payables from Ongoing Construction, Commitments and Service Agreements	11	693,071,506	360,137,489
Deferred Income	10	238,953,130	357,974,868
Income Tax Payable	25	2,217,333	5,223,111
Short-Term Provisions		21,736,549	25,209,612
- *Short-Term Provisions for Employee Benefits*	*16*	*12,629,032*	*12,292,243*
- *Other Short-Term Provisions*	*15*	*9,107,517*	*12,917,369*
Long Term Liabillities		**782,390,843**	**546,084,642**
Long-Term Borrowings	6	61,909,480	102,689,356
Other Payables		43,639,153	23,368,465
- *Other Payables to Related Parties*	*8.27*	*43,201,848*	23,161,667
- *Other Payables to Third Parties*	*8*	*437,305*	*206,798*
Deferred Income	10	497,365,468	354,639,941
Long-Term Provisions		28,924,383	23,932,960
- *Long-Term Provisions for Employee Benefits*	*16*	*28,924,383*	*23,932,960*
Deferred Tax Liablilities	25	150,552,359	41,453,920
TOTAL LIABILITIES		**3,853,331,160**	**2,610,235,833**

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

	Notes	Audited Current Period 31.12.2022	Audited Prior Period 31.12.2021
EQUITY		**1,045,443,012**	**644,965,992**
Equity Belongs to Parent Company		**1,036,226,348**	**645,136,416**
Share Capital	18	265,000,000	265,000,000
Share Premium	18	1,721,045	1,721,045
Effects of Business Combinations Under Common Control	18	(62,334,320)	(62,334,320)
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(4,672,942)	(2,037,663)
Gains (Losses) on Revaluation and Remeasurement		*(4,672,942)*	*(2,037,663)*
- Decreases on Revaluation of Property, Plant and Equipment	*18*	*(101,224)*	*(101,224)*
- Actuarial Gains (Loss) Arising From Defined Benefit Plans	*18*	*(4,571,718)*	*(1,936,439)*
Other Comprehensive Income/(Expense) to be Reclassified to Profit and Loss		823,923,024	539,230,377
- Foreign Currency Conversion Difference	*18*	*823,923,024*	*539,230,377*
Reserves on Retained Earnings		13,950,112	13,950,112
- Legal Reserves	*18*	*13,950,112*	*13,950,112*
Other Equity Shares	18	(13,842,938)	(13,842,938)
Other Reserves	18	5,851,513	5,851,513
Retained Earnings		(102,401,710)	20,624,726
Net (Loss)/Profit for the Period	26	109,032,564	(123,026,436)
Non-controlling Shares	**18**	**9,216,664**	**(170,424)**
TOTAL LIABILITIES AND EQUITY		**4,898,774,172**	**3,255,201,825**

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

	Notes	Audited Current Period 1 January - 31 December 2022	Audited Prior Period 1 January - 31 December 2021
Revenue	3.19	2,474,793,544	981,163,411
Cost of Sales (-)	3.19	(2,684,191,136)	(1,041,440,674)
GROSS LOSS		**(209,397,592)**	**(60,277,263)**
General Administrative Expense (-)	20	(67,340,997)	(46,228,698)
Other Operating Income	22	372,512,821	414,968,645
Other Operating Expense (-)	22	(417,990,638)	(333,171,152)
OPERATING LOSS		**(322,216,406)**	**(24,708,468)**
Income From Investing Activities	23	717,623,139	60,730,542
Expense From Investing Activities (-)	23	(4,663)	(2,170,160)
OPERATING PROFIT BEFORE FINANCING INCOME AND EXPENSES		**395,402,070**	**33,851,914**
Financing Income	3.24	20,434,742	70,149,810
Financing Expenses (-)	3.24	(195,659,440)	(211,386,758)
PROFIT/LOSS BEFORE TAX FROM ONGOING ACTIVITIES		**220,177,372**	**(107,385,034)**
Continuing Operations Tax Expenses		(101,757,720)	(15,274,034)
- Tax Expense	*25*	*(2,217,333)*	*(5,099,763)*
- Deferred Tax Expense	*25*	*(99,540,387)*	*(10,174,271)*
PERIOD PROFIT/(LOSS) FROM ONGOING ACTIVITIES		**118,419,652**	**(122,659,068)**
PROFIT/ (LOSS) FOR THE PERIOD		**118,419,652**	**(122,659,068)**
Distribution of the Profit/(Loss) for the Year			
Non-controlling Shares	18	9,387,088	367,368
Owners of the Parent	26	**109,032,564**	**(123,026,436)**
Earnings Per Share			
- Earnings Per Share	26	0.41	(0.59)

NOTES TO CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Notes	Audited Current Period 1 January - 31 December 2022	Audited Prior Period 1 January - 31 December 2021
PROFIT/(LOSS) FOR THE PERIOD		**118,419,652**	**(122,659,068)**
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit or loss :		(2,635,279)	(271,667)
Defined Benefit Plans Remeasurement Losses	16	(3,294,099)	(352,814)
Taxes Related to Other Comprehensive Income (expenses) Items not to be Reclassified to Profit		658,820	81,147
Deferred Tax Income		658,820	81,147
Items to be Reclassified to Profit or Loss:		284,692,647	261,059,901
Foreign Currency Translation Differences		284,692,647	261,059,901
OTHER COMPREHENSIVE INCOME		**282,057,368**	**260,788,234**
TOTAL COMPREHENSIVE INCOME		**400,477,020**	**138,129,166**
Appropriation of Total Comprehensive Income:			
Non-Controlling Interests		9,387,088	367,368
Owners of the Parent		391,089,932	137,761,798

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

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

					Other Comprehensive Income (expenses) Items not to ve Reclassified to Profit (Loss)		Other Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)								
	Notes	**Share Capital**	**Premiums /Discounts Related with Shares**	**The Merge Effect of Business Combinations Under Common Control**	**Increase/ (Decrease) from Revaluation of Tangible Assets**	**Defined Benefit Plans Remeasurement Gains/Losses**	**Foreign Currency Conversion Differences**	**Restricted Reserves Allocated from Profits**	**Other Share Capital**	**Other Reserves**	**Retained Earnings/ (Losses)**	**Net Profit /(Loss) for the Period**	**Equity Attributable to Parent Company**	**Non-controlling Shares**	**Equity**
Balances as of 1 January 2021		**200,000,000**	**1,498,280**	**(62,334,320)**	**(101,224)**	**(1,664,772)**	**278,170,476**	**13,950,112**	**(13,842,938)**	**5,851,513**	**168,857,068**	**(142,173,131)**	**448,211,064**	**(5,760,052)**	**442,451,012**
Transfers		-	-	-	-	-	-	-	-	-	(142,173,131)	142,173,131	-	-	-
Total Comprehensive Income		-	-	-	-	(271,667)	261,059,901	-	-	-	-	(123,026,436)	137,761,798	367,368	138,129,166
Capital Increase		65,000,000	-	-	-	-	-	-	-	-	-	-	65,000,000	-	65,000,000
Merger/Spin-off/Liquidation		-	-	-	-	-	-	-	-	-	(6,059,211)	-	(6,059,211)	5,222,260	(836,951)
Increase Due to Share Based Transactions		-	222,765	-	-	-	-	-	-	-	-	-	222,765	-	222,765
Balances as of 31 December 2021	**18**	**265,000,000**	**1,721,045**	**(62,334,320)**	**(101,224)**	**(1,936,439)**	**539,230,377**	**13,950,112**	**(13,842,938)**	**5,851,513**	**20,624,726**	**(123,026,436)**	**645,136,416**	**(170,424)**	**644,965,992**
Balances as of 1 January 2022	**18**	**265,000,000**	**1,721,045**	**(62,334,320)**	**(101,224)**	**(1,936,439)**	**539,230,377**	**13,950,112**	**(13,842,938)**	**5,851,513**	**20,624,726**	**(123,026,436)**	**645,136,416**	**(170,424)**	**644,965,992**
Transfers		-	-	-	-	-	-	-	-	-	(123,026,436)	123,026,436	-	-	-
Total Comprehensive Income		-	-	-	-	(2,635,279)	284,692,647	-	-	-	-	109,032,564	391,089,932	9,387,088	**400,477,020**
Balances as of 31 December 2022	**18**	**265,000,000**	**1,721,045**	**(62,334,320)**	**(101,224)**	**(4,571,718)**	**823,923,024**	**13,950,112**	**(13,842,938)**	**5,851,513**	**(102,401,710)**	**109,032,564**	**1,036,226,348**	**9,216,664**	**1,045,443,012**

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

NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOW AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Notes	**Audited Current Period 1 January - 31 December 2022**	**Audited Prior Period 1 January - 31 December 2021**
A. CASH FLOWS FROM BUSINESS OPERATIONS		**(448,336,610)**	**(378,507,830)**
Profit/(Loss) for the period		118,419,652	(122,659,068)
Adjustments to reconcile net profit (loss) to cash provided by operating activities		**(416,072,498)**	**113,349,734**
Depreciation and Amortisation Expenses	13.14	9,303,803	7,604,295
Adjustments for Provisions		13,526,172	11,546,927
Adjustments for Provisions/(Reversals) of Employee Benefits	*16*	*17,336,024*	*5,813,059*
Adjustments for Provisions/(Reversals) of Lawsuits or Fine	*15*	*1,942,318*	*(18,302)*
Reversal of Other Provisions	*15*	*(5,752,170)*	*5,752,170*
Financial income/expense net		128,566,870	78,882,098
Interest income adjustments	*24*	*(3,183,698)*	*(1,986,619)*
Interest expense adjustments	*24*	*131,750,568*	*80,868,717*
Adjustments for Fair Value Gains /(Losses)		(717,505,000)	(59,895,000)
--Adjustments for Fair Value Gains /(Losses) of Investment Property Tax (Income)/(expenses)	*12*	*(717,505,000)*	*(59,895,000)*
Tax (Income)/(expenses)	25	101,757,720	15,274,034
Adjustments for (Gains)/Losses from Disposal of Fixed Assetts		(87,252)	1,623,435
-Adjustments for (Gains)/Losses from Disposal of Property, Plant and Equipment		*(87,252)*	*1,623,435*
Adjustments for Unrealized Foreign Currency Translation Differences		48,365,189	58,313,945
Changes in Net Working Capital		**(121,994,803)**	**(358,140,476)**
Increase/(Decreases) in Financial Investments	5	(18,394)	(1,343)
Adjustments (Gains)/Losses from for Trade Receivables		(76,560,662)	(643,756,094)
-Increases/(Decreases) in Trade Receivables from Related Parties	*7.27*	*(4,554,499)*	*358,727*
-Increases/(Decreases) in Trade Receivables from Third Parties	*7*	*(72,006,163)*	*(644,114,821)*
Adjustments for (Gains)/Losses from Other Receivables		1,747,224	(9,162,910)
--Increases/(Decreases) in Other Receivables from Related Parties	*8.27*	-	*200,981*
-Increases/(Decreases) in Other Receivables from Third Parties	*8*	*1,747,224*	*(9,363,891)*
Increases/(Decreases) in Due from customers under construction contracts	11	(455,043,695)	(618,118,518)
Increases/(Decreases) in Inventories	9	(294,543,973)	(166,127,199)
Increases/(Decreases) in Prepaid Expenses	10	(69,430,625)	(96,067,567)
Adjustments for (Gains)/Losses from Trade Payables		390,869,092	482,778,893
-Increases/(Decreases) in Trade Paybles to Related Parties	*7.27*	*38,356,234*	*20,237,959*
-Increases/(Decreases) in Trade Payables to Third Parties	*7*	*352,512,858*	*462,540,934*
Increases/(Decreases) in Employee Benefits	16	(15,800,972)	40,280,210
Increases/(Decreases) in Due to customers under construction contracts	11	332,934,017	341,575,257
Adjustments for (Gains)/Losses from Other Payables		46,682,972	24,908,680
-Increases/(Decreases) in Other Payables to Related Parties	*8.27*	*32,849,097*	*23,420,328*
-Increases/(Decreases) in Other Payables to Third Parties	*8*	*13,833,875*	*1,488,352*
Increases/(Decreases) in Deferred Income	10	23,703,789	281,790,238
Adjustments for (Gains)/Losses from Changes in Capitals		(6,533,576)	3,759,877
-Increases/(Decreases) in Other Assets		*(13,456,349)*	*8,284,856*
-Increases/(Decreases) in Other Liabilities		*6,922,773*	*(4,524,979)*
Cash Flows from Operating Activities		**(419,647,649)**	**(367,449,810)**
Payments in the coverage of benefits provided to employees	16	(23,464,108)	(8,191,535)
Tax Returns (Payments)	25	(5,224,853)	(2,866,485)

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

NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOW AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Notes	Audited Current Period 1 January - 31 December 2022	Audited Prior Period 1 January - 31 December 2021
B. CASH FLOW FROM INVESTING ACTIVITIES		**(1,877,834)**	**(916,914)**
Cash Inflows from Sales of Tangible and Intangible Assets		134,938	2,076,992
- Cash Inflows from Tangible Asset Sales	13	*134,938*	*2,076,992*
Cash Outflows from the Purchase of Tangible and Intangible Assets		(2,012,772)	(2,993,906)
- Cash Outflows from Tangible Asset Purchases	13	*(2,011,592)*	*(2,993,040)*
- Cash Outflows from Intangible Asset Purchases	14	*(1,180)*	*(866)*
C. CASH FLOWS FROM FINANCING ACTIVITIES		**112,348,363**	**142,345,388**
Cash Inflows from Issuance of Shares and Other Equity-Based Instruments		-	65,222,765
Cash Inflows Resulting from the Issuance of Shares		-	*65,222,765*
Cash Inflows from Borrowing		2,064,817,712	617,267,966
Cash Inflows from Loans	*6*	*2,064,817,712*	*617,267,966*
Cash Outflows Regarding Borrowings		(1,823,902,479)	(461,263,245)
Cash Outflows on Credit Repayments	*6*	*(1,823,902,479)*	*(461,263,245)*
Interest Paid	24	(131,750,568)	(80,868,717)
Interest Received	24	3,183,698	1,986,619
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)		**(337,866,081)**	**(237,079,356)**
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**358,109,050**	**288,051,828**
NET (DECREASE)/INCREASE IN CASH ANS CASH EQUIVALENTS (A+B+C+D)		**20,242,969**	**50,972,472**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4**	**105,381,046**	**54,408,574**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**4**	**125,624,015**	**105,381,046**

(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 December 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, Capsian Plaza Kat:2 D:4 Bakü – Azerbaijan

Netherlands Branch: Transpolispark, Siriusdreef 17-27, 2132 WT Hoofddorp Amsterdam

The Company and its subsidiaries ("the Group") operates in four divisions just as; project construction, ship electricity and electronics, real estate projects and telecommunications. 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,
Land and Buildings - Land and Building buying and selling,
Telecommunications - Telecommunications (There is no actual ongoing project in these areas in the current period).

The Company's shares were offered to public since 2010 and as at 31 December 2021, 36.02% of shares are traded in Borsa İstanbul A.Ş. ("BIST") according to Central Registry Agency ("CRA") records (31 December 2021:35.71%)
(Note :18).

As of 31 December 2022, 658 personnel have been employed within the Group (31 December 2021: 2,408 people).

The main shareholder of the company is Çelikel Family. Details regarding the Group's subsidiaries are as follows:

Subsidiaries included to full consolidation are as follows;

Name of company	Field of company	Activity type	Foundation of country	Foundation of year
Anel Marin Gemi Elektrik Elektronik Sist.Tic. ve San. A.Ş.	Ship Electricity and Electronics	Service	Turkey	2005
Anel Emirates General Contracting LLC	Project Commitment	Service	United Arab Emirates	2010
Anelmep Maintenance and Operations LLC	Project Commitment	Service	Qatar	2008
Anel Yapı Gayrimenkul A.Ş.	Land and Buildings	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	Libya	2010

1. ORGANIZATION AND ACTIVITIES (Continued)

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

From now on, Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. and with the subsidiaries mentioned above referred to as the "Group".

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS

2.1 Basic Standards of Presentation

Basic of presentation of the 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 consolidated financial statements are presented in accordance with the announcement regarding with TFRS Taxonomy issued on October 15 2022 by POA and announcement regarding with formats of financial statements and notes issued by CMB.

The financial statements were approved by the Board of Directors on 13 March 2023. The General Assembly have the right to amend the financial statements. The relevant regulatory bodies may request changes in the financial statements of the Company.

Basis of measurement

Consolidated financial statements are prepared on the historical cost basis except for the revaluation of financial instruments, investment properties and buildings.

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

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

As of 31 December 2021, Deferred Income balance amounting to TRY 354,544,762 in short-term liabilities has been reclassified to Deferred Income in long-term liabilities .

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.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.1. Basic Standards of Presentation (Continued)

There is accrual of income worth USD77.6 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 long term deferred income (advance received) account in the TFRS consolidated financial position statement.

In the financial statements dated 31 December 2022, a net receivable of USD51 million is stated, and the claim amount being arbitrated is above the net receivable number; there is a possibility of collection of receivables above this amount at the end of the process

With the assumption that the income accrual amounting to USD 77.6 million (TL 1,450,317,802 as of the reporting period) calculated according to the completion percentage, the arbitration process may take longer than 1 year, it was deemed appropriate by the management to continue to be accounted for under long-term receivables in accordance with the periodicity principle.

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

Although the Group's net working capital is adversely affected due to the fact that the receivable from the Abu Dhabi International Airport project is monitored under fixed assets in accordance with the periodicity principle, it is planned to extend these liabilities to the long term within the scope of the restructuring of its financial debts, thereby ensuring a liquidity balance.

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 thosewere used in exchangeing consolidating overseas activities are as follows:

		31 December 2022		31 December 2021	
Name of the Company	**Currency**	**End of the Period**	**Average of the Period**	**End of the Period**	**Average of the Period**
Katar Branch	Qatar Riyal (QAR)	5.1369	4.5455	3.6618	2.4283
Azerbaycan Branch	New Manat	10.9990	9.7327	7.8406	5.1994
Anel Emirates	United Arab Emirates Dirham	5.0949	4.5083	3.6319	2.4084
Anel Mep	Qatar Riyal (QAR)	5.1369	4.5455	3.6618	2.4283

(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 parent company. 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 subsidiaries and joint ventures ("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 currency translation for equity items of branch-like enterprises and independent foreign enterprises in foreign countries that are involved in the consolidation are recognize under the "Foreign Currency Conversion Difference" account under the Equity account group.

The consolidated financial statements include the financial statements of the Company and its subsidiaries until loss of the control. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries

Consolidated financial statements as of 31 December 2022; icludes the financial statements of the Company's subsidiaries that have control over their financial and activity policies. As of 31 December 2022 direct and indirect participation rate of subsidiaries subject to consolidation are as follows.

Subsidiaries	Estahblishment and place of organization	Core Business	Currency	31.12.2022	31.12.2021
Anel Marin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	Turkey	Marine Electrical, Electronic	Turkish Lira	93.00	93.00
Anel Emirates General Contracting LLC	United Arab Emirates	Project Commitment	USD Dollar	100.00	100.00
Anelmep Maintenance and Operations LLC	Qatar	Project Commitment	Qatar Riyal	100.00	100.00
Anel Engineering & Contracting Ltd.	England	Project Commitment	British Pound	100.00	100.00
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	Turkey	Telecommunications	Turkish Lira	96.61	96.61
Anel Yapı Gayrimenkul A.Ş.	Turkey	Land and Buildings	Turkish Lira	98.39	98.39
Anel Dar Libya Constructing & Services LLC	Libya	Project Commitment	USD Dollar	65.00	65.00

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.

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

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.1 Basic Standards of Presentation (Continued)

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

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

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

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

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

Elimination Transactions on the Consolidation

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

Regulatory principles of the consolidated balance sheet and consolidated income statement

Full Consolidation Method:

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

- The consolidated balance sheet of the Company's paid in capital paid-in capital paid-in capital of subsidiaries are not included in the consolidated balance sheet.

- Consolidated subsidiaries paid / issued capital items included in the set of all equity, the parent company and its subsidiaries and the consolidated balance sheet is reduced to the amounts attributable to non-controlling interests in shareholders' equity account group and the "Minority Interests" group name is shown.

- Companies which are subject to consolidation have been bought current and non-current assets from each other, in principle, these assets are shown at acquisition cost, which entities subject to consolidation adjustments will be made in the accompanying consolidated balance sheet prior to the sale has taken place.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.1 Basic Standards of Presentation (Continued)

- 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. Consolidation of subsidiaries' stocks, profit from the trading of goods between these partnerships on the consolidated financial statements, inventories added by subtracting the cost of goods sold, cost of goods sold if the damage has been reduced by adding to inventories. Formed due to the consolidation of subsidiaries' income and expenses related to transactions with each other, mutual accounts have been eliminated.

- 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 Turkey Accounting Standards

a) Standards, amendments, and interpretations applicable as of 31 December 2022:

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

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, and IFRS 16;** effective from annual periods beginning on or after 1 January 2022.

- **Amendments to IFRS 3,** 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- **Amendments to IAS 16,** 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

- **Amendments to IAS 37,** 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.2. New and Revised Turkey Accounting Standards (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2022:

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

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

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

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

2.3. Summary of Significant Accounting Policies

Financial Instruments

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii. Reclassification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI - equity investment, or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3. Summary of Significant Accounting Policies (Continued)

All financial assets that are not measured at amortized cost or at fair value through profit or loss are measured at fair value through profit or loss.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed and
- How the additional payments to the group managers are determined (whether compensation is based on the fair value of the assets managed or the contractual cash flows collected) and financial assets at fair value through profit or loss are measured at fair value through profit or loss and

Financial assets whose fair value is managed and evaluated accordingly are measured as fair value changes reflecting profit or loss.

<u>Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest</u>

'Principal' is defined as the fair value of the financial asset on initial recognition. Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Trade receivables and other receivables meet solely payments of principal and interest test since principal is the present value of the expected cash flows. Those receivables are managed in line with the held to collect business model.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	Financial assets at FVTPL are comprised of derivatives. These assets are subsequently measured at fair value. Net gains and losses, including any interest, are recognized in profit or loss.
Financial assets at amortized cost	Financial assets at amortized cost are comprised of cash and cash equivalents, trade receivables, other receivables and other assets. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
Equity investments at FVOCI	Equity investments at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Non-derivative financial assets

The Group initially recognized loans and receivables and deposits on the date that they were originated. All other financial assets were recognized initially on the trade date at which the Group became a party to the contractual provisions of the instrument. Non-derivative financial assets were comprised of loans and receivables and cash and cash equivalents and financial investments.

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets were recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables were comprised of cash and cash equivalents, and trade and other receivables, receivables from related parties and financial investments. Receivables from customers in relation to a component of revenue were recognized as trade receivables in financial statements. Receivables that were not classified as trade receivables and were not financial investments were recognized as other receivables.

Cash and cash equivalents

Cash and cash equivalents were comprised of cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and were used by the Group in the management of its short-term commitments. Cash and cash equivalents were comprised of cash, cash at banks and other cash and cash equivalents.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Non-derivative financial liabilities

The Group classified non-derivative financial liabilities into the other financial liabilities category except for bills, bonds and notes issued. Such financial liabilities were recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities were measured at amortized cost using the effective interest method. Other financial liabilities were comprised of loans, trade and other payables, payables to related parties and other payables. Trade payables were payables to third parties in relation to their capacity as suppliers. Other payables stemming from transactions with parties that were not suppliers or customers which were not classified as trade payables and were not a result of financing operations were recognized as other payables.

The instrument was equity instrument if, the following were met:

a) The instrument included no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that were potentially unfavorable to the Group,

b) If the instrument would or might be settled in the Group's own equity instruments, it was a non-derivative that included no contractual obligation for the Group to deliver a variable number of its own equity instruments; or a derivative that would be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

iii. Derecognition

<u>Financial assets</u>

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Group was recognized as a separate asset or liability.

<u>Financial liabilities</u>

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. 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.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Impairment

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Contract assets (as defined in TFRS 15).

Under TFRS 9, loss allowances are measured on either of the following bases:

- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument and
- 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- Bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables, other receivables, other assets and contract assets are always measured at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Lifetime expected credit losses are the result of possible default events over the expected life of a financial instrument.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

For trade receivables, other receivables, other assets and contract assets the Group applies the simplified approach to providing for expected credit losses prescribed in TFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The Group performed the calculation of ECL rates separately for individual, corporate, public and wholesale customers. The ECLs were calculated based on actual credit loss experience over the past years.

Exposures within each group were segmented based on common credit risk characteristics such as delinquency status.

Actual credit loss experience was adjusted to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Future collection performance of receivables are estimated by considering general economic conditions to incorporate forward looking information to the expected credit loss calculations.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Presentation of impairment in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The amendment does not have any significant effect on the financial assets and financial liabilities of the Group and is not listed in the consolidated financial statements.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where trade receivables, other receivables, other assets and contract assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Finacial assets

The fair value difference will be recognized by the total of fair market value and expenses that are directly related to purchasing transactions except the financial assests recognized by fair value and financial assests that are reflected to profit/loss. The purchasing or selling of a financial assest with respect to a contract that has a delivery condition will be recorded at the date of the transaction or derecognised from the accounting records.

The Group classifies its financial assets as "financial assets at fair value through profit or loss", "investments held to maturity", "available-for-sale financial assets" and "loans and receivables".The classification is determined at the time of initial filing, depending on the purpose and nature of the asset obtained. The Group does not have investments held to maturity.

The effective interest method

The effective interest method of calculating the amortized cost of a financial asset and of allocating the interest income related to the Respective period. The effective interest rate for the expected life of the financial instrument or, where Appropriate, a shorter period of time, the sum of the estimated cash flow, net present value of the related financial assets.

Financial assets at fair value through profit or loss on financial assets, except calculated by using the effective interest method.

Financial assets at fair value through profit or loss

At fair value through profit or loss are financial assets are financial assets held for trading purposes. A financial asset is classified in this category if acquired principally for the purpose of disposal. Against financial risk, derivative instruments are designated as effective hedging instruments which embody the fair value of financial assets classified as financial assets at fair value through profit.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Available-for-sale financial assets

Held by the Group that are traded in an active market with quoted equity instruments and certain debt securities are classified as available-for-sale financial assets are stated at fair value. Are not quoted in an active market and the Group's unlisted equity instruments classified as available for sale financial assets, but the fair values can be reliably measured are measured at cost. Impairment losses recognized in income statement, interest calculated using the effective interest method and foreign exchange losses on monetary assets, profit / loss amount, except for gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated financial assets revaluation reserve. If the investment is sold or impaired, the accumulated financial assets revaluation reserve total profit/loss is reclassified.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group has the right to receive dividends.

Loans and receivables

Commercial and other receivables and loans that are not traded on the market, with fixed and identifiable payments, are classified into this category. Credits and receivables are shown by decreasing the low value over the discounted cost using the effective interest method.

Impairment of financial assets

Financial assets or groups of financial assets other than financial assets at fair value through profit or loss are assessed for indicators of impairment at each balance sheet date. . One or more events occur after the initial recognition of the financial asset and the related event is related to the impairment of the related financial asset or the future cash flow of the asset group that can be reliably estimated. If there is a neutral indicator, the impairment of value occurs.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the present value of the estimated future cash flows, discounted at the financial asset's effective interest rate, and the carrying amount..

For all financial assets, except for trade receivables where the carrying amount is reduced through the use of a provision, the impairment is directly deducted from the carrying amount of the related financial asset. If the commercial receivable can not be collected, it is deducted from the corresponding amount provision account and deleted. Changes in the allowance account are recognized in the income statement.

Except for available for sale equity instruments, if the impairment loss decreases in the following period and the impairment loss can be attributed to an event occurring after the recognition of the impairment loss, the impairment loss previously recognized will not exceed the amortized cost amount if the impairment of the investment has not been accounted for at the date when the impairment is canceled it is canceled in the income table.

The increase in the fair value of available-for-sale equity securities after impairment is accounted directly in equity.

Cash and cash equivalents

Cash and cash equivalents were comprised of cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and were used by the Group in the management of its short-term commitments.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

<u>Financial liabilities</u>

The Group's financial liabilities and equity instruments, the contractual arrangements, the definitions of a financial liability and an equity instrument classified on the basis of. Assets of the Group after deducting all of its liabilities equity instrument is any contract that right. For specific financial liabilities and equity instruments accounting policies set out below.

Financial liabilities at fair value through profit or loss or other financial liabilities are classified as financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss, are recognized at fair value at each reporting period and at the balance sheet date the fair value is revalued. Changes in fair value, are recognized in the income statement. Net gains or losses are recognized in the income statement, include the amount of interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value net of transaction costs.

Other financial liabilities are subsequently at amortized cost using the effective interest rate and are accounted for at amortized cost using the effective interest method.

The effective interest method, calculating the amortized cost of a financial liability and of allocating interest expense associated period. The effective interest rate for the expected life of the financial instrument or a shorter period of time, if appropriate, the estimated future cash payments net present value of the financial liability.

Trade Payables

Trade payables in the ordinary activities of the suppliers of goods and services provided refers to payments to be made on.

Trade payables are initially and subsequently at fair value calculated at the effective interest method are measured at amortized cost (Note 7).

<u>Inventories</u>

Inventories are the items as held for sale in the ordinary course of business, which is produced to be sold or used in the production process or the provision of services in the form of raw materials assets shown.Advances given are classified in the prepaid expenses until the related stock is recognized.

Inventories are valued at the lower of cost and net realizable value. The cost of inventories of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition involves. The costs of conversion of inventories, such as direct labor costs related to production costs. These costs are also incurred in converting raw materials and finished goods material in a systematic allocation of fixed and variable production overheads that include the amounts.

Net realizable value is the estimated selling price in the ordinary course of business, the estimated costs of completion and the estimated costs necessary to make the sale shall be obtained by deducting total. Stocks in the financial statements, use or sales can not be tracked at a price higher than the amount expected to be achieved as a result. The net realizable value of inventories is less than cost, inventories are reduced to net realizable value and are recognized as an expense in the income statement in the year when the impairment. That caused inventories to be written down to net realizable value before conditions or evidence of an increase in net realizable value because of changed economic circumstances cases, impairment loss is canceled. The previously recognized impairment loss is limited to the amount of the canceled amount (Note 9).

Company, uses 'moving average method' method to able to calculate cost of inventories.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment

Group for use in the production or supply of goods and services, for rental to others (except for property, plant and equipment) or to be used for administrative purposes intended to be used over a period of physical items held within the framework of the cost model, the cost values are expressed.

The initial cost of property, plant and purchase price, including import duties and non-refundable purchase taxes, plant and equipment are comprised of expenses incurred to make the asset ready for use. After the start of use of tangible property, such as repair and maintenance expenditures are reported in the income statement as an expense as incurred. Expenditure on the future use of the property and equipment expenditures that have resulted in an increased economic value added to the cost of the asset.

Leasehold improvements include the expenses for leased properties and useful life of the lease agreement for the duration of the rental period is longer in cases, where the short is depreciated over their useful lives.

Depreciation of tangible fixed assets are separated from the date that is ready for use. Depreciation in the period in which the related assets will continue to idle.

The useful life and depreciation method are reviewed on a regular basis, depending on the method and period of depreciation on that asset's economic benefits are sought and the necessary corrective action in line with the provision (Note 13).

Cost Method

Tangible fixed assets are reported at cost less accumulated depreciation and accumulated impairment losses on the same basis.

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated.

Land and construction in progress, except for the cost of tangible fixed assets to their estimated useful lives are amortized using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year for the possible effects of changes in estimates if a change in estimate being accounted for on a prospective basis.

Disposal of tangible fixed assets of the asset, or a gain or loss arising on the difference between the sales proceeds and the carrying amount of the asset is included in the income statement is determined.

The useful lives of tangible fixed assets are as follows:

	Economic Life	
Land Improvements	3-14	Year
Buildings	50	Year
Plant, Machinery and Equipment	3-14	Year
Vehicles	5	Year
Fixtures	3-14	Year
Other Tangible Fixed Assets	5	Year
Special Costs	5	Year

Intangible Assets

Purchase of intangible assets

Purchased intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized over their estimated useful lives using the straight-line method. The estimated useful life and the depreciation method, in order to determine the possible effects of changes in estimates are reviewed each year and changes in estimates are accounted for prospectively.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Computer Software

Acquired computer software, buying during the acquisition and capitalized on the costs incurred until ready for use.

Non-financial statements of intangible assets

An intangible asset through use or sale of disposed of or when no future economic benefits are expected from the case of statement of financial position (balance sheet) is disabled. An intangible asset statement of financial position (balance sheet) disconnection of the profit or loss, if any, to the disposal of assets is calculated as the difference between the net book value of collections. This difference is related assets statement of financial position (balance sheet) is recognized in profit or loss when taken out.

The useful lives of intangible fixed assets are as follows:

	Useful Life	
Rights	3-14	Year

<u>Impairment of Assets</u>

Assets that have an indefinite useful life are not subject to amortization of goodwill. These assets are tested for impairment annually. The carrying value of assets subject to amortization may not be recoverable in the event of a situation or events are reviewed for impairment. If the carrying amount exceeds the recoverable amount of the asset is recognized for the impairment. The recoverable amount is fair value less costs to sell or value in use is the one obtained. For purposes of assessing impairment, assets are grouped at the lowest level of identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting.

At the inception or reassessment of the arrangement, the Group allocates the payments and other items required for such an arrangement for lease transactions and other items based on relevant fair values. If the Group decides that it can not reliably receive payments for a finance lease transaction, an asset and a liability are recorded that are equal to the fair value of the contractual asset.

Later, the liability decreases as the payments are made and the financing expense related to the liability is recognized using the alternative borrowing rate of the Group.

If the sales and leaseback transaction result in a financial lease, the portion above the carrying amount of the sales revenue is not immediately recognized as income by the seller-leaseholder.

Instead, the income is postponed and amortized over the lease period and recorded in profit or loss.

<u>Borrowing Costs</u>

Require significant time to get ready for use or sale assets (qualifying assets) when it comes to the acquisition,construction or production of directly attributable costs of the asset until the asset is ready for use or sale, areadded to the cost.In case of foreign exchange income in the financing activities, the related income is deducted from the total of capitalized financial expenses.

<u>Related Parties</u>

Related parties of the Group's shareholding, contractual rights, the opposite side of the family relationship or otherwise, directly or indirectly, control or significantly influence the team includes a. The accompanying consolidated financial statements of the Group companies are owned by shareholders and the shareholders of which are known to be associated with key management personnel and other companies are defined as related parties.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Presence of one of the following criteria, are considered related party to the Group:

i) Use directly, or indirectly through one or more intermediaries:

- The Group controls, or is controlled by the Group
- Is under common control with the Group (parent, subsidiaries and fellow subsidiaries, including the same);
- Has an interest in the Group that gives it significant influence over, or has joint control over the Group;

ii) The party is an associate of the Group;
iii) The party is joint venture of the Group is venturer;
iv) The party is a member of the key management personnel of the Group or its parent;
v) The (i) or (iv) above, any individual is a close family member;
vi) The entity that is controlled, jointly controlled or significantly influenced by, or (iv) or (v) directly or indirectly, any individual referred to in Articles important to have an entity that is entitled to vote or
vii) The party is an entity that is a related party of the company or for the benefit of employees of the entity must have plans.

Related party transactions between related parties, resources, services or obligations, regardless of whether a price is charged transfer (Note 27).

Investment Property

Investment real estate is the property that is acquired in order to gain a lease and/or increase in value, and are measured primarily by cost values and the transaction costs included in it. Investment properties are valued by the fair value reflecting the market conditions as of the balance sheet date.

Investment properties are excluded from the balance sheet if they are to be sold or unusable and cannot be provided for any future economic benefit from the sale

Foreign Currency Transactions

The individual financial statements of each Group entity are measured using the currency of the primary economic environment (functional currency) are presented. Each entity's financial position and operating results of the Company's functional currency and the presentation currency for the consolidated financial statements are expressed in TRY.

During the preparation of the financial statements of the individual entities, in foreign currencies (currencies other than TRY) the transactions are recorded at the rates prevailing on the date. Balance sheet foreign currency denominated monetary assets and liabilities are translated into New Turkish Lira at the exchange rates prevailing at the dates. Non-monetary items carried at fair value that are denominated in foreign currencies at fair value are retranslated at the rates prevailing on the date specified. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences, except to the extent specified below, are recognized in profit or loss in the period in which:

- Which relate to assets under construction for future productive use, and an adjustment to interest costs on foreign currency borrowings are regarded as foreign exchange differences are included in the cost of those assets,
- Foreign currency risks (see accounting policies are described below in order to hedge against) Exchange differences on transactions entered into in order to hedge.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Earnings Per Share

Earnings per share Earnings/loss amount, profit/loss, earnings per share from continuing operations/loss amount, the continuing operations profit/loss for the period of time in the Company's shares is calculated by dividing the weighted average number of common shares.

In Turkey, companies, existing shareholders from retained earnings distributing 'bonus shares' by way of earnings. This type of 'bonus share' distributions, earnings per share, are regarded as issued shares. Accordingly, the weighted average number of shares used in the calculations, giving retroactive effect to the stock in question is taken into consideration.While calculating the earnings/losses per share, the effect of the paid capital increase during the reporting period has been considered.

The calculation of earnings per share, will make the necessary corrections to the dilution effect of potential shares of preferred stock, or None (Note 26).

Events after the Balance Sheet Date

Events after the balance sheet date, the approval date of the publication of the balance sheet date of the consolidated financial statements, the Company refers to events that occur in favor or against. Whether to make a correction, according to the two types of situations can be identified:

- Adjusting events after the balance sheet, showing evidence of conditions that existed at the reporting date on situations in which the conditions,
- About the events that are indicative of conditions that arose after the balance sheet date (non-adjusting events after the balance sheet).

The accompanying consolidated financial statements of the Group, has been recognized adjusting events after balance sheet date and non-adjusting events after the balance sheet notes. (Note 31).

Provisions, Contingent Liabilities and Contingent Assets

Provisions

There is a present legal or constructive obligation as a result of past events, and resources embodying economic benefits to settle the obligation and it is probable that they kept the company is expected to have a safe manner in the event of liability should be recognized in the consolidated financial statements. The provisions of the expenditure required to settle the obligation at the balance sheet date, with the most realistic estimates calculated by the Company's management and are discounted to present value where the effect is material.

Contingent Liabilities

Obligations under this group, within the control of the entity arising from past events, and the presence of one or more uncertain future events on the realization of the non-existence will be confirmed as the assessed liabilities Contingent liabilities are not included in the consolidated financial statements. Because, to settle the obligation, have the possibility of an outflow of resources embodying economic benefits or the amount of obligation can not be measured with sufficient reliability. Too far from the entity of resources embodying economic benefits likely to come out, unless the notes to the consolidated financial statements show that conditional obligations. (Note 15)

Contingent Assets

The Group within the control of the entity arising from past events, and the presence of one or more uncertain events, which will be confirmed by the realization of assets, is considered as a contingent asset. If an inflow of resources embodying economic benefits is not certain contingent assets described in the notes to the consolidated financial statements.

Or all of the economic benefits required to settle a provision are expected to be part of the cases, which shall be collected by third parties, it is virtually certain that reimbursement will be received and the amount of the event can be measured reliably, are recognized and reported as an asset.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Financial Information Segment Reporting

Reportable segment information required to be disclosed is a business segment or geographical segment . Industrial segments of a particular commodity or service or group of related goods or services , or to provide benefits in terms of risk and different from other parts of the Group are the features section . Geographical segments provide products or services within a particular economic environment of the Group and the risks and benefits in terms of the economic environment to another with different characteristics from those of components operating in other chapters.

The Group mainly abroad and in Turkey, electrical and mechanical project contracting, ship electrical electronics and solar energy in the areas in which it operates financial information for the segmental reporting this that performs the operations of the companies restructured by the electrical and mechanical project contracting, ship electrical electronics and energy are reported under the headings of the ship.

Group management for the purposes geographically Turkey, Qatar, England, Netherlands, Bulgaria, Azerbaijan and the United Arab Emirates is divided into 6 sections including (Note 3).

Revenue

Step 1: Identifying the contract

A contract exists only if it is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved and the parties are committed to their obligations, this contract is evaluated within the scope of TFRS 15.

If either contracts were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Company accounts the contracts as a single contract.

Step 2: Identifying the performance obligations

The Company defines 'performance obligation' as a unit of account for revenue recognition. The Company assesses the goods or services promised in a contract with a customer and identifies as:

(a) A performance obligation either a good or service that is distinct:
(b) Or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

The company can define a good or service included in the contract separately from other commitments in the contract and if it enables the customer to benefit from the said good or service alone or together with other resources available to use, it defines it as a different good or service. A contract may contain promises to deliver a series of distinct goods or services that are substantially the same. At contract inception, an entity determines whether the series of goods or services is a single performance obligation.

Step 3: Determining the transaction price

In order to determine the transaction price, the Company assesses how much consideration it expects to be entitled to by fulfilling the contract. In arriving at the assessment, the Company considers variable elements of consideration, as well as the existence of a significant financing component.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Significant financing component

The Company revises the promised amount of consideration for the effect of a significant financing component to the amount that reflects what the cash selling price of the promised good or service. As a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the entity expects the period between customer payment and the transfer of goods or services to be one year or less. In cases where advance for the services are received and the payment scheme is broadly aligned with the Company's performance throughout the period, the Company concludes that the period between performance 12 months, therefore the expedient is applied.

Variable consideration
The Company identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

Step 4: Allocating the transaction price to performance obligations

If distinct goods or services are delivered under a single arrangement, then the consideration is allocated based on relative stand-alone selling prices of the distinct goods or services (performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in the service contracts is allocated based on their expected cost plus a margin.

Step 5: Recognition of revenue

The Company recognizes revenue over-time if any of the following conditions is met:

- Customer simultaneously receives and consumes the benefits as the entity performs or,
- The customer controls the asset as the entity creates or enhances it or
- Company's performance does not create an asset for which the entity has an use; and alternative there is a right to payment for performance to date.

For each performance obligation that is satisfied over time, an entity selects a single measure of progress, which depicts the transfer of control of the goods or services to the customer. The Company uses a method that measures the work performed reliably. The Company uses cost incurred to measure the progress towards to completion of the project where the input method is used and uses units transferred to measure the progress towards to completion of the project where the output method is used.

If a performance obligation is not satisfied over time, then the Company recognize revenue at the point in time at which it transfers control of the good or service to the customer.

The Company recognizes a provision in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits.

Contract modifications

If the company makes a commitment to provide additional goods or services, it accepts the contract modification as a separate contract. If the goods or services are distinct, then the entity accounts for the modification as if it were a termination of the existing contract and the creation of a new contract. If the modification to the contract does not add distinct goods or services, then the entity accounts for it on a combined basis with the original contract, as if the additional goods or services were part of the initial contract.

Revenue is measured over the fair value of the amount of receivables collected or to be received. Estimated customer returns, discounts and provisions are deducted from this amount.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Business Operations

The revenue obtained from the sale of commercial activities is accounted for when the following conditions are fulfilled:

- Transferring the significant risks and rewards to the buyer,
- Associated with the ownership of the Group and ongoing managerial involvement nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity and

Reliable measurement of the costs arising from or due to the process.

Service Presentation

Income from service delivery agreement books accordingly with degree of completion stated on agreement.

Rent Incomes

Rent income from real estates is recognized on a straight-line basis over the term of the relevant lease.

Dividend and interest income

Dividend income from equity investments are recorded when the Group gain the right to receive dividend (the economic benefits will flow to the Group and the revenue can be measured reliably, as long as)

The interest income from financial assets, economic benefits will flow to the Group and the revenue can be measured reliably are recognized as long. Interest income, with the remaining balance to be achieved through the expected life of the financial asset to that asset's net carrying amount that discounts estimated future cash receipts and at the effective interest rate.

Taxes calculated over corporate earnings

Because of Turkish tax legislation does not allow the parent company and its affiliates to prepare a consolidated tax declaration, the tax equivalents are calculated separately on the basis of each legal entity as reflected in the attached consolidated financial statements.

The current tax charge includes the current year's tax and deferred tax. The tax expense of the period is recorded in profit or loss, except for those relating to the business mergers or items taken directly from the records under other comprehensive revenue or equity.

Tax

The current tax liability is calculated through the taxable portion of the term profit.Taxable profits differ from profits in income statement table due to excluding items that are not possible to be taxes or taxes deductible.Current tax liability of group is legalized as of balance sheet date or calculated by using substantially significant tax rates.

Deferred tax

Deferred tax liabilities or assets are determined by calculating the temporary differences between the amounts recognized in the financial statements of assets and liabilities and the amounts considered in the statutory tax base, taking the tax effects into consideration at the statutory tax rates.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets consisting of unused tax losses and deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized It is calculated.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of the goodwill or other asset or liability in the financial statements (other than in a business combination) that is not effected by business or financial profit or loss.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates and joint ventures, except where the Group is able to control the reversal of temporary differences and the probability of such reversal in the foreseeable future is low. deferred tax assets arising from related taxable temporary differences are calculated on the assumption that it is highly probable that the differences will be utilized in the near future with sufficient profits subject to taxation and it is probable that the related differences will be recovered in the future.

Deferred income tax assets and liabilities are calculated over the tax rates (tax regulations) that are expected to be effective in the period in which the assets are realized or liabilities are realized and legalized or substantively legalized as of the balance sheet date. During the calculation of deferred tax assets and liabilities, the tax consequences of the Group's anticipated recovery of its carrying amount or the fulfillment of its obligations as of the balance sheet date are taken into account.

Deferred income tax assets and liabilities are recognized when the Group has a legally enforceable right to set off current tax assets or liabilities based on current tax assets or when the Group has a willingness to pay taxes by offsetting the Group's current tax assets and liabilities is deducted.

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

Taxation of foreign branches and projects:

The Company's ongoing construction projects in the United Arab Emirates and Qatar are exempt from corporate tax. The Company's branch in Russia is subject to 20% income tax.

Employee Benefits and Severance Payments

Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal. In accordance with the updated TAS 19 Employee Benefits Standard ("TAS 19"), such payments are considered as defined retirement benefit plans. The retirement pay liability recognized in the statement of financial position is calculated according to the net present value of the estimated future salary of all employees due to their retirement and reflected in the financial statements. All actuarial gains and losses are accounted for under other comprehensive income. There are no liabilities related to subsidiaries and joint activities operating in foreign countries. (Note 16).

Cash Flow Statement

The Group prepares cash flow statements to inform the users of the financial statements about the ability to direct the amount and timing of changes in net assets, financial structure and cash flows according to changing conditions. In the cash flow table, the cash flows related to the turnover are reported by being classified as operating, investing and financing activities.

Cash flows from operating activities, cash flows from operating activities of the Company. From investing activities Cash flows from investing activities (fixed asset investments and financial investments) and the cash flows. Cash flows related to Cash flows from operating activities represent cash flows arising from the Group's core operations. Cash flows from investing activities represent the cash flows the Group uses in its investment activities (fixed assets investments and financial investments). Cash flows from financing activities represent the resources the Group uses in its financial activities and the repayments of those resources. Cash and cash equivalents include investments in cash and demand deposits with short-term, high liquidity with a short maturity of 3 months or less.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Shares and dividends

Ordinary shares, are classified as equity. Dividends payable are declared as an element of profit in the period are reflected as liabilities in the financial statements.

2.4. Significant Accounting Valuation, Estimates and Assumptions

In the preparation of financial statements in the Consolidated Financial Statements, the Group management is required to make assumptions and estimates that will affect the reported amounts of assets and liabilities, the probable liabilities and commitments that arise as of the reporting date and the amounts of income and expenses in the reporting period. Although these estimates and assumptions are based on the Group management's best knowledge of current events and transactions, they may differ from actual results. Estimates are regularly reviewed, necessary corrections are made and they are reflected in the period income table.

The interpretations that may have significant effect on the amounts reflected in the financial statements and the assumptions made by taking into account the actual sources of the existing or future estimates are as follows:

a) Where it becomes probable that the contractual amendments will be approved by the employer, the Group will reflect such contractual changes in the financial statements according to the completion rate of the construction projects. Estimates of the collectibility of contractual changes are made by taking into account the past experience of the Group's management, the relevant contractual provisions and the related legal regulations.

b) The Group calculates the 'project costs remaining in construction contracts' through in-house forecasting mechanisms. Factors such as raw material prices, labor and other costs increases are included in these projections, which are based on best estimate as of the balance sheet date. For unexpected increases that may occur in subsequent periods, the remaining costs of the construction contracts need to be reassessed. Changes in the scope of construction projects and changes in scope project incomes and estimates of the total project costs resulting from the realizations can be significant fluctuations between years.

c) The Group is subject to different tax legislation and laws as it operates in various countries. There are uncertainties about the final tax implications of some transactions and calculations affecting income tax due to the general system in those countries. In those countries, the tax account is generally 1-5 years. Therefore the group must use significant estimates when calculating tax equivalents. When the final tax results are released, the realized amounts may differ from those predicted, and the income tax for the records as of the balance sheet. Deferred tax asset is recorded in the event of determining that taxable revenue is likely to occur in the coming years. Deferred tax asset is calculated through the downloadable temporary differences in cases where taxable revenue is likely to occur. For the interim period, which ended on 31 December 2022, the group has registered deferred tax assets because it finds adequate indicators that the foreseeable future is a taxable wife.

d) Severance pay liability for actuarial assumptions (discount rates, future salary increases and employee seperation rates).

e) The claims receivable reflects the amounts that the administration believes will meet future damages from receivables, which are present as of the balance sheet date but are at risk of not being charged under current economic conditions. The performance of borrowers who remain outside the associated organization while evaluating the receivables ' impairment in the past company based on the credibility of the market and the date of the financial statements from the balance sheet and re-negotiated conditions are also taken into consideration.

f) When calculating inventory impairment, data for inventory after discount list prices is used. For non-measurable stocks, the sales price is evaluated by the opinions of the goods in stock and the physical status of the technical staff. In cases where the projected net can be accomplished, the value of the inventory is divided by the low cost.

2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)

2.4 Significant Accounting Valuation, Estimates and Assumptions (Continued)

g) The possibility of loss of cases and the obligations to be lost in the case of the case in response to litigation, the company's legal advisors and expert opinions are obtained by the company's management evaluated by the Based on the best estimates, company management determines the amount of the litigation response.

h) The Group management has made significant assumptions in the direction of the technical team's experience in determining the beneficial economic lifetimes of tangible and intangible assets

i) An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Provisions for onerous contracts are recognised in cost of sales.

2.5. Changes and Errors in the Accounting Policies and Estimates

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

If the changes in the accounting estimates are for only one period, they are applied both in the current period when the change is made and both in the future when the change is made and in the future. The 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.

2.6. Business Combination

The Group recognises 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.

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to allow the determination of financial status and performance trends. Comparative information is reclassified, where necessary, in order to comply with the presentation of the current financial statements, and significant differences are disclosed.

2.7. Inflation Accounting

The Public Oversight Authority ("POA") made a statement on January 20, 2022, in order to eliminate the hesitations about whether the companies applying the Turkish Financial Reporting Standards ("TFRS") will apply TAS 29 Financial Reporting in High Inflation Economies in the 2021 financial reporting period. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies ("TAS 29"), after which no new explanation has been made by the POA on the application of TAS 29. Considering that no new disclosure has been made as of the date these consolidated financial statements were prepared, no inflation adjustment was made in accordance with TAS 29 while preparing the consolidated financial statements as of 31 December 2022.

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 General Manager and 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, land and buildings, telecommunications, ship electrical electronics. Revenue of the Group's reportable operating segments comes largely from project commitment. Information on business segments based on the internal reporting of the Group is as follows:

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

3. SEGMENT REPORTING (Continued)

31.12.2022	Project Commitment	Rent Income	Telecommunication	Marine Electrical and Electronics	Consolidation Adjustments	Total
Net Revenue Non-Group	2,378,987,071	26,532,576	-	70,603,956	-	2,476,123,603
Intra Group Revenue	-	-	-	-	(1,330,059)	(1,330,059)
Total Net Revenue	**2,378,987,071**	**26,532,576**	**-**	**70,603,956**	**(1,330,059)**	**2,474,793,544**
Cost of Sales (-)	(2,611,933,195)	(5,065,959)	-	(67,191,982)	-	(2,684,191,136)
Gross Profit / Loss	**(232,946,124)**	**21,466,617**	**-**	**3,411,974**	**(1,330,059)**	**(209,397,592)**
General and Administrative Expenses (-)	(63,257,077)	(4,458,424)	(569,425)	(2,857,741)	3,801,670	(67,340,997)
Other Operating Income	341,251,232	732,233	450,612	32,650,162	(2,571,418)	372,512,821
Other Operating Expenses	(382,002,651)	(1,257,864)	(3,286,146)	(31,443,977)	-	(417,990,638)
Operating Profit	**(336,954,620)**	**16,482,562**	**(3,404,959)**	**1,760,418**	**(99,807)**	**(322,216,406)**
Income from Investment Operations	92,162	717,505,000	18,394	7,583	-	717,623,139
Expense from Investment Operations (-)	(4,663)	-	-	-	-	(4,663)
Operating Profit / (Loss) before Finance Income and Expense	**(336,867,121)**	**733,987,562**	**(3,386,565)**	**1,768,001**	**(99,807)**	**395,402,070**
Financing Income	5,421,880	11,153,784	19,326	15,106,037	(11,266,285)	20,434,742
Financing Expenses (-)	(130,400,264)	(73,623,633)	(2,096,396)	(805,432)	11,266,285	(195,659,440)
Operatıng Profıt/(Loss) Before Tax	**(461,845,505)**	**671,517,713**	**(5,463,635)**	**16,068,606**	**(99,807)**	**220,177,372**
Operating Tax Income/(Loss)						
-Period Tax Income/(Loss)	-	-	-	(2,217,333)	-	(2,217,333)
-Deferred Tax Income/(Expense)	31,522,451	(129,208,230)	-	(1,854,608)	-	(99,540,387)
Profıt/(Loss)	**(430,323,054)**	**542,309,483**	**(5,463,635)**	**11,996,665**	**(99,807)**	**118,419,652**
Investment Expenses						
Property, Plant and Equipment	1,942,185	69,407	-	-	-	2,011,592
Intangible Fixed Assets	-	-	1,180	-	-	1,180
Depreciation Expenses	(9,096,868)	(185,579)	(1,183)	(20,173)	-	(9,303,803)
Other Information						
- Total Assets	5,822,619,969	1,093,154,602	74,021,789	99,319,141	(2,190,341,329)	4,898,774,172
- Total Liabilities	4,851,282,349	439,072,131	14,225,021	60,881,487	(1,512,129,828)	3,853,331,160

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

3. SEGMENT REPORTING (Continued)

31.12.2021	**Project Commitment**	**Rent Income**	**Telecommunication**	**Marine Electrical and Electronics**	**Consolidation Adjustments**	**Total**
Net Revenue Non-Group	926,602,549	19,556,937	33,898	36,119,645	-	982,313,029
Intra Group Revenue	-	-		-	(1,149,618)	(1,149,618)
Total Net Revenue	**926,602,549**	**19,556,937**	**33,898**	**36,119,645**	**(1,149,618)**	**981,163,411**
Cost of Sales (-)	(1,007,593,427)	(1,979,156)	(14,399)	(31,889,308)	35,616	(1,041,440,674)
Gross Profit / Loss	**(80,990,878)**	**17,577,781**	**19,499**	**4,230,337**	**(1,114,002)**	**(60,277,263)**
General and Administrative Expenses (-)	(69,319,550)	(1,368,460)	(579,175)	(1,604,513)	26,643,000	(46,228,698)
Other Operating Income	391,812,048	850,684	258,227	22,641,130	(593,444)	414,968,645
Other Operating Expenses	(309,520,445)	(4,139,671)	(1,922,331)	(18,145,498)	556,793	(333,171,152)
Operating Profit	**(68,018,825)**	**12,920,334**	**(2,223,780)**	**7,121,456**	**25,492,347**	**(24,708,468)**
Income from Investment Operations	852,199	59,895,000	1,343	-	(18,000)	60,730,542
Expense from Investment Operations (-)	(2,170,160)	-	-	-	-	(2,170,160)
Operating Profit / (Loss) before Finance Income and Expense	**(69,336,786)**	**72,815,334**	**(2,222,437)**	**7,121,456**	**25,474,347**	**33,851,914**
Financing Income	32,041,657	39,059,430	6,006	6,075,264	(7,032,547)	70,149,810
Financing Expenses (-)	(99,912,191)	(116,695,914)	(588,882)	(1,222,318)	7,032,547	(211,386,758)
Operatıng Profıt/(Loss) Before Tax	**(137,207,320)**	**(4,821,150)**	**(2,805,313)**	**11,974,402**	**25,474,347**	**(107,385,034)**
Operating Tax Income/(Loss)						
-Period Tax Income/(Loss)	(1,998,138)	-	-	(3,101,625)	-	(5,099,763)
-Deferred Tax Income/(Expense)	510,984	(12,338,370)	-	1,653,115	-	(10,174,271)
Profıt/(Loss)	**(138,694,474)**	**(17,159,520)**	**(2,805,313)**	**10,525,892**	**25,474,347**	**(122,659,068)**
Investment Expenses						
Property, Plant and Equipment	2,893,373	99,667	-	-	-	2,993,040
Intangible Fixed Assets	-	-	866	-	-	866
Depreciation Expenses	(7,321,222)	(181,914)	-	(37,828)	-	(7,540,964)
Amortization Expenses	(39,847)	(1,723)	(1,385)	(20,376)	-	(63,331)
Other Information						
- Total Assets	4,482,447,370	361,947,512	73,560,716	85,607,692	(1,748,361,465)	3,255,201,825
- Total Liabilities	3,619,560,237	250,174,526	8,300,314	58,752,028	(1,326,551,272)	2,610,235,833

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

3. SEGMENT REPORTING (Continued)

Geographical Segments

01.01.- 31.12.2022	Turkey	Qatar	England	Netherland	Azerbaijan	United Arab Emirates	Elimination	Total
Revenue	326,417,506	1,934,443,723	531,097	2,059,679	1,992,521	210,679,077	(1,330,059)	2,474,793,544
Due from Customers Under Construction Contracts	36,894,969	399,762,923	-	9,369,195	-	1,450,317,802	-	1,896,344,889
Assets according to Segment	2,381,053,973	2,763,186,232	2,987,713	26,292,278	28,691,771	1,886,903,534	(2,190,341,329)	4,898,774,172
Investment Expenses	215,286	1,701,582	-	-	-	95,904	-	2,012,772

01.01.- 31.12.2021	Turkey	Qatar	England	Netherland	Russia	Azerbaijan	United Arab Emirates	Elimination	Total
Revenue	203,295,077	656,739,400	21,929,887	20,770,642	-	22,943,349	56,634,674	(1,149,618)	981,163,411
Due from Customers Under Construction Contracts	41,340,507	359,225,128	-	8,897,494	-	-	1,031,838,065	-	1,441,301,194
Assets according to Segment	1,528,090,975	2,218,168,928	29,475,450	23,402,539	142,173	32,693,461	1,171,589,764	(1,748,361,465)	3,255,201,825
Investment Expenses	288,465	2,705,441	-	-	-	-	-	-	2,993,906

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

3. SEGMENT REPORTING (Continued)

Information on the revenue shares of the customers according to the operating segments of the Group's revenue between

1 January - 31 December 2022 and 1 January - 31 December 2021 are as follows.

			01.01. - 31.12.2022
Operating Segment	**Activity**	**Amount in Gross Revenue**	**Share in Gross Revenue**
Project Commitment	Project Commitment	1,761,544,788	74%
Project Commitment	Project Commitment	186,006,758	8%
Project Commitment	Project Commitment	146,292,968	6%
Project Commitment	Project Commitment	119,971,788	5%

			01.01. - 31.12.2022
Operating Segment	**Activity**	**Amount in Gross Revenue**	**Share in Gross Revenue**
Marine Electrical and Electronics	Service Sales	29,980,040	42%
Marine Electrical and Electronics	Service Sales	22,188,046	31%

Operating Segment	**Activity**	**Amount in Gross Revenue**	**Share in Gross Revenue**
Project Commitment	Project Commitment	316,978,324	34%
Project Commitment	Project Commitment	223,884,264	24%
Project Commitment	Project Commitment	97,297,481	11%
Project Commitment	Project Commitment	79,514,389	9%

			01.01. - 31.12.2021
Operating Segment	**Activity**	**Amount in Gross Revenue**	**Share in Gross Revenue**
Marine Electrical and Electronics	Service Sales	29,160,880	79%

4. CASH AND CASH EQUIVALENTS

	31.12.2022	**31.12.2021**
Cash	161,312	69,744
Banks	125,195,280	105,311,292
- Demand Deposits	*125,195,280*	*105,284,702*
- Time Deposit Maturity less than 3 Months	-	*26,590*
Other Cash and Cash Equivalents	267,423	10
Total	**125,624,015**	**105,381,046**

The Group has no time deposits as of the reporting period.

There is a blockage amounting to TRY4,561,027, USD531,859, EUR563,990, QAR4,458,645, AED1,985,647 on cash and cash equivalents as of the reporting date (31 December 2021: TRY67,723,080).

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

5. FINANCIAL INVESTMENTS

Short Term Financial Investment	31.12.2022	31.12.2021
Fair value gains of financial assets recognised in income statement	30,258	11,864
Total	**30,258**	**11,864**

Financial investments whose fair value differences are reflected to profit / loss	31.12.2022	31.12.2021
Shares		
Shares traded on the stock exchange (*)	30,258	11,864
Total	**30,258**	**11,864**

(*) The shares traded on the stock exchange have fair value gain amounting to TRY18,394 in the current period (31 December 2021: TRY1,343 fair value gain).

6. FINANCIAL BORROWINGS

	31.12.2022	31.12.2021
Bank Loans	1,013,316,702	655,851,508
Credit Card Debts	-	369,786
Total	**1,013,316,702**	**656,221,294**

a) Bank Loans

31.12.2022

Currency	Weighted Average Interest Rate (%)	Short Term	Short-Term Portion of Long Term Loans	Long Term	Total
TL	18.00-40.00	496,610,667	-	-	496,610,667
Avro	4.20	-	147,126,200	61,909,480	209,035,680
Qar	7.75	307,670,355	-	-	307,670,355
Total		**804,281,022**	**147,126,200**	**61,909,480**	**1,013,316,702**

31.12.2021

Currency	Weighted Average Interest Rate (%)	Short Term	Short-Term Portion of Long Term Loans	Long Term	Total
TL	9.50-33.00	320,442,780	-	-	320,442,780
Avro	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
Total		**489,863,300**	**63,298,852**	**102,689,356**	**655,851,508**

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

6. FINANCIAL BORROWINGS (Continued)

	31.12.2022	31.12.2021
Payable within one year	951,407,222	553,162,152
Payable within 2 - 3 years	61,909,480	49,928,720
Payable within 3 - 4 years	-	50,143,256
Payable within 4 - 5 years	-	2,617,380
Total	**1,013,316,702**	**655,851,508**

Movement of the Group regarding loans is as follows:

	31.12.2022	31.12.2021
1 January Opening Balance	**655,851,508**	**418,997,499**
Proceeds from borrowing	1,867,190,631	559,612,707
Repayment of borrowings	(1,823,902,479)	(461,263,245)
Interest accrual	197,627,081	57,655,259
Foreign exchange rate differences	48,365,189	58,313,945
Currency translation adjustment	68,184,772	22,535,343
31 December Closing Balance	**1,013,316,702**	**655,851,508**

7. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

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

Short Term Trade Receivables	31.12.2022	31.12.2021
Customers	348,177,914	600,806,710
Notes Receivables and Postdated Checks	2,953,128	12,047,121
Less: Unrealized Finance Income	(1,516,002)	(298,923)
Income Accruals	-	2,047,454
Adjustment on initial application of TFRS 9	(11,785)	(11,919)
Doubtful Trade Receivables	1,573,741	1,338,132
Less: Dobtful Receivables Provisions	(1,573,741)	(1,338,132)
Collaterals held by Employers (*)	589,316,142	252,322,791
Sub Total	**938,919,397**	**866,913,234**
Receivables from Related Parties (Note 27)	13,773,317	9,218,818
Total	**952,692,714**	**876,132,052**

As of 31 December 2022, the weighted average of interest rate 14.80%, 4.48% and 1.90% used to calculate unearned finance income for short-term trade receivables in terms of TRY, US Dollars and Euro and average maturity of receivables is 2 months (2021: TRY 19.64%, 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 31 December 2022, trade receivables amounting to TRY1,573,741 (2021: TRY1,338,132) is a provision for doubtful receivables

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

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

7. TRADE RECEIVABLES AND PAYABLES (Continued)

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

	1 January – 31 December 2022	**1 January – 31 December 2021**
Beginning of the period	1,338,132	1,202,765
Liquidation of Subsidiary	-	(118,169)
Foreign exchange rate differences	235,609	253,536
End of the period	**1,573,741**	**1,338,132**

Explanations on the nature and level of risks in trade receivables are explained in detail in Note 28.

b) Trade Payables:

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

Short Term Trade Payables	**31.12.2022**	**31.12.2021**
Suppliers	680,969,892	447,999,823
Notes Payable and Postdated Checks	185,472,402	129,430,687
Less: Unrealized Finance Expense	(4,247,182)	(333,031)
Expense Accruals	196,126	2,285,537
Financial Guarantees Given to the Subcontractor (*)	131,123,028	61,618,392
Sub Total	**993,514,266**	**641,001,408**
Trade Payables to Related Parties (Note 27)	86,754,439	48,398,205
Total	**1,080,268,705**	**689,399,613**

As of 31 December 2022, the weighted average of interest rates are 14.73%, 4.57%, and 1.97% 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: TRY 20.15%, 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 27.

Explanations on the nature and level of risks in trade payables are explained in detail in Note 28.

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

8. OTHER RECEIVABLES AND PAYABLES

Short Term Other Receivables	31.12.2022	31.12.2021
Deposits and Guarantees Given	8,328,690	8,279,677
Due From Personel	56,941	7,115
Doubtful Other Receivables	5,237,497	5,248,443
Less: Provision of Doubtful Other Receivables	(5,237,497)	(5,248,443)
Other Receivables	778,363	890,865
Tax and Social Security Receivables	50,121	2,470,588
Total	**9,214,115**	**11,648,245**

The details of the other doubtful receivables are as follows:

	31.12.2022	31.12.2021
Beginning of the period	5,248,443	5,248,443
Provisions within the period	-	-
Less: Collected within the Period	(10,946)	-
End of the period	**5,237,497**	**5,248,443**

Long-Term Other Receivables	31.12.2022	31.12.2021
Deposits and Guarantees Given	2,694,617	2,007,711
Total	**2,694,617**	**2,007,711**

Short-Term Other Payables	31.12.2022	31.12.2021
Deposits and Guarantees Received	629,610	125,811
Taxes and Charges	26,175,042	14,235,107
Other Payables	580,114	-
Payables to the Public Authorities	693,709	114,189
Sub-Total	**28,078,475**	**14,475,107**
Other Payables to Related Parties (Note 27)	14,352,758	1,543,842
Total	**42,431,233**	**16,018,949**

Other Long-Term Payables	31.12.2022	31.12.2021
Payables to the Public Authorities	437,305	206,798
Other Payables to Related Parties (Note 27)	43,201,848	23,161,667
Total	**43,639,153**	**23,368,465**

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

9. INVENTORIES

	31.12.2022	31.12.2021
Raw Materials and Equipments	576,404,890	281,870,929
Other	49,812	39,800
Total	**576,454,702**	**281,910,729**

The Group has no inventory pledged as collateral for loans used (31 December 2021: None).

10. PREPAID EXPENSES AND DEFERRED REVENUES

Short-Term Prepaid Expenses	31.12.2022	31.12.2021
Advances Given for Inventories	148,200,693	74,743,153
Other Advances Given	31,873,809	37,012,518
Prepaid Expenses for the following months	4,667,941	3,612,201
Total	**184,742,443**	**115,367,872**

Long-Term Prepaid Expenses	31.12.2022	31.12.2021
Prepaid expenses for the following years	92,189	36,135
Total	**92,189**	**36,135**

Short-Term Deferred Income	31.12.2022	31.12.2021
Advances Received Regarding Construction Contracts	236,304,045	353,337,230
Other Advances Received	369,539	2,214,764
Deferred revenue	2,279,546	2,422,874
Total	**238,953,130**	**357,974,868**

Long Term Deferred Incomes	31.12.2022	31.12.2021
Deferred revenue	-	95,179
Advances Received Regarding Construction Contracts	497,365,468	354,544,762
Total	**497,365,468**	**354,639,941**

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

11. CONSTRUCTION CONTRACTS

	31.12.2022 (*)	**31.12.2021**
Assets regarding Construction Contracts in Progress	1,896,344,889	1,441,301,194
Total	**1,896,344,889**	**1,441,301,194**

(*) TRY 1,450,317,802 of the amount has been recognised under Non- Current Assets. (31 December 2021: TRY 1,031,838,065).

Assets related to construction projects in progress are as follows:

	31.12.2022	**31.12.2021**
Assets regarding Domestic Construction Contracts		
Unearned Assets regarding Domestic Construction Contracts (*)	36,894,969	41,340,507
Unearned Assets regarding Overseas Construction Contracts (*)	1,859,449,920	1,399,960,687
Assets regarding Construction Contracts In Progress	**1,896,344,889**	**1,441,301,194**

	31.12.2022	**31.12.2021**
Liabilities Regarding Construction Contracts in Progress	693,071,506	360,137,489
Total	**693,071,506**	**360,137,489**

(*) 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 consolidated financial statements on an accrual basis.

Liabilities related to construction projects in progress are as follows:

	31.12.2022	**31.12.2021**
Over-invoiced Portion regarding Domestic Construction Contracts	65,634,997	23,281,043
Over-invoiced Portion regarding Overseas Construction Contracts	627,436,509	336,856,446
Contractual obligations arising from ongoing construction and contracting works	**693,071,506**	**360,137,489**

Guarantees given and received for the projects described in Note 15.

As of 31 December 2022, short-and long-term advances has been received regarding the ongoing construction contracts is amounting to TRY733,669,513 (31 December 2021: TRY707,881,992).

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

12. INVESTMENT PROPERTY

Fair Value	**1 January 2022 Opening Balance**	**Additions**	**Disposals**	**Transfers**	**Appreciation**	**31 December 2022 Closing Balance**
Land and Buildings	340,168,730	-	-	(8,958,794)	717,505,000	1,048,714,936
Investment Properties	**340,168,730**	**-**	**-**	**(8,958,794)**	**717,505,000**	**1,048,714,936**

Fair Value	**1 January 2021 Opening Balance**	**Additions**	**Disposals**	**Transfers**	**Value Increase**	**31 December 2021 Closing Balance**
Land and Buildings	281,506,054	-	-	(1,232,324)	59,895,000	340,168,730
Investment Properties	**281,506,054**	**-**	**-**	**(1,232,324)**	**59,895,000**	**340,168,730**

The fair value of investment property amounting at 31 December 2022 and 2021 are as follows:

	31 December 2022		**31 December 2021**	
Name of real estate	**Expertize Report Date**	**The Fair Value**	**Expertize Report Date**	**The Fair Value**
Anel İş Merkezi	10 March 2023	1,055,000,000	28 January 2022	342,720,000
Koşuyolu land	3 February 2023	10,975,000	28 January 2022	5,750,000

There is a mortgage amount of EUR37,200,000, TRY527,000,000, USD136,000,000, and 258,063,599 TL insurance coverage is available. (31 December 2021: EUR 37,200,000, TL 527,000,000, mortgage amounting to USD 136,000,000, debt and precautionary lien (creditor Denizbank A.Ş.) and insurance guarantee of 257,969,666 TL)

The Group has revaluated the Anel Business Center building located in Ümraniye, one of its investment properties, by Eva Gayrimenkul Değerleme Danışmanlık A.Ş., an independent valuation company licensed by CMB.

The Group management believes that the appraiser company has professional knowledge and up-to-date information on the segment and location of investment property.

According to the appraiser report as of 10 March 2023 prepared by the appraiser company, fair value was determined as TRY1,055,000,000. The value of the property was determined by the Market method.

The area used by the Group Companies subject to consolidation within 42 independent area of the property subject to the appraisal, have been recognised in tangible assets amounting to TRY17,260,064 and remaining areas amounting to TRY1,048,714,936 have been recognised in investment properties.

In addition, the building of the Group, which is outside of Anel Business Center and located in Koşuyolu, has been evaluated by TSKB Gayrimenkul Değerleme A.Ş. and its fair value has been determined as TRY10,975,000. The value of the property was determined by the Market Approach method.

The Group has generated TRY25,187,495 rental income from its investment properties (31 December 2021: TRY18,422,725).

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

13. TANGIBLE ASSETS

31.12.2022

Cost	Buildings	Plant, Machinery and Equipment	Vehicles	Fixtures	Leasehold Improvements	Other Fixed Assets	Total
Opening Balance	**8,301,270**	**60,226,306**	**7,307,169**	**41,527,879**	**386,884**	**167,761**	**117,917,269**
Currency Translation Adjustments	-	24,545,107	2,843,200	12,814,928	-	-	40,203,235
Purchases	-	1,655,713	-	355,879	-	-	2,011,592
Disposal	-	-	-	(620,642)	-	-	(620,642)
Transfers	8,958,794	-	-	-	-	-	8,958,794
Closing Balance	**17,260,064**	**86,427,126**	**10,150,369**	**54,078,044**	**386,884**	**167,761**	**168,470,248**
Accumulated Depreciation							
Opening Balance	**(767,454)**	**(48,960,378)**	**(7,301,568)**	**(37,710,926)**	**(382,007)**	**(167,761)**	**(95,290,094)**
Currency Translation Adjustments	-	(19,416,980)	(2,843,200)	(12,088,179)	-	-	(34,348,359)
Charge for the period	(129,609)	(7,319,886)	(2,400)	(1,839,762)	(4,877)	-	(9,296,534)
Disposals	-	-	-	572,956	-	-	572,956
Closing Balance	**(897,063)**	**(75,697,244)**	**(10,147,168)**	**(51,065,911)**	**(386,884)**	**(167,761)**	**(138,362,031)**
Tangible Assets, net	**16,363,001**	**10,729,882**	**3,201**	**3,012,133**	**-**	**-**	**30,108,217**

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

13. TANGIBLE ASSETS (Continued)

31.12.2021

Cost	Buildings	Lands Improvements	Plant, Machinery and Equipment	Vehicles	Fixtures	Leasehold Improvements	Other Fixed Assets	Total
Opening Balance	**7,068,946**	**502,766**	**45,030,867**	**4,871,089**	**42,429,758**	**412,165**	**167,761**	**100,483,352**
Currency Translation Adjustments	-	412,684	37,345,761	3,530,047	27,124,461	20,624	-	68,433,577
Purchases	-	-	2,105,046	-	887,994	-	-	2,993,040
Disposals	-	(915,450)	(24,255,368)	(1,093,967)	(28,914,334)	(45,905)	-	(55,225,024)
Transfers	1,232,324	-	-	-	-	-	-	1,232,324
Closing Balance	**8,301,270**	**-**	**60,226,306**	**7,307,169**	**41,527,879**	**386,884**	**167,761**	**117,917,269**
Accumulated Depreciation								
Opening Balance	**(633,715)**	**(330,389)**	**(36,555,808)**	**(4,273,696)**	**(37,878,372)**	**(401,967)**	**(129,159)**	**(80,203,106)**
Currency Translation Adjustments	-	(284,955)	(29,747,291)	(3,443,853)	(25,535,296)	(20,624)	(38,602)	(59,070,621)
Charge for the period	(133,739)	(30,353)	(4,895,911)	(569,819)	(1,905,821)	(5,321)	-	(7,540,964)
Disposals	-	645,697	22,238,632	985,800	27,608,563	45,905	-	51,524,597
Closing Balance	**(767,454)**	**-**	**(48,960,378)**	**(7,301,568)**	**(37,710,926)**	**(382,007)**	**(167,761)**	**(95,290,094)**
Tangible Assets, net	**7,533,816**	**-**	**11,265,928**	**5,601**	**3,816,953**	**4,877**	**-**	**22,627,175**

Total depreciation expense for the current period is TRY9,296,534 (31 December 2021: TRY7,540,964). This amount is TRY9,069,257 (31 December 2021: TRY7,199,202) included in the cost of goods sold (Note 19) and TRY227,277 (31 December 2021: TRY: 341,762) are included in general administrative expenses (Note 20) and no allocation included in marketing expenses (31 December 2021: None).

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

14. INTANGIBLE ASSETS

31.12.2022

Cost	**Rights**	**Total**
Opening Balance	**9,700,064**	**9,700,064**
Currency Translation Adjustments	2,420,362	2,420,362
Additions	1,180	1,180
Disposal	-	-
Closing Balance	**12,121,606**	**12,121,606**
Accumulated Amortization		
Opening Balance	**(9,643,683)**	**(9,643,683)**
Currency Translation Adjustments	(2,420,359)	(2,420,359)
Charge for the period	(7,269)	(7,269)
Disposal	-	-
Closing Balance	**(12,071,311)**	**(12,071,311)**
Intangible Assets, net	**50,295**	**50,295**

31.12.2021

Cost	**Rights**	**Total**
Opening Balance	**7,449,421**	**7,449,421**
Currency Translation Adjustments	3,066,365	3,066,365
Additions	866	866
Disposal	(816,588)	(816,588)
Closing Balance	**9,700,064**	**9,700,064**
Accumulated Amortization		
Opening Balance	**(7,331,402)**	**(7,331,402)**
Currency Translation Adjustments	(3,065,538)	(3,065,538)
Charge for the period	(63,331)	(63,331)
Disposal	816,588	816,588
Closing Balance	**(9,643,683)**	**(9,643,683)**
Intangible Assets, net	**56,381**	**56,381**

The sum of the current period amortisation is TRY7,269 (31 December 2021: TRY63,331). Total amount of TRY4,181 is included in the cost of the sold goods (31 December 2021: TRY29,479) (Note 19), part of the TRY3,088 recognised in the general administrative expenses (31 December 2021: TRY33,852) (Note 20).

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

15. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions	**31.12.2022**	**31.12.2021**
Litigation provisions	9,107,517	7,165,199
Other	-	5,752,170
Total	**9,107,517**	**12,917,369**

The details of litigation provisions are as follows:

	31.12.2022	**31.12.2021**
Beginning of period	7,165,199	7,183,501
Provision in period	2,543,020	1,033,915
Negative: canceled in period	(600,702)	(909,305)
Liquidation of Subsidiary	-	(142,912)
End of period	**9,107,517**	**7,165,199**

Contingent Liabilities

As of 31 December 2022, there are 72 lawsuits against the Group amounting to TRY7,946,994 and USD155,720 (TRY equivalent 2,911,699) (31 December 2021: 46 lawsuits TRY9,935,651 and USD 54,734 / equivalent TRY484,029). Group has booked provision amounting TRY9,107,517 (31 December 2021: TRY7,165,199) regarding to this lawsuits.

Collaterals-Mortgages

As of 31 December 2022, and 31 December 2021, the Group's collateral-mortgage position statements are as follows:

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

31.12.2022

	USD	**EUR**	**TRY**	**TRY Equivalent**
Letters of Guarantees Received	378,513	713,120	4,845,728	26,139,254
Guaranteed Bill Received	16,008	-	1,681,697	1,981,019
Guaranteed Cheques Received	55,378	-	25,000	1,060,474
Total	**449,899**	**713,120**	**6,552,425**	**29,180,747**

31.12.2021

	USD	**EUR**	**TRY**	**TRY Equivalent**
Letters of Guarantees Received	602,848	840,512	3,728,513	24,444,426
Guaranteed Bill Received	10,000	-	3,080,527	3,213,817
Guaranteed Cheques Received	55,378	-	25,000	763,133
Total	**668,226**	**840,512**	**6,834,040**	**28,421,376**

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

15. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals- Mortgages (Continued)

CM's given by the Group					
31.12.2022	**USD**	**EUR**	**TRY**	**GBP**	**TRY Equivalent**
A) CPMB's given for Company's own legal personality	2,517,548	38,392,165	123,207,457	150,000	940,479,389
B) CPMB's given on behalf of fully consolidated companies	234,929,096	2,151,532	433,114,770	-	4,876,774,412
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	-	-	-	-	-
TOTAL	**237,446,644**	**40,543,697**	**556,407,907**	**150,000**	**5,817,339,480**

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

15. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals- Mortgages (Continued)

CM's given by the Group							
31.12.2021	**USD**	**EUR**	**TRY**	**GBP**	**AED**	**Qatar Riyal**	**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	-	-	-	-	-	-	-
TOTAL	**264,490,166**	**42,111,315**	**578,210,180**	**1,290,000**	**147,208,505**	**18,638,074**	**5,373,686,822**

Other groups of CPM is given by the Group's equity ratio is 0% (31 December 2021:0%).

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

15. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals- Mortgages (Continued)

The distribution of CM's by type as of 31 December 2022 and 31 December 2021 is shown below.

31.12.2022

Collaterals, Mortgages

	Total TRY Equivalent	USD	EUR	GBP	TRY
Collaterals	1,999,873,720	101,446,644	3,343,697	150,000	29,407,907
Mortgages	3,817,465,760	136,000,000	37,200,000	-	527,000,000
Total	**5,817,339,480**	**237,446,644**	**40,543,697**	**150,000**	**556,407,907**

31.12.2021

Collaterals, Mortgages

	Total TRY Equivalent	USD	EUR	AED	Qatar Riyal	GBP	TRY
Collaterals	2,468,441,742	128,490,166	4,911,315	147,208,505	18,638,074	1,290,000	51,210,180
Mortgages	2,905,245,080	136,000,000	37,200,000	-	-	-	527,000,000
Total	**5,373,686,822**	**264,490,166**	**42,111,315**	**147,208,505**	**18,638,074**	**1,290,000**	**578,210,180**

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

16. EMPLOYEE BENEFITS

Provisions for Short Term Employee Benefits	**31.12.2022**	**31.12.2021**
Unused Vacation Rights	12,629,032	12,292,243

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

	1 January - 31 December 2022	**1 January - 31 December 2021**
	12,292,243	8,873,582
Additional provision	19,317,046	10,985,185
Using in period	(22,567,992)	(12,629,169)
Foreign currency conversion adjustments	3,587,735	5,062,645
End of the period	**12,629,032**	**12,292,243**

Employee Benefits Liabilities	**31.12.2022**	**31.12.2021**
Due to Personnel	37,578,087	55,537,159
Social Security Withholdings Payable	3,276,552	1,118,452
Total	**40,854,639**	**56,655,611**

Provisions for Long Term Employee Benefits	**31.12.2022**	**31.12.2021**
Provisions for Employee Termination Benefits	28,924,383	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, 25-year period of service for men, 20 women have been filled or the retirement age (women 58 and men 60 years), the staff has to make severance payments.

The liability is not subject to any funding. The provision of Group's, 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.

	31.12.2022	**31.12.2021**
Annual Discount Rate (%)	0.50	3.91
Probability of Retirement (%)	88.00	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 31 December 2021 the accompanying financial statements provisions for the future probably obligation arising from the retirement of employees is calculated by estimating the present value.

Severance pay ceiling amounting to TRY19,982.83 (31 December 2021: TRY8,284.51) used on calculation of retirement pay provision with effect from 1 January 2023.

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

16. EMPLOYEE BENEFITS (Continued)

Movements in the provision for employee benefits during the year are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Opening Balance	23,932,960	14,848,250
Service Cost	17,198,513	7,021,165
Interest Cost	94,358	83,064
Employee Termination Paid	(23,464,108)	(8,191,535)
Actuarial Gain/Loss	3,294,099	352,814
Foreign Currency Exchange Differences	7,868,561	9,819,202
Closing Balance	**28,924,383**	**23,932,960**

17. OTHER ASSETS AND LIABILITIES

Other Current Assets	**31.12.2022**	**31.12.2021**
Deferred VAT	12,274,108	14,499,682
Other VAT	4,482,958	4,400,203
Work Advance	1,507,234	768,575
Personel Advances	88,144	780,226
Other Current Assets	26,937	210,986
	18,379,381	**20,659,672**

18. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

a) Capital

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

	31.12.2022		31.12.2021	
Shareholders (*)	**Share Amount (TRY)**	**Share Percentage (%)**	**Share Amount (TRY)**	**Share Percentage (%)**
Rıdvan Çelikel	117,517,315.59	44.35	117,517,315.59	44.35
Capital Strategy Funds Spc-The Opportunistic Series Segregateg Portfolio	51,987,280.10	19.62	47,162,245.10	17.80
Other	95,495,404.31	36.03	100,320,439.31	37.85
Paid in Capital	**265,000,000**	**100.00**	**265,000,000**	**100.00**

(*) As published on 31 December 2022 at kap.gov.tr.

As at 31 December 2022, 36.02% (31 December 2021: 35.71%) of Company shares are being traded in ISE (Istanbul Stock Exchange) 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: TRY200,000,000) 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 two voting rights and B-group shareholders have one voting rights for each share owned at the General Assembly meeting. All of the A-group shares are owned by Rıdvan Çelikel.

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

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

b) Premiums/(Discounts) Related with Shares

	31.12.2022	**31.12.2021**
Premiums/(Discounts) Related with Shares	1,721,045	1,721,045
Total	**1,721,045**	**1,721,045**

c) Effect of Common Controlled Entities or Enterprises Mergers

	31.12.2022	**31.12.2021**
Businesss combination under common control	(62,334,320)	(62,334,320)
Total	**(62,334,320)**	**(62,334,320)**

d) Revaluation and Measurement Gain/(Loss)

	31.12.2022	**31.12.2021**
Tangible Assets Revaluation Gain/(Loss)	(101,224)	(101,224)
Total	**(101,224)**	**(101,224)**

e) Foreign Currency Translation Differences

	31.12.2022	**31.12.2021**
Foreign Currency Translation Differences	823,923,024	539,230,377
Total	**823,923,024**	**539,230,377**

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

	31.12.2022	**31.12.2021**
Defined Benefit Plans Revaluation and Measurement Loss	(4,571,718)	(1,936,439)
Total	**(4,571,718)**	**(1,936,439)**

g) Restricted Reserves

	31.12.2022	**31.12.2021**
Restricted Reserves	13,950,112	13,950,112
Total	**13,950,112**	**13,950,112**

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

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

h) Non-controlling Shares

	31.12.2022	31.12.2021
Beginning of Period	(170,424)	(5,760,052)
Subsidiary Liquidation	-	5,222,260
Minority Share Profit/(Loss)	9,387,088	367,368
End of Period	**9,216,664**	**(170,424)**

ı) Other Equity Shares

	31.12.2022	31.12.2021
Other Equity Shares	(13,842,938)	(13,842,938)
Total	**(13,842,938)**	**(13,842,938)**

j) Other Reserves

	31.12.2022	31.12.2021
Other Reserves	5,851,513	5,851,513
Total	**5,851,513**	**5,851,513**

Profit Distribution

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

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

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

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

At the 2021 Ordinary General Assembly Meeting held on 20 July 2022; "As a result of the activities carried out between 1 January 2021 / 31 December 2021; According to the independently audited consolidated financial statements prepared in accordance with the Capital Markets Board's Communiqué Serial: II, No:14.1 "Declaration on the Principles of Financial Reporting in the Capital Markets", there is a net loss of TL 123,026,436. According to the financial statements for the same period prepared in accordance with the Tax Procedure Law, it has earned a profit for the period of 29,014,200.62 TL. The resolution of the Board of Directors stating that the remaining balance, after the legal deductions, taxes and funds required to be allocated from the profit for the period in accordance with the law and the articles of association, is not distributed and taken into the Extraordinary Reserves Account" was unanimously accepted by the attendees.

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

19. REVENUE/COST OF SALES

Sales Revenues	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Domestic Sales	325,142,850	203,448,729
Export Sales	2,147,669,152	776,585,954
Other Revenues	6,021,019	2,444,072
Total Revenues	**2,478,833,021**	**982,478,755**
Sales Returns (-)	(4,039,477)	(1,315,344)
Sales Revenues (Net)	**2,474,793,544**	**981,163,411**
Cost of Goods Sold	(3,819,923)	(2,695,593)
Cost of Services Sold	(2,671,297,775)	(1,031,516,400)
Depreciation Expenses	(9,073,438)	(7,228,681)
Cost of Sales	**(2,684,191,136)**	**(1,041,440,674)**
GROSS LOSS	**(209,397,592)**	**(60,277,263)**

20. GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2022	**1 January- 31 December 2021**
General Administrative Expenses (-)	67,340,997	46,228,698
Total	**67,340,997**	**46,228,698**

General Administrative Expenses (-)	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Employee Expenses	25,470,732	18,239,806
Department Share (*)	15,886,122	16,649,640
Litigation and Execution Expenses	8,285,772	486,095
Counselling Expenses	5,059,477	2,138,017
Other Expenses	3,581,003	1,756,919
Information and Processing Expenses	2,544,249	2,100,825
Non-deductible Expenses	2,164,078	1,505,605
Rent Expenses	1,234,465	643,402
Severance Payments	1,178,501	858,580
Travel and Accomadaiton Expenses	871,456	303,937
Insurance Expenses	465,175	740,078
Tax, Duties and Fee Expenses	354,843	314,287
Depreciation Expenses	230,365	375,614
Unused Vacation Provision	14,759	115,893
Total	**67,340,997**	**46,228,698**

(*) Within the scope of Anel Group; management and organization of financial affairs, finance, quality processes, information systems, corporate communication, internal audit, commercial affairs, procurement, planning and legal affairs and management of all these processes. and the expenses incurred are distributed to companies benefiting from the service as a share of contribution with a certain systematic.

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

21. EXPENSES BY NATURE

Depreciation Expenses	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Cost of Good Sold	9,073,438	7,228,681
General Administration Expenses	230,365	375,614
Total	**9,303,803**	**7,604,295**

Personnel Expenses	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Salary and Wages	304,295,983	195,156,651
Severance Pay Expenses	24,743,547	3,776,541
Social Security Expenses	6,483,504	8,471,022
Vacation Provision Expenses	416,494	733,005
Total	**335,939,528**	**208,137,219**

Fees for Services Obtained from Independent Auditor/Independent Audit Firm

The Group's regarding the fees for services rendered by independent audit firms is as follows:

	1 January - 31 December 2022	**1 January- 31 December 2021**
Independent audit fee for the reporting period	520,000	395,000
Fees for tax advisory services	187,500	147,300
Other assurance services	30,000	22,000
Total	**737,500**	**564,300**

22. INCOME/EXPENSES FROM MAIN OPERATIONS

Other Income from Main Operations	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Foreign Exchange Gains from Main Operations (*)	366,470,388	410,955,285
Provisions No Longer Required	4,719,886	1,098,782
Other Income and Profits	1,322,547	2,914,578
Total	**372,512,821**	**414,968,645**

Other Expenses from Main Operations (-)	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Foreign Exchange Gains from Main Operations (*)	375,764,361	329,041,275
Counselling Expense (-)	34,871,821	-
Provision Expenses (-)	2,652,348	1,151,028
Litigation and Execution Expenses (-)	2,315,127	1,415,273
Other Expenses (-)	1,972,168	131,934
Liquidation Expenses (-)	414,813	1,431,642
Total	**417,990,638**	**333,171,152**

(*) Exchange differences income/expenses compose of the fx rate changes on trade receivables and payables.

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

23. INCOME / EXPENSES FROM INVESTMENT ACTIVITIES

<u>**Income from Investing Activities**</u>	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Investment Property Revaluation Gain (Note 12)	717,505,000	59,895,000
Sale of Fixed Assets	91,915	546,725
Gain on Financial Assets	18,394	1,343
Interest Income on Time Deposits	7,830	287,474
Total	**717,623,139**	**60,730,542**

<u>**Expenses from Investing Activities (-)**</u>	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Sale of Fixed Assets (-)	4,663	2,170,160
Total	**4,663**	**2,170,160**

24. FINANCIAL INCOME / (EXPENSES)

<u>**Financing Income**</u>	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Foreign Exchange Gains	17,163,314	68,157,328
Interest Income	3,183,698	1,986,619
Unearned Interest İncome	87,730	5,863
Total	**20,434,742**	**70,149,810**

<u>**Financing Expenses (-)**</u>	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Foreign Exchange Losses (-)	131,750,568	80,868,717
Loan Interest Expenses (-)	63,893,586	130,516,388
Unearned Interest Expense (-)	15,286	1,653
Total	**195,659,440**	**211,386,758**
Financial income/expense, net	**(175,224,698)**	**(141,236,948)**

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

25. INCOME TAXES

Current Assets Related with Current Tax	**31.12.2022**	**31.12.2021**
Prepaid Taxes and Funds	1,742	346,313

Non-Current Assets Related with Current Tax	**31.12.2022**	**31.12.2021**
Prepaid Taxes and Funds	23,290,701	14,056,097

Income Tax Liabilities	**31.12.2022**	**31.12.2021**
Current Tax Liabilities	2,217,333	5,223,111
Less: Prepaid Taxes and Funds	(1,742)	(346,313)
Income Tax Liabilities	**2,215,591**	**4,876,798**

Tax Provision	**31.12.2022**	**31.12.2021**
Current Period Corporate Tax Provision (-)	(2,217,333)	(5,099,763)
Provision for Deffered Tax Expenses	(99,540,387)	(10,174,271)
Income Tax Liabilities	**(101,757,720)**	**(15,274,034)**
Taxes on other comprehensive income that will not be reclassified on profit or loss.	658,820	81,147
Total Comprehensive Tax Income/(Losses), Net	**(101,098,900)**	**(15,192,887)**

Corporate Tax

The Group is subject to corporate taxes in Turkey. Necessary provisions have been made in the attached consolidated financial statements for the estimated tax liabilities of the Group regarding the current period activity results. The corporate tax rate to be accrued over the taxable corporate income is based on the tax base remaining after the addition of non-deductible expenses from the tax base in determining the commercial income and deducting the tax-exempt earnings, non-taxable income and other discounts (if any, previous year losses and investment discounts used if preferred) are calculated.

In Turkey, The tax legislation provides for a temporary tax of 23% (2021: 25%) to be calculated and paid based on earnings generated for each quarter for the period ended 31 December 2021. Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. However, the resulting losses cannot be deducted retrospectively from the profits of previous years.

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

25. INCOME TAXES (Continued)

Corporate Tax (Continued)

In Turkey, corporate tax rate is 23% as of 31 December 2022 (2021: 25%). Within the scope of the "Law on Amendments to Certain Tax Laws and Some Other Laws" numbered 7316, which was published in the Official Gazette dated 22 April 2021, the corporate tax rate has been determined as 23% for the calendar year 2022. Within the scope of the said law, deferred in the consolidated financial statements of 31 December 2022 tax assets and liabilities are calculated with a 23% tax rate for the part of the temporary differences that will have a tax effect in 2022, and 20% for the part that will have a tax effect in the following periods.

Provision is made Group's financial statements for estimated tax liabilities in current period. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

As at 31 December 2022 and 31 December 2021, the Group has respectively TRY113,821,535 and TRY124,470,949 unused tax losses to be offset against future profits. Unused tax losses could be usable within the dates stated below.

	31.12.2022	**31.12.2021**
Will be expired in 2021	-	63,311,120
Will be expired in 2022	12,489,196	12,489,196
Will be expired in 2023	17,403,110	17,403,110
Will be expired in 2024	709,193	709,194
Will be expired in 2025	30,558,329	30,558,329
Will be expired in 2026	52,661,707	-
Total	**113,821,535**	**124,470,949**

As of 31 December 2022 and 2021, the recoverability of previous year losses amounting to TRY13,726,932 and TRY 71,525,823, respectively, has not been reflected in the financial statements due to the improbable future situation.

As at 2022, effective corporate tax rate is 23%. (2021: %25).

As of 31 December 2022, provisional tax is payable at the rate of 23% (2021: 25%) on the income generated for the three-month periods according to tax legislation and the amounts paid in this manner are deducted from the tax calculated on the annual earnings. With the amendment to the Law, this rate has been determined as 23% for 2022 and 20% in the following periods.

Dividend income (excluding profits from investment funds 'participation certificates and investment trusts' shares) obtained from participating in the capital of another corporation which is fully taxpayed is exempt from corporation tax. In addition, the participation in the assets of the institutions for at least two full years 75% of the profits arising from the sale of founders' shares, redeemed shares and preferential rights of real estate (immovables) in the same period as their shares are exempt from corporate tax as of 31 December 2020. However, with the amendment made by Law No. 7061, this ratio has been reduced from 75% to 50% in terms of immovables and this ratio will be used as 50% in tax declarations to be prepared from 2020.

There is no clear and definitive agreement on tax assessment procedures in Turkey. Companies prepare their tax declarations between 1-25 April of the year following the close of accounting period of the related year. The Tax Office will make these statements and the underlying accounting records within 5 years.

In Qatar, the tax rate is 8%. The losses can be carried forward for a maximum of 3 years to be deducted from the taxable profit to be incurred in the following years. In the United Arab Emirates, no tax is applied.

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

25. INCOME TAXES (Continued)

Income Tax Withholding

In addition to Corporate Tax, in case of distribution; taxpaying real persons and corporate income to non-taxpayers and distributed to exempt from such taxes or taxpayer real persons, taxpayers institutions (except for those dividends through a business or permanent representative in Turkey) and narrow exempt from income tax and corporation Income tax withholding must also be calculated over the dividends distributed to taxpayers (adding the profit to the capital does not count as dividend distribution) written in subparagraphs (1), (2) and (3) of the second paragraph of article 75 of the Income Tax Law. Income withholding tax was applied as 15%.

	31.12.2022	31.12.2021
Profit Before Tax	220,115,091	(107,385,034)
The effective tax rate (% 23) (2021:%25)	(50,626,471)	26,846,259
Impact on Tax Rate of Foreign Branches and Subsidiary	(20,190,913)	(9,963,177)
Non-deductible expenses	(179,683)	(598,316)
Unused tax losses of the current period	(54,979,782)	(18,401,878)
Unused tax losses for previous periods	10,844,380	(16,136,872)
Other	14,213,864	(251,315)
Total	(839,115)	3,231,265
	(101,757,720)	**(15,274,034)**

Deferred Tax

The Group recognizes deferred tax assets and deferred tax liabilities for temporary timing differences arising from the differences between the tax basis financial statements and the consolidated financial statements prepared in accordance with TFRS. Such differences usually arise from the fact that certain income and expense items are included in different periods in the financial statements as well as in the Consolidated Financial Statements, these differences are as follows
.

	Cumulative Timing Difference		Deferred Tax Asset/ (Liability)	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Deferred Tax Asset				
Trade Receivables	48,107,027	34,103,476	5,018,121	3,602,333
Provision for Severance Pay	27,188,227	18,208,261	2,808,260	2,096,386
Unused Vacation Provision	11,590,566	10,512,541	1,203,219	1,293,284
Deductible Financial Losses	100,094,604	52,945,127	20,018,921	12,177,379
Foreign exchange losses	480,441	7,928,090	96,120	1,981,167
Financing costs	(265,273)	1,204,328	(21,222)	96,346
Other Short Term Provisions	5,378,080	9,753,232	1,075,616	2,094,451
Other Adjustment	644,124	530,571	139,923	149,263
Total	**193,217,796**	**135,185,626**	**30,338,958**	**23,490,609**
Deferred Tax Liabilities				
Tangible and Intangible Fixed Assets and Investments Re-measurement Of Objectives and Reasonable Value Adjustment	(977,431,130)	(256,822,346)	(196,257,989)	(60,195,654)
Trade Payables	(4,966,211)	(1,901,161)	(562,718)	(416,499)
Adjustments Regarding Using Percentage Complete Method on Projects	174,061,359	(61,878,154)	46,583,699	20,233,813
Foreign exchange gains	-	(1,899,259)	-	(474,815)
Other Adjustment	(1,865,165)	(3,022,061)	(315,351)	(600,765)
Total	**(810,201,147)**	**(325,522,981)**	**(150,552,359)**	**(41,453,920)**
Deferred Tax Asset/ (Liability), net	**(616,983,351)**	**(190,337,355)**	**(120,213,401)**	**(17,963,311)**

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

25. INCOME TAXES (Continued)

The movement of deferred tax assets/liabilities within the period is as follows:

	1 January - 31 December 2022	1 January- 31 December 2021
Opening balance	**(17,963,311)**	**(2,510,687)**
Deffered Tax Expenses	(99,540,387)	(10,174,271)
Foreign Currency Exchange Differences	(3,368,523)	(5,359,500)
Reflected in the statement of other comprehensive income	658,820	81,147
Closing balance	**(120,213,401)**	**(17,963,311)**

26. EARNINGS PER SHARE

Earnings Per Share Diluted Earnings (Loss) Per Share	1 January - 31 December 2022	1 January- 31 December 2021
Net Profit/(Loss) of the Parent Company	109,032,564	(123,026,436)
Weighted Average Number of Shares	265,000,000	207,657,534
Earning Per Share Profit\(Loss) from Ongoing Activities	0.41	(0.59)

27. 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.

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

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

27. RELATED PARTY DISCLOSURES (Continued)

	31.12.2022						
	Receivables		Payables				
	Short Term		Short Term			Long Term	
Balances with Related Parties	**Trade**	**Other**	**Trade**	**Other**	**Cheques given**	**Trade**	**Other**
Anelsis Mühendislik Sanayi ve Ticaret A.Ş. (*)	655,851	-	81,960,040	2,519,716	958,140	-	-
Epsinom Teknik Hizmetler Ltd. (*)	-	-	-	3,212,244	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti. (*)	12,831,477	-	1,003,603	1,075,898	-	-	-
Merve Şirin Çelikel Tombuloğlu	-	-	-	-	-	-	5,078,762
Mahir Kerem Çelikel	-	-	-	-	-	-	11,027,253
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (*) (**)	17,196	-	-	1,139,886	-	-	27,095,833
Anel Holding A.Ş. (*)	251,646	-	2,832,656	6,405,014	-	-	-
Çelikel Eğitim Vakfı	17,147	-	-	-	-	-	-
Total	**13,773,317**	**-**	**85,796,299**	**14,352,758**	**958,140**	**-**	**43,201,848**

(*) Interest is accrued under the provisions of TCC regarding non-commercial transactions with related parties (not specified to the payment program). The average interest rate is 26.69% as of 31 December 2022.
(**) Compose of the loan used by Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. during the period.

	31.12.2021					
	Receivables		Payables			
	Short Term		Short Term		Long Term	
Balances with Related Parties	**Trade**	**Other**	**Trade**	**Other**	**Trade**	**Other**
Anelsis Mühendislik Sanayi ve Ticaret A.Ş. (*)	38,814	-	28,402,020	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti. (*)	8,771,732	-	166,653	-	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (**)	-	-	-	-	-	23,161,667
Anel Holding A.Ş. (*)	406,329	-	19,829,532	1,543,842	-	-
Çelikel Vakfı	1,943	-	-	-	-	-
Total	**9,218,818**	**-**	**48,398,205**	**1,543,842**	**-**	**23,161,667**

(*) Interest is accrued under the provisions of TCC regarding non-commercial transactions with related parties (not specified to the payment program). The average interest rate is 21.35% as of 31 December 2021.
(**) Compose of the loan used by Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş during the period.

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

27. RELATED PARTY DISCLOSURES (Continued)

Transactions with related parties between 1 January- 31 December 2022 and 1 January - 31 December 2021 are as follows:

	01.01-31.12.2022						
Related Party Transactions	**Stock Purchases**	**Interest Income**	**Interest Expense**	**Service Sales**	**Service Purchase**	**Exchange Difference Expense**	**Exchange Difference Income**
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	40,211,897	121,021	93,327	307,103	412,177	775,791	279,679
Anelnet Teknik Hizmetler Ltd. Şti.	3,594	1,127	107,945	63,719	2,666,732	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	-	-	122,492	201,326	11,410	-	-
Çelikel Eğitim Vakfı	-	-	-	1,802	-	-	-
Epsinom Teknik Hizmetler Ltd.Şti.	-	3,043,516	2,716,052	4,506	23,623	-	134,037
Anel Holding A.Ş.	-	9,312	1,487,150	1,617,647	25,483,758	-	-
Total	**40,215,491**	**3,174,976**	**4,526,966**	**2,196,103**	**28,597,700**	**775,791**	**413,716**

	01.01-31.12.2021						
Related Party Transactions	**Stock Purchases**	**Interest Income**	**Interest Expense**	**Service Sales**	**Service Purchase**	**Exchange Difference Expense**	**Exchange Difference Income**
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	26,146,021	78,025	27,827	420,224	872,712	1,015,018	229,508
Anelnet Teknik Hizmetler Ltd. Şti.	1,003	20,213	189,932	35,184	954,800	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	7,455	-	159,608	83,739	1,820	165,652	-
Çelikel Eğitim Vakfı	-	-	-	4,471	-	-	-
Epsinom Teknik Hizmetler Ltd.Şti.	-	-	-	4,091	32,422	-	-
Anel Holding A.Ş.	-	-	320,513	1,458,487	18,812,892	-	-
Total	**26,154,479**	**98,238**	**697,880**	**2,006,196**	**20,674,646**	**1,180,670**	**229,508**

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

27. RELATED PARTY DISCLOSURES (Continued)

Sales of goods consist of various project materials. - Service purchases consist of department attendance, building maintenance, consultancy, electricity - heating - water expenses, food expenses, security expenses, transportation expenses, labor service expenses. - Service sales consist of labor service revenues, building maintenance, consultancy, electricity - heating - water expenses, food revenues, security expenses, transportation expenses and departmental contribution fees. Group's key management personnel are Board Chairman and Members.

Benefits supplied to key management personnel as of 1 January - 31 December 2022 and 1 January - 31 December 2021 as are as follows:

Benefits Provided by Top-Level Management	**1 January - 31 December 2022**	**1 January- 31 December 2021**
Employee Short Term Benefits	11,437,209	9,431,453
Total	**11,437,209**	**9,431,453**

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

a) Equity Risk Method

While the group is trying to ensure the continuity of its activities in capital Management, it aims to increase its profitability by using the balance of debt and equity in the most efficient way. The group's capital structure is the debts containing the Note 6 credits, the cash and cash equivalents described in Note 4, and as explained in Note 19; the paid capital, capital correction differences, premiums on shares/discounts, revaluation measurement gains and Losses, foreign currency cycle differences, defined benefit plans gain re-measurement/ is comprised of resource pens including the past year profit/(losses), with restricted reserves, separated from profits.

Group capital cost and each risks regarding capital evaulate by executives.According to the evaulate company aim to equalise the capital structure by borrowing, redemption, dividend payment and issuance of shares.

The Group uses Liabilities/Equity rate while they follow capital sufficiency. This rate is found by net liabilities divided by total equity. Net liabilities is counted by cash and cash equivalents minus total liabilities which appears in balance sheet.

Equity rate to debts as of 31 December 2022 and 31 December 2021 are as follows:

	31.12.2022	**31.12.2021**
Total Debt	1,013,316,702	656,221,294
Less: Cash and Cash Equivalents	(125,624,015)	(105,381,046)
Net Debt	887,692,687	550,840,248
Total Equity	1,045,443,012	644,965,992
Liability/Equity Rate	0,849	0,854

Company's aim is to high profitability and equity to be able to manage its debts.

b) Financial risk factors

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.

b.1) Credit Risk

Financial losses due to Company's receivables and financial assets which result from not implementing agreement clauses related to financial assets by a customer or other party constitutes credit risk.Company trying to decrease credit risk by making operations with confidential parties and attain enough collateral. The credit risks that the Company is exposed to and the credit ratings of the customers are periodically monitored. Trade receivables contain lots of customers rathered on different sector and geographical area. Credit consideration making over Custumer's trade receivables permanently.

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

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

b) Financial risk factors (Continued)

31.12.2022

	Receivable				Cash and Cash Equivalents		
	Trade Receivables		Other Receivables				
Current Period	**Releated Parties**	**3th Parties**	**Releated Parties**	**3th Parties**	**Banks Depositt**	**Receivables from Ongoing Construction, Contracting or Service Contracts**	**Financial Investmen**
The maximum amount of exposure to credit risk at the end of the reporting (A+B+C+D) (1)	**13,773,317**	**938,919,397**	**-**	**11,908,732**	**125,195,280**	**1,896,344,889**	**30,258**
- Total receivables that have been secured with collateras other credit enhancements etc (*)	-	592,269,270	-	-	-	-	-
A. Financial assets that are neither past due nor impaired the net book value (2)	1,454,424	33,356,921	-	11,908,732	125,195,280	1,896,344,889	30,258
B. The amount of financial assets that are past due as at the end of the reporting period but not impaired	12,318,893	313,293,206	-	-	-	-	-
C. The amount of financial assets that are impaired (3)	-	-	-	-	-	-	-
- Past due (Gross book value)	-	1,573,741	-	5,237,497	-	-	-
- The amount of impairment (-)	-	(1,573,741)	-	(5,237,497)	-	-	-
- Net value garanteed with coleteral etc.	-	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-	-
- Impairment (-) (-)	-	-	-	-	-	-	-
- Net Value garanteed with colleteral etc	-	-	-	-	-	-	-
D. Off financial statement credit risk amount	-	-	-	-	-	-	-

(*) The cash deposits of the projects are covered by the contract of each Project.

(1) It was not considered collaterals taken which is raising credit reliability when the amounts was determined.
(2) All of the trade receivables are receivables from clients. The Group management assumes that it would not be any problem regarding Collection of Receivables due to their historic experiences.
(3) Impairment tests for doubtful receivables have been made in the accordance with the Group policy.

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

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

b) Financial risk factors(Continued)

31.12.2021

	Receivable				Cash and Cash Equivalents		
	Trade Receivables		Other Receivables				
Prior Period	**Releated Parties**	**3th Parties**	**Releated Parties**	**3th Parties**	**Banks Depositt**	**Receivables from Ongoing Construction, Contracting or Service Contracts**	**Financial Investmen**
The maximum amount of exposure to credit risk at the end of the reporting (A+B+C+D) (1)	**9,218,818**	**866,913,234**	**-**	**13,655,956**	**105,311,292**	**1,441,301,194**	**11,864**
- Total receivables that have been secured with collateras other credit enhancements etc (*)	-	264,369,912	-	-	-	-	-
A. Financial assets that are neither past due nor impaired the net book value (2)	800,865	334,411,389	-	13,655,956	105,311,292	1,441,301,194	11,864
B. The amount of financial assets that are past due as at the end of the reporting period but not impaired	8,417,953	268,131,932	-	-	-	-	-
C. The amount of financial assets that are impaired (3)	-	-	-	-	-	-	-
- Past due (Gross book value)	-	1,338,132	-	5,248,443	-	-	-
- The amount of impairment (-)	-	(1,338,132)	-	(5,248,443)	-	-	-
- Net value garanteed with coleteral etc.	-	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-	-
- Impairment (-) (-)	-	-	-	-	-	-	-
- Net Value garanteed with colleteral etc	-	-	-	-	-	-	-
D. Off financial statement credit risk amount	-	-	-	-	-	-	-

(*) The cash deposits of the projects are covered by the contract of each Project.

(1) It was not considered collaterals taken which is raising credit reliability when the amounts was determined.
(2) All of the trade receivables are receivables from clients. The Group management assumes that it would not be any problem regarding Collection of Receivables due to their historic experiences.
(3) Impairment tests for doubtful receivables have been made in the accordance with the Group policy.

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

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

b) Financial risk factors (Continued)

b.2) Liquidity Risk Management

The main responsibility for liquidity risk management belongs to the Board of directors. The Board of Directors has established a suitable liquidity risk management for short, medium and long-term funding and liquidity requirements of group management. The group manages the risk of liquidity and the continued monitoring of actual cash flows on a regular basis and ensuring the continuation of adequate funds and borrowing reserves through the mapping of the financial assets and liabilities ' maturity.

The following table shows the maturity distribution of the group's non-derivative financial obligations. Non-derivative financial obligations are prepared based on the earliest dates required to be paid and not discounted. The interest to be paid over these obligations is included in the table below.

The tables on liquidity risk are listed below:

Current Period

Terms According to Agreements	Book Value	According to Contract Total Cash Outflows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)	Demand
Non Drivatives Financial Liabilities	**2,179,655,793**	**2,185,051,952**	**102,256,174**	**1,977,247,145**	**105,548,633**	**-**	**-**
Bank Loans	1,013,316,702	1,013,316,702	-	951,407,222	61,909,480	-	-
Trade Payables	1,080,268,705	1,085,664,864	87,903,416	997,761,448	-	-	-
Other Payables	86,070,386	86,070,386	14,352,758	28,078,475	43,639,153	-	-

Prior Period

Terms According to Agreements	Book Value	According to Contract Total Cash Outflows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)	Demand
Non Drivatives Financial Liabilities	**1,385,008,321**	**1,386,903,595**	**292,271,329**	**968,574,445**	**126,057,821**	**-**	**-**
Bank Loans	656,221,294	656,221,294	233,883,240	319,648,698	102,689,356	-	-
Trade Payables	689,399,613	689,732,644	48,398,205	641,334,439	-	-	-
Other Payables	39,387,414	40,949,657	9,989,884	7,591,308	23,368,465	-	-

b.3) Market Risk Management

Market risk is the risk of fluctuations in market prices due to the fact that a financial instrument is in good value or in future cash flows negatively affecting a business. These are the risk of foreign currency risk, interest rate risk and price change of financial instruments or commodity.

There is not any change on Group's measurement and management methods of exposure to market risk or exposure to risks in the current year compared to the previous year.

b.3.1) Foreign Exchange 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.

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

b) Financial risk factors (Continued)

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

FOREIGN CURRENCY POSITION TABLE
31.12.2022

	TRY Equivalent	USD	EUR	GBP	CHF
1. Trade Receivables	60,225,171	794,249	2,276,112	-	-
2. Montetary Financial Assets	18,035,833	54,159	853,478	407	-
3. Other	6,729,509	288,525	66,947	-	-
4. Current Assets (1+2+3)	**84,990,513**	**1,136,933**	**3,196,537**	**407**	**-**
5. Total Assets (4)	**84,990,513**	**1,136,933**	**3,196,537**	**407**	**-**
6. Trade Payables	68,328,202	3,373,592	249,518	6,680	-
7. Financial Liabilities	146,545,850	-	7,338,006	-	-
8a. Other Monetary Liabilities	16,106,015	859,813	-	-	-
8b. Other Non-Monetary Liabilities	13,316,380	291,949	378,529	-	14,168
9. Short Term Liabilities (6+7+8)	**244,296,447**	**4,525,354**	**7,966,053**	**6,680**	**14,168**
10. Financial Liabilities	61,909,480	-	3,100,000	-	-
11. Long Term Liabilities	**61,909,480**	**-**	**3,100,000**	**-**	**-**
12. Total Liabilities (9+11)	**306,205,927**	**4,525,354**	**11,066,053**	**6,680**	**14,168**
13. Net Foreign Currency Assets / (Liabities)(5-12)	**(221,215,414)**	**(3,388,421)**	**(7,869,516)**	**(6,273)**	**(14,168)**
14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)	**(198,522,528)**	**(2,525,184)**	**(7,557,934)**	**(6,273)**	**-**

FOREIGN CURRENCY POSITION TABLE
31.12.2021

	TRY Equivalent	USD	EUR	GBP	Qar	CHF
1. Trade Receivables	29,002,933	154,744	1,785,702	-	-	-
2. Montetary Financial Assets	24,874,232	1,232,543	557,209	2,183	-	-
3. Other	17,511,770	922,147	321,499	20,600	-	-
4. Current Assets (1+2+3)	**71,388,935**	**2,309,434**	**2,664,410**	**22,783**	**-**	**-**
5. Total Assets (4)	**71,388,935**	**2,309,434**	**2,664,410**	**22,783**	**-**	**-**
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
9. Short Term Liabilities (6+7+8)	**229,191,741**	**5,812,311**	**10,006,710**	**6,680**	**3,077**	**14,168**
10. Financial Liabilities	102,689,353	-	6,794,365	-	-	-
11. Long Term Liabilities	**102,689,353**	**-**	**6,794,365**	**-**	**-**	**-**
12. Total Liabilities (9+11)	**331,881,094**	**5,812,311**	**16,801,075**	**6,680**	**3,077**	**14,168**
13. Net Foreign Currency Assets / (Liabities) (5-12)	**(260,492,159)**	**(3,502,877)**	**(14,136,665)**	**16,103**	**(3,077)**	**(14,168)**
14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)	**(241,453,136)**	**(2,993,575)**	**(13,318,217)**	**(4,497)**	**(3,077)**	**-**

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, 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 10% exchange rate at the end of the year. Positive value refers to the increase in profit/dice and other equity pens.

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

b) Financial risk factors (Continued)

Currency Risk Management

Exchange Rate Sensitivity Analysis Table				
31.12.2022				
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciationı	Foreign currency depreciates
20% change in US Dollars against TRY:				
1- U S Dollar net assets / liabilities	(12,694,380)	12,694,380	-	-
2- U S Dollar Hedged (-)	-	-	-	-
3- USD Dollar Net Effect (1+2)	**(12,694,380)**	**12,694,380**	-	-
20% change in Euro against TRY:				
4- Euro net assets / liabilities	(31,432,106)	31,432,106	-	-
5- Euro Hedged (-)	-	-	-	-
6- Euro Net Effect (4+5)	**(31,432,106)**	**31,432,106**	-	-
20% change in GBP against TRY:				
7- GBP net assets / liabilities	(28,362)	28,362	-	-
8- GBP Hedged (-)	-	-	-	-
9- GBP Net Effect (7+8)	**(28,362)**	**28,362**	-	-
20% change in CHF against TRY:				
10- CHF net assets / liabilities	(57,612)	57,612	-	-
11- CHF Hedged(-)	-	-	-	-
12- CHF Net Effect(10+11)	**(57,612)**	**57,612**	-	-
TOTAL (3+6+9+12)	**(44,212,460)**	**44,212,460**	-	-

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

Group does not hedge foreign exchange liabilities arising from the operations through the use of derivative financial instruments.

b.3.2) 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.

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

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

b) Financial risk factors (Continued)

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: None).

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

29. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES

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

31 December 2022	Carried at Fair Value Financial Assets	Credits and Receivables (Cash and Cash Equivalents)	Available for sale Financial Assets	Other Financial Valued at Amortized Cost Value Other Financial Valued at Amortized Cost Value	Book Value	Note
Financial Assets						
Cash and Cash Equivalents	-	125,624,015	-	-	125,624,015	4
Trade Receivables	-	952,692,714	-	-	952,692,714	7.27
Financial Investments	30,258	-	-	-	30,258	5
Finanial Liabilities						
Financial Liabilities	-	-	-	1,013,316,702	1,013,316,702	6
Trade Payables	-	-	-	1,080,268,705	1,080,268,705	7.27
Other Financial Liabilities	-	-	-	2,217,333	2,217,333	
31 December 2021						
Financial Assets						
Cash and Cash Equivalents	-	105,381,046	-	-	105,381,046	4
Trade Receivables	-	876,132,052	-	-	876,132,052	7.27
Financial Investments	11,864	-	-	-	11,864	5
Finanial Liabilities						
Financial Liabilities	-	-	-	656,221,294	656,221,294	6
Trade Payables	-	-	-	689,399,613	689,399.613	7,27
Other Financial Liabilities	-	-	-	5,223,111	5,223,111	

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

29. 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 levels of financial assets and level of classification is as follows:

		The level of the fair value at the reporting date		
Financial Assets	**31.12.2022**	**First Level (TRY)**	**Second Level (TRY)**	**Third Level (TRY)**
Investment properties	1,048,714,936	-	1,048,714,936	-
Marketable securities	30,258	30,258	-	-
Total	**1,048,745,194**	**30,258**	**1,048,714,936**	**-**

		The level of the fair value at the reporting date		
Financial Assets	**31.12.2021**	**First Level (TRY)**	**Second Level (TRY)**	**Third Level (TRY)**
Investment properties	340,168,730	-	340,168,730	-
Marketable securities	11,864	11,864	-	-
Total	**340,180,594**	**11,864**	**340,168,730**	**-**

30. EXPLANATIONS RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

For the year ended 31 December 2022, the Group's shareholders' equity amounting to TRY1,036,226,348 consists of shareholders' equity of the Parent Company TRY9,216,664 (31 December 2021: TRY645,136,416 and TRY(170,424)).

31. EVENTS AFTER THE REPORTING PERIOD

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