

**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 JANUARY 1st- JUNE 30th 2024**

**(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 2024 and the consolidated statement of profit or loss and 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 2024, and its financial performance and cash flows for the six-month period then ended in accordance with TAS 34.

Emphasis of matters

As explained in Note 24 and Note 14, the contracts of the project employer TAV-CCC-Arabtec JV (“TCA JV”) and the main employer Abu Dhabi Airport Authority (“ADAC”) regarding the electrical works of Abu Dhabi International Airport, which was undertaken by the Group’s subsidiary Anel Emirates General Contracting Sole Proprietorship I. LLC (“Anel Emirates”) established in the United Arab Emirates, have been terminated by ADAC and arbitration proceedings have been initiated between the parties at the Abu Dhabi Commercial Conciliation and Arbitration Centre (“ADCCAC”) and the process is ongoing as of the date of this report.

In the meeting of the Company's Board of Directors held on 24 May 2021, it was decided that the contracts of the project employer TAV-CCC-Arabtec JV (TCA JV) with the project's Main Employer Abu Dhabi Airport Authority (ADAC) were terminated by ADAC in April 2021, the issue was evaluated by TCA JV and following the notification of the issue to the Group, the Board of Directors was authorized to initiate the Arbitration Process. In parallel with this, the arbitration proceedings regarding the receivables from Anel Emirates and its employer TAV-CCC-Arabtec JV were initiated on 25 May 2021 and the arbitration application was accepted by ADCCAC and processed and the necessary notification was made to the relevant parties by the Arbitration Center as of 3 June 2021 to submit their responses on the issue and to form the arbitration panel. During the period from the submission of the arbitration application to the present, the parties have made the necessary defenses and expert reports have been submitted.

In its application for arbitration in May 2021, the Group filed a lawsuit for the collection of its obligations on time and to the extent requested, and for the collection of existing recorded receivables related to these works (receivables accounted for according to project completion rates), recording of additional receivables earned within the scope of term and contract extension and additional costs incurred as a result of term/work extension, and compensation for damages. With the arbitration process, the Group froze the project revenues within the scope of construction accounting and evaluated the requested additional revenues as contingent assets in accordance with the precautionary principle and decided not to record income until the arbitration process is completed. The Group made explanations for the said contingent assets in the consolidated financial statements published previously in the footnotes to the consolidated financial statements.

However, because of the evaluation made by the arbitration committee, although the demands put forward by Anel Emirates were accepted, the committee, considering the demands of the other party, decided to award 197 million AED (approximately 1,750 million TRY) against Anel Emirates because of the clarification of the accounts. The group management faced a negative situation with the outcome of the arbitration process where it expected additional income from existing receivables. The Group evaluated it within the scope of TAS 10 "Events After the Reporting Period (Balance Sheet Date)" Standard and TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" Standard and stated that "with respect to an item previously considered as a contingent asset/liability, future economic benefits from the business Within the framework of the principle of "If there is a possibility that an exit will be required, a provision is made in the financial statements of the period in which the change in the said probability occurs", since the change in probability occurred after the reporting date, it evaluated the situation as an "event that does not require adjustment" as of the reporting date and decided to reflect the situation in the consolidated financial statements in the subsequent reporting periods. As a result of the review of the decision sent to the Group electronically on 14 August 2024 by the Group's legal units, it objected to the arbitration decision before the Judicial Department of the Abu Dhabi Commercial Court, against the decision of the Abu Dhabi Commercial Conciliation and Arbitration Center. However, this matter does not affect the conclusion given by us.

Going concern

As explained in Note 2.1, the Group's interim summary financial information for the interim accounting period ending on 30 June 2024 has been prepared in accordance with the "Going Concern" principle. Due to the continuation of the arbitration process stated in the consolidated financial statement footnotes numbered 2.1 and numbered 24, its impact on the Group's Going Concern is not expected until the process is completed. This matter does not affect the conclusion given by us.



Menduh Atan, SMMM
Partner
İstanbul, 27 September 2024
CNS Bağımsız Denetim A.Ş.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30th, 2024**

(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

ASSETS	Notes	Current Period 30 June 2024	Previous Period 31 December 2023
Current Assets		6,461,423,745	6,092,073,606
Cash and Cash Equivalents	4	171,506,130	43,188,852
Financial Investments	5	63,510	37,435
Trade Receivables		2,102,215,233	1,990,001,711
- Trade Receivables from Related Parties	7,20	2,237,804	46,742,402
- Trade Receivables from Third Parties	7	2,099,977,429	1,943,259,309
Other Receivables		137,544,593	46,202,817
- Other Receivables from Related Parties	20	102,191,883	35,675,604
- Other Receivables from Third Parties		35,352,710	10,527,213
Due from Customers Under Construction Contracts	10	2,692,655,623	2,832,583,364
Inventories	8	663,239,901	674,640,749
Prepaid Expenses	9	650,643,014	470,178,961
Current Tax Assets		36,748	740,417
Other Current Assets		43,518,993	34,499,300
- Other Current Assets from Third Parties		43,518,993	34,499,300
Non-Current Assets		4,773,383,131	5,175,149,851
Other Receivables		2,669,145	5,248,088
- Other Receivables from Third Parties		2,669,145	5,248,088
Due from Customers Under Construction Contracts	10	2,545,435,772	2,848,041,595
Investment Property	11	2,152,866,794	2,152,866,794
Tangible Fixed Assets	12	43,498,603	44,881,664
Intangible Fixed Assets	13	306,542	463,744
Prepaid Expenses	9	447,760	62,940
Deferred Tax Assets		28,145,885	101,079,744
Current Tax Assets		12,630	22,505,282
TOTAL ASSETS		11,234,806,876	11,267,223,457

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 JUNE 30th, 2024**

(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

LIABILITIES	Notes	Current Period	Previous Period
		30 June 2024	31 December 2023
Short-Term Liabilities		6,947,544,180	6,369,788,218
Short-Term Borrowings	6	614,917,645	659,553,368
Short Term Portion of Long-Term Financial Borrowings	6	399,339,637	149,781,084
Trade Payables		4,497,124,292	4,402,897,777
- Trade Payables to Related Parties	7,20	165,439,584	165,388,863
- Trade Payables to Third Parties	7	4,331,684,708	4,237,508,914
Employee Benefits	15	108,349,867	101,151,675
Other Payables		147,537,898	111,847,593
- Other Payables to Related Parties	20	110,949,774	81,557,256
- Other Payables to Third Parties		36,588,124	30,290,337
Due to Customers Under Construction Contracts	10	312,893,597	517,291,800
Deferred Income	9	817,561,878	379,500,518
Income Tax Payable		35,152,188	15,509,988
Short-Term Provisions		14,667,178	32,254,415
- Short-Term Provisions for Employee Benefits	15	9,988,718	17,550,420
- Other Short-Term Provisions	14	4,678,460	14,703,995
Long Term Liabilities		1,677,989,933	2,218,270,554
Long-Term Borrowings	6	698,635,834	1,146,558,895
Other Borrowings		34,670,328	43,350,809
- Other Borrowings to Related Parties	20	26,522,384	31,628,950
- Other Borrowings to Third Party		8,147,944	11,721,859
Deferred Income	9	873,404,974	978,105,022
Long-Term Provisions		25,747,866	47,299,647
- Long-Term Provisions for Employee Benefits	15	25,747,866	47,299,647
Deferred Tax Liabilities		45,530,931	2,956,181
Total Liabilities		8,625,534,112	8,588,058,772
EQUITY		2,609,272,763	2,679,164,685
Equity Attributable to Equity Holders of Parent		2,557,875,106	2,618,117,485
Share Capital	16	265,000,000	265,000,000
Inflation Adjustment on Share Capital	16	1,945,148,332	1,945,148,332
Share Premium	16	20,321,143	20,321,143
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(2,465,599)	(3,088,858)
- Actuarial Gains (Loss) Arising From Defined Benefit Plans	16	(2,465,599)	(3,088,858)
Other Comprehensive Income/(Expense) to be Reclassified to Profit and Loss		1,469,306,814	1,582,692,733
- Foreign Currency Conversion Difference	16	1,469,306,814	1,582,692,733
Restricted Reserves		144,830,149	144,830,149
- Legal Reserves	16	144,830,149	144,830,149
Other Equity Shares		74,005,055	74,005,055
Retained Earnings	16	(1,410,791,069)	(1,688,421,817)
Net Profit for the Period		52,520,281	277,630,748
Non-controlling Interests	16	51,397,658	61,047,200
TOTAL LIABILITIES AND EQUITY		11,234,806,876	11,267,223,457

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 AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN JANUARY 1st - JUNE 30th, 2024**

(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

	Notes	Current Period 1 January - 30 June 2024	Previous Period 1 January - 30 June 2023	Current Period 1 April - 30 June 2024	Previous Period 1 April - 30 June 2023
Revenue	3, 17	1,427,181,553	1,322,982,644	494,545,741	(55,644,108)
Cost of Sales (-)	3, 17	(1,233,121,838)	(1,222,597,393)	(414,833,832)	(26,815,097)
GROSS PROFIT/(LOSS)		194,059,715	100,385,251	79,711,909	(82,459,205)
General Administrative Expense (-)		(80,287,085)	(94,964,709)	(38,830,778)	(21,861,583)
Other Operating Income		242,957,126	794,145,409	25,952,853	219,692,833
Other Operating Expense (-)		(238,592,667)	(795,989,781)	(20,324,892)	(202,484,082)
OPERATING PROFIT/(LOSS)		118,137,089	3,576,170	46,509,092	(87,112,037)
Income From Investing Activities		93,726	189,705	60,698	59,836
Expense From Investing Activities (-)		(140,639)	(42,786)	(4,017)	27,708
OPERATING PROFIT/LOSS BEFORE FINANCING INCOME AND EXPENSES		118,090,176	3,723,089	46,565,773	(87,024,493)
Financing Income	3, 18	63,296,742	174,566,892	53,832,316	165,540,862
Financing Expenses (-)	3, 18	(121,941,996)	(413,905,132)	(43,218,874)	(286,911,919)
Monetary Gain or Loss		118,445,695	267,259,862	422,545,608	(11,910,450)
PROFIT/LOSS BEFORE TAX		177,890,617	31,644,711	479,724,823	(220,306,000)
Continuing Operations Tax Income/(Expenses)		(135,019,879)	(34,124,614)	(128,817,118)	(32,999,816)
- Tax Income/(Expense) For Period		(5,526,976)	(11,793,341)	(138,465)	(6,770,348)
- Deferred Tax Income/(Expense)		(129,492,903)	(22,331,273)	(128,678,653)	(26,229,468)
PERIOD PROFIT/(LOSS) FOR THE PERIOD		42,870,738	(2,479,903)	350,907,705	(253,305,816)
PROFIT/ (LOSS) FOR THE PERIOD		42,870,738	(2,479,903)	350,907,705	(253,305,816)
Distribution of the Profit/(Loss) for the Year					
Non-controlling Interests		(9,649,542)	18,669,187	(29,058,016)	13,773,039
Owners of the Parent	19	52,520,280	(21,149,090)	379,965,721	(267,078,855)
- Earnings Per Share		0,20	(0,08)	1,34	(0,59)
OTHER COMPREHENSIVE INCOME					
Items not to be reclassified to profit or loss		623,259	(5,738,545)	(1,381,373)	(461,149)
Defined Benefit Plans Remeasurement Losses		779,074	(7,173,182)	(1,893,769)	(1,209,329)
Deferred Tax Income or Expense		(155,815)	1,434,637	512,396	748,180
Items to be Reclassified to Profit or Loss		(113,385,919)	207,793,920	(9,756,820)	153,872,146
Foreign Currency Translation Differences		(113,385,919)	207,793,920	(9,756,820)	153,872,146
OTHER COMPREHENSIVE INCOME/ (EXPENSES)		(112,762,660)	202,055,375	(11,138,193)	153,410,997
TOTAL COMPREHENSIVE INCOME		(69,891,922)	199,575,472	339,769,512	(99,894,819)
Appropriation of Total Comprehensive Income					
Non-Controlling Interests		(9,649,542)	18,669,187	(29,058,016)	7,948,018
Owners of the Parent		(60,242,380)	180,906,285	368,827,528	(107,842,837)

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 JANUARY 1st - JUNE 30th, 2024

(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

	Share Capital	Inflation Adjustment on Share Capital	Premiums /Discounts Related with Shares	Other Comprehensive Income (Expenses) Items		Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)	Restricted Reserves Allocated from Profits	Other Equity Shares	Retained Earnings /(Losses)	Net Profit for the Period	Equity Attributable to Parent Company	Non-controlling Shares	Equity
				Comprehensive Income (Expenses) Items not to be Reclassified to Profit (Loss)	Defined Benefit Plans Remeasurement Gains / Losses								
Balances as of 1 January 2023 (beginning of period)	265,000,000	1,945,148,332	20,321,143	4,505,887	1,705,072,523	144,830,149	74,005,055	(1,968,579,468)	280,157,651	2,470,461,272	48,203,036	2,518,664,308	
Transfers	--	--	--	--	--	--	--	280,157,651	(280,157,651)	--	--	--	
Total Comprehensive Income	--	--	--	(5,738,545)	207,793,920	--	--	--	(21,149,090)	180,906,285	18,669,187	199,575,472	
Balances as of 30 June 2023 (end of period)	265,000,000	1,945,148,332	20,321,143	(1,232,658)	1,912,866,443	144,830,149	74,005,055	(1,688,421,817)	(21,149,090)	2,651,367,557	66,872,223	2,718,239,780	
Balances as of 1 January 2024 (beginning of period)	265,000,000	1,945,148,332	20,321,143	(3,088,858)	1,582,692,733	144,830,149	74,005,055	(1,688,421,817)	277,630,748	2,618,117,485	61,047,200	2,679,164,685	
Transfers	--	--	--	--	(113,385,919)	--	--	--	277,630,748	(277,630,748)	--	--	
Total Comprehensive Income	--	--	--	623,259	(113,385,919)	--	--	--	52,520,280	(60,242,380)	(9,649,542)	(69,891,922)	
Balances as of 30 June 2024 (end of period)	265,000,000	1,945,148,332	20,321,143	(2,465,599)	1,469,306,814	144,830,149	74,005,055	(1,410,791,069)	52,520,280	2,557,875,105	51,397,658	2,609,272,763	

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 JANUARY 1st - JUNE 30th, 2024

(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

		Current Period	Previous Period
		1 January - 30 June 2024	1 January - 30 June 2023
A. CASHFLOWS FROM OPERATING ACTIVITIES		278,005,441	(111,019,741)
Profit/(Loss) for the period		42,870,738	(2,479,904)
Adjustments to reconcile net profit to cash provided by operating activities		(282,308,240)	239,479,491
Adjustments for Depreciation and Amortization	12,13	4,215,253	7,913,188
Adjustments for Provisions		(2,545,154)	18,344,954
Adjustments for Provisions/(Reversals) of Employee Benefits	15	1,271,872	13,093,121
Adjustments for Provisions/(Reversals) of Litigation	14	(3,817,026)	5,251,833
Financial income / expense net		56,393,879	93,531,828
Adjustments Regarding Interest Income	18	(8,526,333)	(637,648)
Adjustments Regarding Interest expense	18	64,920,212	94,169,476
Tax Income/ expenses		135,019,879	53,587,297
Monetary gain or loss		(475,439,010)	66,249,142
Gain from the Sale of Tangible Fixed Assets		46,913	(146,919)
Changes in Net Working Capital		575,199,452	(294,656,186)
Adjustments for Increase/(Decreases) in Financial Investments		(26,075)	18,385
Increases / (Decreases) in Trade Receivables		(112,213,522)	71,470,096
Increases / (Decreases) in Other Receivables		(88,762,834)	(73,879,563)
Increases / (Decreases) in Receivables from Ongoing Construction, Commitment, and Service Agreements		442,533,563	(415,171,041)
Increases / (Decreases) in Inventories		11,400,848	24,392,227
Increases / (Decreases) in Prepaid Expenses		(180,848,872)	(208,487,496)
Increases / (Decreases) in Trade Payables		94,226,515	(297,821,827)
Increases / (Decreases) in Employee Benefits		7,198,192	35,647,507
Increases / (Decreases) in Payables from Ongoing Construction, Commitment, and Service Agreements		(204,398,204)	(34,195,490)
Increases / (Decreases) in Other Payables		27,009,827	49,096,409
Increases / (Decreases) in Deferred Income		333,361,313	203,660,000
Adjustments for (Gains)/Losses from Changes in Capitals		245,718,701	350,614,607
Cash Flows from Operating Activities		335,761,950	(57,656,599)
Payments in the coverage of benefits provided to employees	15	(18,382,110)	(15,347,871)
Other Payments		(4,209,585)	--
Tax Returns (Payments)		(35,164,815)	(38,015,270)
B. CASH FLOW FROM INVESTING ACTIVITIES		(1,537,250)	(321,702)
Cash Outflows from Tangible Asset Purchases	12,13	(1,537,250)	(321,702)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(8,320,581)	(27,209,312)
Cash Inflows From Borrowing	6	55,639,087	332,081,230
Cash Outflows From Borrowing	6	(7,565,789)	(265,758,714)
Interests paid	18	(64,920,212)	(94,169,476)
Interests received	18	8,526,333	637,648
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)		268,147,609	(138,550,755)
D. FOREIGN CURRENCY CONVERSION DIFFERENCES IMPACT ON CASH AND CASH EQUIVALENTS		(108,908,344)	220,593,562
E EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS		(30,921,987)	(215,567,237)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		128,317,278	(133,524,430)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	43,188,852	258,193,559
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	4	171,506,130	124,669,129

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

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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 JUNE 30TH, 2024

(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

1. ORGANIZATION AND ACTIVITIES

The Company was first established in 1986 by the title of "Anel Elektrik Proje Taahhut ve Ticaret Limited Şirketi". The Company's commercial type has been changed to "Anel Elektrik Proje Taahhut ve Ticaret Anonim Şirketi" (The 'Company-Anel Elektrik') in 26/12/2006. The company's head office is 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, underline the reporting according to the Group's activities.

Project Construction - providing electricity and mechanical 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 have been offered to public since 2010 and as at 30 June 2024, 20.17% of shares are traded in Istanbul Stock exchange, INC. (BIST) according to Central Registry Agency (CRA) records (31 December 2023: 22.39%) (Note :16).

As of June 30th, 2024, 345 personnel have been employed within the Group (December 31st, 2023: 480).

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

(*) The company is not active.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

1. ORGANIZATION AND ACTIVITIES (Continued)

The Company's ongoing electromechanical projects as of the reporting period are as follows:

Country	Project
Qatar	Qrail Red Line South Railway Line-Elevated At Grade
Qatar	Qrail Red Line Green Line-Stabling Yard
Qatar	Lusail Plaza Towers
Qatar	Katara Hotel
Qatar	Semaisma West
Qatar	Hamad International Airport (HIA) North Node Lounges
Qatar	Al Khor Expressway Link Roads
Abu Dhabi/ UAE	Abu Dhabi International Airport Terminal Building Phase II
United Kingdom	Shotton Mill

The company's electromechanical projects completed as of the reporting period are as follows:

Country	Project
Turkey	TOGG Gemlik Campus
Turkey	Galataport

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

2. BASIC OF PRESENTATION OF CONSOLIDATED 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 June 13th, 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

Consolidated financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on 15 October 2022 and in the Financial Statements and User Guide published by the CMB.

The consolidated financial statements have been presented in accordance with the provisions of the Capital Markets Board ("CMB") Serial II, No. 14.1 "Communiqué on Principles of Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette No. 28676 dated 13 June 2013. and is based on Turkish Financial Reporting Standards ("TFRS") and TAS 34, "Interim Financial Reporting" and their annexes and comments, which were put into effect by the Public Oversight Accounting and Auditing Standards Authority ("KGK") pursuant to Article 5 of the Communiqué.

The financial statements were approved by the Board of Directors on September 27th, 2024. The General Assembly has the right to amend the financial statements. The relevant regulatory bodies may request changes in the financial statements of the Company.

Enterprises are free to prepare their interim financial statements as a full set or as a summary in accordance with the TMS 34 "Interim Financial Reporting" standard. The Group has chosen to prepare summary financial statements.

Basis of measurement

Consolidated financial statements are based-on the principles of historical cost data except for the revaluation of financial instruments, investment properties and buildings.

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

The financial statements of the current period are prepared in accordance with the financial position for prior period consolidated financial statements of the current period to allow recognition of performance trends and financial status. 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 a revenue accrual of USD 77.6 million from the project, the calculated based on the percentage of completion within the scope of TFRS 15 Revenue from Customer Contracts Standard, and USD 26.6 million of this revenue accrual provision has been collected as an advance payment for the works completed and is included in the long-term TFRS consolidated statement of financial position. It is included in the deferred income (advances received) account in liabilities.

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 JUNE 30TH, 2024

(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

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

2.1. Basic Standards of Presentation (Continued)

Going concern (Continued)

The decision of the Arbitration Panel regarding the Abu Dhabi Arbitration process, whose hearings were completed in December 2023 and written submissions (closing submission) were submitted in February 2024, was decided on August 14th, 2024. The related details are explained in note 24.

An objection was made against the final decision of the Abu Dhabi Commercial Conciliation and Arbitration Center regarding the Abu Dhabi International Airport Electrical Works contract before the Judicial Department of the Abu Dhabi Commercial Court after the notification.

Both the arbitration decision and the objection to the decision have been evaluated in the events section after the June 30th, 2024, semiannual-reporting period, in accordance with the periodicity, and their negative/positive effects will be included in the financial statements in the following reporting periods.

Although the Group's net working capital is negatively affected due to the receivables from the Abu Dhabi International Airport project being monitored under fixed assets in accordance with the periodicity principle, and it is planned to spread these liabilities over the long term within the scope of the restructuring of its financial debts and thus ensure liquidity balance.

Our company is Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. and our subsidiaries Anelyapı Gayrimenkul A.Ş., Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş., Anelmarin Gemi Elk. Elkt. Fog. Tic. and San. Inc. and Anelsis Engineering and Trade Ltd., one of the Anel Group companies. Ltd. and Anel Doğa Entegre Recycling Industry Inc. to which Denizbank A.Ş., Akbank T.A.Ş., Vakıf Katılım Bankası A.Ş., Türkiye İşbankası A.Ş., Ziraat Katılım Bankası A.Ş., Türkiye Finans Katılım Bankası, Türkiye Emlak Katılım Bankası A.Ş. are parties., Kuveyt Türk Katılım Bankası A.Ş., Yapı ve Kredi Bankası A.Ş., Ziraat Bankası A.Ş., QNB Finans Faktoring A.Ş., Burganbank A.Ş., Türkiye Garanti Bankası A.Ş., QNB Finansbank A.Ş. As a result of the protocol negotiations regarding the restructuring of our cash and non-cash loans included in our financial reports used from "financial institutions", the "Restructuring Agreement" was signed and entered into force under the following conditions.

In this context, cash debts of the above-mentioned companies are based on an interest rate of 16% for TL loans, 4% for foreign currency loans within the scope of the Financial Restructuring legislation; It was restructured with a 6-year maturity (with no down payment for the first 18 months). The first principal and interest payment date has been determined as 30 September 2024, and each payment will be made in 6 month installments. Any interest and commission fees arising from both non-cash and cash loans during the grace period will be added to the principal at the end of the grace period and will be matured under the same conditions.

In addition, the contract articles included the sale of Anel Business Center, located in Istanbul / Umraniye and an asset of Anelyapı Gayrimenkul A.Ş., in case of an affordable price offer, and the early liquidation of debts.

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").

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

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

2.1. Basic Standards of Presentation (Continued)

Functional and presentation currency (Continued)

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 that were used in exchanging and consolidating overseas activities are as follows:

<u>Name of the Company</u>	<u>Currency</u>	<u>30 June 2024</u>		<u>31 December 2023</u>	
		<u>End of the Period Purchase</u>	<u>End of the Period Sale</u>	<u>End of the Period Purchase</u>	<u>End of the Period Sale</u>
Katar Branch	Qatar Riyal (QAR)	8.9535	9.0707	8.0303	8.1354
Azerbaijan Branch	New Manat	19.2013	19.4525	17.2196	17.4449
Anel Emirates	United Arab Emirates Dirham	8.8870	9.0033	7.9704	8.0747
Anel Mep	Qatar Riyal (QAR)	8.9535	9.0707	8.0303	8.1354

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 June 30th, 2024 contain the financial statements of the Company's subsidiaries that have control over their financial and activity policies. As of June 30th, 2024 the direct and indirect cost share rate of subsidiaries subject to consolidation are as follows:

<u>Subsidiaries</u>	<u>Establishment and place of organization</u>	<u>Core Business</u>	<u>Currency</u>	<u>30 June 2024</u>	<u>31 December 2023</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- Sole Proprietorship LLC	United Arab Emirates	Commitment Project	US Dollar	100.00	100.00
Anelmep Maintenance and Operations LLC	Qatar	Commitment Project	Qatari Riyal	100.00	100.00
Anel Engineering & Contracting Ltd.	England	Commitment Project	British Sterling	100.00	100.00
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	Turkey	Telecommunications	Turkish Lira	96.61	96.61
Anel Yapı Gayrimenkul A.Ş.	Turkey	Real Estate	Turkish Lira	98.39	98.39
Anel Dar Libya Constructing & Services LLC (*)	Libya	Commitment Project	US Dollar	65.00	65.00

(*) The company is not active.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

2.1. Basic Standards of Presentation (Continued)

Subsidiaries (Continued)

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

The Group reevaluates whether 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 interest 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 interests" in consolidated financial statements. Noncontrolling interest consists 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 noncontrolling interests result in a negative balance, total comprehensive income is transferred to the parent shareholders and non-controlling interests.

If 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 most 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,
- Companies and other shareholders' potential vote rights,
- Other rights according to agreements and
- Other conditions which show Company's current power to ability manage related operations (past voting on general assemblies)

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

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

Elimination Transactions on the Consolidation

Unrealized gains and expenses arising from intra-group transactions, intra-group balances and intra-group transactions are eliminated on a straight-line basis in preparation of the financial statements. Profits and Losses arise from transactions between partners and subsidiaries subject to consolidation offsets as far as partners 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

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(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

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

2.1. Basic Standards of Presentation (Continued)

Regulatory principles of the consolidated balance sheet and consolidated income statement

Full Consolidation Method:

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

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

Financial Reporting in Hyperinflationary Economies

In accordance with the decision of the Capital Markets Board (CMB) dated December 28th, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply the Turkish Accounting/Financial Reporting Standards (TAS) will start applying inflation accounting by applying the provisions of IAS 29 for their annual financial statements for the reporting periods ending on December 31th, 2023.

The restatement for the changes in the general purchasing power of the Turkish Lira as of 31 December 2023 is based on IAS 29 "Financial Reporting in Hyperinflationary Economies". IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms. Such indices and conversion factors used to restate the financial statements of the current and previous periods since 1 January 2005 are as follows:

Date	Index	Coefficient Rate
30 June 2024	2.319,29	1.0000
31 December 2023	1.859,38	1.2473
30 June 2023	1.351,59	1.7159
31 December 2022	1.128,45	2.0552

The main procedures for the above mentioned restatement are as follows:

- Financial statements are prepared-in TRY are stated in terms of the purchasing power at the balance sheet date, and comparative financial statements are restated using general inflation indices at the currency purchasing power at the latest balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE SIX MONTH PERIOD ENDED JUNE 30TH, 2024

(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

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

2.1. Basic Standards of Presentation (Continued)

Financial Reporting in Hyperinflationary Economies (Continued)

- Monetary assets and liabilities that are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date. In case where the restated values of nonmonetary items exceed the recoverable amount or net realizable value, the rules of IAS 36 and IAS 2 were applied, respectively.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and components of equity are restated by applying the relevant monthly conversion factors.
- All items included in the statement of comprehensive income, except for non-monetary items in the balance sheet that have an impact on the statement of comprehensive income are restated by applying the conversion factors over the periods in which the income and expense accounts are first reflected in the financial statements.
- The effect of general inflation on the Company's net monetary liability position is included in the consolidated statement of income as gain on net monetary position.

2.2. New and Revised Turkey Accounting Standards

(a) *"Standards, amendments, and interpretations applicable as of 30 June 2024:"*

- **IFRS 16, Leases;** It is valid for annual reporting periods beginning on or after 1 January 2024. These changes include the sale and leaseback provisions in TFRS 16, which explain how an entity accounts for a sale and leaseback transaction after the transaction date. Sales and leaseback transactions where some or all the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected.
- **IFS 1, Changes to long-term obligations that are contractual terms;** It is valid for annual reporting periods beginning on or after 1 January 2024. These changes clarify how the requirements that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The changes also aim to improve the information the entity provides regarding obligations subject to these conditions.
- **IFS 7 ve IFRS 7 Changes to supplier financing agreements in;** It is valid for annual reporting periods beginning on or after 1 January 2024. These changes require disclosure to increase transparency around supplier financing agreements and their impact on businesses' liabilities, cash flows and liquidity risks. Disclosure requirements are the IASB's response to investors' concerns that some companies' supplier financing agreements are not sufficiently clear and hinder investors' analysis.
- **IFRS 1, "General Provisions Concerning the Disclosure of Financial Information Related to Sustainability"** It is valid for annual reporting periods beginning on or after 1 January 2024. This standard contains the basic framework for disclosing all serious risks and opportunities a company is exposed to regarding sustainability within its value chain.
- **TSRS 2, "Climate-related disclosures";** It is valid for annual reporting periods beginning on or after 1 January 2024. This standard is the first to establish disclosure requirements for companies about climate-related risks and opportunities.

However, in the Board Decision of the POA published in the Official Gazette dated 29 December 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of 1 January 2024. Businesses that fall within the scope of sustainability practice are counted for the purpose of determining the businesses that will be subject to Sustainability Reporting within the scope of the "Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" dated 5 January 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE SIX MONTH PERIOD ENDED JUNE 30TH, 2024

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

2.2. New and Revised Turkey Accounting Standards (Continued)

(b) "Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024:

- **TMS 21 Lack of Interchangeability;** It is valid for annual reporting periods beginning on or after 1 January 2025. An entity is affected by these changes when it has a transaction or activity in a foreign currency that cannot be converted into another currency at a specific measurement date for a specific purpose. A currency may be exchanged when the opportunity to obtain another currency becomes available (with normal administrative delay) and the transaction; occurs through a market or exchange mechanism that creates enforceable rights and obligations.

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 2023.

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 for as expenses 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

The Group has prepared its financial statements for the year dated 31 December 2023 and ending on the same date, by applying IAS 29 "Financial Reporting in High-Inflation Economies" Standard, based on the announcement made by the KGK on 23 November 2023 and the "Implementation Guide on Financial Reporting in High-Inflation Economies" published. In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison of previous period financial statements. For this reason, the Group has presented its financial statements dated 31 December 2023 on the purchasing power basis as of 30 June 2024.

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 to make decisions about the resources allocated to the divisions and to evaluate the performance of the divisions. The distribution based on 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 TAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(All amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of 30 June 2024, unless otherwise stated.)

3. SEGMENT REPORTING (Continued)

1 January - 30 June 2024	Project Commitment	Rent Income	Telecommunication	Marine Electrical and Electronics	Consolidation Adjustments	Total
Net Revenue Non-Group	1,274,250,764	39,352,968	--	119,745,526	--	1,433,349,258
Intra Group Revenue	--	--	--	--	(6,167,705)	(6,167,705)
Total Net Revenue	1,274,250,764	39,352,968	--	119,745,526	(6,167,705)	1,427,181,553
Cost of Sales (-)	(1,125,144,626)	(6,609,223)	--	(101,667,179)	299,190	(1,233,121,838)
Gross Profit / Loss	149,106,138	32,743,745	--	18,078,347	(5,868,515)	194,059,715
General and Administrative Expenses (-)	(68,648,607)	(1,271,164)	(1,028,640)	(9,338,674)	--	(80,287,085)
Other Operating Income	226,669,805	2,125,354	702,786	13,459,182	--	242,957,126
Other Operating Expenses	(228,286,540)	(1,030,056)	(549,080)	(8,726,992)	--	(238,592,667)
Operating Profit / Loss	78,840,796	32,567,879	(874,934)	13,471,863	(5,868,515)	118,137,089
Income from Investment Operations	58,966	--	34,760	--	--	93,726
Expense from Investment Operations (-)	(140,639)	--	--	--	--	(140,639)
Operating Profit / (Loss) before Finance Income and Expense	78,759,123	32,567,879	(840,174)	13,471,863	(5,868,515)	118,090,176
Financing Income	53,279,696	3,347,602	56,670	7,924,628	(1,311,854)	63,296,742
Financing Expenses (-)	(75,302,923)	(46,277,341)	(1,398,404)	(275,182)	1,311,854	(121,941,996)
Monetary Gain or Loss	115,948,695	67,715,426	2,720,878	(72,469,689)	4,530,384	118,445,695
OPERATING PROFIT/(LOSS) BEFORE TAX	172,684,591	57,353,566	538,970	(51,348,380)	(1,338,131)	177,890,617
-Current Tax Income/(Loss)	--	--	--	(5,526,976)	--	(5,526,976)
-Deferred Tax Income/(Expense)	(179,630,244)	(130,054,078)	--	(1,875,497)	182,066,915	(129,492,903)
PROFIT/(LOSS)	(6,945,653)	(72,700,512)	538,970	(58,750,853)	180,728,784	42,870,738
Investment Expenses						
Property, Plant and Equipment	1,470,014	--	--	81,242	--	1,551,255
Depreciation Expenses	(3,708,974)	(472,929)	(3,343)	(30,007)	--	(4,215,253)
<u>Other Information</u>						
- Total Assets	13,913,742,631	2,266,285,218	721,361,530	424,193,824	(6,090,776,326)	11,234,806,877
- Total Liabilities	10,422,616,351	544,270,504	20,178,867	289,314,122	(2,650,845,732)	8,625,534,113

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3. SEGMENT REPORTING (Continued)

1 January - 30 June 2023	Project Commitment	Rent Income	Telecommunication	Marine Electrical and Electronics	Consolidation Adjustments	Total
Net Revenue Non-Group	1,226,540,875	37,870,108	--	59,201,098	--	1,323,612,081
Intra Group Revenue	--	--	--	--	(629,435)	(629,435)
Total Net Revenue	1,226,540,875	37,870,108	--	59,201,098	(629,435)	1,322,982,646
Cost of Sales (-)	(1,174,683,123)	(7,040,157)	--	(40,874,113)	--	(1,222,597,393)
Gross Profit / Loss	51,857,752	30,829,951	--	18,326,985	(629,435)	100,385,253
General and Administrative Expenses (-)	(85,654,797)	(5,425,262)	(459,723)	(3,424,927)	--	(94,964,709)
Other Operating Income	730,360,534	1,971,526	1,081,623	60,731,725	--	794,145,409
Other Operating Expenses	(765,548,441)	(2,064,819)	(1,423,706)	(26,952,815)	--	(795,989,781)
Operating Profit / Loss	(68,984,952)	25,311,396	(801,806)	48,680,968	(629,435)	3,576,172
Income from Investment Operations	--	--	33,027	156,678	--	189,705
Expense from Investment Operations (-)	--	--	(42,786)	--	--	(42,786)
Operating Profit / (Loss) before Finance Income and Expense	(68,984,952)	25,311,396	(811,565)	48,837,646	(629,435)	3,723,091
Financing Income	7,307,404	161,798,372	4,380	7,683,711	(2,226,974)	174,566,893
Financing Expenses (-)	(78,650,969)	(335,310,402)	(1,557,148)	(637,717)	2,251,104	(413,905,132)
Monetary Gain or Loss	165,846,480	75,568,698	5,214,976	20,629,707	--	267,259,861
OPERATING PROFIT/(LOSS) BEFORE TAX	25,517,963	(72,631,936)	2,850,643	76,513,347	(605,305)	31,644,713
-Current Tax Income/(Loss)	--	--	--	(11,793,341)	--	(11,793,341)
-Deferred Tax Income/(Expense)	(19,359,039)	1,220,394	--	(4,192,628)	--	(22,331,273)
PROFIT/(LOSS)	6,158,924	(71,411,542)	2,850,643	60,527,378	(605,305)	(2,479,901)
Investment Expenses	1,576,829	--	--	81,242	--	1,658,071
Property, Plant and Equipment	--	--	--	--	--	--
Depreciation Expenses	(7,714,657)	(175,774)	(1,122)	(21,635)	--	(7,913,189)
Other Information						
- Total Assets	15,473,925,117	2,275,285,845	723,149,482	277,845,646	(7,090,077,136)	11,660,128,954
- Total Liabilities	11,594,268,232	927,094,994	28,190,873	135,143,243	(3,742,808,167)	8,941,889,175

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3. SEGMENT REPORTING (Continued)

Geographical Segments

	<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>
<u>1 January - 30 June 2024</u>								
Revenue	227,355,142	707,581,788	162,099,783	--	--	336,312,546	(6,167,705)	1,427,181,553
Due from Customers Under Construction Contracts	1,315,900,942	1,360,306,391	--	16,448,290	--	2,545,435,772	--	5,238,091,395
Assets according to Segment	8,117,848,270	5,689,530,270	263,508,458	42,028,434	11,849,175	3,200,818,596	(6,090,776,326)	11,234,806,877
<u>1 January - 30 June 2023</u>								
Revenue	295,232,168	837,192,512	--	--	--	191,187,399	(629,435)	1,322,982,644
Due from Customers Under Construction Contracts	962,482,538	986,628,962	--	22,203,354	--	3,437,648,868	--	5,408,963,722
Assets according to Segment	8,144,211,695	6,079,117,785	2,517,629	59,467,504	42,410,731	4,422,480,747	(7,090,077,136)	11,660,128,954

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4. CASH AND CASH EQUIVALENTS

	<u>30 June 2024</u>	<u>31 December 2023</u>
Cash	1,731,772	2,703,705
Banks	169,774,359	40,485,074
- Demand Deposits	169,774,358	40,485,074
Other Cash and Cash Equivalents	--	73
Total	171,506,130	43,188,852

The Group has blocked deposit amounting to TRY 4,096,027, EUR 15,787 regarding the letter of credits. (31 December 2023: TRY 5,683,942, USD 9,320, EUR 24,746)

5. FINANCIAL INVESTMENTS**Short Term Financial Investment**

FV gain/losses of financial assets recognized in income statement

Total

	<u>30 June 2024</u>	<u>31 December 2023</u>
	63,510	37,435
Total	63,510	37,435

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

Shares

Shares traded on the stock exchange (*)

Total

	<u>30 June 2024</u>	<u>31 December 2023</u>
	63,510	37,435
Total	63,510	37,435

(*) The shares traded on the stock exchange have FV loss amounting to TRY 26,075 in the current period (31 December 2023: TRY 485 fair value loss).

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6. FINANCIAL BORROWINGS

	<u>30 June 2024</u>	<u>31 December 2023</u>
Bank Loans	1,712,836,721	1,955,893,347
Debts to Credit Cards	56,395	--
Total	1,712,893,116	1,955,893,347

a) Bank Loans:

<u>30 June 2024</u>					
<u>Currency</u>	<u>Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Short-Term Portion of Long Term Loans</u>	<u>Long Term</u>	<u>Total</u>
TRY	16.00	--	218,122,881	383,196,933	601,319,814
USD	4.00	--	47,139,395	26,964,349	74,103,744
EUR	4.00	--	125,101,181	269,509,081	394,610,262
QAR	8.75	614,917,645	--	--	614,917,645
AED	4.00	--	8,976,180	18,965,471	27,941,651
Total		614,917,645	399,339,637	698,635,834	1,712,893,116

<u>31 December 2023</u>					
<u>Currency</u>	<u>Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Short-Term Portion of Long Term Loans</u>	<u>Long Term</u>	<u>Total</u>
TRY	16.00	--	107,141,364	567,346,622	674,487,986
USD	4.00	--	8,681,461	150,699,003	159,380,464
EUR	4.00	--	32,115,814	399,763,708	431,879,522
QAR	8.00	659,553,368	--	--	659,553,368
AED	4.00	--	1,842,445	28,749,562	30,592,007
Total		659,553,368	149,781,084	1,146,558,895	1,955,893,347

	<u>30 June 2024</u>	<u>31 December 2023</u>
Payable within 1 year	1,014,257,282	809,334,452
Payable within 2 - 3 years	239,785,926	453,714,611
Payable within 3 - 4 years	204,791,379	260,719,141
Payable within 4 - 5 years	212,022,765	281,944,848
Payable within 5 - more years	42,035,764	150,180,295
Total	1,712,893,116	1,955,893,347

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
1 January Opening Balance	1,955,893,347	2,082,657,889
Cash inflows from borrowing	55,639,087	332,081,230
Cash outflows related to principal payments	(7,565,789)	(265,758,714)
Accruals	108,528,350	264,926,876
Exchange rate differences	50,125,384	212,610,456
Monetary gain or loss	(487,284,175)	(924,259,114)
Exchange rate differences	37,556,912	253,634,724
30 June Closing Balance	1,712,893,116	1,955,893,347

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7. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

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

<u>Short Term Trade Receivables</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Customers	964,467,933	688,523,704
Notes Receivables and Postdated Checks	3,821,495	4,281,545
Less: Unrealized Finance Income	(12,633,568)	(5,085,860)
Income Accruals	4,427,857	--
Doubtful Receivables	2,538,183	2,919,016
Less: Doubtful Receivables Provisions	(2,538,183)	(2,919,016)
Subcontractor Return Share Debts (*)	1,139,893,712	1,255,539,920
Sub Total	2,099,977,429	1,943,259,309
Receivables from Related Parties (Note 20)	2,237,804	46,742,402
Total	2,102,215,233	1,990,001,711

(*) 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 and not yet outstanding are classified as "subcontractor return share debts".

As of 30 June 2024, the weighted average of interest rate 55.25%, 5.40%, 3.62% 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 (2023: TRY13.90%, US Dollars 5.47%, Euro : 3.68%, 2 months).

As of June 30th, 2024, trade receivables' amounting TRY 2,538,183 (2023: TRY 2,919,016) is a provision for doubtful receivables.

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

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

	<u>1 January - 30 June</u>	<u>1 January - 30 June</u>
	<u>2024</u>	<u>2023</u>
Beginning of the period	2,919,016	3,234,491
Monetary gain or loss	(597,077)	357,873
Foreign exchange differences	216,244	392,994
End of the period	2,538,183	3,985,358

b) Trade Payables:

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

<u>Short Term Trade Payables</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Suppliers	3,989,808,419	3,946,606,304
Payable Notes and Postdated Checks	86,224,472	48,814,288
Less: Unrealized Finance Expense	(8,428,380)	(7,741,054)
Expense Accruals	89,143,566	800,633
Subcontractor Return Share Debts (*)	174,936,631	249,028,743
Sub Total	4,331,684,708	4,237,508,914
Trade Payables to Related Parties (Note 20)	165,439,584	165,388,863
Total	4,497,124,292	4,402,897,777

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7. TRADE RECEIVABLES AND PAYABLES (Continued)

b) Trade Payables (Continued):

As of June 30th, 2024, the weighted average of interest rates are 55.25%, 5.40%, and 3.62% 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 2023: TRY 15.22%, US Dollars : 5.47%, Euro : 3.86% 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 and not yet outstanding are classified as "subcontractor return share debts".

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

8. INVENTORIES

	<u>30 June 2024</u>	<u>31 December 2023</u>
Raw Materials and Equipment	663,239,901	674,537,310
Other Stocks	--	103,439
Total	663,239,901	674,640,749

As of 30 June 2024, the Group has no Stock pledged as collateral for the loans used. (31 December 2023: None).

9. PREPAID EXPENSES AND DEFERRED REVENUES

<u>Short-Term Prepaid Expenses</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Advances Given for Inventories	116,798,248	273,990,893
Other Advances Given	529,753,674	185,737,499
Prepaid Expenses for the Following Months	4,091,092	10,450,569
Total	650,643,014	470,178,961

<u>Long-Term Prepaid Expenses</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Prepaid Expenses to Future Years	447,760	62,940
Total	447,760	62,940

<u>Short-Term Deferred Incomes</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Advances Received Regarding Construction Contracts	483,054,695	371,380,673
Other Advances Received	309,113,520	4,203,482
Prepaid Income to Future Months	25,393,663	3,916,363
Total	817,561,878	379,500,518

<u>Long-Term Deferred Incomes</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Prepaid Income to Future Months	957,586	1,381,478
Advances Received Regarding Construction Contracts	872,447,391	976,723,546
Total	873,404,977	978,105,024

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10. CONSTRUCTION CONTRACTS

	<u>30 June 2024</u>	<u>31 December 2023</u>
Assets regarding Construction Contracts In Progress (*)	5,238,091,395	5,680,624,959
Total	5,238,091,395	5,680,624,959

(*)The amount of TRY 2,545,435,772 has been posted under non-current assets (31 December 2023: TRY 2,848,041,595)

Assets related to construction projects in progress are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Unearned Assets regarding Domestic Construction Contracts (*)	1,342,951,295	2,046,549,639
Unearned Assets regarding Overseas Construction Contracts (*)	3,895,140,100	3,634,075,320
Assets regarding Construction Contracts In Progress	5,238,091,395	5,680,624,959

	<u>30 June 2024</u>	<u>31 December 2023</u>
Liabilities Regarding Construction Contracts In Progress	312,893,597	517,291,800
Total	312,893,597	517,291,800

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

Liabilities related to construction projects in progress are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Over-invoiced Portion regarding Domestic Construction Contracts	42,772,088	--
Over-invoiced Portion regarding Overseas Construction Contracts	270,121,509	517,291,800
Contractual obligations arising from ongoing construction and contracting works	312,893,597	517,291,800

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

11. INVESTMENT PROPERTY

The Group did not purchase or sell investment property during the interim period.

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12. TANGIBLE ASSETS

	30 June 2024						
<u>Cost Value</u>	<u>Buildings</u>	<u>Plant, Machinery and Equipment</u>	<u>Vehicles</u>	<u>Fixtures</u>	<u>Leasehold Improvements</u>	<u>Other Fixed Assets</u>	<u>Total</u>
Opening Balance	21,381,063	226,809,103	22,676,908	212,672,207	8,751,781	1,037,011	493,328,073
Currency translation adjustment	--	(13,168,058)	(2,084,953)	(8,955,497)	--	--	(24,208,508)
Addition	--	--	--	1,503,025	--	--	1,503,025
Disposal	--	--	--	(399,593)	--	--	(399,593)
Closing Balance	21,381,063	213,641,045	20,591,955	204,820,142	8,751,781	1,037,011	470,222,997
Accumulated Depreciation							
Opening Balance	(3,726,463)	(210,724,811)	(22,675,310)	(201,531,032)	(8,751,781)	(1,037,011)	(448,446,408)
Currency translation adjustment	--	15,515,650	2,083,355	7,924,504	--	--	25,523,509
Addition	(261,836)	(2,519,771)	--	(1,419,480)	--	--	(4,201,087)
Disposal	--	--	--	399,593	--	--	399,593
Closing Balance	(3,988,299)	(197,728,932)	(20,591,955)	(194,626,415)	(8,751,781)	(1,037,011)	(426,724,393)
Tangible Fixed Assets, net	17,392,764	15,912,113	--	10,193,727	--	--	43,498,604

Total depreciation expenses of current period are TRY 4,201,087. Depreciation expenses amounting to TRY 3,842,877 is included in the cost of goods sold (Note 17), amounting to TRY 358,210 is included in general administrative expense but not allocated in marketing expenses.

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12. TANGIBLE ASSETS (Continued)

<u>Cost Value</u>	<u>30 June 2023</u>						
	<u>Buildings</u>	<u>Plant, Machinery and Equipment</u>	<u>Vehicles</u>	<u>Fixtures</u>	<u>Leasehold Improvements</u>	<u>Other Fixed Assets</u>	<u>Total</u>
Opening Balance	10,359,176	234,833,733	23,581,216	216,458,418	8,751,780	1,037,011	495,021,334
Currency translation adjustment	--	29,545,207	3,120,320	14,065,392	--	--	46,730,918
Addition	--	58,448	--	263,254	--	--	321,702
Closing Balance	10,359,176	264,437,388	26,701,536	230,787,064	8,751,780	1,037,011	542,073,955
Accumulated Depreciation							
Opening Balance	(3,158,776)	(207,643,855)	(23,581,216)	(202,732,633)	(8,751,780)	(1,037,011)	(446,905,271)
Currency translation adjustment	--	(7,593,546)	1,807,679	(35,858,233)	--	--	(41,644,100)
Addition	(296,178)	(4,774,246)	--	(2,790,966)	--	--	(7,861,390)
Closing Balance	(3,454,955)	(220,011,647)	(21,773,537)	(241,381,832)	(8,751,780)	(1,037,011)	(496,410,761)
Tangible Fixed Assets, net	6,904,221	44,425,741	4,927,999	(10,594,767)	--	--	45,663,194

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13. INTANGIBLE ASSETS

<u>Cost Value</u>	<u>Rights</u>	<u>30 June 2024</u>
		<u>Total</u>
Opening Balance	59,360,982	59,360,982
Currency translation adjustment	(1,940,681)	(1,940,681)
Addition	34,226	34,226
Closing Balance	57,454,527	57,454,527
Accumulated Depreciation		
Opening Balance	(58,897,238)	(58,897,238)
Currency translation adjustment	1,763,419	1,763,419
Addition	(14,166)	(14,166)
Closing Balance	(57,147,985)	(57,147,985)
Intangible Fixed Assets, net	306,542	306,542

Total amortization expenses of the current period are TRY 14,166. Amortization expenses amounting to TRY 7,091 is included in cost of goods sold (Note 17), amounting to TRY 7,075 is included in general administrative expense.

<u>Cost Value</u>	<u>Rights</u>	<u>30 June 2023</u>
		<u>Total</u>
Opening Balance	60,601,732	60,601,732
Currency translation adjustment	2,010,755	2,010,755
Closing Balance	62,612,487	62,612,487
Accumulated Depreciation		
Opening Balance	(60,172,753)	(60,172,753)
Currency translation adjustment	(2,063,369)	(2,063,369)
Addition	(51,798)	(51,798)
Closing Balance	(62,287,920)	(62,287,920)
Intangible Fixed Assets, net	324,567	324,567

14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

<u>Other short-term provisions</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Litigation provisions	4,678,460	14,703,995
Total	4,678,460	14,703,995

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14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

The details of litigation provisions are as follows:

	<u>1 January - 30 June</u> <u>2024</u>	<u>1 January - 30 June</u> <u>2023</u>
Beginning of period	14,703,995	18,718,572
Provision in period	908,502	2,482,166
Negative: canceled in period	(4,725,528)	2,769,667
Negative: payment in period	(4,209,585)	--
Monetary gain or loss	(1,998,924)	(1,921,533)
End of period	4,678,460	22,048,872

Contingent Liabilities

As of June 30th, 2024, there are 78 lawsuits against the Group (31 December 2023: 64 lawsuits). Group has been made provision amounting TRY 4,678,460 (December 31st, 2023: TRY 14,703,995) regarding to this lawsuit.

Lawsuits

The obligations of the Abu Dhabi International Airport Electrical Works project undertaken by Anel Emirates, the Group's subsidiary located in the United Arab Emirates, have been completed by 99%. At the meeting of the Company's Board of Directors dated 24.05.2021, the project owner TAV-CCC-Arabtec JV (TCA JV) announced that its contracts with the main owner of the project, Abu Dhabi Airport administration (ADAC), were terminated by ADAC in April 2021, the issue was evaluated by TCA JV and the issue was evaluated by the Group. The Board of Directors has been authorized to initiate the Arbitration Process following notification to.

Within the framework of the authority granted to the Group's Board of Directors, arbitration proceedings regarding Anel Emirates' receivables from its employer TAV-CCC-Arabtec JV were initiated on 25.05.2021, and the arbitration application was accepted and processed by the Abu Dhabi Commercial Conciliation and Arbitration Center (ADCCAC), and the necessary notification was made by the Arbitration Center as of 03.06.2021 to the relevant parties to submit their answers on the issue and to form the arbitration panel. In the period since the arbitration application was made, the parties have made the necessary defenses, and expert reports have been submitted. In its Arbitration application made in May 2021, the Group stated that its obligations were fulfilled on time and to the extent requested, and that the collection of existing registered receivables related to these works (receivables accounted for according to project completion rates), additional receivables entitled within the scope of time and contract extension and because of time/work extension. filed a lawsuit within the framework of recording the rights regarding the additional costs incurred and compensation for the damage. During the arbitration process, the Group froze the project revenues within the scope of construction accounting and considered the requested additional revenues as contingent assets in accordance with the precautionary principle and decided not to record income until the arbitration process was completed. The Group made a statement in the footnotes of the consolidated financial statements for these contingent assets in its previously published consolidated financial statements.

The situation that occurred after the reporting regarding the arbitration process is explained in note 24.

Collaterals-Pledge-Mortgages

As of June 30th, 2024 and December 31th, 2023, 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:

	<u>USD</u>	<u>EURO</u>	<u>TRY</u>	<u>30 June 2024</u> <u>TRY Equivalent</u>
Letters of Guarantees Received	548,652	86,515	9,087,928	30,137,221
Guaranteed Bill Received	17,012	162,400	1,824,589	8,087,867
Guaranteed Cheques Received	--	--	--	--
Total	565,664	248,915	10,912,517	38,225,089
	<u>USD</u>	<u>EURO</u>	<u>TRY</u>	<u>31 December 2023</u> <u>TRY Equivalent</u>
Letters of Guarantees Received	348,652	509,337	10,365,609	43,862,808
Guaranteed Bill Received	17,012	3,400	3,089,298	3,852,117
Guaranteed Cheques Received	55,378	--	--	2,033,459
Total	421,042	512,737	13,454,907	49,748,384

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14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Mortgages (Continued)

	CPMB's given by the Group (Collaterals, Mortgages)				
	30 June 2024	USD	EURO	TRY	TRY Equivalent
A) CPMB's given for Company's own legal personality	903,729		1,187,164	19,557,707	90,926,877
B) CPMB's given on behalf of fully consolidated companies	223,724,235		38,159,353	429,700	8,684,923,217
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	--		--	--	--
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	--		--	--	--
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	--		--	--	--
TOTAL	224,627,964		39,346,517	19,987,407	8,775,850,094

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14. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals- Mortgages (Continued)

	CPMB's given by the Group (Collaterals, Mortgages)			
	USD	EURO	TRY	TRY Equivalent
31 December 2023				
A) CPMB's given for Company's own legal personality	2,273,729	38,781,152	145,463,865	1,804,668,198
B) CPMB's given on behalf of fully consolidated companies	228,582,993	1,939,132	540,243,928	9,012,512,776
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	--	--	106,873	106,873
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	--	--	106,873	106,873
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	--	--	--	--
TOTAL	230,856,722	40,720,284	685,814,665	10,817,287,846

Other groups of CPM is given by the Group's equity ratio is 0% (31 December 2023: % 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 2024 and 31 December 2023 is shown below.

	30 June 2024		
	Total TRY Equivalent	USD	TRY
<u>Collaterals-Mortgages</u>			
Collaterals	3,004,710,414	88,627,964	19,987,407
Mortgages	5,771,139,680	136,000,000	--
Total	8,775,850,094	224,627,964	19,987,407

31 December 2023

	Total TRY Equivalent	USD	TRY
<u>Collaterals-Mortgages</u>			
Collaterals	3,654,598,312	94,856,722	28,463,382
Mortgages	7,162,689,534	136,000,000	657,351,284
Total	10,817,287,846	230,856,722	685,814,666

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15. EMPLOYEE BENEFITS

<u>Provisions for Short Term Employee Benefits</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Unused Vacation Provisions	9,988,718	17,550,420

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

	<u>1 January - 30 June 2024</u>	<u>1 January - 30 June 2023</u>
Provisions as of 1 January	17,550,420	25,956,301
Additional provision	4,255,051	2,065,035
During the period decrease	(9,127,251)	(4,659,294)
Foreign currency conversion adjustments	1,521,656	3,362,922
Monetary gain or loss	(4,211,158)	(3,827,734)
End of the period	9,988,718	22,897,230

<u>Employee Benefits Liabilities</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Payables to personnel	99,293,418	95,082,100
Social Security Withholdings Payable	9,056,449	6,069,575
Total	108,349,867	101,151,675

<u>Provisions for Long Term Employee Benefits</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Provisions for Employee Termination Benefits	25,747,866	47,299,647

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
Annual Discount Rate (%)	1.17	2.72
Probability of Retirement (%)	84.37	83.37

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 2024 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 TRY 35,058.38 (31 December 2023: TRY 43,370.18), effective as of 1 June 2024.

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15. EMPLOYEE BENEFITS (Continued)

The movement of provision for severance pay as follows:

	<u>1 January - 30 June 2024</u>	<u>1 January - 30 June 2023</u>
Provision as of 1 January	47,299,647	59,447,944
Service Cost	5,399,791	14,780,423
Interest Cost	121,022	14,000
Payments	(18,382,110)	(15,347,871)
Actuarial Gain/Loss	623,259	892,958
Foreign Currency Exchange Differences	2,955,919	9,436,721
Monetary Gain or Loss	(12,269,662)	(3,995,725)
Provision as of 30 June	25,747,866	65,228,450

16. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

a) Capital

The Company's issued share capital as at 30 June 2024 and 31 December 2023 dates are as follows:

Shareholders (*)	<u>30 June 2024</u>		<u>31 December 2023</u>	
	<u>Amount TRY</u>	<u>Percentage (%)</u>	<u>Amount TRY</u>	<u>Percentage (%)</u>
Rıdvan Çelikel	117,517,316	%44.35	117,517,316	%44.35
Capital Strategy Funds Spc-The Opportunistic Series Segregate Portfolio	58,507,555	%22.08	88,126,896	%33.26
Other	88,975,129	%33.58	59,355,788	%22.39
Pain in Capital	265,000,000	%100	265,000,000	%100
Adjustment to Share Capital	1,945,148,332		1,945,148,332	
Total	2,210,148,332	%100	2,210,148,332	%100

(*) As published on 30 June 2024 at kap.gov.tr.

As at 30 June 2024, 20.17% (31 December 2023: 22.39%) of Company shares are being traded in BIST according to Central Registry Agency ("CRA") report.

The Company is subject to an authorized capital system and the equity ceiling is TRY 400,000,000. The Company's issued share capitals' historical value is TRY 265,000,000. December 31st, 2023: TRY 265,000,000) 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 and each having TRY1 nominal value. A-group shareholders have 2 (two) voting rights and B-group shareholders have one (1) voting right for each share owned at the General Assembly meeting. All the A-group shares are owned by Rıdvan Çelikel.

The comparison of the relevant equity items presented by the Company in its financial statements as adjusted for inflation as of 30 June 2024 with the inflation-adjusted amounts in its financial statements prepared in accordance with Law No. 6762 and other legislation is as follows:

30 June 2024	Inflation adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation	Inflation adjusted amounts in financial statements prepared in accordance with IFS/IFRS	Differences observed in retained earnings
Inflation Adjustment on Share Capital	2,916,843,271	1,945,148,332	971,694,939

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

b) Premiums/(Discounts) Related with Shares

	<u>30 June 2024</u>	<u>31 December 2023</u>
Premiums/(Discounts) Related with Shares	20,321,143	20,321,143
Total	20,321,143	20,321,143

c) Foreign Currency Translation Differences

	<u>30 June 2024</u>	<u>31 December 2023</u>
Foreign Currency Translation Differences	1,469,306,814	1,582,692,733
Total	1,469,306,814	1,582,692,733

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
Defined Benefit Plans Revaluation and Measurement Loss	(2,465,599)	(3,088,858)
Total	(2,465,599)	(3,088,858)

e) Restricted Reserves

	<u>30 June 2024</u>	<u>31 December 2023</u>
Restricted Reserves	144,830,149	144,830,149
Total	144,830,149	144,830,149

f) Non-controlling Interests

	<u>30 June 2024</u>	<u>31 December 2023</u>
Beginning of Period	61,047,201	48,203,036
Minority Share Profit/(Loss)	(9,649,543)	12,844,165
Total	51,397,658	61,047,201

i) Previous Year Profit/Loss

	<u>30 June 2024</u>	<u>31 December 2023</u>
Previous Year Profit/Loss	(1,410,791,069)	(1,688,421,817)
Total	(1,410,791,069)	(1,688,421,817)

Profit Distribution

Publicly held companies, the CMB's profit distribution came into force from the date of 1 February 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 people outside the shareholders unless the profit share determined for the shareholders is reserved in the articles of association or in the profit distribution policy. As well as for the shareholders, the profit share cannot be distributed to these people 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.

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17. REVENUE/COST OF SALES

<u>Sales Revenues (Net)</u>	<u>1 January - 30 June 2024</u>	<u>1 January - 30 June 2023</u>
Domestic Sales	218,723,234	295,334,213
Export Sales	1,211,033,851	1,028,379,913
Other Revenues	1,037,801	19,560
Total Revenues	1,430,794,886	1,323,733,686
Sales Returns (-)	(3,613,333)	(751,042)
Sales Revenues (Net)	1,427,181,553	1,322,982,644
Cost of Goods Sold	--	--
Cost of Services Sold	(1,229,278,961)	(1,215,396,392)
Depreciation Expenses	(3,842,877)	(7,201,001)
Cost of Sales	(1,233,121,838)	(1,222,597,393)
GROSS PROFIT/LOSS	194,059,715	100,385,251

18. FINANCIAL INCOME / (EXPENSES)

<u>Financing Income</u>	<u>1 January - 30 June 2024</u>	<u>1 January - 30 June 2023</u>
Foreign Exchange Gains	54,713,016	173,766,177
Interest Income	8,526,333	637,648
Unearned Interest Income	57,393	163,067
Total	63,296,742	174,566,892
<u>Financing Expenses (-)</u>	<u>1 January - 30 June 2024</u>	<u>1 January - 30 June 2023</u>
Foreign Exchange Losses (-)	57,021,784	319,580,623
Loan Interest Expenses (-)	64,920,212	94,169,476
Unearned Interest Expense (-)	--	155,033
Total	121,941,996	413,905,132
Financial income/expense, net	(58,645,254)	(239,338,240)

19. EARNINGS / (LOSS) PER SHARE

<u>Earnings Per Share /</u>	<u>1 January - 30 June 2024</u>	<u>1 January - 30 June 2023</u>
Net Profit(Loss) of the Parent Company	52,520,282	(21,149,090)
Weighted Average Number of Shares	265,000,000	265,000,000
Earnings Per Share Profit(Loss) from Ongoing Activities	0.20	(0.08)

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 generally arise from sales and maturities of approximately 2 months.

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

Details of transactions between the Group and related parties are set out below.

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20. RELATED PARTY DISCLOSURES (Continued)

	Receivables			Payables		
	Short Term		Long Term	Short Term		Long Term
	Trade	Other	Other	Trade	Other	Other
Balances with Related Parties						
Anelisis Mühendislik Sanayi ve Ticaret A.Ş.	--	--	122,599,435	12,080,586	--	--
Epsinom Teknik Hizmetler LTD.	--	98,304,386	10,671	53,284,408	--	--
Anel Araştırma ve Geliştirme	134,199	--	--	--	--	--
Merve Şirin Çelikel Tombuloğlu	--	1,599,585	--	--	--	7,198,082
Mahir Kerem Çelikel	--	--	--	--	--	19,324,302
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (*)	364,524	--	--	37,092,265	--	--
Orion	1,381,717	--	--	--	--	--
Anel Holding A.Ş. (*)	357,364	2,287,912	42,829,478	8,492,515	--	--
Total	2,237,804	102,191,883	165,439,584	110,949,774	26,522,384	--

(*) 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% during the reporting period.

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

	Receivables			Payables		
	Short Term		Long Term	Short Term		Long Term
	Trade	Other	Other	Trade	Other	Other
Balances with Related Parties						
Anelisis Mühendislik Sanayi ve Ticaret A.Ş.	2,475,367	--	131,524,107	1,102,833	--	--
Epsinom Teknik Hizmetler LTD.	3,557	31,427,222	13,310	3,067,131	--	--
Anelnet Teknik Hizmetler Ltd. Şti. (*)	43,356,054	--	3,155,567	20,482,179	--	--
Merve Şirin Çelikel Tombuloğlu	--	--	--	--	--	9,973,659
Mahir Kerem Çelikel	--	--	--	--	--	21,655,291
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (*)	57,389	--	--	44,954,764	--	--
Anel Holding A.Ş. (*)	802,415	4,248,382	30,695,879	11,950,349	--	--
Çelikel Eğitim Vakfı	47,620	--	--	--	--	--
Total	46,742,402	35,675,604	165,388,863	81,557,256	31,628,950	--

(*) 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% during the reporting period.

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

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20. RELATED PARTY DISCLOSURES (Continued)

Transactions with related parties between 1 January- 30 June 2024 and 1 January - 30 June 2023 are as follows:

	1 January - 30 June 2024						1 January - 30 June 2023					
Related Party Transactions	Stock Purchases	Interest Income	Interest Expense	Service Sales	Service Purchase	Exchange Difference Income	Stock Purchases	Interest Income	Interest Expense	Service Sales	Service Purchase	Exchange Difference Income
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	27,488,331	--	147,144	1,222,012	12,320,561	--	20,828,165	--	29,713	1,287,823	181,263	101,592
Anelnet Teknik Hizmetler Ltd. Şti.	--	--	1,327,319	18,394,988	3,614,422	--	--	--	1,102,047	105,256	3,718,622	--
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	--	--	21,017	1,216,129	--	--	--	--	96,071	227,061	--	--
Çelikel Eğitim Vakfı	--	--	--	15,086	--	--	--	--	--	1,938	--	--
Epsinom Teknik Hizmetler Ltd.Şti.	79,358	1,631,935	2,374,027	2,420	--	--	--	--	421,472	2,215	8,253	--
Anel Holding A.Ş.	27,567,689	1,780,317	4,611,374	22,359,493	52,277,553	--	--	509,554	960,017	680,121	32,277,213	--
Total							20,828,165	509,554	2,609,320	2,304,414	36,185,351	101,592

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20. RELATED PARTY DISCLOSURES (Continued)

Related party transactions between January 1st – June 30th, 2024 and January 1st – June 30th, 2023 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, labor service expenses. - Service sales consist of labor 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 January 1st – June 30th, 2024 and January 1st – June 30th, 2023 as follows:

<u>Benefits Provided by Top-Level Management</u>	<u>1 January - 30 June 2024</u>	<u>1 January - 30 June 2023</u>
Employee Short Term Benefits	10,419,722	9,423,706
Total	10,419,722	9,423,706

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 minimize 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 flow 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.

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

a) Financial Risk Method (Continued)

a.1.1) Currency Risk Management (Continued)

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

FOREIGN CURRENCY POSITION TABLE						
30 June 2024						
	TRY Equivalent	US Dollars	Euro	GBP	AED	CHF
1. Trade Receivables	472,242,713	87,900	3,776,238	--	--	--
2. Monetary Financial Assets	30,660,650	23,696	567,742	239,859	--	--
3. Other	100,661,738	--	2,865,537	--	--	--
4. Current Assets (1+2+3)	603,565,101	111,596	7,209,517	239,859	--	--
5. Total Assets (4)	603,565,101	111,596	7,209,517	239,859	--	--
6. Trade Payables	(102,510,382)	(200,572)	(2,722,856)	(6,680)	--	(14,168)
7. Financial Liabilities	--	--	--	--	--	--
8a. Other Monetary Liabilities	--	--	--	--	--	--
8b. Other Non-Monetary Liabilities	(178,031,201)	(4,038,237)	(1,294,429)	--	--	--
9. Short Term Liabilities (6+7+8)	(280,541,583)	(4,238,809)	(4,017,285)	(6,680)	--	(14,168)
10. Financial Liabilities	(371,253,703)	--	(10,568,477)	--	--	--
11. Long Term Liabilities	(371,253,703)	--	(10,568,477)	--	--	--
12. Total Liabilities (9+11)	(651,795,286)	(4,238,809)	(14,585,762)	(6,680)	--	(14,168)
13. Net Foreign Currency Assets / (Liabilities) (5-12)	(48,230,186)	(4,127,213)	(7,376,245)	233,179	--	(14,168)
14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)	(340,593,054)	23,696	(10,000,735)	239,859	--	--

FOREIGN CURRENCY POSITION TABLE						
31 December 2023						
	TRY Equivalent	US Dollars	Euro	GBP	AED	CHF
1. Trade Receivables	136,911,506	577,979	2,847,298	--	--	--
2. Monetary Financial Assets	5,306,965	75,212	62,064	503	--	--
3. Other	106,089,119	1,448,047	1,302,392	--	--	--
4. Current Assets (1+2+3)	248,307,590	2,101,238	4,211,754	503	--	--
5. Total Assets (4)	248,307,590	2,101,238	4,211,754	503	--	--
6. Trade Payables	(103,990,385)	(1,359,935)	(1,318,058)	(6,680)	--	--
7. Financial Liabilities	(18,676,308)	(286,066)	(147,080)	--	--	--
8a. Other Monetary Liabilities	(31,685,678)	(861,355)	--	--	--	--
8b. Other Non-Monetary Liabilities	(74,383,694)	(1,376,615)	(567,754)	--	--	--
9. Short Term Liabilities (6+7+8)	(228,736,065)	(3,883,971)	(2,032,892)	(6,680)	(214,364)	--
10. Financial Liabilities	(459,301,855)	--	(10,571,786)	--	(2,868,238)	--
11. Long Term Liabilities	(459,301,855)	--	(10,571,786)	--	(2,868,238)	--
12. Total Liabilities (9+11)	(688,037,920)	(3,883,971)	(12,604,678)	(6,680)	(3,082,602)	--
13. Net Foreign Currency Assets / (Liabilities) (5-12)	(439,730,330)	(1,782,733)	(8,392,924)	(6,177)	(3,082,602)	--
14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)	(439,750,076)	(1,238,377)	(11,385,227)	(7,705)	(3,845,071)	--

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

a) Financial Risk Method (Continued)

a.1.1) Currency Risk Management (Continued)

Exchange Rate Sensitivity Analysis Table				
30 June 2024				
	Profit/(Loss)		Equity	
	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	(5.419.230)	5.419.230	--	--
2- US Dollar Hedged (-)	--	--	--	--
3- USD Dollar Net Effect (1+2)	(5.419.230)	5.419.230	--	--
20% change in EUR against TRY:				
4- EUR net assets / liabilities	(10.364.627)	10.364.627	--	--
5- EUR Hedged (-)	--	--	--	--
6- EUR Net Effect (4+5)	(10.364.627)	10.364.627	--	--
20% change in GBP against TRY:				
7- GBP net assets / liabilities	386.485	(386.485)	--	--
8- GBP Hedged (-)	--	--	--	--
9- GBP Net Effect (8+9)	386.485	(386.485)	--	--
20% change in AED against TRY:				
10- AED net assets / liabilities	--	--	--	--
11- AED Hedged (-)	--	--	--	--
12- AED Net Effect (10+11)	--	--	--	--
20% change in CHF against TRY:				
13- CHF net assets / liabilities	(20.636)	20.636	--	--
14- CHF Hedged (-)	--	--	--	--
15- CHF Net Effect (13+14)	(20.636)	20.636	--	--
TOTAL (3+6+9+12+15)	(15,418,007)	15,418,007	--	--

Exchange Rate Sensitivity Analysis Table				
31 December 2023				
	Profit/(Loss)		Equity	
	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	(13,115,871)	13,115,871	--	--
2- US Dollar Hedged (-)	--	--	--	--
3- USD Dollar Net Effect (1+2)	(13,115,871)	13,115,871	--	--
20% change in EUR against TRY:				
4- EUR net assets / liabilities	(68,325,349)	68,325,349	--	--
5- EUR Hedged (-)	--	--	--	--
6- EUR Net Effect (4+5)	(68,325,349)	68,325,349	--	--
20% change in GBP against TRY:				
7- GBP net assets / liabilities	(57,998)	57,998	--	--
8- GBP Hedged (-)	--	--	--	--
9- GBP Net Effect (8+9)	(57,998)	57,998	--	--
20% change in AED against TRY:				
10- AED net assets / liabilities	(6,230,553)	6,230,553	--	--
11- AED Hedged (-)	--	--	--	--
12- AED Net Effect (10+11)	(6,230,553)	6,230,553	--	--
20% change in CHF against TRY:				
13- CHF net assets / liabilities	(126,760)	126,760	--	--
14- CHF Hedged (-)	--	--	--	--
15- CHF Net Effect (13+14)	(126,760)	126,760	--	--
TOTAL (3+6+9+12+15)	(87,856,531)	87,856,531	--	--

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

a.1.2) Interest Rate Risk Management

Changes in market interest rates lead to the fact that financial instruments are worth a fair value or fluctuations in future cash flows, the group's need to cope with the risk of interest rates. 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 expenditure to be kept under the control of different interest rates is aimed. All the financial obligations of the Group consist of fixed interest loans. Therefore, there is no interest rate risk calculation for interest changes. (December 31st, 2023: Not available.)

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

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

30 June 2024	Financial Assets Carried at Fair Value	Credits and Receivables (Including Cash and Cash Equivalents)	Available for sale Financial Assets	Other Financial Valued at Amortized Cost Value	Book Value	Notes
Financial Assets						
Cash and Cash Equivalents	--	171,506,131	--	--	171,506,131	4
Trade Receivables	--	2,102,215,233	--	--	2,102,215,233	7,20
Other Receivables	--	140,213,739	--	--	140,213,739	
Financial Investments	63,510	--	--	--	63,510	5
Financial Liabilities						
Financial Liabilities	--	--	--	1,712,893,116	1,712,893,116	6
Trade Payables	--	--	--	4,497,124,292	4,497,124,292	7,20
Other Financial Liabilities	--	--	--	182,208,226	182,208,226	
31 December 2023						
Financial Assets						
Cash and Cash Equivalents	--	43,188,852	--	--	43,188,852	4
Trade Receivables	--	1,990,001,711	--	--	1,990,001,711	7,20
Other Receivables	--	51,450,905	--	--	51,450,905	
Financial Investments	37,435	--	--	--	37,435	5
Financial Liabilities						
Financial Liabilities	--	--	--	1,955,893,347	1,955,893,347	6
Trade Payables	--	--	--	4,402,897,777	4,402,897,777	7,20
Other Financial Liabilities	--	--	--	155,198,400	155,198,400	

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

Financial Instrument fair values determine as follows;

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

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

<u>Financial Assets</u>	<u>30 June 2024</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	2,152,866,794	--	2,152,866,794	--
Stocks	63,510	63,510	--	--
Total	2,152,930,304	63,510	2,152,866,794	--

<u>Financial Assets</u>	<u>31 December 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	2,152,866,794	--	2,152,866,794	--
Stocks	37,435	37,435	--	--
Total	2,152,904,229	37,435	2,152,866,794	--

23. EXPLANATIONS RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

In the interim accounting period ending on 30 June 2024, the Group's equity consists of 2,557,875,106 TRY of equity belonging to the Parent Company and 51,397,658 TRY of minority shares (31 December 2023: 2,618,117,484 TRY and 61,047,201 TRY)

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24. EVENTS AFTER THE REPORTING PERIOD

The obligations of the Abu Dhabi International Airport Electrical Works project undertaken by Anel Emirates, the Group's subsidiary based in the United Arab Emirates, have been completed by 99%. At the meeting of the Company's Board of Directors dated 24 May 2021, the project employer TAV-CCC-Arabtec JV (TCA JV) announced that its contracts with the project's main employer, Abu Dhabi Airport Administration (ADAC), were terminated by ADAC in April 2021, the issue was evaluated by TCA JV and the issue was evaluated by the Group. The Board of Directors has been authorized to initiate the Arbitration Process following notification to.

Within the framework of the authority granted to the Group's Board of Directors, arbitration proceedings regarding Anel Emirates' receivables from its employer TAV-CCC-Arabtec JV were initiated on 25 May 2021, and the arbitration application was accepted and processed by the Abu Dhabi Commercial Conciliation and Arbitration Center (ADCCAC). and the necessary notification was made by the Arbitration Center to the relevant parties to submit their answers on the issue and to form the arbitration panel as of 3 June 2021. In the period since the arbitration application was made, the parties have made the necessary defenses, and expert reports have been submitted. In its Arbitration application made in May 2021, the Group stated that its obligations were fulfilled on time and to the extent requested, and that the collection of existing registered receivables related to these works (receivables accounted for according to project completion rates), additional receivables entitled within the scope of time and contract extension and because of time/work extension. filed a lawsuit within the framework of recording the rights regarding the additional costs incurred and compensation for the damage. During the arbitration process, the Group froze the project revenues within the scope of construction accounting and considered the requested additional revenues as contingent assets in accordance with the precautionary principle and decided not to record income until the arbitration process was completed. The Group made a statement in the footnotes of the consolidated financial statements for these contingent assets in its previously published consolidated financial statements.

However, because of the evaluation made by the arbitration committee, although the demands put forward by Anel Emirates were accepted, the committee, considering the demands of the other party, decided to award 197 million AED (approximately 1,750 thousand TRY) against Anel Emirates because of the clarification of the accounts. The group management faced a negative situation with the outcome of the arbitration process where it expected additional income from existing receivables. The Group evaluated it within the scope of TAS 10 "Events After the Reporting Period (Balance Sheet Date)" Standard and TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" Standard and stated that "with respect to an item previously considered as a contingent asset/liability, future economic benefits from the business Within the framework of the principle of "If there is a possibility that an exit will be required, a provision is made in the financial statements of the period in which the change in the said probability occurs", since the change in probability occurred after the reporting date, it evaluated the situation as an "event that does not require adjustment" as of the reporting date and decided to reflect the situation in the consolidated financial statements in the subsequent reporting periods.

As a result of the review of the decision sent to the Group electronically on 14 August 2024 by the Group's legal units, it objected to the arbitration decision before the Judicial Department of the Abu Dhabi Commercial Court, against the decision of the Abu Dhabi Commercial Conciliation and Arbitration Center.

25. OTHER MATTERS THAT NEED TO BE DISCLOSED FOR THE CONSOLIDATED FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

a) Ratio analysis of the Group

The Group's ratio analyses as of 30 June 2024 and 31 December 2023 are as follows:

Ratio Analyses	30 June 2024	31 December 2023
Financial Debt / Operating Profit	73.01	154.59
Current Ratio (Current Assets / Short-Term Liabilities)	0.93	0.96
Financial Liabilities / Total Assets	0.77	0.76
Financial Liabilities / Equity	3.31	3.21
Financial Leverage - Debt Ratio (Total Debt / Total Assets)	0.77	0.76
Equity Ratio (Equity / Total Assets)	0.23	0.24