

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE PERIOD 1 JANUARY - 30 JUNE 2023**

**(CONVENIENCE TRANSLATION OF CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH)**



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

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

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

*Introduction*

We have reviewed the accompanying consolidated statement of financial position of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2023 and the consolidated statement of profit or loss, the consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows for the six-month period then ended and summary of significant accounting policies and other explanatory notes. The management of the Group is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

*Scope of review*

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



*Conclusion*

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying consolidated interim financial information do not give a true and fair view of the financial position of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş as at 30 June 2023, and its financial performance and cash flows for the six-month period then ended in accordance with TAS 34.

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

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

Burak Özpoyraz, SMMM  
Partner

Istanbul, 17 August 2023

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

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF  
30 JUNE 2023**

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

	Notes	Reviewed Current Period <u>30/06/2023</u>	Audited Previous Period <u>31/12/2022</u>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>2,859,346,611</b>	<b>2,313,166,457</b>
Cash and Cash Equivalents	4	72,652,211	125,624,015
Financial Investments	5	25,527	30,258
Trade Receivables		1,099,428,745	952,692,714
- Trade Receivables from Related Parties	7.20	25,450,771	13,773,317
- Trade Receivables from Third Parties	7	1,073,977,974	938,919,397
Other Receivables		18,683,920	9,214,115
- Other Receivables from Related Parties	20	5,874,300	-
- Other Receivables from Third Parties		12,809,620	9,214,115
Due from Customers Under Construction Contracts	10	635,925,979	446,027,087
Inventories	8	663,149,729	576,454,702
Prepaid Expenses	9	342,617,222	184,742,443
- Prepaid Expenses to Related Parties	20	4,994,022	-
- Prepaid Expenses to Third Parties		337,623,200	184,742,443
Current Tax Related Assets		5,366	1,742
Other Current Assets		26,857,912	18,379,381
<b>Non-Current Assets</b>		<b>3,176,555,684</b>	<b>2,585,607,715</b>
Other Receivables		3,536,527	2,694,617
- Other Receivables from Third Parties		3,536,527	2,694,617
Due from Customers Under Construction Contracts	10	2,003,325,084	1,450,317,802
Investment Property	11	1,048,714,936	1,048,714,936
Tangible Fixed Assets	12	31,638,875	30,108,217
Intangible Fixed Assets	13	47,037	50,295
Prepaid Expenses	9	93,785	92,189
Deferred Tax Assets		74,878,184	30,338,958
Non-Current Assets Related with Current Period Tax		14,321,256	23,290,701
<b>TOTAL ASSETS</b>		<b>6,035,902,295</b>	<b>4,898,774,172</b>

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

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023

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

	Notes	Reviewed Current Period 30/06/2023	Audited Previous Period 31/12/2022
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>		<b>3,723,893,137</b>	<b>3,070,940,317</b>
Short-Term Borrowings	6	1,030,405,742	804,281,022
Short Term Portion of Long Term Financial Liabilities	6	201,772,486	147,126,200
Trade Payables		1,283,110,473	1,080,268,705
- Trade Payables to Related Parties	7.20	109,890,436	86,754,439
- Trade Payables to Third Parties	7	1,173,220,037	993,514,266
Employee Benefits	15	69,707,196	40,854,639
Other Payables		52,380,696	42,431,233
- Other Payables to Related Parties	20	24,516,652	14,352,758
- Other Payables to Third Parties		27,864,044	28,078,475
Due to Customers Under Construction Contracts	10	745,009,974	693,071,506
Deferred Income	9	312,808,958	238,953,130
Income Tax Payable		6,513,766	2,217,333
Short-Term Provisions		22,183,846	21,736,549
- Short-Term Provisions for Employee Benefits	15	13,343,595	12,629,032
- Other Short-Term Provisions	14	8,840,251	9,107,517
<b>Long Term Liabilities</b>		<b>1,067,825,830</b>	<b>782,390,843</b>
Long-Term Borrowings	6	99,608,879	61,909,480
Other Borrowings		51,168,159	43,639,153
- Other Borrowings to Related Parties	20	51,058,833	43,201,848
- Other Borrowings to Third Party		109,326	437,305
Deffered Income	9	688,305,039	497,365,468
Long-Term Provisions		38,012,547	28,924,383
- Long-Term Provisions for Employee Benefits	15	38,012,547	28,924,383
Deferred Tax Liabilities		190,731,206	150,552,359
<b>Total Liabilities</b>		<b>4,791,718,967</b>	<b>3,853,331,160</b>
<b>EQUITY</b>			
<b>Equity Attributable to Equity Holders of Parent</b>		<b>1,234,501,581</b>	<b>1,036,226,348</b>
Share Capital	16	265,000,000	265,000,000
Capital Advances	16	1,721,045	1,721,045
Effects of Business Combinations Under Common Control	16	(62,334,320)	(62,334,320)
Other Comprehensive Income (Expense) Items not to be Reclassified to Profit (Loss)		(5,337,030)	(4,672,942)
- Revaluation and Measurement (Losses)		(5,337,030)	(4,672,942)
- Increase / (Decrease) from Revaluation of Tangible Assets	16	(101,224)	(101,224)
- Defined Benefit Plans Remeasurement Gains / Losses	16	(5,235,806)	(4,571,718)
Other Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)		1,146,144,330	823,923,024
- Currency translation Adjustments	16	1,146,144,330	823,923,024
Restricted Reserves Allocated from Profits		13,950,112	13,950,112
- Legal Reserves	16	13,950,112	13,950,112
Other Equity Shares	16	(13,842,938)	(13,842,938)
Other reserves	16	5,851,513	5,851,513
Retained Earnings/(Losses)	16	6,630,854	(102,401,710)
Net Profit /(Loss) for the Period	19	(123,281,985)	109,032,564
<b>Non-Controlling Interest</b>		<b>9,681,747</b>	<b>9,216,664</b>
<b>TOTAL LIABILITIES</b>		<b>6,035,902,295</b>	<b>4,898,774,172</b>

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

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

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 01.01.2023 - 30.06.2023

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

	Notes	Reviewed		Not Reviewed	
		Current Period 01.01.-30.06.2023	Previous Period 01.01.-30.06.2022	Current Period 01.04.-30.06.2023	Previous Period 01.04.-30.06.2022
<b>PROFIT OR LOSS</b>					
Revenue	3,17	723,577,091	1,235,953,063	387,464,839	653,093,734
Cost of Sales (-)	3,17	(663,818,427)	(1,204,049,791)	(364,717,981)	(640,132,644)
<b>GROSS PROFIT/LOSS</b>		<b>59,758,664</b>	<b>31,903,272</b>	<b>22,746,858</b>	<b>12,961,090</b>
General Administrative Expense (-)	3	(51,345,469)	(30,091,641)	(27,997,618)	(13,643,404)
Other Operating Income	3	430,784,805	272,696,068	272,082,089	151,498,855
Other Operating Expense (-)	3	(431,016,278)	(271,742,957)	(266,171,178)	(163,422,711)
<b>OPERATING PROFIT/LOSS</b>		<b>8,181,722</b>	<b>2,764,742</b>	<b>660,151</b>	<b>(12,606,170)</b>
Income From Investing Activities	3	103,562	4,700	62,414	(14,792)
Expense From Investing Activities (-)	3	(22,336)	(414,813)	-	(414,730)
<b>OPERATING PROFIT/LOSS BEFORE FINANCING INCOME AND EXPENSES</b>		<b>8,262,948</b>	<b>2,354,629</b>	<b>722,565</b>	<b>(13,035,692)</b>
Financing Income	3.18	98,019,767	8,598,631	95,168,917	4,285,236
Financing Expenses (-)	3.18	(230,302,864)	(95,948,695)	(190,045,131)	(52,281,523)
<b>PROFIT/LOSS BEFORE TAX FROM ONGOING ACTIVITIES</b>		<b>(124,020,149)</b>	<b>(84,995,435)</b>	<b>(94,153,649)</b>	<b>(61,031,979)</b>
<b>Tax from Continuing Operations Income/Expense</b>					
-Tax on Income	3	(6,513,766)	(11,998,304)	(4,922,270)	2,098,684
-Deferred Tax Income/ (Expense)	3	7,717,013	28,041,939	1,440,897	10,404,806
<b>PERIOD PROFIT / (LOSS) FROM ONGOING ACTIVITIES</b>		<b>(122,816,902)</b>	<b>(68,951,800)</b>	<b>(97,635,022)</b>	<b>(48,528,489)</b>
<b>PROFIT/ (LOSS) FOR THE PERIOD</b>		<b>(122,816,902)</b>	<b>(68,951,800)</b>	<b>(97,635,022)</b>	<b>(48,528,489)</b>
<b>Distribution of the Profit / (Loss) for the Year</b>					
Non-controlling Shares	16	465,083	(515,946)	134,555	(456,353)
Parent Company Shares	19	(123,281,985)	(68,435,854)	(97,769,577)	(48,072,136)
<b>Earnings Per Share</b>					
Earnings Per Share	19	(0.47)	(0.26)	(0.37)	(0.18)

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

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

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 01.01.2023 - 30.06.2023**

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

Notes	Reviewed		Not Reviewed	
	Current Period 01.01.-30.06.2023	Previous Period 01.01.-30.06.2022	Current Period 01.04.-30.06.2023	Previous Period 01.04.-30.06.2022
<b>PROFIT/ (LOSS) FOR THE PERIOD</b>	<b>(122,816,902)</b>	<b>(68,951,800)</b>	<b>(97,635,022)</b>	<b>(48,528,489)</b>
<b><i>OTHER COMPREHENSIVE INCOME</i></b>				
<b>Items not to be Reclassified to Profit or Loss :</b>				
Defined Benefit Plans Remeasurement	(664,088)	(1,596,994)	(677,703)	(1,010,797)
Gains / (Losses)	15 (830,110)	(2,074,018)	(847,129)	(1,312,723)
Taxes Related to Other Comprehensive Income (expenses) Items not to be Reclassified to Profit	166,022	477,024	169,426	301,926
Deferred Tax Income (Expenses)	166,022	477,024	169,426	301,926
<b>Items to be Reclassified to Profit or Loss:</b>	<b>322,221,306</b>	<b>193,185,499</b>	<b>302,110,926</b>	<b>132,446,892</b>
Gain / (Loss) from Foreign Currency Conversion Differences	322,221,306	193,185,499	302,110,926	132,446,892
<b>OTHER COMPREHENSIVE INCOME/ EXPENSES</b>	<b>321,557,218</b>	<b>191,588,505</b>	<b>301,433,223</b>	<b>131,436,095</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>198,740,316</b>	<b>122,636,705</b>	<b>203,798,201</b>	<b>82,907,606</b>
<b>Appropriation of Total Comprehensive Income:</b>				
Non-Controlling Interests	465,083	(515,946)	134,555	(456,353)
Parent Company Share	198,275,233	123,152,651	203,663,646	83,363,959

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



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

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2023

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

Notes	Paid-in Capital	Capital Advance	Premiums /Discounts Related with Shares	The Merge Effect of Business Combinations Under Common Control	Other Comprehensive Income (expenses) Items not to be Reclassified to Profit (Loss)		Other Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)	Restricted Reserves Allocated from Profits	Other Equity Shares	Other Reserves	Retained Earnings/(Losses)	Net Profit /(Loss) for the Period	Equity Attributable to Parent Company	Non-controlling Shares	Equity	
					Increase / (Decrease) from Revaluation of Tangible Assets	Defined Benefit Plans Remeasurement Gains / Losses	Foreign Currency Conversion Differences									
<b>Balances as of 1 January 2022 (beginning of period)</b>	<b>16</b>	<b>265,000,000</b>	<b>-</b>	<b>1,721,045</b>	<b>(62,334,320)</b>	<b>(101,224)</b>	<b>(1,936,439)</b>	<b>539,230,377</b>	<b>13,950,112</b>	<b>(13,842,938)</b>	<b>5,851,513</b>	<b>20,624,726</b>	<b>(123,026,436)</b>	<b>645,136,416</b>	<b>(170,424)</b>	<b>644,965,992</b>
Transfers	-	-	-	-	-	-	-	-	-	-	-	(123,026,436)	123,026,436	-	-	-
Total Comprehensive Income/Expenses	-	-	-	-	-	-	(1,596,994)	193,185,499	-	-	-	-	(68,435,854)	123,152,651	(515,946)	<b>122,636,705</b>
<b>Balance as of 30 June 2022 (end of period)</b>	<b>16</b>	<b>265,000,000</b>	<b>-</b>	<b>1,721,045</b>	<b>(62,334,320)</b>	<b>(101,224)</b>	<b>(3,533,433)</b>	<b>732,415,876</b>	<b>13,950,112</b>	<b>(13,842,938)</b>	<b>5,851,513</b>	<b>(102,401,710)</b>	<b>(68,435,854)</b>	<b>768,289,067</b>	<b>(686,370)</b>	<b>767,602,697</b>
<b>Balances as of 1 January 2023 (beginning of period)</b>		<b>265,000,000</b>	<b>-</b>	<b>1,721,045</b>	<b>(62,334,320)</b>	<b>(101,224)</b>	<b>(4,571,718)</b>	<b>823,923,024</b>	<b>13,950,112</b>	<b>(13,842,938)</b>	<b>5,851,513</b>	<b>(102,401,710)</b>	<b>109,032,564</b>	<b>1,036,226,348</b>	<b>9,216,664</b>	<b>1,045,443,012</b>
Transfers	-	-	-	-	-	-	-	-	-	-	-	109,032,564	109,032,564	-	-	-
Total Comprehensive Income/Expenses	-	-	-	-	-	-	(664,088)	322,221,306	-	-	-	-	(123,281,985)	198,275,233	465,083	<b>198,740,316</b>
<b>Balance as of 30 June 2023 (end of period)</b>		<b>265,000,000</b>	<b>-</b>	<b>1,721,045</b>	<b>(62,334,320)</b>	<b>(101,224)</b>	<b>(5,235,806)</b>	<b>1,146,144,330</b>	<b>13,950,112</b>	<b>(13,842,938)</b>	<b>5,851,513</b>	<b>6,630,854</b>	<b>(123,281,985)</b>	<b>1,234,501,581</b>	<b>9,681,747</b>	<b>1,244,183,328</b>

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

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

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2023

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

	Notes	Reviewed	
		Current Period 01.01.-30.06.2023	Previous Period 01.01.-30.06.2022
<b>A. CASHFLOWS FROM OPERATING ACTIVITIES</b>		<b>559,828,780</b>	<b>143,763,205</b>
Profit/(Loss) for the period		(122,816,902)	(68,951,800)
<b>Adjustments to reconcile net profit to cash provided by operating activities</b>		<b>154,907,211</b>	<b>75,529,071</b>
Adjustments for Depreciation and Amortisation	12.13	3,934,441	4,812,728
Adjustments for Provisions		11,904,340	7,815,116
Adjustments for Provisions/(Reversals) of Employee Benefits	15	12,171,606	13,357,903
Adjustments for Provisions/(Reversals) of Litigation	14	(267,266)	206,473
Other Adjustments for Provisions/(Reversals)	14	-	(5,752,170)
Adjustments for Provisions/(Reversals)		-	2,910
Financial income / expense net		50,918,956	57,042,249
Adjustments Regarding Interest income		(276,048)	(1,539,366)
Adjustments Regarding Interest expense		51,195,004	58,581,615
Tax (Income)/(expenses)		(1,203,247)	(16,043,635)
Corrections related to losses (gains) arising from the disposal of tangible fixed assets		-	(5,512)
Adjustments for Arising from the Disposal of Tangible Fixed Assets Losses (Gains)		-	(5,512)
Adjustments for Unrealized Foreign Currency Translation Differences		89,352,721	21,908,125
<b>Changes in Net Working Capital</b>		<b>(575,428,728)</b>	<b>(137,257,446)</b>
Adjustments for Increase/(Decreases) in Financial Investments	5	4,731	1,059
Increases / (Decreases) in Trade Receivables		(146,736,031)	(181,602,507)
-Increases / (Decreases) in Trade Receivables from Related Parties	7.20	(11,677,454)	2,381,840
-Increases / (Decreases) in Trade Receivables from Third Parties	7	(135,058,577)	(183,984,347)
Increases / (Decreases) in Other Receivables		(10,311,715)	(21,804,852)
-Increases / (Decreases) in Other Receivables from Related Parties	20	(5,874,300)	(16,416,080)
-Increases / (Decreases) in Other Receivables from Third Parties		(4,437,415)	(5,388,772)
Increases / (Decreases) in Receivables from Ongoing Construction, Commitment, and Service Agreements	10	(742,906,174)	(395,947,815)
Increases / (Decreases) in Inventories	8	(86,695,027)	(345,076,964)
Increases / (Decreases) in Prepaid Expenses	9	(157,876,375)	(249,002,907)
Increases / (Decreases) in Trade Payables		202,841,768	843,235,392
-Increases / (Decreases) in Trade Payables to Related Parties	7.20	23,135,997	18,213,273
-Increases / (Decreases) in Trade Payables to Third Parties	7	179,705,771	825,022,119
Increases / (Decreases) in Employee Benefits	15	28,852,557	6,312,088
Increases / (Decreases) in Payables from Ongoing Construction, Commitment, and Service Agreements	10	51,938,468	122,424,712
Increases / (Decreases) in Other Payables		17,478,469	21,851,779
-Increases / (Decreases) in Other Payables to Related Parties	20	18,020,879	10,195,698
-Increases / (Decreases) in Other Payables to Third Parties		(542,410)	11,656,081
-Increases / (Decreases) in Deferred Income	9	264,795,399	71,640,788
Adjustments for (Gains)/Losses from Changes in Capitals		3,185,202	(9,288,219)
-Increases / (Decreases) in Other Assets		(44,046,570)	(43,426,176)
-Increases / (Decreases) in Other Liabilities		47,231,772	34,137,957
<b>Cash Flows from Operating Activities</b>		<b>(543,338,419)</b>	<b>130,680,175</b>
Payments in the coverage of benefits provided to employees	15	(14,267,662)	(7,858,992)
Tax Returns (Payments)		(2,222,699)	(5,224,038)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(293,119)</b>	<b>(1,570,049)</b>
Cash Inflows from Tangible and Intangible Asset Sales		-	6,780
-Cash Inflows from Tangible Asset Sales	12	-	6,780
Cash Outflows from Tangible and Intangible Asset Purchases		(293,119)	(1,576,829)
-Cash Outflows from Tangible Asset Purchases	12	(293,119)	(1,576,829)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>60,964,013</b>	<b>(98,527,615)</b>
Cash Inflows from Capital Advances			
Cash Inflows From Borrowing		317,733,524	679,420,974
Proceeds from borrowings	6	317,733,524	679,420,974
Cash Outflows Related to Debt Payments		(205,850,555)	(720,906,340)
Repayment of borrowings	6	(205,850,555)	(720,906,340)
Interests paid	18	(51,195,004)	(58,581,615)
Interests received	18	276,048	1,539,366
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)</b>		<b>(499,157,886)</b>	<b>(243,860,869)</b>
<b>D. FOREIGN CURRENCY CONVERSION DIFFERENCES IMPACT ON CASH AND CASH EQUIVALENTS</b>		<b>446,186,082</b>	<b>238,853,612</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(52,971,804)</b>	<b>(5,007,257)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	4	<b>125,624,015</b>	<b>105,381,046</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	4	<b>72,652,211</b>	<b>100,373,789</b>

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

### 1. ORGANIZATION AND ACTIVITIES

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

#### Branch Adresses :

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

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

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

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

Project Construction - providing electricity and mechanic works according to project agreement Ship Electricity and Electronics - Ship electrical and electronics systems design Real Estate - Real estate purchase and sale and operational leasing Telecommunication - Telecommunication (as of the current period, there are no projects actually carried out in these areas).

The Company's shares were offered to public since 2010 and as at 30 June 2023, 29.77% of shares are traded in Istanbul Stock exchange, INC. (BIST) according to Central Registry Agency (CRA) records (31 December 2022 : 36.02%) (Note :16).

As of 30 June 2023, 562 personnel have been employed within the Group (31 December 2022: 658).

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

#### Subsidiaries included to full consolidation are as follows:

<u>Name of Company</u>	<u>Field of Company</u>	<u>Activity Type</u>	<u>Foundation of Company</u>	<u>Foundation of Year</u>
Anel Marin Gemi Elektrik Elektronik Sist. Tic. ve San. A.Ş.	Ship Electricity and Electronics	Service	Turkey United Arab	2005
Anel Emirates General Contracting -Sole Proprietorship LLC	Project Commitment	Service	Emirates United Arab	2010
Anel Consultancy & Engineering LLC	Project Commitment	Service	Emirates	2023
Anelmep Maintenance and Operations LLC	Project Commitment	Service	Qatar	2008
Anel Yapı Gayrimenkul A.Ş.	Real Estate	Service	Turkey	2007
Anel Engineering & Contracting Ltd.	Project Commitment	Service	England	2017
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	Telecommunications	Service	Turkey	2003
Anel Dar Libya Constructing & Services LLC	Project Commitment	Service	Libia	2010

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023 (Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

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### 1. ORGANIZATION AND ACTIVITIES

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

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

### 2. BASIC OF PRESENTATION FINANCIAL STATEMENTS

#### 2.1. Basic Standards of Presentation

#### **Basis of Presentation of Consolidated Financial Statements**

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

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

#### *Preparation of financial statements*

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

The accompanying condensed consolidated interim financial statements for the period ended 30 June 2023 are prepared in accordance with the Turkish Accounting Standard No:34 “Interim Financial Reporting”. According to TAS 34, entities are allowed to prepare a complete or condensed consolidated set of interim financial statements. In this respect, the Group has preferred to prepare its interim consolidated financial statements for the period as of 30 June 2023 as condensed, and disclosures and notes that are required to be involved in the annual consolidated financial statements prepared according to TAS/TFRS are condensed or not included. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022.

Consolidated financial statements were approved by the Board of Directors on 18 August 2023. The General Assembly have the right to amend the financial statements.

#### *Basis of measurement*

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

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

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

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

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

#### Going concern

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

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

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 deferred income (advance received) account in the TFRS consolidated financial position statement.

In the financial statements dated 30 June 2023, a net receivable of USD51 million is stated, and the claim amount being arbitrated is above the net receivable number and it is possible that an amount of more than USD51 million may be collected as a receivable at the end of the process.

An income accrual of USD77.6 million, calculated in line with the completion percentage (TRY2,003,325,084 as of the reporting period), was recognised under long-term receivables (longer than one year) . The continuation of its accounting under long-term receivables has been deemed appropriate by the management in accordance with the periodicity principle.

With the KAP statement made on March 15, 2023, it was shared that the "Restructuring Agreement" was signed and entered into force for the restructuring of financial debts to banks. Within the scope of the signed contract, new payment plans are formed with the banks in accordance with the contract, therefore, financial debts subject to restructuring could not be shown in the long-term in the financial statements and footnotes dated 30 June 2023. When the processes related to the payment plans after the signing of the restructuring agreement are completed, the maturity separation will be reflected in 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, the above-mentioned processes are completed due to the fact that the maturity is 6 years in total and the first 18 months are grace period within the signed restructuring contract. It is planned to ensure liquidity balance by spreading these liabilities over the long term.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

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

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

##### Offsetting

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

##### Functional and presentation currency

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

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

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

<u>Name of the Company</u>	<u>Currency</u>	<u>30 June 2023</u>		<u>31 December 2022</u>	
		<u>End of the Period</u>	<u>Average of the Period</u>	<u>End of the Period</u>	<u>Average of the Period</u>
Azerbaijan Branch	New Manat	15.1901	11.6466	10.9990	9.7327
	United Arab Emirates	7.0363	5.3949	5.0949	4.5083
Anel Emirates	Dirham				
Anel Mep	Qatar Riyal (QAR)	7.0943	5.4393	5.1369	4.5455

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

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

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

##### Consolidation Principles

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

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

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

##### *Subsidiaries*

Consolidated financial statements as of 30 June 2023, contains the financial statements of the Company's subsidiaries that have control over their financial and activity policies. As of 30 June 2023 direct and indirect participation rate of subsidiaries subject to consolidation are as follows:

<u>Subsidiaries</u>	<u>Establishmen t and place of organization</u>	<u>Core Business</u>	<u>Currency</u>	<u>30.06.2023</u>	<u>31.12.2022</u>
Anel Marin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	Turkey	Marine Electrical, Electronic Project	Turkish Lira	93.00	93.00
Anel Emirates General Contracting LLC	United Arab Emirates	Commitment Project	US Dollar	100.00	100.00
Anel Consultancy & Engineering LLC	United Arab Emirates	Commitment Project	US Dollar	49.00	-
Anelmep Maintenance and Operations LLC	Qatar	Commitment Project	Qatari Riyal British	100.00	100.00
Anel Engineering & Contracting Ltd. Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	England Turkey	Commitment Telecommunication	Sterling Turkish Lira	100.00 96.61	100.00 96.61
Anel Yapı Gayrimenkul A.Ş.	Turkey	Real Estate Project	Lira	98.39	98.39
Anel Dar Libya Constructing & Services LLC	Libya	Commitment	US Dollar	65.00	65.00

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

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

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

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

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

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

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

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 intragroup assets and liabilities, equity, income and expenses, and cash flows from transactions between Group companies are eliminated on 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.



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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

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

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

##### *Regulatory principles of the consolidated balance sheet and consolidated income statement*

###### *Full Consolidation Method:*

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

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

#### 2.2. New and revised Turkish Accounting Standards

##### *a) Standards, amendments, and interpretations applicable as of 30 June 2023:*

- **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.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

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

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

- **IFRS 17, 'Insurance Contracts'**; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
  - **Amendment to IAS 12 - International tax reform - pillar two model rules**; The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.
- (b) *Standards, amendments, and interpretations that are issued but not effective as of 30 June 2023:*
- **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.
  - **- 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.
  - **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements**; ; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
  - **- IFRS S1, 'General requirements for disclosure of sustainability-related financial information'**; effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
  - **IFRS S2, 'Climate-related disclosures'**; effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

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

#### 2.3. Changes in Accounting Estimates and Errors

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

If the changes in accounting estimates are related to only one period, they are applied in the current period when the change is made and if it is related to the future periods, they are applied both in the period in which the change is made and prospectively. Significant accounting estimates used in the current period are consistent with the accounting estimates used in the preparation of the consolidated financial statements for the period ended 31 December 2022.

#### 2.4. Business Combination

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

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

#### 2.5. Inflation accounting

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

### 3. SEGMENT REPORTING

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

3. SEGMENT REPORTING (Continued)

30.06.2023	Project Commitment	Rent Income	Telecommunication	Marine Electrical and Electronics	Consolidation Adjustments	Total
Net Revenue Non-Group	671,626,014	20,555,000	-	31,762,887	-	723,943,901
Intra Group Revenue	-	-	-	-	(366,810)	(366,810)
<b>Total Net Revenue</b>	<b>671,626,014</b>	<b>20,555,000</b>	<b>-</b>	<b>31,762,887</b>	<b>(366,810)</b>	<b>723,577,091</b>
Cost of Sales (-)	(637,970,722)	(3,795,466)	-	(22,052,239)	-	(663,818,427)
<b>Gross Profit / Loss</b>	<b>33,655,292</b>	<b>16,759,534</b>	<b>-</b>	<b>9,710,648</b>	<b>(366,810)</b>	<b>59,758,664</b>
General and Administrative Expenses (-)	(47,116,314)	(2,734,027)	(240,200)	(1,832,910)	577,982	(51,345,469)
Other Operating Income	395,924,126	1,110,964	599,579	33,358,849	(208,713)	430,784,805
Other Operating Expenses	(414,150,909)	(1,891,439)	(769,057)	(14,204,873)	-	(431,016,278)
<b>Operating Profit</b>	<b>(31,687,805)</b>	<b>13,245,032</b>	<b>(409,678)</b>	<b>27,031,714</b>	<b>2,459</b>	<b>8,484,628</b>
Income from Investment Operations	-	-	17,605	85,957	-	103,562
Expense from Investment Operations (-)	-	-	(22,336)	-	-	(22,336)
<b>Operating Profit / (Loss) before Finance Income and Expense</b>	<b>(31,687,805)</b>	<b>13,245,032</b>	<b>(414,409)</b>	<b>27,117,671</b>	<b>2,459</b>	<b>8,565,854</b>
Financing Income	4,138,300	90,962,341	3,816	4,213,102	(1,297,792)	98,019,767
Financing Expenses (-)	(42,818,806)	(187,602,519)	(845,117)	(334,214)	1,297,792	(230,302,864)
<b>OPERATING PROFIT/(LOSS) BEFORE TAX</b>	<b>(70,368,311)</b>	<b>(83,395,146)</b>	<b>(1,255,710)</b>	<b>30,996,559</b>	<b>2,459</b>	<b>(123,717,243)</b>
<b>Operating Tax Income/(Loss)</b>						
-Period Tax Income/(Loss)	-	-	-	(6,513,766)	-	(6,513,766)
-Deferred Tax Income/(Expense)	124,472	7,335,891	-	256,650	-	7,717,013
<b>PROFIT/(LOSS)</b>	<b>(70,243,839)</b>	<b>(76,059,255)</b>	<b>(1,255,710)</b>	<b>24,739,443</b>	<b>2,459</b>	<b>(122,572,652)</b>
<b>Investment Expenses</b>						
Property, Plant and Equipment	187,295	105,824	-	-	-	293,119
Intangible Fixed Assets	-	-	-	-	-	-
Depreciation Expenses	(3,835,732)	(87,395)	(558)	(10,757)	-	(3,934,442)
<b>Other Information</b>						
- Total Assets	7,413,573,488	1,117,672,631	74,969,577	144,720,647	(2,715,034,048)	6,035,902,295
- Total Liabilities	6,190,794,793	539,661,200	16,428,520	81,659,462	(2,036,825,008)	4,791,718,967

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3. SEGMENT REPORTING (Continued)

30.06.2022	Project Commitment	Rent Income	Telecommunication	Marine Electrical and Electronics	Consolidation Adjustments	Total
Net Revenue Non-Group	1,207,780,526	11,369,959	-	17,466,958	-	1,236,617,443
Intra Group Revenue	-	-	-	-	(664,380)	(664,380)
<b>Total Net Revenue</b>	<b>1,207,780,526</b>	<b>11,369,959</b>	<b>-</b>	<b>17,466,958</b>	<b>(664,380)</b>	<b>1,235,953,063</b>
Cost of Sales (-)	(1,177,100,535)	(1,318,277)	-	(25,630,979)	-	(1,204,049,791)
<b>Gross Profitu</b>	<b>30,679,991</b>	<b>10,051,682</b>	<b>-</b>	<b>(8,164,021)</b>	<b>(664,380)</b>	<b>31,903,272</b>
General and Administrative Expenses (-)	(28,523,261)	(3,606,747)	(244,861)	(881,347)	3,164,575	(30,091,641)
Other Operating Income	258,049,435	3,166,664	294,564	13,751,792	(2,566,387)	272,696,068
Other Operating Expenses (-)	(256,904,069)	(500,326)	(2,826,079)	(11,512,483)	-	(271,740,047)
<b>Operating Profit</b>	<b>3,302,096</b>	<b>9,111,273</b>	<b>(2,776,376)</b>	<b>(6,806,059)</b>	<b>(66,192)</b>	<b>2,764,742</b>
Income from Investment Operations	5,759	-	(1,059)	-	-	4,700
Expense from Investment Operations (-)	(414,813)	-	-	-	-	(414,813)
<b>Operating Profit / (Loss) before Finance Income and Expense</b>	<b>2,893,042</b>	<b>9,111,273</b>	<b>(2,777,435)</b>	<b>(6,806,059)</b>	<b>(66,192)</b>	<b>2,354,629</b>
Financing Income	1,193,658	5,700,076	30,273	5,964,404	(4,289,780)	8,598,631
Financing Expenses (-)	(62,932,356)	(36,014,817)	(835,831)	(455,471)	4,289,780	(95,948,695)
<b>OPERATING PROFIT / (LOSS) BEFORE TAX</b>	<b>(58,845,656)</b>	<b>(21,203,468)</b>	<b>(3,582,993)</b>	<b>(1,297,126)</b>	<b>(66,192)</b>	<b>(84,995,435)</b>
<b>Operating Tax Income / (Loss)</b>						
-Period Tax Income / (Loss)	(11,998,304)	-	-	-	-	(11,998,304)
-Deferred Tax Income/(Expense)	20,425,987	9,188,090	-	(1,572,138)	-	28,041,939
<b>PROFIT / (LOSS)</b>	<b>(50,417,973)</b>	<b>(12,015,378)</b>	<b>(3,582,993)</b>	<b>(2,869,264)</b>	<b>(66,192)</b>	<b>(68,951,800)</b>
<b>Investment Expenses</b>						
Tangible Fixed Assets	1,576,829	-	-	-	-	1,576,829
Intangible Fixed Assets	-	-	-	-	-	-
Depreciation Expenses	(4,708,635)	(95,081)	(597)	(8,415)	-	(4,812,728)
<b>Other Information</b>						
-Total Assets	5,970,158,757	366,112,228	73,736,174	120,735,110	(2,043,147,492)	4,487,594,777
-Total Liabilities	4,709,548,511	266,351,709	12,058,763	97,002,706	(1,364,969,609)	3,719,992,080

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3. SEGMENT REPORTING (Continued)

Geographical Segments

<u>01.01.- 30.06.2023</u>	<u>Turkey</u>	<u>Qatar</u>	<u>England</u>	<u>Netherland</u>	<u>Azerbaijan</u>	<u>United Arab Emirates</u>	<u>Elimination</u>	<u>Total</u>
Revenue	162,023,617	453,144,628	4,796,297	-	-	103,979,359	(366,810)	723,577,091
Due from Customers Under Construction Contracts	48,018,615	574,968,132	-	12,939,232	-	2,003,325,084	-	2,639,251,063
Assets according to Segment	2,605,365,639	3,542,668,147	1,467,174	34,655,297	24,715,288	2,542,064,798	(2,715,034,048)	6,035,902,295
Investment Expenses	105,824	187,295	-	-	-	-	-	293,119
<u>01.01.- 30.06.2022</u>	<u>Turkey</u>	<u>Qatar</u>	<u>England</u>	<u>Netherland</u>	<u>Azerbaijan</u>	<u>United Arab Emirates</u>	<u>Elimination</u>	<u>Total</u>
Revenue	125,263,615	1,055,517,148	501,960	1,922,030	634,030	52,778,660	(664,380)	1,235,953,063
Due from Customers Under Construction Contracts	88,240,237	459,809,754	-	8,348,561	-	1,280,850,457	-	1,837,249,009
Assets according to Segment	1,671,943,191	3,230,510,919	15,026,106	26,918,224	37,496,945	1,548,846,884	(2,043,147,492)	4,487,594,777
Investment Expenses	22,420	1,468,953	-	-	-	85,456	-	1,576,829

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**3. SEGMENT REPORTING (Continued)**

Information on the share of customers in the revenue according to the operating segments of the revenue obtained by the Group in the periods of 1 January - 30 June 2023 and 1 January - 30 June 2022 is as follows:

		<u>01.01. - 30.06.2023</u>	
<u>Operating Segment</u>	<u>Subject</u>	<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Project Commitment	Project Commitment	428,761,178	64%
Project Commitment	Project Commitment	101,713,178	15%
Project Commitment	Project Commitment	54,758,523	8%
		<u>01.01. - 30.06.2023</u>	
<u>Operating Segment</u>	<u>Subject</u>	<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Ship Electrical and Electronics	Service Sale	11,683,686	37%
Ship Electrical and Electronics	Service Sale	7,088,809	22%
		<u>01.01. - 30.06.2022</u>	
<u>Operating Segment</u>	<u>Subject</u>	<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Project Commitment	Project Commitment	836,001,510	69%
Project Commitment	Project Commitment	167,895,450	14%
Project Commitment	Project Commitment	47,244,868	4%
Project Commitment	Project Commitment	37,617,014	3%
		<u>01.01. - 30.06.2022</u>	
<u>Operating Segment</u>	<u>Subject</u>	<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Ship Electrical and Electronics	Service Sale	10,188,605	58%

**4. CASH AND CASH EQUIVALENTS**

	<u>30.06.2023</u>	<u>31.12.2022</u>
Cash	3,249,976	161,312
Banks	69,111,157	125,195,280
- Demand Deposits	56,765,455	125,195,280
- Time Deposit Maturity less than 3 Months	12,345,702	-
Other Cash and Cash Equivalents	291,078	267,423
<b>Total</b>	<b>72,652,211</b>	<b>125,624,015</b>

The Group has blocked deposit amounting to TRY4,561,027, USD9,320, EUR24,476,QAR96,250 regarding the letter of credits. (31 December 2022: TRY4,561,027, USD531,859,EUR 563,990, QAR 4,458,645,AED1,985,647)

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**5. FINANCIAL INVESTMENTS**

<b>Short Term Financial Investment</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
FV gain/losses of financial assets recognized in income statement	25,527	30,258
<b>Total</b>	<b>25,527</b>	<b>30,258</b>

<b>Financial investments whose fair value differences are reflected to profit / loss.</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
<b>Shares</b>		
Shares traded on the stock exchange (*)	25,527	30,258
<b>Total</b>	<b>25,527</b>	<b>30,258</b>

(\*) The shares traded on the stock exchange have FV loss amounting to TRY4,731 in the current period (31 December 2022: TRY18,394 fair value gain).

**6. FINANCIAL BORROWINGS**

	<b>30.06.2023</b>	<b>31.12.2022</b>
Bank Loans	1,331,787,107	1,013,316,702
<b>Total</b>	<b>1,331,787,107</b>	<b>1,013,316,702</b>

With the KAP statement made on March 15, 2023, it was shared that the "Restructuring Agreement" was signed and entered into force for the restructuring of financial debts to banks. Within the scope of the signed contract, new payment plans are formed with the banks in accordance with the contract, therefore, financial debts subject to restructuring could not be shown in the long-term in the financial statements and footnotes dated 30 June 2023. When the processes related to the payment plans after the signing of the restructuring agreement are completed, the maturity separation will be reflected in the financial statements.

**a) Bank Loans:**

<b>30.06.2023</b>					
<b>Currency</b>	<b>Weighted Average Interest Rate (%)</b>	<b>Short Term</b>	<b>Short-Term Portion of Long Term Loans</b>	<b>Long Term</b>	<b>Total</b>
TRY	16.00	484,012,911	-	-	484,012,911
QAR	5.75%-8.25%	448,061,952	-	-	448,061,952
EUR	4.00	99,607	201,772,486	99,608,879	301,480,972
USD	4.00	98,231,272	-	-	98,231,272
<b>Total</b>		<b>1,030,405,742</b>	<b>201,772,486</b>	<b>99,608,879</b>	<b>1,331,787,107</b>

<b>31.12.2022</b>					
<b>Currency</b>	<b>Weighted Average Interest Rate (%)</b>	<b>Short Term</b>	<b>Short-Term Portion of Long Term Loans</b>	<b>Long Term</b>	<b>Total</b>
TRY	18.00-40.00	496,610,667	-	-	496,610,667
Euro	4.20	-	147,126,200	61,909,480	209,035,680
QAR	7.75	307,670,355	-	-	307,670,355
<b>Total</b>		<b>804,281,022</b>	<b>147,126,200</b>	<b>61,909,480</b>	<b>1,013,316,702</b>



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**6. FINANCIAL BORROWINGS (Continued)**

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Payable within 1 year	1,232,178,228	951,407,222
Payable within 2 - 3 years	99,608,879	61,909,480
<b>Total</b>	<b><u>1,331,787,107</u></b>	<b><u>1,013,316,702</u></b>

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

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
<b>1 January Opening Balance</b>	<b><u>1,013,316,702</u></b>	<b><u>655,851,508</u></b>
Cash inflows from borrowing	214,017,639	1,867,190,631
Cash outflows related to principal payments	(205,850,555)	(1,823,902,479)
Accruals	103,715,885	197,627,081
Exchange rate differences	89,352,721	48,365,189
Foreign Currency Conversion Difference	117,234,715	68,184,772
<b>30 June Closing Balance</b>	<b><u>1,331,787,107</u></b>	<b><u>1,013,316,702</u></b>

**7. TRADE RECEIVABLES AND PAYABLES**

**a) Trade Receivables:**

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

<b><u>Short Term Trade Receivables</u></b>	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Customers	293,676,008	348,177,914
Notes Receivables and Postdated Checks	3,175,999	2,953,128
Less: Unrealized Finance Income	(1,942,611)	(1,516,002)
Adjustment on application of TFRS 9	-	(11,785)
Doubtful Receivables	1,939,075	1,573,741
Less: Dobtful Receivables Provisions	(1,939,075)	(1,573,741)
Subcontractor Return Share Debts (*)	779,068,578	589,316,142
<b><u>Short Term Trade Receivables</u></b>	<b><u>1,073,977,974</u></b>	<b><u>938,919,397</u></b>
Recaivables from Related Parties (Note 20)	25,450,771	13,773,317
<b>Total</b>	<b><u>1,099,428,745</u></b>	<b><u>952,692,714</u></b>

As of 30 June 2023, the weighted average of interest rate 14.14%, 5.22%,3.40% used to calculate unearned finance income for short-term trade receivables in terms of TRY, US Dollars and Euro and average maturity of receivables are 2 months (2022: TRY14.80%, US Dollars 4.48%, Euro : 1.90 %, 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".

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

**a) Trade Receivables (Continued)**

As of 30 June 2023, trade receivables' amounting TRY1,939,075 (2022: TRY1,573,741) is a provision for doubtful receivables.

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

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

	<u>1 January – 30 June 2023</u>	<u>1 January – 30 June 2022</u>
Beginning of the period	1,573,741	1,338,132
Foregin exchange differences	365,334	128,478
<b>End of the period</b>	<b>1,939,075</b>	<b>1,466,610</b>

**b) Trade Payables:**

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

<b>Short Term Trade Payables</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Suppliers	993,053,103	680,969,892
Notes Payable and Postdated Checks	7,328,802	185,472,402
Less: Unrealized Finance Expense	(5,469,153)	(4,247,182)
Expense Accruals	325,319	196,126
Subcontractor Return Share Debts (*)	177,981,966	131,123,028
<b>Sub Total</b>	<b>1,173,220,037</b>	<b>993,514,266</b>
Trade Payables to Related Parties (Note 20)	109,890,436	86,754,439
<b>Total</b>	<b>1,283,110,473</b>	<b>1,080,268,705</b>

As of 30 June 2023, the weighted average of interest rates are 14.85%, 5.20%, and 3.40% 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 2022: TRY 14.73%, US Dollars : 4.57%, Euro : 1.97% 3 months).

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

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

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**8. INVENTORIES**

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Raw Materials and Equipments	663,077,063	576,404,890
Other Stocks	72,666	49,812
<b>Total</b>	<b><u>663,149,729</u></b>	<b><u>576,454,702</u></b>

As of 30 June 2023, the Group has no Stock pledged as collateral for the loans used. (31 December 2022: None).

**9. PREPAID EXPENSES AND DEFERRED REVENUES**

<b><u>Short-Term Prepaid Expenses</u></b>	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Advances Given for Inventories	228,954,825	148,200,693
Other Advances Given	105,056,211	31,873,809
Prepaid Expenses for the Following Months	3,612,164	4,667,941
<b>Total</b>	<b><u>337,623,200</u></b>	<b><u>184,742,443</u></b>

Prepaid Expenses to Related Parties (Note 20)	4,994,022	-
<b>Total</b>	<b><u>342,617,222</u></b>	<b><u>184,742,443</u></b>

<b><u>Long-Term Prepaid Expenses</u></b>	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Prepaid Expenses to Future Years	93,785	92,189
<b>Total</b>	<b><u>93,785</u></b>	<b><u>92,189</u></b>

<b><u>Short-Term Deferred Incomes</u></b>	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Advances Received Regarding Construction Contracts	300,899,585	236,304,045
Other Advances Received	10,112,515	369,539
Prepaid Income to Future Months	1,796,858	2,279,546
<b>Total</b>	<b><u>312,808,958</u></b>	<b><u>238,953,130</u></b>

<b><u>Long-Term Deferred Incomes</u></b>	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Advances Received Regarding Construction Contracts	686,881,600	497,365,468
Prepaid Income to Future Months	1,423,439	-
<b>Total</b>	<b><u>688,305,039</u></b>	<b><u>497,365,468</u></b>

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**10. CONSTRUCTION CONTRACTS**

	<b><u>30.06.2023</u><sup>(*)</sup></b>	<b><u>31.12.2022</u></b>
Assets regarding Construction Contracts In Progress	2,639,251,063	1,896,344,889
<b>Total</b>	<b><u>2,639,251,063</u></b>	<b><u>1,896,344,889</u></b>

(\*) The Group has accounted the balance amounting 2,003,325,084 under non-current assets (31 December 2022: TRY1,450,317,802).

Assets related to construction projects in progress are as follows:

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Unearned Assets regarding Domestic Construction Contracts (*)	48,018,615	36,894,969
Unearned Assets regarding Overseas Construction Contracts (*)	2,591,232,448	1,859,449,920
<b>Assets regarding Construction Contracts In Progress</b>	<b><u>2,639,251,063</u></b>	<b><u>1,896,344,889</u></b>

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Liabilities Regarding Construction Contracts In Progress	745,009,974	693,071,506
<b>Total</b>	<b><u>745,009,974</u></b>	<b><u>693,071,506</u></b>

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

Liabilities related to construction projects in progress are as follows:

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Over-invoiced Portion regarding Domestic Construction Contracts	57,239,620	65,634,997
Over-invoiced Portion regarding Overseas Construction Contracts	687,770,354	627,436,509
<b>Contractual obligations arising from ongoing construction and contracting works</b>	<b><u>745,009,974</u></b>	<b><u>693,071,506</u></b>

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

As of 30 June 2023, short-and long-term advances has been received regarding the ongoing construction contracts is amounting to TRY987,781,185 (31 December 2022: TRY733,669,513).

**11. INVESTMENT PROPERTY**

The Group did not purchase investment property during the interim period (30 June 2022: None). The Group did not sell investment property during the interim period (30 June 2022: None).

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12. TANGIBLE ASSETS

**30.06.2023**

<b>Cost Value</b>	<b>Buildings</b>	<b>Plant, Machinery and Equipment</b>	<b>Vehicles</b>	<b>Fixtures</b>	<b>Special Costs</b>	<b>Other Fixed Assets</b>	<b>Total</b>
<b>Opening Balance</b>	<b>17,260,064</b>	<b>86,427,126</b>	<b>10,150,369</b>	<b>54,078,044</b>	<b>386,884</b>	<b>167,761</b>	<b>168,470,248</b>
Currency translation adjustment	-	33,187,150	3,772,788	17,292,693	-	-	54,252,631
Additions	-	34,061	-	259,058	-	-	293,119
<b>Closing Balance</b>	<b>17,260,064</b>	<b>119,648,337</b>	<b>13,923,157</b>	<b>71,629,795</b>	<b>386,884</b>	<b>167,761</b>	<b>223,015,998</b>
<b>Accumulated Depreciation</b>							
<b>Opening Balance</b>	<b>(897,063)</b>	<b>(75,697,244)</b>	<b>(10,147,168)</b>	<b>(51,065,911)</b>	<b>(386,884)</b>	<b>(167,761)</b>	<b>(138,362,031)</b>
Currency translation adjustment	-	(28,546,783)	(3,772,788)	(16,764,338)	-	-	(49,083,909)
Additions	(172,601)	(3,052,471)	(1,200)	(704,911)	-	-	(3,931,183)
<b>Closing Balance</b>	<b>(1,069,664)</b>	<b>(107,296,498)</b>	<b>(13,921,156)</b>	<b>(68,535,160)</b>	<b>(386,884)</b>	<b>(167,761)</b>	<b>(191,377,123)</b>
<b>Tangible Fixed Assets, net</b>	<b>16,190,400</b>	<b>12,351,839</b>	<b>2,001</b>	<b>3,094,635</b>	<b>-</b>	<b>-</b>	<b>31,638,875</b>

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12. TANGIBLE ASSETS (Continued)

30.06.2022

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

Total depreciation expenses of current period is TRY3,931,183. (30 June 2022: TRY4,808,778). Depreciation expenses amounting to TRY3,721,643 (30 June 2022: TRY4,671,015) is included in cost of goods sold (Note 17), amounting to TRY209,540- (30 June 2022: TRY137,763) is included in general administrative expense but not allocated in marketing expenses (30 June 2022: None).

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**13. INTANGIBLE ASSETS**

	<b>30.06.2023</b>	
<u>Cost Value</u>	<u>Rights</u>	<u>Total</u>
<b>Opening Balance</b>	<b>12,121,606</b>	<b>12,121,606</b>
Currency translation adjustment	3,211,703	3,211,703
<b>Closing Balance</b>	<b>15,333,309</b>	<b>15,333,309</b>
<b><u>Accumulated Depreciation</u></b>		
<b>Opening Balance</b>	<b>(12,071,311)</b>	<b>(12,071,311)</b>
Currency translation adjustment	(3,211,703)	(3,211,703)
Additions	(3,258)	(3,258)
<b>Closing Balance</b>	<b>(15,286,272)</b>	<b>(15,286,272)</b>
<b>Intangible Assets, net</b>	<b>47,037</b>	<b>47,037</b>
		<b>30.06.2022</b>
<u>Cost Value</u>	<u>Rights</u>	<u>Total</u>
<b>Opening Balance</b>	<b>9,700,064</b>	<b>9,700,064</b>
Currency translation adjustment	1,502,173	1,502,173
<b>Closing Balance</b>	<b>11,202,237</b>	<b>11,202,237</b>
<b><u>Accumulated Depreciation</u></b>		
<b>Opening Balance</b>	<b>(9,643,683)</b>	<b>(9,643,683)</b>
Currency translation adjustment	(1,502,169)	(1,502,169)
Additions	(3,950)	(3,950)
<b>Closing Balance</b>	<b>(11,149,802)</b>	<b>(11,149,802)</b>
<b>Intangible Assets, net</b>	<b>52,435</b>	<b>52,435</b>

Total amortization expenses of current period is TRY3,258 (30 June 2022: TRY3,950). Amortization expenses amounting to TRY862- (30 June 2022: TRY2,707) is included in cost of goods sold (Note 17), amounting to TRY2,396 (30 June 2022: TRY1,243) is included in general administrative expense.

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

<u>Other short term provisions</u>	<b>30.06.2023</b>	<b>31.12.2022</b>
Litigation provisions	8,840,251	9,107,517
<b>Total</b>	<b>8,840,251</b>	<b>9,107,517</b>

The details of litigation provisions are as follows:

	<b>30.06.2023</b>	<b>30.06.2022</b>
Beginning of period	9,107,517	7,165,199
Provision in period	2,307,467	462,517
Negative: canceled in period	(2,574,733)	(256,044)
<b>End of period</b>	<b>8,840,251</b>	<b>7,371,672</b>

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

**Contingent Liabilities**

As of 30 June 2023, there are 65 lawsuits against the Group amounting to TRY5,354,826 and USD66,619 (TRY equivalent 1,720,309). (31 December 2022: 72 lawsuits TRY7,946,994 and USD155,720 / equivalent TRY2,911,699). Group has been made provision amounting TRY8,840,251 (31 December 2022: 9,107,517) regarding to this lawsuits.

**Collaterals-Mortgages**

As of 30 June 2023 and 31 December 2022, 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:

	<b><u>30.06.2023</u></b>			
	<b><u>US Dollar</u></b>	<b><u>Euro</u></b>	<b><u>TRY</u></b>	<b><u>TRY Equivalent</u></b>
Letters of Guarantees Received	348,652	560,168	7,121,061	31,895,306
Guarenteed Bill Received	17,012	3,400	2,616,697	3,151,723
Guaranteed Cheques Received	55,378	-	-	1,430,032
<b>Total</b>	<b>421,042</b>	<b>563,568</b>	<b>9,737,758</b>	<b>36,477,061</b>

  

	<b><u>31.12.2022</u></b>			
	<b><u>US Dollar</u></b>	<b><u>Euro</u></b>	<b><u>TRY</u></b>	<b><u>TRY Equivalent</u></b>
Letters of Guarantees Received	378,513	713,120	4,845,728	26,139,254
Guarenteed Bill Received	16,008	-	1,681,697	1,981,019
Guaranteed Cheques Received	55,378	-	25,000	1,060,474
<b>Total</b>	<b>449,899</b>	<b>713,120</b>	<b>6,552,425</b>	<b>29,180,747</b>



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14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Mortgages (Continued)

CPMB's given by the Group ( Collaterals, Mortgages)						
30.06.2023	US Dollars	Euro	TRY	GBP	AED	TRY Equivalent
A) CPMB's given for Company's own legal personality	2,273,729	38,510,164	121,018,707	-	-	1,266,010,639
B) CPMB's given on behalf of fully consolidated companies	233,067,545	1,939,132	433,114,770	-	-	6,517,171,762
C) CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause	-	-	-	-	-	-
E) Total amount of other CPMB's	-	-	85,680	-	-	85,680
i) Total amount of CPMB's given on behalf of majotary shareholder	-	-	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	85,680	-	-	85,680
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-
<b>TOTAL</b>	<b>235,341,274</b>	<b>40,449,296</b>	<b>554,219,157</b>	<b>-</b>	<b>-</b>	<b>7,783,268,081</b>

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14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Mortgages (Continued)

CPMB's given by the Group (Collaterals, Mortgages)						
31.12.2022	US Dollars	Euro	TRY	GBP	AED	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 majority shareholder	-	-	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	85,680	-	-	85,680
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-
<b>TOTAL</b>	<b>237,446,644</b>	<b>40,543,697</b>	<b>556,407,907</b>	<b>150,000</b>	<b>-</b>	<b>5,817,339,480</b>

Other groups of CPM is given by the Group's equity ratio is 0% (31 December 2022: % 0).

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

#### Collaterals-Mortgages (Continued)

The distribution of CPMB's by type as of 30 June 2023 and 31 December 2022 is shown below.

<u>Collaterals,</u> <u>Mortgages</u>	<u>30.06.2023</u>				
	<u>Total TRY</u> <u>Equivalent</u>	<u>US Dollars</u>	<u>Euro</u>	<u>GBP</u>	<u>TRY</u>
Collaterals	2,688,783,922	99,341,274	3,249,296	-	27,219,157
Mortgages	5,094,484,160	136,000,000	37,200,000	-	527,000,000
<b>Total</b>	<b>7,783,268,082</b>	<b>235,341,274</b>	<b>40,449,296</b>	<b>-</b>	<b>235,341,274</b>

<u>Collaterals,</u> <u>Mortgages</u>	<u>31.12.2022</u>				
	<u>Total TRY</u> <u>Equivalent</u>	<u>US Dollars</u>	<u>Euro</u>	<u>GBP</u>	<u>TRY</u>
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
<b>Total</b>	<b>5,817,339,480</b>	<b>237,446,644</b>	<b>40,543,697</b>	<b>150,000</b>	<b>556,407,907</b>

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**15. EMPLOYEE BENEFITS**

<b><u>Provisions for Short Term Employee Benefits</u></b>	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Unused Vacation Rights	13,343,595	12,629,032

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

	<b><u>1 January</u></b> <b><u>30 June 2023</u></b>	<b><u>1 January</u></b> <b><u>30 June 2022</u></b>
Provisions as of 1 January	12,629,032	12,292,243
Additional provision	1,919,694	9,791,417
Using in period	(4,331,365)	(7,348,117)
Foreign currency conversion adjustments	3,126,234	2,849,868
<b>End of the period</b>	<b><u>13,343,595</u></b>	<b><u>17,585,411</u></b>

<b><u>Employee Benefits Liabilities</u></b>	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Due To Personnel	65,934,368	37,578,087
Social Security Withholdings Payable	3,772,828	3,276,552
<b>Total</b>	<b><u>69,707,196</u></b>	<b><u>40,854,639</u></b>

<b><u>Provisions for Long Term Employee Benefits</u></b>	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Provisions for Employee Termination Benefits	38,012,547	28,924,383

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

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

The severance provisions for the employees that works Group's Qatar and United Arab Emirates branches are not subject to any discount due to local laws of these countries where the units are

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Annual Discount Rate (%)	1.05	0.50
Probability of Retirement (%)	86.01	88.00

The main assumption, the maximum liability for each year of service will only grow in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of 30 June 2023 the accompanying financial statements provisions for the future probably obligation arising from the retirement of employees is calculated by estimating the present value.

The Group's provision for severance pay is calculated over TRY23,489.83 (31 December 2022: TRY15,371.40), effective as of 1 July 2023, since the severance pay ceiling is adjusted every six months.

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**15. EMPLOYEE BENEFITS (Continued)**

The movement of provision for severance pay as follows:

	<u>1 January</u> <u>30 June 2023</u>	<u>1 January</u> <u>30 June 2022</u>
Provision as of 1 January	28,924,383	23,932,960
Service Cost	13,740,152	8,793,794
Interest Cost	13,015	46,791
Payments	(14,267,662)	(7,858,992)
Actuarial Gain/Loss	830,110	2,074,018
Foreign Currency Exchange Differences	8,772,549	5,526,529
<b>Provision as of 30 June</b>	<b>38,012,547</b>	<b>32,515,100</b>

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

**a) Capital**

The Company's issued share capital as at 30 June 2023 and 31 December 2022 dates are as follows:

	<u>30.06.2023</u>		<u>31.12.2022</u>	
	<u>Share</u> <u>Amount TRY</u>	<u>Share</u> <u>Percentage (%)</u>	<u>Share</u> <u>Amount TL</u>	<u>Share</u> <u>Percentage (%)</u>
<b>Shareholders (*)</b>				
Rıdvan Çelikel	117,517,315.59	44.35	117,517,315.59	44.35
Capital Strategy Funds Spc-The Opportunistic Series Segregateg Portfolio	68,397,891.10	25.81	51,987,280.10	19.62
Other	79,084,793.31	29.84	95,495,404.31	36.03
<b>Pain in Capital</b>	<b>265,000,000</b>	<b>100.00</b>	<b>265,000,000</b>	<b>100.00</b>

(\*) As published on 30 June 2023 at kap.gov.tr.

As at 30 June 2023, 29.77% (31 December 2022: 36.02%) of Company shares are being traded in BIST according to Central Registry Agency ("CRA") report.

The Company is subject to authorized capital system and the equity ceiling is TRY400,000,000. The Company's issued share capitals' historical value is TRY265,000,000.(31 December 2022: TRY265,000,000) which is consisted of authorized and fully paid 53,454,935.13 pieces of A-group shares and 211,545,064.87 pieces of B-group shares shares and each having TRY1 nominal value. A-group shareholders have 2 (two) voting rights and B-group shareholders have one (1) voting rights for each share owned at the General Assembly meeting. All of the A-group shares are owned by Rıdvan Çelikel.

**b) Capital Advance**

	<u>30.06.2023</u>	<u>31.12.2022</u>
Capital Advance	1,721,045	1,721,045
<b>Total</b>	<b>1,721,045</b>	<b>1,721,045</b>

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

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

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Effect of Transactions involving Enterprises or Entities under Joint Control	(62,334,320)	(62,334,320)
<b>Total</b>	<b><u>(62,334,320)</u></b>	<b><u>(62,334,320)</u></b>

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

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Tangible Assets Revaluation Gain/(Loss)	(101,224)	(101,224)
<b>Total</b>	<b><u>(101,224)</u></b>	<b><u>(101,224)</u></b>

**e) Foreign Currency Translation Differences**

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Foreign Currency Translation Differences	1,146,144,330	823,923,024
<b>Total</b>	<b><u>1,146,144,330</u></b>	<b><u>823,923,024</u></b>

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

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Defined Benefit Plans Revaluation and Measurement Gain/ (Loss)	(5,235,806)	(4,571,718)
<b>Total</b>	<b><u>(5,235,806)</u></b>	<b><u>(4,571,718)</u></b>

**g) Restricted Reserves**

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Restricted Reserves	13,950,112	13,950,112
<b>Total</b>	<b><u>13,950,112</u></b>	<b><u>13,950,112</u></b>

**h) Non-controlling Shares**

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
1 January	9,216,664	(170,424)
Minority Share Profit/(Loss)	465,083	9,387,088
<b>Total</b>	<b><u>9,681,747</u></b>	<b><u>9,216,664</u></b>

**i) Other Equity Shares**

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Other Equity Shares	(13,842,938)	(13,842,938)
<b>Total</b>	<b><u>(13,842,938)</u></b>	<b><u>(13,842,938)</u></b>

**j) Other Reserves**

	<b><u>30.06.2023</u></b>	<b><u>31.12.2022</u></b>
Other Reserves	5,851,513	5,851,513
<b>Total</b>	<b><u>5,851,513</u></b>	<b><u>5,851,513</u></b>

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

#### Profit Distribution

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

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

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

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

At the 2022 Ordinary General Assembly Meeting held on May 3, 2023; "Although a profit was made as a result of the activities of 2022 in the independently audited financial statements prepared in accordance with the provisions of the Capital Markets Board's "Communiqué on Principles of Financial Reporting in the Capital Market" numbered Serial: II, No: 14.1, the Company made a profit as a result of the activities of 01.01.2022-31.12.2022. The Board of Directors' proposal that "no profit distribution can be made as there is no net distributable profit as a result of a loss for the period in the legal records prepared in accordance with the Tax Procedure Law for the period" was accepted unanimously by the participants.

### 17. REVENUE/COST OF SALES

<u>Sales Revenues (Net)</u>	<u>01.01.-30.06.2023</u>	<u>01.01.-30.06.2022</u>	<u>01.04.-30.06.2023</u>	<u>01.04.-30.06.2022</u>
Domestic Sales	161,698,535	124,649,025	86,094,986	45,898,186
Export Sales	557,119,275	1,111,337,668	301,447,178	607,244,344
Other Revenues	5,200,913	18,296	322,679	3,130
<b>Total Revenues</b>	<b>724,018,723</b>	<b>1,236,004,989</b>	<b>387,864,843</b>	<b>653,145,660</b>
Sales Returns (-)	(441,632)	(51,926)	(400,004)	(51,926)
<b>Sales Revenues (Net)</b>	<b>723,577,091</b>	<b>1,235,953,063</b>	<b>387,464,839</b>	<b>653,093,734</b>
Cost of Goods Sold	(916,987)	(2,423,723)	(366,227)	(244,203)
Cost of Services Sold	(659,178,934)	(1,196,952,346)	(362,539,971)	(637,619,917)
Depreciation Expenses	(3,722,506)	(4,673,722)	(1,811,783)	(2,268,524)
<b>Cost of Sales</b>	<b>(663,818,427)</b>	<b>(1,204,049,791)</b>	<b>(364,717,981)</b>	<b>(640,132,644)</b>
<b>GROSS PROFIT/LOSS</b>	<b>59,758,664</b>	<b>31,903,272</b>	<b>22,746,858</b>	<b>12,961,090</b>

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

	<u>01.01.-</u> <u>30.06.2023</u>	<u>01.01.-</u> <u>30.06.2022</u>	<u>01.04.-</u> <u>30.06.2023</u>	<u>01.04.-</u> <u>30.06.2022</u>
<b>Financing Income</b>				
Foreign Exchange Gains	97,655,288	7,026,691	94,962,652	3,434,388
Interest Income	276,048	1,539,366	197,561	841,933
Unearned Interest Income	88,431	32,574	8,704	8,915
<b>Total</b>	<b>98,019,767</b>	<b>8,598,631</b>	<b>95,168,917</b>	<b>4,285,236</b>
	<u>01.01.-</u> <u>30.06.2023</u>	<u>01.01.-</u> <u>30.06.2022</u>	<u>01.04.-</u> <u>30.06.2023</u>	<u>01.04.-</u> <u>30.06.2022</u>
<b>Financing Expenses (-)</b>				
Foreign Exchange Losses (-)	179,023,872	37,358,120	167,773,728	19,199,184
Loan Interest Expenses (-)	51,195,004	58,581,615	22,271,689	33,082,152
Unearned Interest Expense (-)	83,988	8,960	-286	187
<b>Total</b>	<b>230,302,864</b>	<b>95,948,695</b>	<b>190,045,131</b>	<b>52,281,523</b>
<b>Financial income/expense,net</b>	<b>(132,283,097)</b>	<b>(87,350,064)</b>	<b>(94,876,214)</b>	<b>(47,996,287)</b>

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

	<u>01.01.-</u> <u>30.06.2023</u>	<u>01.01.-</u> <u>30.06.2022</u>	<u>01.04.-</u> <u>30.06.2023</u>	<u>01.04.-</u> <u>30.06.2022</u>
<b>Earnings Per Share /</b>				
Net Profit\Loss) of the Parent Company	(123,281,985)	(68,435,854)	(97,769,577)	(48,072,136)
Weighted Average Number of Shares	265,000,000	265,000,000	265,000,000	265,000,000
Earning Per Share Profit\Loss) from Ongoing Activities	(0.47)	(0.26)	(0.37)	(0.18)

**20. RELATED PARTY DISCLOSURES**

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

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

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



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

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

Balances with Related Parties	30.06.2023						
	Receivables			Payables			
	Short Term		Prepaid Expenses	Short Term		Long Term	
	Trade	Other		Trade	Other	Trade	Other
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.(*)	1,186,643	-	4,994,022	92,584,813	27,404	-	-
Epsinom Teknik Hizmetler Ltd. (*)	1,416	-	-	10,188	2,671,125	-	-
Anelnet Teknik Hizmetler Ltd. Şti. (*)	23,853,586	-	-	1,851,369	14,482,091	-	-
Merve Şirin Çelikel Tombuloğlu	-	-	-	-	-	-	7,013,962
Mahir Kerem Çelikel	-	-	-	-	-	-	15,229,053
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (**)	17,196	-	-	-	317,320	-	28,815,818
Anel Holding A.Ş. (*)	367,430	5,874,300	-	15,444,066	7,018,712	-	-
Çelikel Eğitim Vakfı	24,500	-	-	-	-	-	-
<b>Total</b>	<b>25,450,771</b>	<b>5,874,300</b>	<b>4,994,022</b>	<b>109,890,436</b>	<b>24,516,652</b>	<b>-</b>	<b>51,058,833</b>

(\*) Interest is accrued under the provisions of V.U.K. regarding non-commercial transactions with related parties (not linked to the payment program). The average interest rate is 16% as of 30 June 2023.

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

Balances with Related Parties	31.12.2022					
	Receivables			Payables		
	Short Term		Short Term	Short Term		Other
	Trade	Other		Trade	Cheques Given	
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	-	-	2,519,716	-	-
<b>Total</b>	<b>13,773,317</b>	<b>-</b>	<b>85,796,299</b>	<b>14,352,758</b>	<b>958,140</b>	<b>43,201,848</b>

(\*) Non-commercial transactions with related parties (not related to the payment program) interest is accrued under the provisions of year the average interest rate is 26.69%.

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

Transactions with related parties between 1 January- 30 June 2023 and 1 January - 30 June 2022 are as follows:

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

<b>Related Party Transactions</b>	<b>01.01-30.06.2023</b>					
	<b>Stock Purchases</b>	<b>Interest Income</b>	<b>Interest Expense</b>	<b>Service Sales</b>	<b>Service Purchase</b>	<b>Exchange Difference Income</b>
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	11,283,546	-	16,097	697,671	98,198	55,037
Anelnet Teknik Hizmetler Ltd. Şti.	-	-	597,028	57,022	2,014,543	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	-	-	52,046	123,009	-	-
Çelikel Eğitim Vakfı	-	-	-	1,050	-	-
Epsinom Teknik Hizmetler Ltd.Şti.	-	-	228,330	1,200	4,471	-
Anel Holding A.Ş.	-	276,048	520,084	368,452	17,486,006	-
<b>Total</b>	<b>11,283,546</b>	<b>276,048</b>	<b>1,413,585</b>	<b>1,248,404</b>	<b>19,603,218</b>	<b>55,037</b>

  

<b>Related Party Transactions</b>	<b>01.01-30.06.2022</b>					
	<b>Stock Purchases</b>	<b>Interest Income</b>	<b>Interest Expense</b>	<b>Service Sales</b>	<b>Service Purchase</b>	<b>Exchange Difference Expense</b>
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	13,334,447	6,106	6,129	136,763	58,437	210,139
Anelnet Teknik Hizmetler Ltd. Şti.	3,594	-	3,805	31,665	879,751	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	-	-	13,304	25,658	3,300	-
Çelikel Eğitim Vakfı	-	-	-	901	-	-
Epsinom Teknik Hizmetler Ltd.Şti.	-	1,519,540	1,983,618	2,253	-	134,037
Anel Holding A.Ş.	-	7,587	633,799	808,676	10,985,215	-
<b>Total</b>	<b>13,338,041</b>	<b>1,533,233</b>	<b>2,640,655</b>	<b>1,005,916</b>	<b>11,926,703</b>	<b>344,176</b>

Related party transactions between 1 January - 30 June 2023 and 1 January - 30 June 2022 are as follows;- Product sales consist of electrical supplies - Service purchases consist of department attendance fee, building maintenance fee, electricity and water expense, food expense, security expense, transportation expense, labour service expenses. - Service sales consist of labour service income, building maintenance fee, consultancy, electricity and water expense, food expense, security expense, transportation expense and department attendance fee.

Group's key management personnels are Board Chairman and Members and vice general manager. Benefits supplied to key management personnel as of 1 January - 30 June 2023 and 1 January - 30 June 2022 as are as follows:

<b>Benefits Provided by Top-Level Management</b>	<b>01.01.-30.06.2023</b>	<b>01.01.-30.06.2022</b>
Employee Short Term Benefits	5,491,761	5,034,624
<b>Total</b>	<b>5,491,761</b>	<b>5,034,624</b>

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

**a) Financial Risk Method**

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

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

**a.1) Market Risk Management**

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

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

**a.1.1) Currency Risk Management**

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

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

<b>FOREIGN CURRENCY POSITION TABLE</b>					
<b>30.06.2023</b>					
	<b>TRY Equivalent</b>	<b>US Dollars</b>	<b>Euro</b>	<b>GBP</b>	<b>CHF</b>
1. Trade Receivables	90,900,808	660,221	2,623,139	-	-
2. Montetary Financial Assets	20,988,727	475,598	251,751	49,364	-
3. Other	77,799,280	1,589,471	1,304,474	855	-
<b>4. Current Assets (1+2+3)</b>	<b>189,688,815</b>	<b>2,725,290</b>	<b>4,179,364</b>	<b>50,219</b>	-
<b>5. Total Assets (4)</b>	<b>189,688,815</b>	<b>2,725,290</b>	<b>4,179,364</b>	<b>50,219</b>	-
6. Trade Payables	63,409,902	1,542,375	825,180	7,133	-
7. Financial Liabilities	299,857,625	3,797,170	7,148,654	-	-
8a. Other Monetary Liabilitie	22,393,085	865,614	-	-	-
8b. Other Non Monetary Liabilitie	51,181,523	1,306,354	601,880	-	14,168
<b>9. Short Term Liabilities (6+7+8)</b>	<b>436,842,135</b>	<b>7,511,513</b>	<b>8,575,714</b>	<b>7,133</b>	<b>14,168</b>
10. Financial Liabilities	99,608,890	-	3,531,629	-	-
<b>11. Long Term Liabilities</b>	<b>99,608,890</b>	-	<b>3,531,629</b>	-	-
<b>12. Total Liabilities (9+11)</b>	<b>536,451,025</b>	<b>7,511,513</b>	<b>12,107,343</b>	<b>7,133</b>	<b>14,168</b>
<b>13. Net Foreign Currency Assets / (Liabilities ) (5-12)</b>	<b>(346,762,210)</b>	<b>(4,786,223)</b>	<b>(7,927,979)</b>	<b>43,086</b>	<b>(14,168)</b>
<b>14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)</b>	<b>(350,986,882)</b>	<b>(4,203,726)</b>	<b>(8,630,573)</b>	<b>42,231</b>	-

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

<b>FOREIGN CURRENCY POSITION TABLE</b>					
<b>31.12.2022</b>					
	<b>TRY Equivalent</b>	<b>US Dollars</b>	<b>Euro</b>	<b>GBP</b>	<b>CHF</b>
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	-	-
<b>4. Current Assets (1+2+3)</b>	<b>84,990,513</b>	<b>1,136,933</b>	<b>3,196,537</b>	<b>407</b>	-
<b>5. Total Assets (4)</b>	<b>84,990,513</b>	<b>1,136,933</b>	<b>3,196,537</b>	<b>407</b>	-
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 Liabilitie	16,106,015	859,813	-	-	-
8b. Other Non Monetary Liabilitie	13,316,380	291,949	378,529	-	14,168
<b>9. Short Term Liabilities (6+7+8)</b>	<b>244,296,447</b>	<b>4,525,354</b>	<b>7,966,053</b>	<b>6,680</b>	<b>14,168</b>
10. Financial Liabilities	61,909,480	-	3,100,000	-	-
<b>11. Long Term Liabilities</b>	<b>61,909,480</b>	-	<b>3,100,000</b>	-	-
<b>12. Total Liabilities (9+11)</b>	<b>306,205,927</b>	<b>4,525,354</b>	<b>11,066,053</b>	<b>6,680</b>	<b>14,168</b>
<b>13. Net Foreign Currency Assets / (Liabilities ) (5-12)</b>	<b>(221,215,414)</b>	<b>(3,388,421)</b>	<b>(7,869,516)</b>	<b>(6,273)</b>	<b>(14,168)</b>
<b>14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)</b>	<b>(198,522,528)</b>	<b>(2,525,184)</b>	<b>(7,557,934)</b>	<b>(6,273)</b>	-

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

The following table shows the group's US Dollars, Euro, British Pound and Swiss Franc rates to increase the 20% and decrease sensitivity. The ratio of 20% to senior executives is the rate used to report the risk of setup within the company, and the rate of management It represents the possible change in exchange rates.

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

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

<b>Exchange Rate Sensitivity Analysis Table</b>				
<b>30.06.2023</b>				
	<b>Profit/(Loss)</b>		<b>Equity</b>	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
20% change in US Dollars against TRY:				
1- US Dollar net assets / liabilities	(24,763,535)	24,763,535	-	-
2- US Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>(24,763,535)</b>	<b>24,763,535</b>	-	-
20% change in EUR against TRY::				
4- Euro net assets / liabilities	(44,721,412)	44,721,412	-	-
5- Euro Hedged (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(44,721,412)</b>	<b>44,721,412</b>	-	-
20% change in GBP against TRY:				
7- GBP net assets / liabilities	284,183	(284,183)	-	-
8- GBP Hedged (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>284,183</b>	<b>(284,183)</b>	-	-
10% change in CHF against TRY:				
10- CHF net assets / liabilities	(82,154)	82,154	-	-
11 - CHF Hedged(-)	-	-	-	-
<b>12- CHF Net Effect(13+14)</b>	<b>(82,154)</b>	<b>82,154</b>	-	-
<b>TOTAL (3+6+9+12)</b>	<b>(69,282,918)</b>	<b>69,282,918</b>	-	-

<b>Exchange Rate Sensitivity Analysis Table</b>				
<b>31.12.2022</b>				
	<b>Profit/(Loss)</b>		<b>Equity</b>	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
20% change in US Dollars against TRY:				
1- US Dollar net assets / liabilities	(12,694,380)	12,694,380	-	-
2- US Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>(12,694,380)</b>	<b>12,694,380</b>	-	-
20% change in EUR against TRY::				
4- Euro net assets / liabilities	(31,432,106)	31,432,106	-	-
5- Euro Hedged (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(31,432,106)</b>	<b>31,432,106</b>	-	-
20% change in GBP against TRY:				
7- GBP net assets / liabilities	(28,362)	28,362	-	-
8- GBP Hedged (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(28,362)</b>	<b>28,362</b>	-	-
10% change in CHF against TRY:				
10- CHF net assets / liabilities	(57,612)	57,612	-	-
11 - CHF Hedged(-)	-	-	-	-
<b>12- CHF Net Effect(13+14)</b>	<b>(57,612)</b>	<b>57,612</b>	-	-
<b>TOTAL (3+6+9+12)</b>	<b>(44,212,460)</b>	<b>44,212,460</b>	-	-

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

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

**a.1.2) Interest Rate Risk Management**

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

All of the financial obligations of the Group consist of fixed interest loans. Therefore, there is no interest rate risk calculation for interest changes. (31 December 2022: Not available.)

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023**

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

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

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

<b>30 June 2023</b>	<b>Financial Assets Carried at Fair Value</b>	<b>Credits and Receivables (Including Cash and Cash Equivalents)</b>	<b>Available for sale Financial Assets</b>	<b>Other Financial Valued at Amortized Cost Value</b>	<b>Book Value</b>	<b>Note</b>
<b>Financial Assets</b>						
Cash and Cash Equivalents	-	72,652,211	-	-	72,652,211	4
Trade Receivables	-	1,099,428,745	-	-	1,099,428,745	7,20
Financial Investments	25,527	-	-	-	25,527	5
<b>Financial Liabilities</b>						
Financial Liabilities	-	-	-	1,331,787,107	1,331,787,107	6
Trade Payables	-	-	-	1,283,110,473	1,283,110,473	7,20
Other Financial Liabilities	-	-	-	6,513,766	6,513,766	
<b>31 December 2022</b>						
<b>Financial Assets</b>						
Cash and Cash Equivalents	-	125,624,015	-	-	125,624,015	4
Trade Receivables	-	952,692,714	-	-	952,692,714	7,20
Financial Investments	30,258	-	-	-	30,258	5
<b>Financial Liabilities</b>						
Financial Liabilities	-	-	-	1,013,316,702	1,013,316,702	6
Trade Payables	-	-	-	1,080,268,705	1,080,268,705	7,20
Other Financial Liabilities	-	-	-	2,217,333	2,217,333	

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

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

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

Financial Instrument fair values determine as follows;

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

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

<u>Financial Assets</u>	<u>30.06.2023</u>	<u>The level of the Fair Value at the reporting date</u>		
		<u>First Level (TRY)</u>	<u>Second Level (TRY)</u>	<u>Third Level (TRY)</u>
Real Estate for Investment	1,048,714,936	-	1,048,714,936	-
Stocks	25,527	25,527	-	-
<b>Total</b>	<b>1,048,740,463</b>	<b>25,527</b>	<b>1,048,714,936</b>	<b>-</b>

  

<u>Financial Assets</u>	<u>31.12.2022</u>	<u>The level of the Fair Value at the reporting date</u>		
		<u>First Level (TRY)</u>	<u>Second Level (TRY)</u>	<u>Third Level (TRY)</u>
Real Estate for Investment	1,048,714,936	-	1,048,714,936	-
Stocks	30,258	30,258	-	-
<b>Total</b>	<b>1,048,745,194</b>	<b>30,258</b>	<b>1,048,714,936</b>	<b>-</b>

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

In the interim accounting period ending on 30 June 2023, the Group's equity consists of 1,234,501,581 TL of equity belonging to the Parent Company and 9,681,747 TL of minority shares (31 December 2022: 1,036,226,348 TL and 9,216,664 TL)

### 24. EVENTS AFTER THE REPORTING PERIOD

On 15 July 2023, with the "Legislative Proposal on the Amendment of Certain Laws and the Decree Law No. 375 on the Amendment of Certain Laws and the Decree Law No. 375 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6 February 2023", the corporate tax rate has been increased from 20% to 25% (from 25% to 30% for financial institutions) and the new rate is valid for declarations that must be submitted as of October 1, 2023. The Company continues to evaluate the possible effects of the related law on the financial statements as of the date of publication of these financial statements.

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