Convenience translation of the independent auditors' report and condensed consolidated financial statements originally issued in Turkish)

Akfen Holding Anonim Şirketi and its Subsidiaries

Interim consolidated financial statements as of and for the period January 1, 2022 - June 30, 2022 with the independent auditor's report

KPMG Bağımsız Denetim ve
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Interim Review Report on Consolidated Financial Information

To the Board of Directors of Akfen Holding Anonim Şirketi,

Introduction

We have reviewed the accompanying consolidated statement of financial position of Akfen Holding Anonim Şirketi (the ''Company'') and its subsidiaries (the "Group") as of 30 June 2022, the consolidated statements of profit or loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 *Interim Financial Reporting* ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). 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 Standard on Review Engagements ISRE 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of consolidated interim financial statements 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 the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. As a result, the review of the interim consolidated financial information does not provide an assurance that the firm will be familiar with all the important matters that can be determined in an independent audit. Therefore, we do not express an independent audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, in accordance with TAS 34.

Other Matter

The audit of the consolidated financial statements of the Group for the period ending on 31 December 2021 and the review of the consolidated financial information for the six-month period ending on 30 June 2021 were performed by another independent auditor and in the audit report dated 11 March 2022 and in the review report dated 19 August 2021, positive opinion and positive conclusion were reported respectively.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Hatice Nesrin Tuncer SMMM
Partner
15 August 2022
İstanbul, Turkey

Akfen Holding Anonim Şirketi

Consolidated Statement of Financial Position
as of June 30, 2022

(All amounts are expressed in thousand Turkish Liras ("TRY") unless otherwise specified.)

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Akfen Holding Anonim Şirketi

Consolidated Statement of Financial Position as of June 30, 2022

(All amounts are expressed in thousand Turkish Liras ("TRY") unless otherwise specified.)

ASSETS	*Note references*	*Reviewed June 30, 2022*	*Audited December 31, 2021*
Current Assets			
Cash and cash equivalents	5	2,032,068	1,979,924
Short term financial investments	22	813,527	1,023,720
Trade receivables		189,038	102,743
-Trade receivables from related parties	*7-32*	*17,827*	*19,996*
-Trade receivables from third parties		*171,211*	*82,747*
Inventories	16	16,742	14,989
Other receivables		67,999	85,047
-Other receivables from related parties	*8*	*9*	*9*
-Other receivables from third parties	*8*	*67,990*	*85,038*
Financial assets related to concession agreements	10	1,611,197	1,368,338
Prepaid expenses	9	51,854	38,173
Current income tax assets	31	132	10,382
Other current assets	23	64,616	69,293
TOTAL CURRENT ASSETS		**4,847,173**	**4,692,609**
Non-Current Assets			
Financial investments	22	6,325,321	4,882,153
Trade receivables		16,233	9,061
-Trade receivables from third parties	*7*	*16,233*	*9,061*
Other receivables		678,420	847,511
-Other receivables from related parties	*8-32*	*664,017*	*835,155*
-Other receivables from third parties	*8*	*14,403*	*12,356*
Financial assets related to concession agreements	10	12,906,101	11,076,971
Assets arising from customer contracts	9	55,621	41,760
Investments accounted using the equity method	20	5,627,164	5,110,706
Derivative instruments	12	180,253	-
Investment property	11	1,273,332	1,303,814
Right of use assets	13	7,642	7,792
Property, plant and equipment	14	106,114	90,492
Intangible assets		98,926	101,391
- Other intangible assets	*15*	*98,926*	*101,391*
Prepaid expenses	9	7,218	6,197
Deferred tax assets	31	839,054	991,463
Other non current assets	23	27,804	26,505
TOTAL NON-CURRENT ASSETS		**28,149,203**	**24,495,816**
TOTAL ASSETS		**32,996,376**	**29,188,425**

The accompanying notes form an integral part of the consolidated financial statements.

Akfen Holding Anonim Şirketi

Consolidated Statement of Financial Position as of June 30, 2022

(All amounts are expressed in thousand Turkish Liras ("TRY") unless otherwise specified.)

LIABILITIES	***Note references***	***Reviewed June 30, 2022***	***Audited December 31, 2021***
Current Liabilities			
Short term borrowings	6	98,151	352,068
Short term portion of long-term borrowings	6	1,609,444	1,809,952
Trade payables		197,724	150,502
- Trade payables to related parties	*7-32*	*9,609*	*9,230*
- Trade payables to third parties	*7*	*188,115*	*141,272*
Employee benefit obligations		2,467	2,232
Other payables		31,023	73,085
- Other payables to related parties	*8-32*	-	*40,495*
- Other payables to third parties	*8*	*31,023*	*32,590*
Deferred revenue	17	26,987	16,559
Income tax payable	31	825	812
Current provisions		34,977	28,842
- Provision for employee benefits	*18*	*12,990*	*9,655*
- Other short-term provisions	*18*	*21,987*	*19,187*
Other current liabilities	23	77,416	62,386
TOTAL CURRENT LIABILITIES		**2,079,014**	**2,496,438**
Non-Current Liabilities			
Long term borrowings	6	13,323,770	11,536,810
Other payables		1,910,689	1,395,771
- Other payables to related parties	*8-32*	*1,901,923*	*1,387,002*
- Other payables to third parties	*8*	*8,766*	*8,769*
Derivative instruments	*12*	-	280,559
Obligations arising from customer contracts	*17*	113,706	93,310
Non-current provisions		12,127	8,419
- Provision for employee benefits	*18*	*12,127*	*8,419*
Deferred tax liabilities	31	269,074	208,593
TOTAL NON-CURRENT LIABILITIES		**15,629,366**	**13,523,462**
TOTAL LIABILITIES		**17,708,380**	**16,019,900**
EQUITY		**15,287,996**	**13,168,525**
Equity attributable to equity holders of the parent		**15,327,339**	**13,202,434**
Issued capital	24	700,000	700,000
Treasuary shares (-)		(237,859)	(237,859)
Share premiums		50,231	50,231
Effect of business combinations under common control		(1,639,614)	(1,639,614)
Other accumulated comprehensive income that will not be reclassified to profit or (loss)		8,298,855	7,209,800
- Increases on revaluation of property, plant and equipment	*24*	*4,391,162*	*4,461,126*
- Losses on remeasurement of defined benefit plans		*(3,498)*	*(6,018)*
- Other gains on revaluation and remeasurement	*24*	*3,911,191*	*2,754,692*
Other accumulated comprehensive income that will be reclassified to (loss) or profit		(1,962,276)	(1,385,525)
- Currency translation difference	*24*	*898,572*	*590,699*
- Hedge reserve fund	*24*	*(2,860,848)*	*(1,976,224)*
Restricted reserves appropriated from profits	24	2,605,094	2,493,382
Retained earnings		6,008,197	3,244,658
Net profit for the period		1,504,711	2,767,361
Non-controlling interests	**24**	**(39,343)**	**(33,909)**
TOTAL LIABILITIES AND EQUITY		**32,996,376**	**29,188,425**

The accompanying notes form an integral part of the consolidated financial statements.

Akfen Holding Anonim Şirketi

Consolidated Statement of Profit or Loss as of June 30, 2022

(All amounts are expressed in thousand Turkish Liras ("TRY") unless otherwise specified.)

PROFIT OR LOSS FROM CONTINUING OPERATIONS	*Footnote references*	*Reviewed January 1 – June 30, 2022*	*Restated (Note 3) Reviewed January 1 – June 30, 2021*
Revenue	25	475,066	273,724
Cost of sales (-)	25	(381,653)	(269,013)
GROSS PROFIT		**93,413**	**4,711**
General administrative expenses (-)	26	(87,620)	(49,391)
Marketing, selling and distribution expenses (-)	27	(3,363)	(1,589)
Other income from operating activities	28	2,902,357	1,724,195
Other expenses from operating activities (-)	28	(34,557)	(77,001)
Share of profit from investments accounted using the equity method	20	895,613	103,131
PROFIT FROM OPERATING ACTIVITIES		**3,765,843**	**1,704,056**
Income from investment activities	30	83,267	234,437
Expense from investment activities (-)	30	(575,826)	(151,626)
PROFIT BEFORE FINANCE INCOME/(LOSS)		**3,273,284**	**1,786,867**
Finance income	29	1,207,029	469,559
Finance expenses (-)	29	(2,825,415)	(1,600,898)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**1,654,898**	**655,528**
Tax expense		**(155,621)**	**(109,424)**
Current period tax expense (-)	31	(3,583)	(1,773)
Deferred tax expense	31	(152,038)	(107,651)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**1,499,277**	**546,104**
PROFIT FOR THE PERIOD		**1,499,277**	**546,104**
Attributable to			
Non-controlling interests		(5,434)	(16,021)
Equity holders of the parent		1,504,711	562,125
Net profit for the period		**1,499,277**	**546,104**
PROFIT FOR THE PERIOD			
Earnings per share			
Earnings per share (TRY in full)	33	2.15	0.84
Diluted earnings per share (TRY in full)	33	2.15	0.84

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

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Akfen Holding Anonim Şirketi

Consolidated Statement of Other Comprehensive Income as of June 30, 2022

(All amounts are expressed in thousand Turkish Liras ("TRY") unless otherwise specified.)

STATEMENT OF OTHER COMPREHENSIVE INCOME/(EXPENSE)	*Footnote references*	*Reviewed January 1- June 30, 2022*	*Restated (Note 3) Reviewed January 1- June 30, 2021*
PROFIT FOR THE YEAR		**1,499,277**	**546,104**
Other comprehensive income that will not be reclassified to profit or loss		**1,159,019**	**326,256**
Losses on remeasurements of defined benefit plans		2,520	(614)
Other comprehensive income items that will not be reclassified as other profit or loss	24	1,156,499	326,870
Other comprehensive income/loss that will be reclassified to profit or loss		**(576,751)**	**(390,977)**
Exchange differences on translation	24	307,873	53,119
Other comprehensive loss related with cash flow hedges	24	(884,624)	(444,096)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		**582,268**	**(64,721)**
TOTAL COMPREHENSIVE INCOME		**2,081,545**	**481,383**
Total comprehensive income/(loss) attributable to			
Non-controlling interests		(5,434)	(16,021)
Equity holders of the parent		2,086,979	497,404
Total comprehensive income		**2,081,545**	**481,383**

The accompanying notes form an integral part of the consolidated financial statement

Akfen Holding Anonim Şirketi

Consolidated Statement of Changes in Equity

For The Period ended June 30, 2022

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

					Other comprehensive income and expenses accumulated that will be reclassified in profit or loss		Other accumulated comprehensive income and expenses that will not be reclassified in profit or loss				Retained earnings				
	Issued capital	*Treasury shares*	*Share premiums*	*Effects of combinations of entities or businesses under common control*	*Currency translation differences*	*Losses on hedge*	*Other gains on revaluation and remeasurement*	*Increases on revaluation fund*	*(Losses)/Gains on remeasurements of defined benefit plans*	*Restricted reserves appropriated from profits*	*Retained earnings profits*	*Net profit for the period*	*Total*	*Non-controlling interests*	*Total Equity*
Balances as of January 1, 2021	**667,181**	**(569,966)**	**2,376**	**(1,848,968)**	**281,403**	**(181,714)**	**1,238,049**	**1,279,681**	**(5,230)**	**2,812,069**	**2,946,212**	**44,365**	**6,665,458**	**(21,542)**	**6,643,916**
Transfers	-	-	-	-	-	-	-	(25,307)	-	(2,014)	71,686	(44,365)	-	-	-
Total comprehensive income/(expense)	**-**	**-**	**-**	**-**	**53,119**	**(444,096)**	**326,870**	**-**	**(614)**	**-**	**-**	**562,125**	**497,404**	**(16,021)**	**481,383**
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	*562,125*	*562,125*	*(16,021)*	*546,104*
Other comprehensive income/(expense)	-	-	-	-	*53,119*	*(444,096)*	*326,870*	-	*(614)*	-	-	-	*(64,721)*	-	*(64,721)*
Other contributions of shareholders	-	-	-	-	-	-	-	-	-	15,434	-	-	15,434	-	15,434
Increase due to share repurchase transactions	-	-	-	-	-	-	-	-	-	-	5,683	-	5,683	-	5,683
Increase/(decrease) through share-based payment transactions (*)	-	-	-	204,582	-	-	-	(103,817)	-	-	(99,473)	-	1,292	-	1,292
Merger effect (**)	-	-	-	(35,792)	-	-	-	-	-	-	39,165	-	3,373	(5,148)	(1,775)
Balances as of June 30, 2021	**667,181**	**(569,966)**	**2,376**	**(1,680,178)**	**334,522**	**(625,810)**	**1,564,919**	**1,150,557**	**(5,844)**	**2,825,489**	**2,963,273**	**562,125**	**7,188,644**	**(42,711)**	**7,145,933**

(*) It is the effect of the share sales of Masanda Turizm Yatırımları A.Ş. on January 9, 2021, and IBS Sigorta ve Reasürans Sigorta Brokerliği A.Ş. on January 29, 2021.

(**) It is the effect of the merger of Akfen Enerji Üretim ve Ticaret A.Ş. on March 5, 2021under Akfen Holding.

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

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(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

Akfen Holding Anonim Şirketi

Consolidated Statement of Changes in Equity

For The Period ended June 30, 2022

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

					Other comprehensive income and expenses accumulated that will be reclassified in profit or loss		**Other accumulated comprehensive income and expenses that will not be reclassified in profit or loss**				**Retained earnings**				
	Issued capital	***Treasury shares***	***Share premiums***	***Effects of combinations of entities or businesses under common control***	***Currency translation differences***	***Losses on hedge***	***Other gains on revaluation and remeasurement***	***Increases on revaluation fund***	***(Losses)/Gains on remeasurements of defined benefit plans***	***Restricted reserves appropriated from profits***	***Retained earnings profits***	***Net profit for the period***	***Total***	***Non-controlling interests***	***Total Equity***
Balances as of January 1, 2022	**700,000**	**(237,859)**	**50,231**	**(1,639,614)**	**590,699**	**(1,976,224)**	**2,754,692**	**4,461,126**	**(6,018)**	**2,493,382**	**3,244,658**	**2,767,361**	**13,202,434**	**(33,909)**	**13,168,525**
Transfers	-	-	-	-	-	-	-	(69,964)	-	73,786	2,763,539	(2,767,361)	-	-	-
Total comprehensive income/(expense)	**-**	**-**	**-**	**-**	**307,873**	**(884,624)**	**1,156,499**	**-**	**2,520**	**-**	**-**	**1,504,711**	**2,086,979**	**(5,434)**	**2,081,545**
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	*1,504,711*	*1,504,711*	*(5,434)*	*1,499,277*
Other comprehensive income/(expense)	-	-	-	-	*307,873*	*(884,624)*	*1,156,499*	-	*2,520*	-	-	-	*582,268*	-	*582,268*
Other contributions of shareholders	-	-	-	-	-	-	-	-	-	37,926	-	-	37,926	-	37,926
Balances as of June 30, 2022	**700,000**	**(237,859)**	**50,231**	**(1,639,614)**	**898,572**	**(2,860,848)**	**3,911,191**	**4,391,162**	**(3,498)**	**2,605,094**	**6,008,197**	**1,504,711**	**15,327,339**	**(39,343)**	**15,287,996**

The accompanying notes form an integral part of the consolidated financial statements.

(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

Akfen Holding Anonim Şirketi

Consolidated Statements of Cash Flows

For the Period Ended June 30, 2022

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

	Note references	*Reviewed June 30, 2022*	*Restated (Note 3) Reviewed June 30, 2021*
A. Cash Flows from Operating Activities		**2,073,278**	**617,180**
Profit for the period		**1,499,277**	**546,104**
Adjustments to reconcile profit		**(577,030)**	**(190,208)**
Adjustments for depreciation and amortization	25-26	12,732	8,794
Adjustments for (gains)/losses on disposal of non-current assets		(415)	6,378
Adjustments for losses on disposal of property, plant and equipment		-	*6,378*
Adjustments for gains on disposal of investment property		*(415)*	-
Adjustments for dividend income	30	(83,058)	(133,195)
Adjustments for fair value gains		(2,819,369)	(1,803,782)
Adjustment for fair value gains of financial assets	*28-30*	*(2,325,965)*	*(1,778,793)*
Adjustment for fair value (gains)/losses of investment properties	*28*	*(32,592)*	*1,912*
Adjustments for the fair value losses of derivative financial instruments	*29*	*(460,812)*	*(26,901)*
Adjustments for impairment		(9,739)	2,950
Adjustment for impairment on receivables	*28*	*(9,739)*	*2,950*
Adjustments for provisions		36,400	19,085
Adjustments for provisions related with employee benefits		*7,576*	*(134)*
Adjustments for other provisions	28	*28,824*	*19,219*
Adjustments for the undistributed incomes of investments accounted using the equity method	20	(895,613)	(103,131)
Adjustments for unrealized foreign exchange		2,561,092	1,191,587
Adjustments regarding gains related to changes in share or disposal of associates, joint ventures, and financial investments	30	-	(34,491)
Adjustments for interest income and expenses	28-29	402,759	388,372
Adjustments for tax expenses	31	155,621	109,424
Adjustments for other items that cause cash flows from investing or financing activities	30	55,000	151,626
Other adjustment for profit/loss reconciliation	29	7,560	6,175
Changes in working capital		**379,085**	**(193,147)**
Adjustments for increase in trade receivables		(87,836)	(22,501)
Adjustments for decrease in other receivables related with operations		24,654	13,567
Adjustments for decreases/(increases) in inventories	16	7,632	(479)
Other adjustments for other increase/(decrease) in working capital		3,376	(16,047)
Adjustments for increase/(decrease) in trade payables		47,222	(61,788)
Adjustments for increase/(decrease) in other payables from operations		384,037	(105,899)
Cash flows from operations		**1,301,332**	**162,749**
Tax payments		(2,100)	(14,984)
Payments related with provisions for employee benefits		(756)	(49)
Payments for other provisions	10	774,802	469,464

The accompanying notes form an integral part of the consolidated financial statements.

Akfen Holding Anonim Şirketi

Consolidated Statements of Cash Flows

For the Period Ended June 30, 2022

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

	Note references	*Reviewed June 30, 2022*	*Restated (Note 3) Reviewed June 302021*
B. Cash Flows Used in Investment Operations		**(601,056)**	**(56,059)**
Interest received		21,917	50,297
Dividends received		83,058	133,195
Cash outflows from the purchase of tangible and intangible assets	14-15	(26,304)	(20,253)
Cash inflows from sales of tangible and intangible assets	14-15	565	326
Cash inflows from the sale of investment property		54,104	6,963
Cash inflows caused by share sales or capital decrease of associates and/or joint ventures		-	48,000
Cash outflows due to share purchase or capital increase of associates and/or joint ventures		(196,294)	(457,778)
Cash inflows from the sale of subsidiaries		-	444,264
Cash outflow from participation fee and other financial instruments		(538,102)	(261,073)
C. Cash Flows used in Financing Activities		**(1,431,255)**	**(606,885)**
Proceeds from borrowings	6	387,715	463,631
Repayments of borrowings	6	(1,423,478)	(763,855)
Interest paid	6	(414,684)	(293,860)
Other cash inflows/(outflows)		19,192	(12,801)
Net increase/(decrease) in cash and cash equivalents		**40,967**	**(45,764)**
Cash and cash equivalents at the beginning of the period	**5**	**1,976,765**	**1,620,286**
Cash and cash equivalents at the end of the period	**5**	**2,017,732**	**1,574,522**

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY

Akfen Holding A,Ş, ("Akfen Holding" or the "Company") was established in Turkey in 1999, Having established its first company in 1976, Akfen Holding operates to invest in, administer and coordinate its subsidiaries and affiliates operating in industries such as airport management and operations, construction, seaport management and operations, marine transportation, water distribution and wastewater services, energy and real estate, Akfen Holding, together with its subsidiaries and joint ventures, will be hereinafter referred to as the "Group".

Akfen Holding transferred its contracting operations in infrastructure construction projects that it had been performing since its establishment to a new sphere outside contracting when it was awarded the Build-Operate-Transfer ("BOT") model for Istanbul Atatürk Airport in 1997, transposing the investment planning models it applied for airports to many infrastructure projects in Turkey as an investor and thus transforming into one of Turkey's infrastructure investment holdings.

Consolidated financial statements of the Group as of June 30, 2022, December 31, 2021 and June 30, 2021 includes the share of Akfen Holding and subsidiaries, the equity accounted joint ventures and financial investments.

With the decision of Akfen Holding Board of Directors dated September 21, 2021, it was decided that Akfen Altyapı Holding ("Akfen Altyapı"), which owns the majority shares of the Company (89.49%), joins the Company as a whole, without liquidation. At the Akfen Holding Extraordinary General Assembly meeting held on November 2, 2021, the merger was unanimously approved. As of November 10, 2021, the merger of Akfen Holding and Akfen Altyapı was completed and Akfen Altyapı was dissolved without liquidation. As a result of this merger, Akınısı Makina Sanayi ve Ticaret A.Ş. ("Akınısı"), Akfen Danışmanlık ve Proje Geliştirme A.Ş. ("Akfen Danışmanlık"), Akfen Turizm Yatırım ve İşletme A.Ş. ("Akfen Tourism"), Akfen Gayrimenkul Portföy Yönetimi A.Ş. ("Akfen GPYŞ"), Akfen Merter Gayrimenkul Turizm ve Inşaat A.Ş. ("Akfen Merter"), BİZ Madencilik A.Ş. (formerly BISS Savunma Sanayi A.Ş. "BİZ Mining") has been taken over and also Akfen İnşaat Turizm ve Ticaret A.Ş., which was previously considered as a associate, ("Akfen Construction") has become a subsidiary. In addition, Travelex Döviz Ticaret A.Ş. ("Travelex") and Tepe Akfen Reformer ("TAR") were taken over as financial investments.

However, as of June 30, 2022, there are 10 subsidiaries directly owned by Akfen Holding (December 31, 2021: 11). The Company's direct subsidiaries are Akfen Construction, Akınısı, Akfen Danışmanlık, Akfen Tourism, Akfen GPYŞ, Akfen Merter, BİZ Mining, Adana İpekyolu Enerji Üretim Tic. San. A.Ş. ("Adana İpekyolu"), Akfen Enerji Gaz Santrali Yatırımları ve Ticaret A.Ş. ("Akfen Energy Gas") and Akfen Güneş Enerjisi Yatırım ve İşletme A.Ş. ("Akfen Solar Energy"). Akfen Rüzgar Enerjisi ve Ticaret A.Ş. ("Akfen Wind Energy")'s company title was amended as Akfen Hastane Hizmetleri ve İşletmecilik A.Ş. ("Akfen Hospital") on March 14, 2022. All of Akfen Hospital's shares in Akfen Holding was transferred to Akfen Tourism on June 22, 2022, and as of this date, Akfen Tourism has become the sole shareholder of Akfen Hospital and Akfen Hospital has become an indirect subsidiary of Akfen Holding.

In addition, as of June 30, 2022, there are 5 joint ventures and 4 financial investments owned by Akfen Holding (December 31, 2021: 5 joint ventures and 4 financial investments).

The Company has joint control rights in Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. ("Akfen REIT"), Akfen Yenilenebilir Enerji A.Ş. ("Akfen Renewable Energy"), Acacia Maden İşletmeleri A.Ş. ("Acacia Mine"), Akfen Çevre ve Su Yatırım Yapım İşletme A.Ş. ("Akfen Water"), and Marmara Deniz Otobüsleri Yatırım ve İşletme A.Ş. ("MDO"). Mersin Uluslararası Liman İşletmeciliği A.Ş. ("MIP"), TAV Yatırım Holding A.Ş. ("TAV Investment"), Travelex Doviz Ticaret A.S. ("Travelex") and Tepe Akfen Reformer are classified as financial investment.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY *(cont'd)*

However, with the Akfen Altyapı merger, Company was taken over total of 6 indirect subsidiaries as Isparta Şehir Hastanesi Yatırım İşletme A.Ş. ("Isparta City Hospital"), Eskişehir Şehir Hastanesi Yatırım İşletme A.Ş. ("Eskişehir City Hospital"), Tekirdağ Şehir Hastanesi Yatırım İşletme A.Ş. ("Tekirdağ City Hospital"), Hacettepe Teknokent Eği. ve Kli. Ar. Mer. Sağ. Ar-Ge Dan. Pro. San. Tic. A.Ş. ("Hacettepe Teknokent"), Ayrı Gayrimenkul Yatırım A.Ş. ("Ayrı Gayrimenkul"), Zeki Grup İnşaat ve Ticaret A.Ş. ("Zeki İnşaat"). Akfen Enerji Üretim ve Ticaret A.Ş. ("Akfen Energy Generation"), which is among Akfen Holding's subsidiaries was merged under Akfen Holding on March 5, 2021 and Isparta Yurt Yatırımları A.Ş., ("Isparta Dormitory") which is an indirect subsidiary of Akfen Holding and Masanda Turizm Yatırımları A.Ş. ("Masanda") which is an direct subsidiary were sold to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., which is also a subsidiary of the Company, on February 9, 2021.

As of June 30, 2022, the Group manages partnerships with nationally and internationally reputed partners such as, Tepe İnşaat Sanayi A,Ş, ("Tepe Construction"), İlbak Holding A.Ş., Kardan N.V., PSA International ("PSA"), Travelex Group, European Bank for Reconstruction and Development ("EBRD"), Global InfraCo SP NEUM SLU ("Global InfraCo") and International Finance Corporation ("IFC"). The Group also has a framework agreement with ACCOR S,A, ("Accor"), one of the world's leading hotel chains, for hotel brands Novotel and Ibis, which will have additional hotels constructed in Turkey.

Akfen Holding shares had been traded in Borsa Istanbul A,Ş, ("BİAŞ") under the code "AKFEN" since May 14, 2010 but were de-listed as of May 12, 2016.

The merger transaction on November 10, 2021, was evaluated as a "Business Combination Under Common Control" and was accounted for using the "Pooling of Interest" method. When the pooling of interest method is applied, the financial statements have been adjusted as if the merger had been realized at the beginning of the reporting period in which under common control occurred and they have been presented comparatively since the beginning of the reporting period in which the under common control occurred.

As of June 30, 2022 and December 31, 2021, the shareholders of Akfen Holding are as follows:

	June 30, 2022		December 31, 2021	
	Share Amount	Share Ratio %	Share Amount	Share Ratio %
Pelin Akın Özalp	329,732	47.10	329,732	47.10
Selim Akın	329,732	47.10	329,732	47.10
Akfen Holding (*)	15,883	2.27	15,883	2.27
Hamdi Akın (**)	23,002	3.29	23,002	3.29
Other Shareholders	1,651	0.24	1,651	0.24
Paid-in capital (nominal)	**700,000**	**100**	**700,000**	**100**

(*) It consists of Akfen Holding's Treasury shares.

(**) There is 1 B Broup registered share of Hamdi Akın

Akfen Holding's legal address is as follows:
Koza Sokak No:22 Gaziosmanpaşa
06700 / Ankara-Türkiye
Tel: 90 312 408 10 00 - Fax: 90 312 441 07 82

Web: http://www.akfen.com.tr

As of June 30, 2022, the number of employees of the Company and Company's joint ventures/financial investments is 59 (December 31, 2021: 54) and 5,047 (December 31, 2021: 5,137) respectively.

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY *(cont'd)*

The main subsidiaries and joint ventures/financial investments of Akfen Holding are listed as follows:

i) Subsidiaries

Akfen Construction

A contract was signed between Akfen Holding and Akfen Altyapı on March 13, 2018 for the transfer of the right to capital increase of Akfen Construction which is a 100% subsidiary of Akfen Altyapı. As of the registration of Akfen Construction's capital increase on May 30, 2018, Akfen Holding has acquired a 48.81% stake in Akfen Construction. The Company's shares in Akfen Construction increased to 100% after Akfen Holding Board of Directors decided to merge Akfen Altyapı Holding, which holds the majority shares of the Company (89.49%), with no liquidation and participation in the Company as a whole. As a result, while Akfen Construction was accounted for using the equity method in the pre-merger financial statements, it started to be accounted for using the full consolidation method after the merger.

Akfen Construction, one of the oldest companies in the group, was originally set up to realize the feasibility and engineering services of industrial facilities and has expanded its range of services with the manufacturing, installation and erection services of industrial plants.

So far, Akfen Construction has built a number of infrastructure, including airport terminals and associated infrastructure constructions, natural gas pipelines/distribution systems, hospitals, schools, student residences, residential housing projects, industrial power plants, hydroelectric power plants, water distribution, sewage systems and wastewater treatment plants project.

Currently, Akfen Construction's field of activity are hospital Public Private Partnership projects via its subsidiaries Isparta Şehir Hastanesi Yatırım İşletme A.Ş., Eskişehir Şehir Hastanesi Yatırım İşletme A.Ş., Tekirdağ Şehir Hastanesi Yatırım İşletme A.Ş. (currently, three hospitals built with a Public Private Partnership model with a total bed capacity of 2,316), the dormitory via Hacettepe Teknokent Eği. Kli. Ar. Mer. Sağ. Ar-Ge Dan. Pro San. Tic. A.Ş. (2,264 bed capacity Hacettepe Student Residence) and construction/commitment projects with Zeki İnşaat and real estate/housing projects with Ayrı Gayrimenkul.

Akfen Energy Generation

Akfen Energy Generation obtained its production license on March 8, 2012 for its natural gas-based power plant investment in Mersin with an installed capacity of 450 MW. On December 18, 2012, an amendment application was made to EMRA to increase the installed power of Mersin Combined Natural Gas Power Plant from 570 MW to 1,148.4 MW, and the Environmental Impact Assessment ("EIA") Report prepared was accepted as final. In addition to this, a capital increase was made and the license modification was completed on January 13, 2014. The production license of the Mersin Combined Natural Gas Power Plant project was terminated with the Board decision of EMRA dated December 30, 2020, numbered 9943-9, after the positive evaluation of the application made to EMRA.

Akfen Holding took over the remaining 0.75% shares of Akfen Energy Generation, of which it has a 99.25% share from and Akfen Tourism, Akfen Construction and Akınısı equally, on January 18, 2021, thus becoming the 100% owner of the Company. Subsequently, merger transactions were initiated with Akfen Energy Generation, a 100% subsidiary of Akfen Holding. With the registration process that took place on March 5, 2021, Akfen Holding's merger with Akfen Energy Generation was completed.

Akfen Tourism

Akfen Tourism coordinates the Group's potential tourism investments. In this context; It operates the Akfen Club hotel in Kuşadası, the Bodrum Loft holiday village, various facilities in Ankara Bulvar Loft and İncek Loft commercial areas, the canteens of Isparta, Eskişehir and Tekirdağ City Hospitals, and also generates rental income from hotel in Uludağ. It also provides catering services in Ankara.

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY *(cont'd)*

***i) Subsidiaries** (cont'd)*

Akfen GPYŞ

Akfen Real Estate Portfolio Management was established in 2017. The main field of activity of the company is the establishment and management of real estate investment funds within the framework of the Capital Market Law and relevant legislation.

Among the subsidiaries of Akfen Holding, it was also established to develop an imported coal power plant in Adana-Yumurtalık with an electric power generation capacity of 615 MWm-600 MWe. Inactive Adana İpekyolu Enerji Üretim Tic. A.S, the inactive Akfen Enerji Gaz Santrali Yatırımları ve Ticaret A.Ş. and Akfen Güneş Enerjisi Yatırım ve İşletme A.Ş. companies.

In addition, Akınısı, Akfen Danışmanlık, Akfen Merter and BİZ Mining companies were taken over from Akfen Altyapı as subsidiaries.

ii) Joint Ventures and financial investments

Akfen REIT

Akfen REIT was first incorporated on June 25, 1997 as a partnership of Hamdi Akın and Yüksel İnşaat A,Ş, to make domestic tourism investments, Akfen Holding then purchased Yüksel İnşaat A,Ş, shares in Aksel in 2006 and Akfen REIT became a subsidiary of Akfen Holding, The restructuring was registered on August 25, 2006 through the resolution of the CMB No, 31/894 of July 14, 2006 following the board resolution of April 25, 2006, thus transforming Akfen REIT into a "Real Estate Investment Trust", The acquisition of the trade name of Real Estate Investment Trust and the change in field of business were published on the Trade Registry Gazette of August 31, 2006.

The main field of business for Akfen REIT is to invest in real estate-based capital market instruments, establish and develop a real estate portfolio and engage in business for the purposes and subjects stated in Articles 23 and 25 of the CMB Communique on Principles Governing Real Estate Investment Trusts (Serial VI, No: 11), Akfen Holding, the controlling shareholder in Akfen REIT, signed a framework agreement with Accor, one of the world's leading hotel chains, to develop hotel projects in Turkey under the brand names Novotel and Ibis Hotel, Akfen REIT mainly develops hotel projects under brand names Novotel and Ibis Hotel and leases this out to Tamaris Turizm A,Ş, ("Tamaris"), a 100% affiliate of Accor operating in Turkey, Akfen REIT shares have been traded on BİAŞ under the share code "AKFGY" since May 11, 2011.

On February 21, 2007, the shares of Akfen Gayrimenkul Ticareti ve İnşaat A,Ş, ("Akfen Trade"), an associate of Akfen Holding, were transferred to Akfen REIT over their nominal value, The main field of business for Akfen Trade is to make real estate-based investments, and establish and develop a real estate portfolio, On May 31, 2011, Akfen REIT incorporated a subsidiary called Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A,Ş, in order to develop a hotel project in Karaköy,Istanbul, After the capital increase on May 18, 2018, the Group's direct and indirect ownership interest in Akfen Karaköy increased from 69.99% to 91.47%.

Akfen GT has 97.8% share of YaroslavlInvest Limited Company("YaroslavlInvest"), Samstroykom Limited Company ("Samstroykom") and KaliningradInvest Limited Company ("KaliningradInvest"), which has hotel investments in Russia and 96.17% of Volgastroykom Limited Company ("Volgastroykom"), where the office investment in Russia is located, and 100% of Severnyi Avtovokzal Limited Company ("Severnyi"), which has a hotel investment in Moscow. The main fields of activity of these companies are to realize hotel and office projects in Russia.

As of June 30, 2022, the total number of rooms in the 21 hotels (December 31, 2021: 20 hotels) owned by Akfen REIT is 3,720 (December 31, 2021: 3,720) while the total number of beds corresponding to such number of rooms is 7,298 (December 31, 2021: 7,298). As of February 9, 2021, the acquisition of Akfen REIT's shares of Masanda Tourism ("Bodrum Loft") and Isparta Dormitory (Kütahya and Isparta dormitories) has been completed. Thus, the company added a holiday village with a capacity of 92 rooms and two dormitories with a bed capacity of 7,232 to its portfolio. On June 30, 2021, with the registration of the merger, Isparta Yurt Yatırımları A.Ş. and Masanda Turizm Yatırımları A.Ş. was taken over by Akfen REIT, along with all its assets and liabilities.

1 ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY *(cont'd)*

***ii) Joint Ventures and financial investments** (cont'd)*

***Akfen REIT** (cont'd)*

As of March 29, 2021, Akfen REIT, has been purchased 51% shares of Fıratcan İnş. Turz. Tic. A.Ş. ("Fıratcan Tourism") which has the right to lease the Söğütlüçeşme train station in Istanbul, Kadıköy, within the scope of the High Speed Train Station Project for 2 years of permission and license, 2 years of construction period and 25 years to operate according to the Lease Contract for Construction Containing Areas signed with TCDD in amount of TRY 58,375,000 (EUR 6,200,000). In this context, the Company has undertaken the Söğütlüçeşme High Speed Train Station Project to TCDD, and viaduct, train station, commercial area and parking lot will be built within the scope of the project.

Akfen Holding's share became 30.37% after Akfen REIT's dedicated, paid-in capital increase completed as of February 9, 2021. After the paid capital increase on August 20, 2021, Akfen Holding's share became 23.94%.

MIP

MIP was incorporated on May 4, 2007 by PSA-Akfen Holding Joint Venture Group, which submitted the highest bid and was awarded the contract on the transfer of operating rights for Mersin Port, which is owned by the Republic of Turkey State Railways ("TCDD"), for a period of 36 years during the tender held by the Republic of Turkey Presidency of Privatization Administration ("ÖİB"). Through the concession agreement signed with ÖİB and TCDD on May 11, 2007, MIP took over Mersin Port from TCDD to operate the port for a period of 36 years.

As at July 28, 2017, Akfen Holding signed an agreement with Global InfraCo SP NEUM SLU in order to sell its 40% stake in MIP, for a total consideration of USD 869 million. The sale has been completed as of October 27, 2017, after that date, the value of the MIP's retained stake has been recognized under financial investments with its fair value on the consolidated financial statements..

Akfen Renewable Energy

Under restructuring efforts for the renewable energy portfolio, the process of absorption merger for Akfenres Rüzgar Enerjisi Yatırımları A.Ş. ("Akfen WPP"), a subsidiary of the Company, into AkfenHES Yatırımları ve Enerji Üretim A.Ş. ("Akfen HEPP") completely (universally) and without liquidation and of changing the trade name of Akfen HEPP to Akfen Yenilenebilir Enerji A.Ş. were completed and registered as of January 19, 2016.

On December 15, 2015, Akfen Holding signed a shareholders' agreement with the EBRD worth USD 100 million for a total of 20 percent stake in the renewable energy company which will be incorporated through restructuring by a merger of renewable energy subsidiaries, namely Akfen HEPP, Akfen WPP, Akfen Electricity Wholesale and Karine SPP, following the transfer of the latter to the Holding, under the same roof. On June 23, 2016, the previous agreement signed with the EBRD was amended, and a new agreement was signed with the EBRD and the IFC in order for them to become shareholders in Akfen Renewable Energy, each subscribing for 16.667% of shares on a fee of USD 100 million, Following the fulfillment of closing requirements, the capital of Akfen Renewable Energy was increased, on premium, to TRY 705,000 from TRY 634,500 with the EBRD and the IFC transferring USD 44,444,444 for 5% of shares each to Akfen Renewable Energy. The capital increase was registered on July 12, 2016. The share transfer agreement stipulates that Akfen Renewable Energy be managed jointly by Akfen Holding, EBRD and IFC, and unanimous decisions of the parties be sought in relation to operations which significantly impact on Akfen Renewable Energy's returns. Therefore, Akfen Holding considered this transaction to be a sale of shares in a subsidiary, which gives rise to a loss of control, and the equity accounting of the Company's shares in Akfen Renewable Energy started.

On December 5, 2019, the capital of Akfen Renewable Energy was increased to 959,410 TL with a premium, within this scope, a total of USD 12,078,804 was transferred to Akfen Renewable Energy by the EBRD and IFC, thus EBRD and IFC's shares were from 15,982% to 16.993%. While the share of Akfen Holding decreased from 68,036% to 66,134%. On February 17, 2020, Akfen Renewable Energy's capital was increased to TL 1,016,032 at a premium, within this scope, US $ 5,100,000 was transferred from the EBRD to Akfen Renewable Energy, thus Akfen Holding's share was 66.91% and EBRD and IFC's share was 15.99%. As of June 30, 2022 and December 31, 2021, Akfen Holding's share in Akfen Renewable is 66.91%.

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY *(cont'd)*

***ii) Joint Ventures and financial investments** (cont'd)*

***Akfen Renewable Energy** (cont'd)*

HEPP Companies

As of June 30, 2022, the HEPP Companies have a total installed capacity of 235,7 MW and an annual power generation capacity of 916,8 GWh, with generation operations going on in 13 power plants.

As of June 30, 2022; Akfen Renewable Energy has 5 subsidiaries it owns directly and via companies within the same controlling structure under HEPP Companies, namely Bt Bordo Elektrik Üretim Dağıtım Pazarlama Sanayi ve Ticaret A.Ş. ("Bt Bordo"), Elen Enerji Üretimi Sanayi ve Ticaret A.Ş. ("Elen"), HHK Enerji Elektrik Üretim A.Ş. ("HHK"), Kurtal Elektrik Üretim A.Ş. ("Kurtal") and Yeni Doruk Enerji Elektrik Üretim A.Ş. ("Yeni Doruk").

WPP Companies

As of June 30, 2022; Akfen Renewable Energy has 7 subsidiaries it owns directly and via companies within the same controlling structure under WPP Companies, namely, İmbat Enerji A.Ş., Kanat Enerji A.Ş., Pruva Enerji A.Ş., Derbent Enerji Üretim Paz.İth.ve İhr.A.Ş., Isıder Enerji Üretim Paz.İth.ve İhr.A.Ş., Korda Enerji Üretim Paz.İth.ve İhr.A.Ş. and Kovancı Enerji Üretim Paz.İth.ve İhr.A.Ş.

As of June 30, 2022, a WPP project with a total installed power of 348.9 MW is in operation.

SPP Companies

As of June 30, 2022, SPP Companies continue to work on a portfolio of projects with a total installed power of 121.4 MW, consisting of 26 MW unlicensed and 95.4 MW licensed projects. In this context, there are 33 project companies, Akfen Renewable, excluding two of these companies (Me-Se Elektrik Üretim A.Ş. ("Me-Se") 80%, Solentegre Enerji Yatırımları Tic. A.Ş. (Solentegre)% 90) has 100% of the rest.

All of the HEPP Companies projects in the portfolio of Akfen Renewable Energy, except for Sırma HEPP, are covered by the Law on the Use of Renewable Energy Resources for the Purpose of Electric Energy Generation as of June 30, 2022. If the projects under this scope obtain Renewable Energy Resources Certificate and complete their investments by June 30, 2021, they have the right to benefit from the state's purchase guarantee from production for a period of 10 years, at least 7.3 US $ cents/kWh, starting from the date of commissioning. Within the scope of the support mechanism, if the investments are completed by December 31, 2020, the WPP portfolio can benefit from a minimum purchase guarantee of 7.3 USD cents/kWh and the SPP portfolio from a minimum 13.3 USD cents/kWh purchase guarantee. Again, within the scope of the same law, if domestic manufactured equipment is used in the production facility, various local additives are also applicable. In this context, the application made on October 19, 2017 for the Solentegre SPP project within Solentegre, within the framework of the "Regulation on Supporting Domestic Parts Used in Facilities Generating Electrical Energy from Renewable Energy Sources" was evaluated positively and as of January 1, 2018, 0.44 USD cent/kWh deserved to receive contribution supplement. However, other licensed GES projects in Akfen Renewable portfolio, Me-Se, MT, Engil 208, Erciş and Yaysun, Engil 207 as of January 1, 2019, USD 0.44 cent/kWh as of January 1, 2020, and Iota M. As of January 2021, Üçpınar, Kocalar, Hasanoba and Denizli, which are licensed WPP projects of 0.44 USD cents/kWh, are entitled to receive a domestic contribution of 0.60 USD cents/kWh as of January 1, 2020. The period of benefiting from the addition of domestic contribution ends at the end of the 5th year of the YEKDEM period of the relevant power plant. The procedures and principles regarding the determination and implementation of the Support Fee on the Basis of Resource, to be implemented for a period of 6 months as of April 1, 2022, entered into force. Maximum settlement prices on the basis of resources to be applied to power plants outside the YEKDEM mechanism, and the procedures and principles published by the market operator will be updated monthly within the scope of the third paragraph.

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY *(cont'd)*

ii) Joint Ventures and financial investments *(cont'd)*

TAV Investment

TAV Investment was incorporated on July 1, 2005 to make investments in aviation and construction sectors. The main fields of business for TAV Investment are construction and car park operations, TAV Investment's subsidiary is TAV Tepe Akfen Yatırım İnşaat ve İşletme A.Ş. ("TAV Construction").

Akfen Holding acquired its 21.68% share in TAV Investment Holding, Gazelle Yatçılık Gayrimenkul Turizm Otomotiv İç ve Dış Ticaret A.Ş. on May 29, 2019 for USD 500,000, based on the contract dated May 10, 2019. ("Gazelle Yatçılık") and the share transfer was notified to the company on June 12, 2019 for the transfer to be recorded in the share register. As of June 30, 2022, and December 31, 2021, since the transfer transaction has not been recorded in TAV Investment's share ledger, TAV Investment is accounted in the financial investments.

Akfen Su

Akfen Water Güllük started operations on August 24, 2006. All the shares of Akfen Su Güllük which is a wholly owned subsidiary of Akfen Su, were transferred to Hzr Environment and Water Investments Inc. with all its rights and obligations on April 19, 2021.

In addition, Akfen Water employs new technologies in line with the needs of its customers to develop and manage sustainable and environmentally-friendly Solid Waste Management systems. Concluding its first contract on Solid Waste Services with İDO, Akfen Water also started to provide waste management services for City Hospitals projects run by the Republic of Turkey Ministry of Health within a Public-Private Partnership model. To this end, Akfen Water signed its first contract with Isparta Şehir Hastanesi Yapım ve İşletme A.Ş. and provides the services of managing waste management processes. Subsequently, Akfen Water also started to provide waste management services to Mersin Integrated Health Campus and Yozgat City Hospital projects. Furthermore, it began to provide hazardous and non-hazardous waste disposal and recycling services to MIP during 2016.

1 ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY *(cont'd)*

ii) Joint Ventures and financial investments *(cont'd)*

İDO and MDO

The tender held by Istanbul Metropolitan Municipality ("IBB"), the former controlling shareholder of İDO, for the block selling of İDO on June 16, 2011 was awarded to Tepe Construction, Akfen Holding, Souter and Sera Gayrimenkul Yatırım ve İşletme A.Ş. Joint Venture Group, İDO carries passengers and vehicles under the name "Sea Bus and Fast Ferry Lines" on intracity and intercity sea routes. Having a modern fleet of 50 vessels (24 sea buses, 20 ferryboats, 5 fast ferries and 1 service ships), İDO carries passengers and vehicles in Marmara Sea on a total of 16 lines. As of June 30, 2022, sea buses, fast ferries and ferryboats have a total capacity of 33,154 passengers in summer season and 26,469 passengers in winter season while presenting a vehicle capacity of 2,124 in both seasons.

Akfen Holding's share became 50% (other partner Tepe İnşaat with 50% share) after the share transfers made as of October 14, 2020, within the scope of the restructuring of the project financing completed in 2021 at the stage of completion of İDO. In this context, MDO, which will also operate in the field of marine transportation, was established on May 5, 2021, with 50%/50% equal shares, in partnership with Akfen Holding and Tepe İnşaat. With the restructuring completed on July 8, 2021, Akfen Holding and Tepe İnşaat transferred their shares in İDO to MDO and MDO became the 100% owner of İDO.

Acacia Mine

Asya Maden İşletmeleri A.Ş. was founded in 2007. In 2011, Akfen Group became a shareholder with a share of 30% in 2016. The Company is currently operating its Acacia Maden İşletmeleri A.Ş. under the name of Akfen Holding, Ilbak Holding and İzbir Madencilik A.Ş. in partnership. The Company is constructing the Gökirmak copper mine project in the Hanönü district of Kastamonu province. As of March 15, 2019, Acacia Maden produced the first salable copper.

Travelex

Travelex, which opened its first store in London in 1976, is the world's leading independent foreign exchange trading company. It operates in 12 locations in Turkey.

IBS Sigorta ve Reasürans Sigorta Brokerliği A.Ş. ("IBS Insurance")

Akfen Holding signed a sales agreement on December 28, 2020 to sell the remaining 20% of its shares in IBS, and the mentioned sale transaction was completed on January 28, 2021.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation of Financial Statements

Declaration of conformity

Akfen Holding companies operating in Turkey employ the Uniform Chart of Accounts as well as the accounting principles set by the CMB in keeping accounting records and drafting TRY-denominated financial statements.

The consolidated financial statements attached are issued in line with the provisions of the "Communique on Principles Pertaining to Financial Reporting in the Capital Market" Serial II. No, 14.1 ("Communique") by the CMB, which was published in the Official Gazette No. 28676 of June 13, 2013.

The Group applies the Turkish Accounting Standards ("TAS") published by the Public Oversight, Accounting and Auditing Standards Authority as per Article 5 of the Communique, The TAS is comprised of the Turkish Financial Reporting Standards ("TFRS") and the appendices and comments pertaining thereto.

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021. No new announcement has been made by the POA regarding the application of inflation accounting, and in this respect, financial statements as of June 30, 2022 are not adjusted for inflation in accordance with TAS 29.

The consolidated financial statements of the Group are approved by the Company's Board of Directors on August 15, 2022.

Going concern

The Group has prepared its financial statements in accordance with the going concern principle.

Principles of measurement

The consolidated financial statements are issued over historical costs except for financial assets whose fair value differences are recognized in profit or loss and whose fair value differences are classified in other comprehensive income.

Applicable currency and reporting currency

Akfen Holding, its subsidiaries operating in Turkey and its affiliates under joint control keep their accounting records and financial statements in TRY in accordance with the Turkish Commercial Code and the Tax Procedure Code. The attached consolidated financial statements are presented in TRY, the Company's reporting currency, and are issued in accordance with the TAS by taking legal accounting records as basis and creating the required adjustment and classification records.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.1 Basis of Presentation of Financial Statements *(cont'd)*

Applicable currency and reporting currency *(cont'd)*

As of June 30, 2022 and December 31, 2021 the functional currencies of subsidiaries, joint ventures and financial investments are as follows:

Company	Functional Currency
Akfen REIT	TRY
Akfen Energy Generation (*)	TRY
Akfen Renewable	TRY
Akfen Water	TRY
MDO/İDO	TRY
IBS Insurance (*)	TRY
Akfen Construction	TRY
Akınısı	TRY
Akfen Danışmanlık	TRY
Akfen Tourism	TRY
Akfen GPYŞ	TRY
BİZ Mining	TRY
Acacia Mine	US Dollar

(*) It is not included in the Group assets due to the share sales and mergers on January 28, 2021 (Note 1).

Principles for consolidation

The attached consolidated financial statements, which are all prepared in consistence with the principles set in the consolidated financial statements for the accounting years ended on June 30, 2022 and December 31, 2021, include the accounts for investments in equity-accounted joint ventures by Akfen Holding, the parent company, and its subsidiaries that are consolidated via the full consolidation method.

Subsidiaries and joint ventures are consolidated using the following methods:

Subsidiaries

Subsidiaries are exposed to, or are eligible for, returns on variable returns due to the relationship Akfen Holding invests in refers to the companies in which it has control authority because it has the ability to influence it with its power on the enterprise.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.1 Basis of Presentation of Financial Statements *(cont'd)*

***Subsidiaries** (cont'd)*

	June 30, 2022 Shareholding rate (%)	June 30, 2022 Voting rights (%)	December 31, 2021 Shareholding rate (%)	December 31, 2021 Voting rights (%)	Main Operations
Direct subsidiaries					
Adana İpekyolu	99.96	99.96	99.96	99.96	*Inactive*
Akfen Energy Gas	100	100	100	100	*Inactive*
Akfen Solar Energy	100	100	100	100	*Inactive*
Akfen Construction (1)	100	100	100	100	*Construction*
Akınısı (1)	99.99	99.99	99.99	99.99	*Inactive*
Akfen Danışmanlık (1)	100	100	100	100	*Consultancy services*
Akfen Tourism (1)	99.99	99.99	99.99	99.99	*Tourism/Restaurant administration*
Akfen GPYŞ (1)	100	100	100	100	*Real estate portfolio management*
Akfen Merter (1)	91.52	75	91.52	75	*Real estate*
BİZ Mining (1)	100	100	100	100	*Inactive*
Indirect subsidiaries					
Isparta City Hospital (2)	99.88	99.88	99.88	99.88	*City hospital*
Eskişehir City Hospital (2)	100	100	100	100	*City hospital*
Tekirdağ City Hospital (2)	100	100	100	100	*City hospital*
Ayrı Gayrimenkul (2)	100	100	100	100	*Inactive*
Hacettepe Teknokent (*) (2)	70	70	70	70	*Dormitory management*
Zeki İnşaat (2)	100	100	100	100	*Inactive*
Akfen Hospital (3)	100	100	100	100	*Inactive*

(1) After the merger of Akfen Holding and Akfen Altyapı Holding on November 10, 2021, it became a subsidiary of Akfen Holding.
(2) It is a subsidiary of Akfen Construction.
(3) Akfen Wind Energy's title was changed to Akfen Hospital and all of Akfen Hospital's shares in Akfen Holding were transferred to Akfen Tourism on June 22, 2022, and Akfen Tourism has become the sole shareholder of Akfen Hospital as of this date and Akfen Hospital has become an indirect subsidiary of Akfen Holding.
(*) The Group controls the company by holding the majority of the voting rights

Joint ventures and financial investments

Joint ventures are established through an agreement for the Company and its subsidiaries to undertake an economic activity in a way to be jointly managed by one or more enterprising partners.

In the equity method, the joint venture investment is initially recognized via the acquisition cost, Following the date of acquisition, the share of the investor in the profits or losses of the invested enterprise is reflected in the financial statements by increasing or decreasing the carrying amount of the investment. The share the investor will get from the profits or losses of the invested enterprise is recognized as the profit or loss of the investor. Any distributions (of dividend, etc.) received from an invested enterprise reduce the carrying amount of the investment. The carrying amount of the invested enterprise needs to be adjusted in a way to correspond to the share the investor gets from the changes in the other comprehensive income of the enterprise. The details of the Company's subsidiaries and financial investments as of June 30, 2022 and December 31, 2021 are as follows:

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.1 Basis of Presentation of Financial Statements *(cont'd)*

Joint agreements and financial investments *(cont'd)*

	June 30, 2022		December 31, 2021		
	Shareholding rate (%)	Voting rights (%)	Shareholding rate (%)	Voting rights (%)	Main Operations
Financial investments					
MIP	10	10	10	10	*Port management*
TAV Investment	21.68	21.68	21.68	21.68	*Construction and parking management*
Travelex [(1)]	10	10	10	10	*Currency trading activity*
Tepe Akfen Reformer [(*)] [(1)]	26	26	26	26	*Inactive*
Joint Ventures					
Akfen Water [(**)]	50	50	50	50	*Solid waste services*
Akfen Renewable Energy [(**)]	66.91	66.91	66.91	66.91	*Energy*
MDO/İDO [(***)]	50	50	50	50	*Sea bus transportation*
Acacia Mine	30	30	30	30	*Mine*
Akfen REIT [(****)]	23.94	23.94	23.94	23.94	*Real estate investment/Tourism*

(*) It is considered as a financial investment as it does not have a significant impact on the business.

(**) Decisions regarding transactions that significantly affect the activities of companies are taken jointly by Akfen Holding and other partners. Therefore, these companies are accounted for as investments valued using the equity method.

(***) Akfen Holding's share became 50% after the share transfers made as of October 14, 2020, within the scope of the restructuring of the project financing at the stage of completion of İDO. In this context, MDO, which will also operate in the field of marine transportation, was established on May 5, 2021, with 50%/50% equal shares, in partnership with Akfen Holding and Tepe İnşaat.

(****) After the capital increases on January 12, 2021, February 9, 2021 and August 20, 2021, Akfen Holding's share in Akfen REIT decreased to 23.94%.

(1) After the merger of Akfen Holding and Akfen Altyapı Holding on November 10, 2021, it became Akfen Holding's financial investment.

Combinations of businesses under joint control

Business combinations arising from the transfer of the shares of companies under the control of the shareholder that controls the Group are recognized like they took place at the beginning of the earliest comparative period offered, and, if it took place later, on the date the joint control is established. To this end, comparative periods are restated. Acquired assets and liabilities are recorded over the carrying amount registered in the consolidated financial statements of the shareholders under the Group's control. The shareholders' equity items for the acquired companies are added to the same items in the Group's equity except for the capital and the resulting profit or loss is recognized within equity.

Adjustment transactions in consolidation

Intra-group transactions and balances among the companies included in the consolidation are written off during consolidation. Unrealized profits and losses arising from transactions between the company and its consolidated subsidiaries and joint ventures are adjusted to the extent of the Group's share in the joint venture.

Business combinations for purchasing from third persons

Purchasing from third persons are recognized by using the purchasing method. Purchasing cost is calculated as the total of the fair values of assets, of the liabilities that arise or are assumed, and of the equity capital instruments issued to acquire the control of the affiliate as well as the total of other costs directly attributable to acquisition. In accordance with TFRS 3, identifiable assets, liabilities and conditional liabilities which meet the registration requirements are registered over their fair values.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.1 Basis of Presentation of Financial Statements *(cont'd)*

Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the functional currencies of the relevant Group companies over the exchange rate on the date when the transaction took place. Foreign currency-denominated monetary assets and liabilities are translated into the functional currency over the exchange rate on the reporting date. Foreign currency-denominated non-monetary assets and liabilities that could be measured by their historical costs are translated over the exchange rate on the transaction date. Exchange differences due to translation are recorded in the consolidated other comprehensive income statement.

Group companies prefer to use USD or TRY as the functional currency since they are widely used or have a significant impact on the operations of the relevant Group companies and reflect the key economic events and developments pertaining to such companies. All currencies except for the currency used to measure the items in financial statements are called a foreign currency. As per the relevant provisions of TAS 21 (Effects of Changes in Foreign Exchange Rates) standard, transactions and balances not calculated over the functional currencies are re-calculated over the relevant currencies, The Group adopts TRY as the reporting currency.

The assets and liabilities of Group companies that employ a functional currency other than the Group's reporting currency are translated into the Group's reporting currency over the exchange rate on the balance sheet date. The income and expenditures or such Group companies are translated into the reporting currency over the average exchange rate for the period. Equity capital items are reported over their cost value. Foreign currency translation differences are indicated in the equity capital under the item "Foreign currency translation difference". When the relevant Group companies are disposed of partially or fully, the relevant amount under "foreign currency translation difference" is classified into consolidated profit or loss.

Foreign operations

Assets and liabilities from operations abroad including fair value adjustments due to acquisition as well as goodwill are translated into TRY over the exchange rates on the reporting date. Income and expenditures from operations abroad are translated into TRY over the average rates for the relevant period.

Foreign currency translation differences are recorded under foreign currency translation differences under equity. In the event that operations abroad are sold out partially or fully, the relevant amount in the foreign currency translation difference is transferred to the profit or loss.

Comparative information and the adjustment of consolidated financial statements from previous periods

The attached consolidated financial statements are compared to the previous period in order to identify trends in the financial position, performance and cash flow of the Group. In order to ensure comparability if the way the items in the consolidated financial statements are represented or classified changes, consolidated financial statements from the previous periods are also re-classified accordingly and explanations are provided on such matters.

The merger transaction on November 10, 2021, was evaluated as a "Business Combination Under Common Control" and was accounted for using the "Pooling of Interest" method. When the pooling of interest method is applied, the financial statements have been adjusted as if the merger had been realized at the beginning of the reporting period in which under common control occurred and they have been presented comparatively since the beginning of the reporting period in which the under common control occurred.

Changes in the financial statements of 2021

The reclassifications and adjustments made in the consolidated statements of financial position of the Group as of June 30, 2021, the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows are explained in Note 3.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.1 Summary of Significant Accounting Policies

Inventories

The Group's inventories mainly include the costs of construction projects in progress and the units available for sale. Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Tangible fixed assets

Accounting and measurement

Tangible fixed assets purchased until December 31, 2004 are adjusted for inflation in TRY denomination as of December 31, 2004 in compliance with TAS 29. Accordingly, tangible fixed assets are indicated by deducting accumulated depreciation and permanent losses in value from the historical costs under inflation. Tangible fixed assets purchased starting from January 1, 2005, on the other hand, are indicated by deducting accumulated depreciation and permanent losses in value from their historical costs.

The cost reflects those expenditures that are directly related to the acquisition of the asset concerned. The cost of the assets constructed by the Group includes the material costs, labor costs and the costs directly related with making that asset available for the use of the Group as well as the costs for disassembly and replacement of parts and the costs for the restoration of the space such parts are in. Any software purchased in order to use the relevant equipment is capitalized as a part of that equipment. Items constituting tangible fixed assets are recognized as separate items (basic components) of tangible fixed assets if they have different economic lives.

Profits or losses regarding the disposal of tangible fixed assets are determined by comparing the disposal fee and the registered value of the asset concerned and are registered in the consolidated comprehensive income statement under "income and profits/(expenditures and losses) from investment operations".

Subsequent expenses

Expenses arising from replacing any part of tangible fixed assets and including research and maintenance and repair costs can be capitalized if they increase the future economic benefit of the said tangible fixed asset. The registered values of the changed parts are removed from the records. All other expenses are recognized in profit or loss as they occur.

Depreciation

Tangible fixed assets are depreciated and registered under profit or loss after the estimated surplus value is deducted by using the straight-line method of depreciation on the basis of the date of purchasing or installation according to the estimated useful lives of assets. Terrain and land are not depreciated.
Economic lives in the current period and previous periods are as follows:

Description	***Years***
Buildings	2-50
Furniture and fixtures	2-15
Machinery and Equipment	3-40
Vehicles	5
Special costs	1-15

Special costs are depreciated with straight-line method of depreciation over their relevant rental periods or economic lives, whichever is shorter.

Depreciation methods, economic lives and residual values are reviewed at the end of each accounting period.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Intangible fixed assets

Licenses and other intangible fixed assets

Intangible fixed assets that are acquired by the Group and have a limited economic life are reflected after the accumulated amortization and accumulated impairments are deducted from historical cost.

Subsequent expenditures

Other subsequent expenditures may be capitalized if they can increase the future economic benefit of the said intangible fixed asset. All other expenses within the enterprise including those related to goodwill and trademarks are indicated under profit or loss as they arise.

Amortization

During their economic lives, intangible fixed assets are registered under profit or loss through the straight-line method of amortization starting from the date when they become available for use. Out of intangible fixed assets. Licenses are amortized within a range of 3-49 years while other intangible fixed assets are amortized within a range of 3-5 years.

Investment properties

Investment properties are initially valued at their cost and recognized at fair value at each reporting date. Gains or losses on the disposal of investment properties (calculated as the difference between the net income from disposal and property, plant and equipment) are recognized in the income statement. Fair value increases are recognized in the income statement.

The Group classifies its rights regarding the lands it leased to develop investment property as investment property. In such a case, the right for the land in question is accounted for in the same way as leasing, and in addition, the fair value method is used for the land in question. Since the fair value determinations of the investment properties of the Group, which are developed above the leased lands, are made by deducting the lease fees to be paid for these lands from the estimated cash flows, the reduced values of the lease payable related to the lands are mutually accounted in the investment properties and borrowings accounts.

Leasing transactions

KGK published TFRS 16 "Leasing Transactions" standard in April 2018. The new standard eliminates the distinction between operating leasing and financial leasing, requiring many leases to be included in the balance sheet under a single model for companies that are tenants. Recognition for companies that are lessor has remained largely unchanged, and the difference between operating lease and financial leasing continues. TFRS 16 will replace the Interpretations on TAS 17 and TAS 17 and will be valid for annual periods beginning on or after 1 January 2019.

Tenants are exempt from applying this standard to short-term leases (leases with a lease term of 12 months or less) or leases where the underlying asset is of low value (e.g. personal computers, some office equipment, etc.). At the actual beginning of the lease, the tenant measures the lease liability over the present value of the lease payments not paid at that date (lease liability) and records the related right-of-use asset as of the same date and is subject to depreciation throughout the lease term. Lease payments are discounted using this rate if the interest rate implied on the lease can be easily determined. The tenant uses the lessee's alternative borrowing rate if this rate cannot be easily determined. The lessee must separately record the interest expense on the lease obligation and the depreciation expense of the right-of-use asset.

It is the case for the lessee to remeasure the lease obligation if certain events occur (for example, changes in the lease term, forward lease payments change due to changes in a particular index or rate, etc.). In this case, the lessee records the remeasurement effect of the lease obligation as an adjustment on the right-of-use asset.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Right to use assets

The Group recognizes the right of use assets on the date the lease commences (for example, as of the date when the asset is eligible for use). Right of use assets are calculated by deducting accumulated depreciation and impairment losses from the cost value. If the financial lease payables are revalued, this figure is adjusted.

The cost of the right-of-use asset includes:
(a) the initial measurement of the lease liability,
(b) the amount obtained by deducting all lease incentives received from all lease payments made on or before the effective date of the lease, and
(c) all initial direct costs incurred by the Group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably finalized, the Group depreciates the right of use asset from the effective date of the lease until the end of the useful life of the underlying asset.

Right of use assets are subject to impairment assessment.

Financial Assets

Classification

Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase. Financial assets are not reclassified after initial recognition unless the business model that the Group uses in the management of financial assets has changed; In the event of a change in business model, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

"Financial assets measured at amortized cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortized cost comprise "trade receivables", "other receivables" and "financial investments". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the consolidated statement of income.

"Financial assets reflected at fair value through other comprehensive income" are non-derivative instruments that are held within the scope of a business model that aims to collect contractual cash flows and sell the financial asset, and in which there are cash flows that include only interest payments arising from the principal and principal balance at certain dates in the terms of the contract. are financial assets. Gains or losses arising from the relevant financial assets other than impairment gains or losses and foreign exchange gains or expenses are reflected in other comprehensive income. In case the mentioned assets are sold, valuation differences classified to other comprehensive income are classified into previous years' profits. For investments in equity-based financial assets, the Group may irrevocably opt for the method of reflecting subsequent changes in fair value to other comprehensive income at initial recognition. In the event that the said choice is made, the dividends obtained from the relevant investments are accounted in the consolidated statement of profit or loss. The Group's financial assets, whose fair value difference is reflected in other comprehensive income, includes financial investments based on equity.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Financial Assets *(cont'd)*

Recognition and Measurement (cont'd)

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

Financial assets at fair value through profit or loss also include "derivative instruments" and "financial assets related to concession agreements" in the statement of financial position. Derivative instruments are recognized as an asset if the fair value is positive and as a liability if the fair value is negative. Derivative instruments of the Company reflected in profit or loss consist of interest rate fixing contracts.

Financial assets related to concession agreements

Taking into account the terms of the service concession agreement with the government, the Group applied IFRIC 12 financial asset model and defined a financial asset in its financial statements.

The Group considers the service concession agreements as mixed contracts that contain the main products in the nature of financial assets. Related contracts contain more than one hidden derivative product and vary with contractual cash flows, a certain inflation rate and exchange rate changes.

The Group recognizes financial assets arising from service concession agreements at their fair values through profit or loss and classifies these changes in fair value as reflected in profit or loss as "other operating income expense".

Derecognition

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

Impairment

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL), The impairment model applies for amortized financial and contractual assets. Provision for loss measured as below; 12- Month ECL: results from default events that are possible within 12 months after reporting date. Lifetime ECL: results from all possible default events over the expected life of financial instrument Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12-month ECL measurement if it has not.

The Group may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Trade Receivables

Trade receivables, generated by the Group by providing goods or services to a buyer,are presented as netted off unaccrued financing income. Trade receivables that are not accrued after the unearned financing income are calculated by discounting the amounts to be obtained in the subsequent periods from the original invoice amount. Short-term receivables with no stated interest rate are measured at the cost value unless the effect of the original effective interest rate is significant.

In case there is objective evidence that there is no possibility of collection, the Group provides provision for doubtful receivables for trade receivables. The amount of this provision is the difference between the carrying amount of the receivable and the amount that can be collected. The amount that can be collected is the discounted value of all cash flows, including the amounts collected from guarantees and collateral, based on the original effective interest rate of the trade receivable.

After the collection of doubtful receivable, in case of collecting all or part of the doubtful receivable amount, the collected amount is deducted from the provisioned doubtful receivable and recorded in other income.

For the purpose of calculating the depreciation of trade receivables, which are accounted for at amortized cost and which do not include a significant financing component (less than 1 year), the simplified approach is implemented. In cases where the trade receivables are not impaired due to certain reasons (except fort he realized impairment losses), the provision for losses related to trade receivables are measured by an amount equal to the expected loan losses.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Financial liabilities

Financial liabilities are measured at fair value at initial recognition. Transaction costs directly attributable to the burden of related financial liability are also added to the fair value.

Financial liabilities and borrowing costs

Financial liabilities are recognized initially at the proceeds received, netted off transaction costs incurred. Financial liabilities are followed in the consolidated financial statements with their discounted values calculated with effective interest rate.

Financial liabilities are debts arising from the disappearance of this obligation, the expiration of the cancellation period and the situation is derecognized.

Trade payables

Trade payables are the debts arising from the purchase of products and services directly from the suppliers. Trade payables and other liabilities are carried at amortized cost. Trade payables and other liabilities after unaccrued financial expenses are calculated by discounting the amounts payable from the original invoice value in the following periods by using the effective interest method. Short-term payables with no stated interest rate are measured at cost unless the effect of the original effective interest rate is significant.

Cash and cash equivalents

Cash and cash equivalents are cash in hand, demand deposits and other short-term investments with a maturity of 3 months or less than 3 months, which are easily convertible into cash and do not carry a significant risk of change in value. Bank deposits with a maturity of longer than 3 months and less than 1 year are classified as short-term financial investments.

Equity

Ordinary shares

Ordinary shares are classified as equity. The additional costs directly associated with the export of ordinary shares and stock options are recognized as a decrease in equity after deducting the tax effect

Employee benefits

Provision for severance pay

In accordance with existing labor law in Turkey, the Group is required to make payments of certain amounts to employees who have completed one year of service and who quite due to causes such as retirement and military service or who die. Provision for severance pay represents the present value of future probable obligation of the Group arising from the retirement of employees on a 30-day basis. Provision for severance pay is calculated on the assumption that all employees will receive such payment, and it is recognized in the consolidated financial statements on an accrual basis. Provision for severance pay is calculated in accordance with the severance pay cap announced by the Government. All actuarial gains and losses are recognized under other comprehensive income.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation because of past events, it is probable that an outflow of resources involving economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are calculated by discounting the estimated future cash flows at a pre-tax discount rate to be computed in consideration of the impact of time value of money and the risks associated with such obligation.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Revenue

Revenue from customer contracts

Group started to use the following five-stage model in the recognition of revenue in line with the TFRS 15 "Revenue from Customer Contracts Standard".

- Defining contracts with customers
- Defining performance obligations in contracts
- Determining the transaction price in the contracts
- Distribution of transaction price to performance obligations
- Recognition of revenue

According to this model, first of all, the goods or services promised in each contract made with the customers are evaluated and each commitment made for the transfer of the said goods or services is determined as a separate performance obligation. Afterwards, it is determined whether the performance obligations will be fulfilled over time or at a certain time.

If the Group transfers control of a good or service over time and therefore fulfills the performance obligations related to the related sales over time, it measures the progress towards the full fulfillment of the said performance obligations and recognizes the revenue in the consolidated financial statements over time. Revenue related to performance obligations in the form of goods or service transfer commitments are recognized when the control of the goods or services is taken over by the customers.

The Group, while evaluating the transfer of control of the goods or services sold to the customer,

a) Ownership of the Group's right to collect on goods or services
b) The customer's ownership of the legal ownership of the goods or services
c) Transfer of possession of goods or services,
d) The customer's ownership of significant risks and rewards arising from owning the property or service,
e) It takes into account the customer's acceptance of goods or services.

The Group accounts for a contract with a customer within the scope of TFRS 15, only if all of the following conditions are met.

- In case the parties of the contract approve the contract and undertake to perform their own actions.
- In case the company can define the rights regarding the goods or services to be transferred by each party.
- Where the company can define payment terms for the goods or services to be transferred.
- Where there is a contract of commercial importance.
- In the event that the company will collect a price for goods or services to be transferred to the customer.

<u>Sale of goods</u>

In cases where significant risks and returns of revenue are transferred to the customer, the probability of recovery of goods, associated costs and possible return of goods can be reliably calculated, and in the absence of an ongoing management relationship with the goods, the amount of income can be measured reliably. Revenues; Buy-backs, sales discounts, volume discounts are measured.

The timing of risks and transfer of services varies depending on the terms of the sales contract.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Revenue *(cont'd)*

Revenue from customer contracts *(cont'd)*

Construction contracts

Contract revenue includes any difference, claim, incentive payments within the contract that may result in revenue or is likely to be measured reliably in addition to the initial amount accepted in the contract.

If the outcome of the construction contract can be estimated reliably, the contract revenue is recognized in the income statement in proportion to the stage of completion of the contract.

The completion stage of the work is measured by reference to a work study performed. Otherwise, contract revenue is recognized only at the cost of the contract which is likely to be collected.

Contract costs are recognized as they are incurred unless they create an asset related to future contract activities. An expected loss in a contract is immediately recognized in profit or loss.

Service concession agreements

TFRS Interpretation 12 provides an overview of the infrastructure investments made by companies (operators) that have acquired the right to operate for a certain period by signing a concession agreement with the public and how the services they provide during the operation should be accounted for. It requires the operators to account for the investments made in the scope of TFRS Comment 12 as financial assets and / or intangible assets in accordance with the terms of the agreement instead of accounting for the investments as buildings, fixed assets and fixtures. The Company recognizes the amount calculated as per the construction model based on the service concession agreement as a financial asset, as it is a guaranteed income in the contract made with the Ministry of Health. The accounting policy for the measurement and classification of financial assets is included in 2. Note "Classification and Measurement - Financial Assets" (Isparta City Hospital, Eskisehir City Hospital and Tekirdağ City Hospital).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Revenue *(cont'd)*

Rent incomes

Rental revenues from investment properties are recognized in the consolidated comprehensive income statement by using the straight-line method during the term of the rental agreement. Revenue is measured at the fair value of the consideration received or receivable. Income is realized when the economic benefits obtained by the Group and amount of the related income is measured confidingly.

Other transactions

Income from delivered services is recognized in the consolidated comprehensive income statement in line with the completion rate of the transaction by the end of the reporting period.

Government incentives

Government incentives, including non-monetary government incentives measured by their fair values, are recognized in the consolidated financial statements when there is reasonable assurance that the entity will meet the conditions for obtaining them and that the incentives will be received by the entity.

Government incentives are presented in the financial statements in the same manner, even if they are obtained in cash or as a reduction of an obligation to the government.

Investment incentives are valued at their fair value if reasonable assurance is provided that the incentives will be received and that all conditions will be met. If the incentive is associated with an asset item, it is deducted during the calculation of the fair value of the asset. The incentive is recognized in profit or loss through the acquisition of rental income for the asset.

Financing income and expenses

Financing income includes interest income, exchange rate difference income, dividend income and gains from derivative instruments accounted for in profit or loss. Interest income is recognized in profit or loss on an accrual basis using the effective interest method.

Financing expenses include the interest expenses from bank loans, impairments accounted for in relation to financial assets (except for trade receivables), and the losses from ineffective portions of derivative hedge instruments accounted for in profit or loss. Borrowing costs which cannot be directly related to the acquisition, construction or production of an asset are recognized in profit or loss by using the effective rate of interest.

Rediscount and exchange rate difference income/expenses pertaining to trade transactions are recognized in other operating income and expenses.

Earnings per share

Earnings per share disclosed in the consolidated profit or loss statement are determined by dividing net income for the period from parent company shares by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares (bonus shares) to existing shareholders from retained earnings and inflation adjustment. Such distribution of bonus shares is treated as issued shares in the calculation of earnings per share. Accordingly, the weighted average number of shares used in such calculations are determined by giving the said distribution of shares a retroactive effect.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Taxes on income

Taxes include current period income tax liabilities and deferred tax liabilities. Current tax is recognized in consolidated comprehensive income statement except for the taxes of items recognized directly in profit or loss.

Current tax is calculated over the taxable part of the income for the period. The current tax liability of the Group is calculated using the tax rates enacted at the reporting date.

Furthermore, provisional corporate taxes are paid at 25% (will be applied as 23% for 2022 and 20% for 2023 and after tax periods) over profits declared for interim periods in order to be deducted from the final corporate tax.

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated on December 31, 2023.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences of non-tax deductible goodwill, and assets and liabilities that are not accountable and taxable and are recognized for the first time. Deferred tax is not recognized in the initial recognition of goodwill, the initial recognition of assets and liabilities that impact on neither financial profit nor commercial profit in transactions other than business combinations, and in differences pertaining to associates and joint ventures which are unlikely to be reversed in the near future. Deferred tax is calculated on the basis of laws applicable by the end of the reporting period and over the tax rates that are expected to be applied once temporary differences are reversed.

When the deferred tax assets and deferred tax liabilities are levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities and in the event that the acquisition of deferred tax assets and the performance of deferred tax liabilities are simultaneous, deferred tax assets and deferred tax liabilities can be offset.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting period and their carrying amount is reduced to the extent that it is not probable that the relevant tax advantage will be available.

Deferred taxes arising from the fair value measurement for available-for-sale assets and their cash flow hedging is recognized in profit or loss before being recognized in consolidated comprehensive income statement together with other deferred gains that are previously recognized.

Out of the investment incentives the Group enjoys, those that ensure a corporate tax rebate are recognized under TAS 12.

The current tax amounts to be paid are offset with the prepaid tax amounts since they are related to corporate tax. Deferred tax asset and liability are also offset individually for each company.

Tax arrangements in Turkey do not allow a parent company and its subsidiaries to submit consolidated tax statements. Therefore, tax provisions are calculated on a company basis as reflected in the consolidated financial statements attached.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Related parties

For the purpose of the accompanying consolidated financial statements, shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties.

A related party is a person or entity that is related to the entity that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies

(i) The entity and the reporting entity are members of the same group
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Segment reporting

Operating segments are segments of the Group which engage in operating activities from which the Group can reap revenues and through which it can make expenditures, the operating results of which are regularly reviewed by the chief operating decision maker of the Group for allocating resources and assessing performance of the operating segments, and for which there are separate financial information.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Fair value, according to valuation techniques used is classified into these following levels:

Level 1: For identical assets or liabilities in active markets (unadjusted) prices;
Level 2: 1st place other than quoted prices and asset or liability, either directly (as prices) or indirectly (i.e. derived from prices) observable data;
Level 3: Asset or liability is not based on observable market data in relation to the data (non- observable data).
The fair value of other long-term investments, the details of which are given in Note 22, are within the scope of level 3 valuation method techniques and the income discounting method.

Significant accounting evaluation, estimation and assumptions

In the preparation of consolidated financial statements; The Group management has made judgments, estimates and evaluations affecting the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assessments are reviewed continuously. Adjustments regarding the estimates are made prospectively.

Information on the accounting policies, assumptions and judgments made in applying the estimates that have the most significant impact on the amounts presented in the financial statements are presented in the following notes:

Financial assets related to concession agreements and contract assets arising from ongoing construction and contracts

Group's financial assets are recognized in the financial statements covered by the Republic of Turkey Health Ministry, signed City Hospital Agreement Pursuant During the City Hospital are entitled to charge a fee on the use of compatible concession infrastructure with the construction of the model. In projects that are under construction, the Group includes financial assets from service concession agreements at reduced cost, as receivables from service concession agreements, as financial assets related to Concession agreements at fair value in completed and operational projects. The Company management makes important estimates and assumptions for inflation and exchange rates during the contract period in order to calculate receivables from concession contracts.

As of June 30, 2022, the discount rate used in the fair value calculation is 10% (Euro) (December 31, 2021: 10%) for Eskişehir and Tekirdağ City Hospitals and 11.5% (USD) (December 31, 2021: 11.5%) for Isparta City Hospital. For inflation and exchange rate estimates, fair value calculations are made with different scenarios and the average value is accepted as the final result. The inflation values used in fair value calculations are in parallel with the medium and long term inflation rates announced by the CBRT.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Significant accounting evaluation, estimation and assumptions *(cont'd)*

Financial assets related to concession agreements and contract assets arising from ongoing construction and contracts (cont'd)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (Note 10). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Determining the fair value of equity instruments

The Group has classified and recorded the MIP, Travelex and TAR shares held in the accompanying consolidated financial statements as financial assets at fair value through other comprehensive income/ expense. MIP, Travelex and TAR financial investments carried at fair value are important in terms of financial statements and valuation studies require expertise. Valuations are made in accordance with market conditions, taking into account similar company multipliers, discount rates, current market transactions return and sales prices. In these estimates and assumptions, changes that may occur in the future may have a significant impact on the Group's consolidated financial statements

Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. If based on the weight of all available evidence, it is the Group's belief that taxable profit will not be available sufficient to utilize some portion of these deferred tax assets, then some portion of or all of the deferred tax assets are not recognized. The Group has not recognized deferred tax assets because it is in the development stage and it is not apparent that taxable profit will be available sufficient to recognize deferred tax assets. If future results of operations exceed the Group's current expectations, the existing unrecognized deferred tax assets may be recognized, resulting in future tax benefits.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

Significant accounting evaluation, estimation and assumptions *(cont'd)*

Derivative instruments

Derivative instruments are first recorded at their acquisition cost reflecting their fair value at the contract date and are valued at fair value in the following periods. The derivative instruments of the Group are mainly composed of forward foreign exchange purchase-sale contracts and foreign currency and interest rate swap transactions. Although these derivatives provide effective protection against risks for the Group economically, when they do not meet the necessary conditions in terms of risk accounting, they are accounted as trading derivatives in the consolidated financial statements and the fair value changes related to them are reflected in the consolidated statement of profit or loss.

2.3 Amendments to the Turkish Financial Reporting Standards

The new standards, amendments and interpretations which are effective as at January 1, 2021 are as follows:

- Interest Rate Benchmark Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16
- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Separately identifiable risk components
- Additional disclosures
- Amendments to TFRS 4 Insurance Contracts – Deferral of TFRS 9
- Amendments to TFRS 16 – Covid-19 Rent Related Concessions

These amendments did not have a significant impact on the financial position or performance of the Company.

The new standards, amendments and interpretations issued but not yet effective and not early adopted

- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 3 – Reference to the Conceptual Framework
- Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- TAS 8 Amendments – Definition of Accounting Estimates
- TAS 1 Amendments – Disclosure of Accounting Policies
- Amendments to TAS 16 – Proceeds before intended use
- TAS 12 Amendments – Deferred tax on assets and liabilities arising from a single transaction
- Annual Improvements TFRS 1, TFRS 9, TMS 41 and TFRS 16

These standards, changes and improvements are assessed on the financial position of the Company and its possible impact on performance.

3. RESTATEMENT OF PREVIOUS YEAR FINANCIAL STATEMENTS RESULTING FROM BUSINESS COMBINATIONS AND SHARE SALES OF ASSOCIATES/SUBSIDIARIES

The merger transaction of Akfen Holding and Akfen Altyapı Holding which was completed on November 10, 2021, was evaluated as a "Business Combination Under Common Control" and was accounted for using the "Pooling of Interest" method (Note 4). When the pooling of interest method is applied, the financial statements have been adjusted as if the merger had been realized at the beginning of the reporting period in which under common control occurred and they have been presented comparatively since the beginning of the reporting period in which the under common control occurred. As a result of this merger; the effect of the adjustments made in the prior period consolidated financial statements, the profit or loss and other comprehensive income and expense statement and the consolidated cash flow statement as of June 30, 2021, are as follows:

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

3. RESTATEMENT OF PREVIOUS YEAR FINANCIAL STATEMENTS RESULTING FROM BUSINESS COMBINATIONS AND SHARE SALES OF ASSOCIATES/SUBSIDIARIES *(cont'd)*

June 30, 2021:

ASSETS	Previously reported June 30, 2021	Akfen Altyapı merger effect June 30, 2021	Restated June 30, 2021
Current Assets			
Cash and cash equivalents	1,433,372	154,376	1,587,748
Short term financial investments	666,754	-	666,754
Trade receivables	3,243	91,518	94,761
-Trade receivables from related parties	*3,209*	*15,470*	*18,679*
-Trade receivables from third parties	*34*	*76,048*	*76,082*
Financial assets related to concession agreements	-	931,650	931,650
Other receivables	677	81,811	82,488
-Other receivables from related parties	-	*47*	*47*
-Other receivables from third parties	677	*81,764*	*82,441*
Inventories	-	31,228	31,228
Prepaid expenses	839	27,415	28,254
Current income tax assets	3,362	161	3,523
Other current assets	5	87,595	87,600
SUBTOTAL	**2,108,252**	**1,405,754**	**3,514,006**
Assets reclassified as held for sale	2,890	-	2,890
TOTAL CURRENT ASSETS	**2,111,142**	**1,405,754**	**3,516,896**
Non-Current Assets			
Financial investments	3,039,942	66,045	3,105,987
Trade receivables	-	11,481	11,481
-Trade receivables from third parties	-	11,481	11,481
Financial assets related to concession agreements	-	7,686,498	7,686,498
Other receivables	892,701	(25,497)	867,204
-Other receivables from related parties	*892,683*	*(36,427)*	*856,256*
-Other receivables from third parties	*18*	*10,930*	*10,948*
Investments accounted using the equity method	3,394,746	(1,483,237)	1,911,509
Investment property	58,000	786,778	844,778
Property, plant and equipment	4,344	79,859	84,203
Intangible assets	641	102,770	103,411
-Other intangible assets	*641*	*102,770*	*103,411*
Right of use assets	-	7,942	7,942
Assets arising from customer contracts	-	33,805	33,805
-Contract assets arising from sales of goods and services	-	*33,805*	*33,805*
Prepaid expenses	4,185	1,087	5,272
Deferred tax assets	3,719	799,409	803,128
Other non current assets	10	8,789	8,799
TOTAL NON-CURRENT ASSETS	**7,398,288**	**8,075,729**	**15,474,017**
TOTAL ASSETS	**9,509,430**	**9,481,483**	**18,990,913**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

3. RESTATEMENT OF PREVIOUS YEAR FINANCIAL STATEMENTS RESULTING FROM BUSINESS COMBINATIONS AND SHARE SALES OF ASSOCIATES/SUBSIDIARIES *(cont'd)*

June 30, 2021:

LIABILITIES	*Previously reported*	*Akfen Altyapı merger effect*	*Restated*
	June 30, 2021	*June 30, 2021*	*June 30, 2021*
Current Liabilities			
Short term borrowings	-	290,249	290,249
Short term portion of long-term borrowings	2,672,485	968,226	3,640,711
Trade payables	2,903	617,767	620,670
-Trade payables to related parties	*1,112*	*479,200*	*480,312*
-Trade payables to third parties	*1,791*	*138,567*	*140,358*
Employee benefit obligations	195	1,272	1,467
Other payables	15,913	20,364	36,277
-Other payables to related parties	*11,989*	*2,186*	*14,175*
-Other payables to third parties	*3,924*	*18,178*	*22,102*
Income tax payable	345	2,564	2,909
Deferred revenue	-	16,616	16,616
Current provisions	16,101	3,074	19,175
- Provision for employee benefits	*4,162*	*3,074*	*7,236*
-Other short-term provisions	*11,939*	-	*11,939*
Other current liabilities	40,684	174	40,858
TOTAL CURRENT LIABILITIES	**2,748,626**	**1,920,306**	**4,668,932**
Non-Current Liabilities			
Long term borrowings	-	6,008,440	6,008,440
Other payables	20,154	614,791	634,945
-Other payables to related parties	*20,154*	*606,025*	*626,179*
-Other payables to third parties	-	*8,766*	*8,766*
Derivative financial liabilities	-	239,289	239,289
Obligations arising from customer contracts	-	80,109	80,109
Non-current provisions	2,560	3,963	6,523
-Provision for employee benefits	*2,560*	*3,963*	*6,523*
-Other long-term provisions	-	-	-
Deferred tax liabilities	139,570	67,168	206,738
TOTAL NON-CURRENT LIABILITIES	3	-	3
TOTAL LIABILITIES	**162,287**	**7,013,760**	**7,176,047**
Current Liabilities	**2,910,913**	**8,934,066**	**11,844,979**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

3. RESTATEMENT OF PREVIOUS YEAR FINANCIAL STATEMENTS RESULTING FROM BUSINESS COMBINATIONS AND SHARE SALES OF ASSOCIATES/SUBSIDIARIES *(cont'd)*

June 30, 2021:

	Previously reported	*Akfen Altyapı merger effect*	*Restated*
	June 30, 2021	*June 30, 2021*	*June 30, 2021*
EQUITY	**6,598,517**	**547,417**	**7,145,934**
Equity attributable to equity holders of the parent	**6,589,734**	**598,911**	**7,188,645**
Issued capital	667,181	-	667,181
Capital adjustment differences	(7,257)	7,257	-
Treasuary shares (-)	(569,966)	-	(569,966)
Share premiums	(72,955)	75,331	2,376
Effect of business combinations under common control	(666,341)	(1,013,835)	(1,680,176)
Other accumulated comprehensive income that will not be reclassified to profit	2,642,532	67,099	2,709,631
Revaluation and measurement gains	2,642,532	67,099	2,709,631
-Increases on revaluation of property, plant and equipment	*1,143,140*	*7,416*	*1,150,556*
-Losses on remeasurement of defined benefit plans	*(4,950)*	*(894)*	*(5,844)*
-Other gains on revaluation and remeasurement	*1,504,342*	*60,577*	*1,564,919*
Other accumulated comprehensive income that will be reclassified to (loss) or profit	(466,894)	175,606	(291,288)
-Currency translation difference	*158,916*	*175,606*	*334,522*
-Hedge reserve fund	*(625,810)*	-	*(625,810)*
Restricted reserves appropriated from profits	2,928,248	(102,759)	2,825,489
Retained earnings	1,571,307	1,391,966	2,963,273
Net (loss)/profit for the period	563,879	(1,754)	562,125
Non-controlling interests	**8,783**	**(51,494)**	**(42,711)**
TOTAL LIABILITIES AND EQUITY	**9,509,430**	**9,481,483**	**18,990,913**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

3. RESTATEMENT OF PREVIOUS YEAR FINANCIAL STATEMENTS RESULTING FROM BUSINESS COMBINATIONS AND SHARE SALES OF ASSOCIATES/SUBSIDIARIES *(cont'd)*

June 30, 2021:	*Previously reported*	*Akfen Altyapı merger effect*	*Restated*
PROFIT OR LOSS FROM CONTINUING OPERATIONS	*January 1- June 30, 2021*	*January 1- June 30, 2021*	*January 1- June 30, 2021*
Revenue	3,209	270,515	273,724
Cost of sales (-)	-	(269,013)	(269,013)
GROSS PROFIT	**3,209**	**1,502**	**4,711**
General administrative expenses (-)	(23,791)	(25,600)	(49,391)
Marketing, selling and distribution expenses (-)	-	(1,589)	(1,589)
Other income from operating activities	243	1,723,952	1,724,195
Other expenses from operating activities (-)	(19,589)	(57,412)	(77,001)
Share of profit/(loss) from investments accounted using the equity method	303,514	(200,383)	103,131
PROFIT FROM OPERATING ACTIVITIES	**263,586**	**1,440,470**	**1,704,056**
Income from investment activities	234,436	1	234,437
Expense from investment activities (-)	(31,871)	(119,755)	(151,626)
PROFIT BEFORE FINANCE (LOSS)/INCOME	**466,151**	**1,320,716**	**1,786,867**
Finance income	194,495	275,064	469,559
Finance expenses	(79,765)	(1,521,133)	(1,600,898)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**580,881**	**74,647**	**655,528**
Tax expense	**(17,002)**	**(92,422)**	**(109,424)**
Current period tax expense (-)	(640)	(1,133)	(1,773)
Deferred tax expense	(16,362)	(91,289)	(107,651)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**563,879**	**(17,775)**	**546,104**
PROFIT/(LOSS) FOR THE PERIOD	**563,879**	**(17,775)**	**546,104**
Attributable to			
Non-controlling interests	-	(16,021)	(16,021)
Equity holders of the parent	563,879	(1,754)	562,125
Net profit/(loss) for the period	**563,879**	**(17,775)**	**546,104**
Earnings/(Losses) per share			
Earnings/(losses) per share (TRY in full)	0.85	(0.01)	0.84
Diluted earnings/(losses) per share (TRY in full)	0.85	(0.01)	0.84

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

3. RESTATEMENT OF PREVIOUS YEAR FINANCIAL STATEMENTS RESULTING FROM BUSINESS COMBINATIONS AND SHARE SALES OF ASSOCIATES/SUBSIDIARIES *(cont'd)*

June 30, 2021:	*Previously reported*	*Akfen Altyapı merger effect*	*Restated*
	June 30, 2021	*June 30, 2021*	*June 30, 2021*
A. Cash Flows from Operating Activities	**225,790**	**391,390**	**617,180**
Profit/(loss) for the year	563,879	(17,775)	546,104
Adjustments to reconcile profit/(loss)	(160,365)	(29,843)	(190,208)
Changes in working capital	(94,725)	(98,422)	(193,147)
Cash flows from operations	308,789	(146,040)	162,749
B. Cash Flows Used in Investment Operations	**(17,625)**	**(38,434)**	**(56,059)**
C. Cash Flows used in Financing Activities	**(120,721)**	**(486,164)**	**(606,885)**
Net increase/(decrease) in cash and cash equivalents	**87,444**	**(133,208)**	**(45,764)**
Cash and cash equivalents at the beginning of the period	**1,345,946**	**274,340**	**1,620,286**
Cash and cash equivalents at the end of the period	**1,433,390**	**141,132**	**1,574,522**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

3. RESTATEMENT OF PREVIOUS YEAR FINANCIAL STATEMENTS RESULTING FROM BUSINESS COMBINATIONS AND SHARE SALES OF ASSOCIATES/SUBSIDIARIES *(cont'd)*

Sale of shares of subsidiaries

As of February 9, 2021 Company sold all of the shares of Masanda, which has a 184-bed 5-Star Holiday Village investment in Bodrum, for TRY 235.000 and sold all of its shares in Isparta Dormitory, which has been leased to the General Directorate of Credits and Dormitories for 15 years and has two dormitories with a total of 7,232 beds, to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. amounting to TRY 215.000. For the statement of financial position on the date of sale, the date of January 31, 2021, which is the closest to the aforementioned date and where no significant change has occurred from this date to the date of sale, is taken as a basis.

The financial statements of the related companies as of January 31, 2021 are as follows:

	Masanda Tourism	Isparta Dormitory	Total
Assets	**January 31, 2021**	**January 31, 2021**	**January 31, 2021**
Current assets	**3,089**	**7,647**	**10,736**
Cash and cash equivalents	27	3,460	3,487
Trade receivables	3	42	45
- Trade receivables from related parties	*3*	-	*3*
- Trade receivables from third parties	-	*42*	*42*
Other receivables	-	1,473	1,473
- Other receivables from third parties	-	*1,473*	*1,473*
Prepaid expenses	880	125	1,005
Other current assets	2,179	2,547	4,726
Non-current assets	**310,477**	**297,063**	**607,540**
Other receivables	10	-	10
- Other receivables from third parties	*10*	-	*10*
Right of use assets (Note 12)	2,394	-	2,394
Investment property (Note 10)	-	285,453	285,453
Property, plant and equipment (Note 13)	287,565	-	287,565
Other non-current assets	20,508	11,610	32,118
Total assets	**313,566**	**304,710**	**618,276**

Liabilities	**January 31, 2021**	**January 31, 2021**	**January 31, 2021**
Current liabilities	**831**	**1,794**	**2,625**
Short-term borrowings (Note 5)	506	806	1,312
- Lease liabilities (Note 5)	*506*	*806*	*1,312*
Trade payables	315	92	407
- Trade payables to related parties	*71*	*57*	*128*
- Trade payables to third parties	*244*	*35*	*279*
Other payables	3	7	10
- Other payables to third parties	*3*	*7*	*10*
Deferred revenue	-	887	887
Other current liabilities	7	2	9
Non-current liabilities	**5,278**	**42,845**	**48,123**
Long-term borrowings (Note 5)	2,507	3,096	5,603
- Lease liabilities (Note 5)	*2,507*	*3,096*	*5,603*
Deferred tax liabilities (Note 30)	2,771	39,749	42,520
Equity attributable to owners of parent	**307,457**	**260,071**	**567,528**
Issued capital	192,504	78,000	270,504
Share premiums	-	25,050	25,050
Restricted reserves appropriated from profits	2	-	2
Retained earnings	115,452	156,601	272,053
Net (loss)/profit for the period	(501)	420	(81)
Total liabilities	**313,566**	**304,710**	**618,276**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

3. RESTATEMENT OF PREVIOUS YEAR FINANCIAL STATEMENTS RESULTING FROM BUSINESS COMBINATIONS AND SHARE SALES OF ASSOCIATES/SUBSIDIARIES *(cont'd)*

Sale of shares of subsidiaries *(cont'd)*

The difference between the sale price of Isparta Dormitory and the net asset value at the date of sale is recognised in the Group's financials as a loss on the disposal of the subsidiary as of June 30, 2021 and is as follows:

Isparta Dormitory	**June 30, 2021**
Sale price	215,000
Net asset value on the date of sale	260,071
Losses on disposal of subsidiary (Note 32)	**45,071**

Isparta Dormitory	
Total sale price – cash	215,000
Cash and cash equivalents - disposed	(3,460)
Cash inflow from sales, (net)	**211,540**

The difference between the sale price of Masanda and the net asset value at the date of sale is recognised in the Group's financials as a loss on the disposal of the subsidiary as of June 30, 2021 and is as follows:

Masanda Tourism	**June 30, 2021**
Sale price	235,000
Net asset value on the date of sale	307,457
Losses on disposal of subsidiary (Note 32)	**72,457**

Masanda Tourism	
Total sale price – cash	235,000
Share transfer expenses	2,250
Cash and cash equivalents - disposed	(27)
Cash inflow from sales, (net)	**232,723**

Sale of shares of associate

IBS Insurance

Akfen Holding signed a "Share Sale Agreement" on December 28, 2020 to transfer its remaining 20% share in IBS Insurance for a consideration of TRY 48,000, and the sale was completed on January 28, 2021. After the transaction was completed, Akfen Holding had no shares in IBS Insurance. The positive difference between the mentioned sale price and the net asset derecognized, was recorded as income from investment activities in the consolidated statement of profit or loss and other comprehensive income as of June 30, 2021.

	On the date of sale
Net assets	**67,544**
IBS Insurance's share of shares sold	%20
IBS Insurance's net asset amount sold (A)	**13,509**
Sales price (B)	48,000
Earnings arising from the disposal of subsidiaries (Note 30) (B-A)	**34,491**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

4. SEGMENT REPORTING

The financial information of the subsidiaries and joint ventures accounted using the equity method are included in the segment reporting information prepared within the framework of the Group's management approach, with the combination method (100% for subsidiaries and according to the ownership rate for joint ventures).

					Joint venrtures accounted using the equity method							
January 1-June 30, 2022	***Akfen Holding***	***Akfen Construction***	***Akfen Tourism***	***Akfen REIT***	***Akfen Renewable***	***MDO/ İDO***	***Akfen Water***	***Acacia***	***Other (*)***	***Total***	***Consolidation adjustment and classification***	***Consolidated Total***
Revenue	5,497	423,306	42,514	42,177	847,370	254,906	6,860	502,490	9,663	2,134,783	(1,659,717)	475,066
Cost of sales	-	(324,336)	(51,035)	(2,009)	(323,411)	(272,187)	(5,914)	(255,724)	(8,056)	(1,242,672)	861,019	(381,653)
Gross profit/(loss)	**5,497**	**98,970**	**(8,521)**	**40,168**	**523,959**	**(17,281)**	**946**	**246,766**	**1,607**	**892,111**	**(798,698)**	**93,413**
Selling and marketing expenses	-	(4,614)	(671)	-	-	(5,049)	-	(25,760)	10	(36,084)	32,721	(3,363)
General administrative expenses	(46,832)	(36,323)	(1,628)	(2,074)	(20,425)	(21,176)	(1,308)	(30,013)	(5,205)	(164,984)	77,364	(87,620)
Other operating income	1,591	2,899,478	1,273	336,475	34,800	687	-	2,877	16	3,277,197	(374,840)	2,902,357
Other operating expenses	(26,807)	(5,548)	(2,196)	(72)	(1,441)	(8,515)	(1)	-	(6)	(44,586)	10,029	(34,557)
Share of profit from investments accounted using the equity method	-	-	-	-	-	1,320	-	-	-	1,320	894,293	895,613
Operating (loss)/profit	**(66,551)**	**2,951,963**	**(11,743)**	**374,497**	**536,893**	**(50,014)**	**(363)**	**193,870**	**(3,578)**	**3,924,974**	**(159,131)**	**3,765,843**
Investment activity income	83,267	-	-	-	-	-	2,469	-	-	85,736	(2,469)	83,267
Investment activity expenses	(575,826)	-	-	-	-	(5,242)	-	-	-	(581,068)	5,242	(575,826)
Finance income	45,590	1,164,245	1,448	44,713	182,090	86,546	3,411	197,315	4,832	1,730,190	(523,161)	1,207,029
Finance expense	(224,445)	(2,605,356)	(3,310)	(78,712)	(306,524)	(710,538)	(617)	(21,512)	(1,248)	(3,952,262)	1,126,847	(2,825,415)
(Loss)/profit before tax from continuing operations	**(737,965)**	**1,510,852**	**(13,605)**	**340,498**	**412,459**	**(679,248)**	**4,900**	**369,673**	**6**	**1,207,570**	**447,328**	**1,654,898**
Tax income/(expense) for the period	170,958	(327,473)	1,700	(33,313)	16,094	-	512	(11,101)	(808)	(183,431)	27,810	(155,621)
(Loss)/profit after tax from continuing operations	**(567,007)**	**1,183,379**	**(11,905)**	**307,185**	**428,553**	**(679,248)**	**5,412**	**358,572**	**(802)**	**1,024,139**	**475,138**	**1,499,277**
Profit/(loss) for the period from parent company shares	(567,007)	1,189,166	(11,905)	301,580	428,187	(679,246)	5,413	358,572	(802)	1,023,958	480,753	1,504,711
Depreciation and amortization expenses	1,741	8,208	2,834	269	157,894	35,370	28	52,097	34	258,475	(245,743)	12,732
Tangible and intangible fixed asset, investment property and other investments	1,482	16,815	10,582	226	19,038	12,250	30	32,189	5,636	98,248	(63,710)	34,538
June 30, 2022												
Segment assets	8,559,273	17,177,776	66,995	2,238,720	9,989,274	1,397,832	33,441	1,940,990	373,033	41,777,334	(8,780,958)	32,996,376
Segment liabilities	6,097,896	11,439,352	48,533	795,918	6,781,401	3,897,096	3,378	788,842	39,317	29,891,733	(12,183,353)	17,708,380

(*) Other companies include Akfen Danışmanlık, Akfen GPYŞ, Akınısı, Biz Mining, Akfen Merter, Adana İpekyolu, Akfen Energy Gas, Akfen Hospital and Akfen Solar Energy (subsidiaries).

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

4. SEGMENT REPORTING *(cont'd)*

				Joint ventures accounted using the equity method								
January 1-June 30, 2021	Akfen Holding	Akfen Construction	Akfen Tourism	Akfen REIT (*)	Akfen Renewable	İDO	Akfen Water	Acacia	Other (**)	Total	Consolidation adjustment and classification	Consolidated Total
Revenue	3,209	250,672	19,588	19,513	412,229	144,236	15,739	164,552	3,879	1,033,617	(759,893)	273,724
Cost of sales	-	(236,337)	(30,555)	(2,172)	(189,524)	(126,887)	(14,501)	(109,202)	(2,475)	(711,653)	442,640	(269,013)
Gross profit/(loss)	**3,209**	**14,335**	**(10,967)**	**17,341**	**222,705**	**17,349**	**1,238**	**55,350**	**1,404**	**321,964**	**(317,253)**	**4,711**
Selling and marketing expenses	-	(1,748)	(152)	-	-	(3,055)	-	(8,108)	(1)	(13,064)	11,475	(1,589)
General administrative expenses	(26,088)	(21,937)	(513)	(1,919)	(8,648)	(13,653)	(1,154)	(12,966)	(2,739)	(89,617)	40,226	(49,391)
Other operating income	640	1,718,770	754	1,257	720	2,314	8	228	2,531	1,727,222	(3,027)	1,724,195
Other operating expenses	(65,094)	(11,863)	(4)	(276)	(145)	(4,504)	(3,704)	-	(1,419)	(87,009)	10,008	(77,001)
Share of profit from investments accounted using the equity method	-	-	-	-	-	652	-	-	-	652	102,479	103,131
Operating (loss)/profit	**(87,333)**	**1,697,557**	**(10,882)**	**16,403**	**214,632**	**(897)**	**(3,612)**	**34,504**	**(224)**	**1,860,148**	**(156,092)**	**1,704,056**
Investment activity income	572,451	-	258	71,204	-	47	-	32,424	516	676,900	(442,463)	234,437
Investment activity expenses	(118,032)	(45,071)	-	-	-	-	-	-	-	(163,103)	11,477	(151,626)
Finance income	202,752	279,806	1,797	29,582	22,027	18,074	3,372	17,420	3,031	577,861	(108,302)	469,559
Finance expense	(214,467)	(1,399,933)	(2,886)	(79,282)	(127,869)	(330,986)	(1,395)	(37,755)	(594)	(2,195,167)	594,269	(1,600,898)
Profit/(Loss) before tax from continuing operations	**355,371**	**532,359**	**(11,713)**	**37,907**	**108,790**	**(313,762)**	**(1,635)**	**46,593**	**2,729**	**756,639**	**(101,111)**	**655,528**
Tax income/(expense) for the period	35,286	(146,541)	2,053	6,138	(46)	-	(140)	(25,508)	(579)	(129,337)	19,913	(109,424)
(Loss)/profit after tax from continuing operations	**390,659**	**385,818**	**(9,660)**	**44,045**	**108,744**	**(313,762)**	**(1,775)**	**21,085**	**2,150**	**627,302**	**(81,198)**	**546,104**
Profit/(loss) for the period from parent company shares	390,657	402,255	(9,661)	44,865	110,787	(313,762)	(1,774)	21,086	2,148	646,603	(84,478)	562,125
Depreciation and amortization expenses	796	5,966	1,684	474	103,069	35,667	90	30,707	366	178,819	(170,025)	8,794
Tangible and intangible fixed asset, investment property and other investments	255	11,840	8,135	17	1,449	16,319	433	11,040	2,384	51,872	(29,138)	22,734
December 31, 2021												
Segment assets	8,078,333	15,381,029	50,792	1,643,104	9,747,000	1,267,426	29,633	1,477,874	368,641	38,043,832	(8,855,407)	29,188,425
Segment liabilities	5,089,156	10,825,985	31,364	600,930	6,083,721	3,287,934	4,969	879,079	52,039	26,855,177	(10,835,277)	16,019,900

The merger transaction on November 10, 2021, was evaluated as a "Business Combination Under Common Control" and was accounted for using the "Pooling of Interest" method (Note 3). When the pooling of interest method is applied, the financial statements have been adjusted as if the merger had been realized at the beginning of the reporting period in which under common control occurred and they have been presented comparatively since the beginning of the reporting period in which the under common control occurred. As a result of the merger, Akfen Danışmanlık, Akfen GPYŞ, Akfen Tourism, Akınısı, Biz Mining, Akfen Merter, Tralelex and TAR companies were taken over and Tralevex and TAR are not included in the segment reporting as they are financial investments.

(*) After the capital increases on January 12, 2021 and February 9, 2021, details of which are given in Note 2, the ownership rate of Akfen REIT decreased from 56.88% to 30.37%. Profit or loss items of Akfen REIT were consolidated are at the rate of 56.88%, which is the pre-capital increase ownership rate until January 31, 2021, which is the closest accounting period to the capital increase dates, at the rate of 30.37%, which is the the ownership rate after the capital increase from January 31, 2021 to June 30, 2021.

(**) Other companies include Akfen Danışmanlık, Akfen GPYŞ, Akınısı, Biz Mining, Akfen Merter, Adana İpekyolu, Akfen Energy Gas, Akfen Hospital and Akfen Solar Energy (subsidiaries) and IBS Insurance. On January 28, 2021, the remaining 20% shares of IBS Sigorta, whose details are given in Note 2, were sold. Profit or loss items of IBS Sigorta were consolidated at the rate of 20% before the share sale until 31 January 2021, which is the accounting period closest to the share sale date, and profit or loss items after this date are not included in the consolidation.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

5. CASH AND CASH EQUIVALENTS

As of June 30, 2022 and December 31, 2021, cash and cash equivalents are as follows:

	June 30, 2022	December 31, 2021
Cash on hand	2,556	1,494
Banks	913,071	780,347
- Demand deposits	*116,054*	*51,630*
- Time deposits	*797,017*	*728,717*
Other cash and cash equivalents (*)	1,116,447	1,198,105
Impairment	(6)	(22)
Cash and cash equivalents	**2,032,068**	**1,979,924**
Restricted bank balance (-)	(14,342)	(3,181)
Impairment	6	22
Cash and cash equivalents in the cash flow statement	**2,017,732**	**1,976,765**

(*)As of June 30, 2022 and December 31, 2021, all of the other cash and cash equivalents consist of Group's overnight repos, fixed investment funds whose duration is less than 3 months and government and private sector bonds.

As of June 30, 2022, TRY 14,325 of the bank's restricted bank balance has been blocked for loan payments, and the blockage disappears when credit payments are made (December 31, 2021: TRY 3,172). The remaining amount, TRY 17, is blocked for insurance payments and the blockage is removed when insurance payments are made (December 31, 2021: TRY 9).

Demand deposits

As of June 30, 2022 and December 31, 2021, TRY equivalent of demand deposits in currency terms is as follows:

	June 30, 2022	December 31, 2021
EUR	87,630	6,717
US Dollar	20,114	42,390
TRY	8,073	2,322
Other	237	201
Total	**116,054**	**51,630**

Time deposits

As of June 30, 2022 and December 31, 2021, TRY equivalent of time deposits in currency terms is as follows:

	Maturity	Interest rate (%)	June 30, 2022	Maturity	Interest rate (%)	December 31, 2021
US Dollar	July 2022	0.01 - 0.8	765,744	January 2022	0.01 - 0.2	467,865
TRY	July 2022	0.01 – 15.25	18,647	January 2022	4.75 – 20	17,474
EUR	July 2022	0.05-0.35	12,626	January 2022	0.01 - 0.25	243,378
Total			**797,017**			**728,717**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

5. CASH AND CASH EQUIVALENTS *(cont'd)*

Other cash and cash equivalents

As of June 30, 2022 and December 31, 2021, the distribution of cash and cash equivalents of the Group in foreign currency and Turkish lira is as follows:

	June 30, 2022	December 31, 2021
US Dollar	1,107,900	1,189,573
TRY	8,547	8,532
Total	**1,116,447**	**1,198,105**

The currency and interest rate risks and sensitivity analyses pertaining to the financial assets and liabilities of the Group are provided in Note 34.

6. FINANCIAL BORROWINGS

The details for financial borrowings as of June 30, 2022 and December 31, 2021, are as follows:

	June 30, 2022	December 31, 2021
Short-term financial borrowings	**1,707,595**	**2,162,020**
Short-term secured bank loans	98,151	352,068
Current portion of long-term secured bank loans	1,599,345	1,633,364
Current portion of long-term bonds	-	155,398
Current portion of long-term financial lease borrowings	5,780	16,871
Current portion of long-term lease liabilities	4,319	4,319
Long-term financial liabilities	**13,323,770**	**11,536,810**
Long-term secured bank loans	13,313,983	11,527,812
Long-term lease liabilities	9,787	8,998
Total	**15,031,365**	**13,698,830**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

6. FINANCIAL BORROWINGS *(cont'd)*

The details for financial borrowings as of June 30, 2022 and December 31, 2021, are as follows:

June 30, 2022	Currency	Nominal interest rate %	Maturity	Nominal value	Book value
Collateralized bank loan(1)	TRY	7.50-31	2022-2023	198,295	201,808
Collateralized bank loan(2)	TRY	10.00	2022-2023	1,200	1,250
Financial lease borrowings(1)	TRY	10.70	2022	5,664	5,780
Collateralized project bank loan(1)	Euro	3M Euribor +5.50	2035	2,808,957	2,825,339
Collateralized project bank loan(1)	Euro	3M Euribor +4.75	2034	2,339,992	2,331,494
Collateralized project bank loan(1)	Euro	3M Euribor+6.10	2034	2,339,992	2,334,259
Collateralized project bank loan(1)	Euro	3M Euribor+5.05	2029	1,261,419	1,276,425
Collateralized project bank loan(1)	Euro	3M Euribor +6.00	2029	166,567	168,899
Collateralized bank loan(3)	Euro	Euribor +6.55	2022	234,049	234,454
Collateralized project bank loan(1)	US Dollar	3M Libor +5.15	2029	1,341,698	1,360,838
Collateralized project bank loan(1)	US Dollar	6M Libor+4.90	2027	251,975	252,188
Collateralized project bank loan(1)	US Dollar	3M Libor +6.20	2029	176,459	179,408
Collateralized bank loan(3)	US Dollar	1.33	2026	667,656	669,456
Collateralized bank loan(3)	US Dollar	1.40	2026	1,168,398	1,168,987
Collateralized bank loan(3)	US Dollar	1.36	2025	2,002,968	2,006,674
				14,965,289	**15,017,259**

December 31, 2021	Currency	Nominal interest rate %	Maturity	Nominal value	Book value
Collateralized bank loan(1)	TRY	7.50-31	2022-2023	458,987	466,780
Collateralized bank loan(2)	TRY	10.00	2022-2023	1,800	1,878
Financial lease borrowings(1)	TRY	10.70	2022	16,541	16,871
Collateralized project bank loan(1)	Euro	3M Euribor +5.50	2035	2,537,771	2,552,671
Collateralized project bank loan(1)	Euro	3M Euribor +4.75	2034	2,135,828	2,128,036
Collateralized project bank loan(1)	Euro	3M Euribor+6.10	2034	2,135,828	2,130,200
Collateralized project bank loan(1)	Euro	3M Euribor+5.05	2029	1,161,374	1,175,215
Collateralized project bank loan(1)	Euro	3M Euribor +6.00	2029	153,790	155,967
Collateralized bank loan(3)	Euro	Euribor +6.55	2022	218,396	218,851
Collateralized bank loan(3)	Euro	0.7	2022	87,661	87,775
Collateralized project bank loan(1)	US Dollar	3M Libor +5.15	2029	1,137,017	1,151,170
Collateralized project bank loan(1)	US Dollar	6M Libor+4.90	2027	216,175	216,390
Collateralized project bank loan(1)	US Dollar	3M Libor +6.20	2029	149,951	152,188
Collateralized bank loan(3)	US Dollar	1.33	2026	534,120	535,580
Collateralized bank loan(3)	US Dollar	1.40	2026	934,710	935,218
Collateralized bank loan(3)	US Dollar	1.36	2025	1,602,360	1,605,325
Bond(4)	TRY	TLREF Index + 2	2022	150,000	155,398
				13,632,309	**13,685,513**

(1) Akfen Construction loans.
(2) Akfen Tourism loans.
(3) Akfen Holding loans.
(4) It shows the debt arising from the issuance of a floating rate bond with a maturity of 2 years and a quarterly coupon payment amounting to TRY 150,000 on February 7, 2020.

Secured project bank loans are secured by the following instruments:

- -Transfer and assignment of receivables,
- -Pledge of accounts
- -Mortgage of rights of construction,
- -Share pledge,

Collateralized bank loans are secured by the main Shareholder and other Group Companies.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

6. FINANCIAL BORROWINGS *(cont'd)*

As of June 30, 2022 and December 31, 2021, the breakdown of short- and long-term financial borrowings according to their maturities is as follows:

	June 30, 2022	December 31, 2021
Within 1 year	1,703,276	2,157,701
Between 1 – 2 year	1,565,275	1,178,517
Between 2 – 3 year	1,318,890	1,125,810
Between 3 – 4 year	3,091,357	2,574,530
Over 5 year	7,338,461	6,648,955
Total	**15,017,259**	**13,685,513**

The movements in financial borrowings for the periods ended June 30, 2022 ve 2021 are as follows:

	2022	2021
Financial liabilities at the beginning of the year	**13,685,513**	**8,931,020**
Proceeds from borrowings	387,715	463,631
Repayments of borrowings	(1,423,478)	(763,855)
Interest paid	(414,684)	(293,860)
Accrual	414,635	308,283
Foreign exchange difference	2,367,558	1,281,646
Financial liabilities at the period end	**15,017,259**	**9,926,865**

Operation lease liabilities

The Group has started to apply TFRS 16 as of January 1, 2019 and since the fair value of investment properties developed on the Group's leased land has been deducted from the estimated cash flows, the discounted values of the lease amounts to be paid related to the lands are classified under operational lease liabilities.

The details of operating lease liabilities are as follows:

	June 30, 2022	December 31, 2021
Less than 1 year	4,319	4,319
1 - 5 years	5,996	7,863
5 years and over	34,892	36,554
Less: Financial expense for future periods	(31,101)	(35,419)
Total operational lease liabilities	**14,106**	**13,317**

The movements of the lease liabilities in the period of June 30, 2022 and December 31, 2021 are as follows:

	2022	2021
January 1	**13,317**	**18,562**
Finance expense	*789*	*888*
Subsidiary sales impact (Note 3)	-	*(6,915)*
June 30	**14,106**	**12,535**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

7. TRADE RECEIVABLES AND PAYABLES

The short-term trade receivables of the Group as of June 30, 2022 and December 31, 2021 are as follows:

	June 30, 2022	**December 31, 2021**
Trade receivables due from related parties (Note 32)	17,827	19,996
Trade receivables due from third parties	171,211	82,747
- Receivables from the Ministry of Health (*)	*103,365*	*75,176*
- Notes receivables	*228*	*97*
- Other trade receivables	*67,618*	*7,474*
Total	**189,038**	**102,743**

The long-term trade receivables of the Group as of June 30, 2022 and December 31, 2021 are as follows:

	June 30, 2022	**December 31, 2021**
Trade receivables from third parties	16,233	9,061
- Notes receivables	*16,233*	*9,061*
Total	**16,233**	**9,061**

(*) As of June 30, 2022 and December 31, 2021, trade receivables from the Ministry of Health consist of the trade receivables from the agreements signed with the Ministry of Health.

The short-term trade payables of the Group as of June 30, 2022 and December 31, 2021, are as follows:

	June 30, 2022	**December 31, 2021**
Trade payables due to related parties (Note 32)	9,609	9,230
Trade payables due to third parties	188,115	141,272
- Trade payables	*188,115*	*141,268*
- Expense accruals	-	*4*
Total	**197,724**	**150,502**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

8. OTHER RECEIVABLES AND PAYABLES

The short-term other receivables of the Group as of June 30, 2022 and December 31, 2021, are as follows:

	June 30, 2022	December 31, 2021
Other receivables due from related parties	9	9
Other receivables due from related parties	67,990	85,038
- Receivables from tax office	*67,039*	*84,188*
- Deposits and guarantees given	*155*	*157*
- Other receivables	*796*	*693*
Total	**67,999**	**85,047**

The long-term other receivables of the Group as of June 30, 2022 and December 31, 2021, are as follows:

	June 30, 2022	December 31, 2021
Other receivables from related parties (Note 32)	664,017	835,155
Other receivables from third parties	14,403	12,356
- Deposits and guarantees given	*1,156*	*542*
- Other long-term receivables	*13,247*	*11,814*
Total	**678,420**	**847,511**

The short-term other payables of the Group as of June 30, 2022 and December 31, 2021, are as follows:

	June 30, 2022	December 31, 2021
Other payables to related parties (Note 32)	-	40,495
Other payables to third parties	31,023	32,590
- Deposit and guarantees received	*25,027*	*21,969*
- Taxes and funds payable	*5,185*	*10,275*
- Other payables	*811*	*346*
Total	**31,023**	**73,085**

The long-term other payables of the Group as of June 30, 2022 and December 31, 2021, are as follows:

	June 30, 2022	December 31, 2021
Other payables to related parties (Note 32)	1,901,923	1,387,002
Other payables to third parties	8,766	8,769
- Deposit and guarantees received	*8*	*11*
- Other payables	*8,758*	*8,758*
Total	**1,910,689**	**1,395,771**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

9. PREPAID EXPENSES/ASSETS ARISING FROM CUSTOMER CONTRACTS

As of June 30, 2022 and December 31, 2021, short-term prepaid expenses are stated as follows:

	June 30, 2022	December 31, 2021
Advance given (*)	38,097	25,838
Prepaid expenses	13,656	11,928
Other	101	407
Total	**51,854**	**38,173**

(*) As of June 30, 2022 and December 31, 2021, the majority consists of the advances given for construction works and purchased equipment of Akfen Construction and City Hospitals.

As of June 30, 2022 and December 31, 2021, long-term prepaid expenses are stated as follows:

	June 30, 2022	December 31, 2021
Advances given	7,218	6,197
Total	**7,218**	**6,197**

Long-term assets arising from customer contracts as of June 30, 2022 and December 31, 2021, are as follows:

Long-term assets arising from customer contracts/Contract assets arising from sales of goods and services	June 30, 2022	December 31, 2021
Assets arising from customer contracts (**)	55,621	41,760
Total	**55,621**	**41,760**

(**) The Group has evaluated the service contract submitted to the Ministry of Health within the scope of TFRS 15 and financial statements. As of June 30, 2022 and December 31, 2021, the balances consist of the advance payments made for the extraordinary maintenance and repair service expenses to be provided to the Ministry of Health.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

10. FINANCIAL ASSETS RELATED TO CONCESSION AGREEMENTS

As of June 30, 2022 and December 31, 2021, financial assets related to short and long term concession agreements are as follows:

	June 30, 2022	December 31, 2021
Isparta City Hospital		
Short-term financial assets related to concession agreements (*)	484,564	398,834
Long-term financial assets related to concession agreements (*)	3,827,755	3,158,983
	4,312,319	**3,557,817**
Eskişehir City Hospital		
Short-term financial assets related to concession agreements (*)	715,933	621,114
Long-term financial assets related to concession agreements (*)	6,237,704	5,447,920
	6,953,637	**6,069,034**
Tekirdağ City Hospital		
Short-term financial assets related to concession agreements (*)	410,700	348,390
Long-term financial assets related to concession agreements (*)	2,840,642	2,470,068
	3,251,342	**2,818,458**
Total City Hospital		
Short-term financial assets related to concession agreements (*)	**1,611,197**	**1,368,338**
Long-term financial assets related to concession agreements (*)	**12,906,101**	**11,076,971**
Total	**14,517,298**	**12,445,309**

(*) The purchase of service concession contracts includes the right to charge fees for the use of the concession infrastructure arising from the City Hospital contract for the construction of City Hospitals models signed with the Ministry of Health, The estimated amortization period of a financial asset in concession agreements is the period during which the Group can allocate to the public to use the infrastructure until the end of the concession period.

Isparta City Hospital, Eskişehir City Hospital and Tekirdağ City Hospital started their activities and collections related to the operation of the hospitals as of March 31, 2017, October 27, 2018 and November 30, 2020, respectively.

For the periods ended June 30, 2022 and 2021, financial asset movements are as follows:

	2022	2021
January 1	**12,445,309**	**7,375,570**
Increase in value arising from the calculation of fair value of Service Concession Agreements (Note 28)	2,846,791	1,712,042
Collections	(774,802)	(469,464)
June 30	**14,517,298**	**8,618,148**

11. INVESTMENT PROPERTIES

As of June 30, 2022 and December 31, 2021, investment properties are as follows:

	June 30, 2022	December 31, 2021
Investment properties	1,273,332	1,303,814
	1,273,332	**1,303,814**

As of June 30, 2022 pledge on property, plant and equipment and investment property is TRY 2,345,000 (December 31, 2021: TRY 2,177,690).

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

11. INVESTMENT PROPERTIES *(cont'd)*

As of June 30, 2022 and December 31, 2021, the types of investment properties are as follows:

	June 30, 2022	December 31, 2021
Building	662,123	640,343
Land	603,254	655,516
Hotel	7,955	7,955
	1,273,332	**1,303,814**

For the periods ended at June 30, 2022 and 2021, the movement table of investment properties is as follows:

	2022	2021
January 1	**1,303,814**	**1,133,028**
Transfer to/transfer from inventories (Note 16)	(9,385)	12,456
Fair value increase/(decrease) (Note 28)	32,592	(1,912)
Disposals	(53,689)	(13,341)
Subsidiary sales impact-Land leases (Note 3)	-	(3,839)
Subsidiary sales impact (Note 3)	-	(281,614)
June 30	**1,273,332**	**844,778**

Land leases

The Group classifies its rights on land leased to develop investment properties as investment property. In such a case, the right to the relevant land is accounted for as it was in the lease, and in addition, the fair value method is used for the land in question. Since the fair value determinations of the investment properties of the Group developed on the leased lands are made by deducting the rental prices to be paid for these lands from the estimated cash flows, the reduced values of the rental prices to be paid related to the relevant lands are accounted in the investment property account. As of February 9, 2021, the sales transactions of the shares of Masanda Tourism ("Bodrum Loft") and Isparta Dormitory (Kütahya and Isparta dormitories) to Akfen REIT have been completed and there is no land rent due to the sale of the mentioned company and have been started to be accounted for under investments accounted using the equity method in the consolidated financial statements as of December 31, 2021.

As of June 30, 2022 and December 31, 2021, the fair value classifications of investment properties are as follows:

June 30, 2022			**Fair value level**
	1. Level TRY	**2. Level TRY**	**3. Level TRY**
Investment properties – Hotel	-	7,955	-
Investment properties – Building	-	415,064	247,059
Investment properties – Land	-	603,254	-

December 31, 2021			**Fair value level**
	1. Level TRY	**2. Level TRY**	**3. Level TRY**
Investment properties – Hotel	-	7,955	-
Investment properties – Building	-	452,093	188,250
Investment properties – Land	-	655,516	-

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

12. DERIVATIVE INSTRUMENTS

Derivative instruments consist of interest rate swap transactions.

As of June 30, 2022 and December 31, 2021, liabilities from derivative instruments are as follows:

	June 30, 2022	December 31, 2021
Assets from derivative instruments	180,253	-
Liabilities from derivative instruments	-	(280,559)
Total	**180,253**	**(280,559)**

	June 30, 2022		
	Currency	Original contract value	Asset
Derivative assets	US Dollar	92,838,533	51,751
Derivative assets	Euro	286,456,960	128,502
Total			**180,253**

	December 31, 2021		
	Currency	Original contract value	Liability
Derivative liabilities	US Dollar	104,371,438	(8,688)
Derivative liabilities	Euro	295,936,694	(271,871)
Total			**(280,559)**

13. RIGHT OF USE ASSETS

Within the scope of the first application of TFRS 16 "Leases", it has been accounted as leasing obligation in the individual financial statements related to leasing commitments classified as "operating leases" in accordance with TAS 17 "Leasing Transactions" before 1 January 2019. This lease liability is measured at the present value of the unrealized lease payments as of the transition date, discounted using the alternative borrowing interest rate at the date of initial application. Right-of-use assets are accounted for at an amount equal to the lease liabilities under the simplified transition application of the relevant standard.

As of June 30, 2022 and December 31, 2021, right of use assets are as follows:

	June 30, 2022	December 31, 2021
Kullanım hakkı varlıkları (*)	7,642	7,792
Total	**7,642**	**7,792**

(*) As of June 30, 2022 and December 31, 2021, these are right-of-use assets recognized in relation to the leases of the lands leased by Akfen Merter and on which the project is under development/construction. The contract of the relevant project was terminated unilaterally by the Regional Directorate of Foundations. Due to the unilateral termination of the contract, the compensation lawsuit filed for the compensation of possible losses that the Group may incur is continuing.

As of June 30, 2022 and 2021, the movement table of right of use assets is as follows:

	2022	2021
January 1	**7,792**	**10,486**
Amortization expense	(150)	(150)
Subsidiary sales impact (Note 3)	-	(2,394)
June 30	**7,642**	**7,942**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

14. TANGIBLE ASSETS

The movements of tangible assets as of June 30, 2022 are as follows:

Cost	*Land and buildings*	*Machinery and equipment*	*Vehicles*	*Furnitures and fixtures*	*Ongoing investments*	*Special costs*	*Other*	*Total*
Balance as of January 1, 2022	**17,051**	**12,525**	**18,648**	**36,648**	**18,832**	**33,274**	**586**	**137,564**
Additions	-	119	1,995	5,823	1,178	15,718	524	25,357
Disposals	-	-	(1,268)	(11)	-	-	-	(1,279)
Balance as of June 30, 2022	**17,051**	**12,644**	**19,375**	**42,460**	**20,010**	**48,992**	**1,110**	**161,642**
Accumulated depreciation								
Balance as of January 1, 2022	**4,353**	**9,058**	**5,467**	**19,570**	**-**	**8,448**	**176**	**47,072**
Current period depreciation	296	385	1,911	3,201	-	3,220	157	9,170
Disposals	-	-	(704)	(10)	-	-	-	(714)
Balance as of June 30, 2022	**4,649**	**9,443**	**6,674**	**22,761**	**-**	**11,668**	**333**	**55,528**
Net book value as of January 1, 2022	**12,698**	**3,467**	**13,181**	**17,078**	**18,832**	**24,826**	**410**	**90,492**
Net book value as of June 30, 2022	**12,402**	**3,201**	**12,701**	**19,699**	**20,010**	**37,324**	**777**	**106,114**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

14. TANGIBLE ASSETS (cont'd)

The movements of tangible assets as of June 30, 2021 are as follows:

Cost	*Land and buildings*	*Machinery and equipment*	*Vehicles*	*Furnitures and fixtures*	*Ongoing investments*	*Special costs*	*Other*	*Total*
Balance as of January 1, 2021	**305,543**	**12,589**	**6,923**	**27,680**	**18,040**	**22,148**	**62**	**392,985**
Additions	-	41	2,574	7,049	2,463	7,284	524	19,935
Disposals	-	(212)	(862)	-	-	-	-	(1,074)
Subsidiary sales impact (Note 3)	(287,843)	-	-	(30)	-	-	-	(287,873)
Balance as of June 30, 2021	**17,700**	**12,418**	**8,635**	**34,699**	**20,503**	**29,432**	**586**	**123,973**
Accumulated depreciation								
Balance as of January 1, 2021	**3,787**	**8,846**	**3,625**	**14,264**	**-**	**4,378**	**62**	**34,962**
Current period depreciation	553	399	559	2,538	-	1,754	61	5,864
Disposals	-	(72)	(674)	(2)	-	-	-	(748)
Subsidiary sales impact (Note 3)	(279)	-	-	(29)	-	-	-	(308)
Balance as of June 30, 2021	**4,061**	**9,173**	**3,510**	**16,771**	**-**	**6,132**	**123**	**39,770**
Net book value as of January 1, 2021	**301,756**	**3,743**	***3,298***	**13,416**	**18,040**	**17,770**	**-**	**358,023**
Net book value as of June 30, 2021	**13,639**	**3,245**	**5,125**	**17,928**	**20,503**	**23,300**	**463**	**84,203**

As of 30 June 2022, the depreciation expense of tangible assets, intangible assets and right of use assets in total amounting to TRY 12,732 respectively, amounting to TRY 9,170, TRY 3,412 and TRY 150, was recognized in general administrative expenses amonting to TRY 9,226, and cost of sales amounting to TRY 3,506 (June 30, 2021: A total of TRY 4.615 respectively, tangible fixed assets TRY 2,345, intangible assets TRY 2,121, right of use assets TRY 149 of depreciation expense, was accounted in general administrative expenses amounting to TRY 2,807 and in cost of sales amounting to TRY 1,808) (Note 13 and Note 15).

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

15. INTANGIBLE ASSETS

The movements of intangible assets as of June 30, are as follows:

Cost	***Rights***	***Other***	***Total***
Balance as of January 1, 2021	**134,098**	**14,144**	**148,242**
Additions	300	18	318
Balance as of June 30, 2021	**134,398**	**14,162**	**148,560**
Balance as of January 1, 2022	**134,893**	**14,163**	**149,056**
Additions	944	3	947
Balance as of June 30, 2022	**135,837**	**14,166**	**150,003**

Accumulated amortization	***Rights***	***Other***	***Total***
Balance as of January 1, 2021	**39,419**	**2,950**	**42,369**
Current period amortization	1,397	1,383	2,780
Balance as of June 30, 2021	**40,816**	**4,333**	**45,149**
Balance as of January 1, 2022	**41,410**	**6,255**	**47,665**
Current period amortization	1,779	1,633	3,412
Balance as of June 30, 2022	**43,189**	**7,888**	**51,077**
Net book value			
Net book value as of January 1, 2021	**94,679**	**11,194**	**105,873**
Net book value as of June 30, 2021	**93,582**	**9,829**	**103,411**
Net book value as of January 1, 2022	**93,483**	**7,908**	**101,391**
Net book value as of June 30, 2022	**92,648**	**6,278**	**98,926**

As of June 30, 2022 and 2021, majority of the intangible assets consist of the right of construction of the projects of Akfen Merter and Hacettepe.

16. INVENTORIES

As of June 30, 2022 and December 31, 2021, inventories are as follows:

	June 30, 2022	**December 31, 2021**
Finished goods	7,073	9,911
Food and beverage stocks	9,669	5,078
Total	**16,742**	**14,989**

As of June 30, 2022 and December 31, 2021, the finished goods consist of the existing apartments for sale in Incek and Gölbaşı related to the housing project.

As of June 30, 2022 and 2021 the movement of inventories is as follows:

	2022	**2021**
January 1	**14,989**	**43,205**
Additions	8,232	2,482
Disposals	(15,864)	(2,003)
Transfers from/to investment properties (Note 11)	9,385	(12,456)
June 30	**16,742**	**31,228**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

17. DEFERRED REVENUES / OBLIGATIONS ARISING FROM CUSTOMER CONTRACTS

As of June 30, 2022 and December 31, 2021, short-term deferred revenue is as follows:

	June 30, 2022	December 31, 2021
Hotel lease revenues (*)	26,199	15,592
Advances received (**)	724	911
Other	64	56
Total	**26,987**	**16,559**

(*) Hotel lease revenue consists of rent collected in advance for the months after the reporting period as of June 30, 2022 and December 31, 2021.

(**) As of June 30, 2022 and December 31, 2021 the majority of the advances received are related to the Incek Loft and Bodrum Loft projects.

As of June 30, 2022 and December 31, 2021, long-term obligations arising from customer contracts are as follows:

Long term obligations arising from customer contracts	June 30, 2022	December 31, 2021
Long term obligations arising from customer contracts (*)	113,706	93,310
Total	**113,706**	**93,310**

(*) Group evaluated the service contract submitted to the Ministry of Health within the scope of TFRS 15 and carried its effect to its consolidated financial statements as of June 2022, 2022 and December 31, 2021. As of June 30, 2022 and December 31, 2021, deferred revenues consist of the revenue amounts obtained in advance for the extraordinary maintenance and repair service fee to be provided to the Ministry of Health.

18. PROVISIONS

As of June 30, 2022 and December 31, 2021, short term provisions are as follows:

	June 30, 2022	December 31, 2021
Unused vacation provision	12,990	9,655
Other provisions (*)	21,987	19,187
Total	**34,977**	**28,842**

(*) As of June 30, 2022 and December 31, 2021, other provisions are the amounts expected to be paid by Akfen Holding to the previous shareholders of the HEPP project companies belonging to Akfen Renewables, depending on the share transfer agreement.

As of June 30, 2022 and December 31, 2021, long term provisions are as follows:

	June 30, 2022	December 31, 2021
Provision for severance pay	12,127	8,419
Total	**12,127**	**8,419**

19. GOVERNMENT INCENTIVES AND GRANTS

In accordance with the Investment Incentives Law No. 47/2000, Akfen REIT has a 100% investment incentive without any time restrictions for its investments in the TRNC until December 31, 2008.

With the decision of the Council of Ministers dated July 1, 2003 and numbered 2003/5868, the amount of the vessels carrying cargo and passengers exclusively in the cabotage line registered to the Turkish International Ship Registry and National Ship Registry, commercial yachts, service and fishing vessels shall be determined according to the technical characteristics of each ship and has decided to reduce the special consumption tax amount of the fuel to be given to the logbook of the vessel that will use this fuel to zero since the beginning of 2004. Since 2004, IDO has been benefiting from the special consumption tax deduction.

The resolution of the Council of Ministers No. 2004/5266 of December 2, 2004 provides that the revenues from the operation and transfer of ships and yachts registered in the Turkish International Register of Ships are exempt from income and corporate taxes and funds. Therefore, purchasing, sales, mortgage, registration, loan and freight contracts pertaining to ships and yachts to be registered in the Turkish International Register of Ships are not subject to stamp duty, levies, banking and insurance transactions tax and funds. To this end, İDO is using corporate tax and income tax discounts.

For HEPP investments, the Group has investment incentives in the form of VAT exemption and customs duty exemption that it has obtained by submitting various documents.
Moreover, solar panels to be imported are removed from the scope of incentives and VAT exemption through the "Communique (Communique No: 2016/2) on Amending the Communique (Communique No: 2012/1) on the Implementation of the Decision on State Aid for Investments", which was published in the Official Gazette No. 28329 of June 25, 2016. Out of our SPP projects, those that have not applied for or received VAT exemption and investment incentive before the date of publication of the Communique cannot benefit the VAT exemption and customs duty exemption for the solar panels they will import.

Acacia Mine has received an investment incentive certificate from the Ministry of Economy under the "Large Scale Investment" plan for the mining facility in Kastamonu on April 27, 2014. Under this incentive, 40% of the total investment amount is based on tax exemption and 80% of the future tax amount of the company will not be paid within the scope of incentive until reaching the base for tax exemption. In addition, Acacia Mine benefits from SSK employer feel support.
Akfen Construction's hospital projects are subject to corporate tax at reduced rates, effective from the financial year in which the investment is partially or fully operational until the investment reaches the contribution amount. In this context, the Group recognizes the tax advantage that it expects to benefit from investment incentive companies as deferred tax asset in the financial statements.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

20. INVESTMENTS ACCOUNTED USING THE EQUITY METHOD

Investments accounted using the equity method

The carrying amounts of investments accounted using the equity method of the Group as of as of June 30, 2022 and December 31, 2021, are as follows:

	Shareholding Rates (%)	June 30, 2022	Shareholding Rates (%)	December 31, 2021
Akfen Renewable	66.91	2,965,264	66.91	3,420,676
Akfen REIT	23.94	1,442,802	23.94	1,027,841
Acacia Mine	30.00	1,189,034	30.00	637,525
Akfen Water	50.00	30,064	50.00	24,664
MDO/İDO (*)	50.00	-	50.00	-
		5,627,164		**5,110,706**

(*) MDO, which will operate in the field of marine transport, was established on May 5, 2021, with 50%/50% equal shares, in partnership with Akfen Holding and Tepe İnşaat. On July 8, 2021, all shares of İDO were transferred to MDO.

The Group's shares in the profits or losses of its investments accounted using the equity method in the profit or loss statement for periods ended on June 30 are as follows:

	2022	2021
Akfen REIT	301,580	44,865
Akfen Renewable	428,187	110,787
Acacia Mine	356,727	19,241
IBS Insurance (*)	-	1,480
Akfen Water	5,413	(1,774)
MDO/İDO (**)	(196,294)	(71,468)
	895,613	**103,131**

(*) On January 28, 2021, the remaining 20% shares of IBS Insurance, whose details are given in Note 2, were sold. Profit or loss items of IBS Insurance were consolidated at the rate of 20% before the share sale until January 31, 2021, which is the closest accounting period to the share sale date, and profit or loss items after this date are not included in the consolidation.
(**) MDO, which will operate in the field of marine transport, was established on May 5, 2021, with 50%/50% equal shares, in partnership with Akfen Holding and Tepe İnşaat. On July 8, 2021, all shares of İDO were transferred to MDO.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

20. INVESTMENTS ACCOUNTED USING THE EQUITY METHOD *(cont'd)*

As of June 30, 2022 and 2021, the movements in investments accounted using the equity method are as follows:

	January 1, 2022	Period profit/(loss)	Other equity movements	Liability cap adjustment (*)	Other adjustments related to profit or loss in consolidation (**)	June 30, 2022
Akfen Renewable	3,420,676	428,187	(883,599)	-	-	2,965,264
Akfen REIT	1,027,841	301,580	113,381	-	-	1,442,802
Acacia Mine	637,525	358,572	194,782	-	(1,845)	1,189,034
Akfen Water	24,664	5,413	(13)	-	-	30,064
MDO/İDO	-	(679,246)	196,294	482,952	-	-
	5,110,706	**414,506**	**(379,155)**	**482,952**	**(1,845)**	**5,627,164**

	January 1, 2021	Period profit/(loss)	Other equity movements	Liability cap adjustment (*)	Other adjustments related to profit or loss in consolidation (**)	June 30, 2021
Akfen Renewable	1,607,499	110,787	(444,722)	-	-	1,273,564
Akfen REIT	394,817	44,865	17,147	-	-	456,829
Acacia Mine	254,338	21,087	41,816	-	(1,846)	315,395
Akfen Water	23,186	(1,774)	32	-	-	21,444
MDO	-	-	7,500	-	-	7,500
İDO	(91,756)	(313,762)	-	242,294	-	(163,224)
	2,188,084	**(138,797)**	**(378,227)**	**242,294**	**(1,846)**	**1,911,508**

In addition to the profit/(loss) figures in the table above, as of June 30, 2021, the profit of TRY 1,480 realized until the date of sale of IBS Sigorta, which was not included in the Group assets due to the share sale in 2021, was recognized in the consolidated profit or loss statement of the Group.

(*) After the project financing was restructured in July 2021, the parts of the guarantor amounts between MDO and the Company for the relevant period were paid as of June 30, 2022 and December 31, 2021. (According to the guarantee and equity contribution agreement between İDO and the Company, sponsorship contributions and guarantee payments will not exceed USD 12,500,000 annually as of June 30, 2021).

(**) Acacia Mine's net assets include assets related to mineral reserves and goodwill. Depreciation expense amounting to TRY 2,307 (June 30, 2021: TRY 2,307) and deferred tax income amounting to TRY 461 (June 30, 2021: TRY 461) belonging to the assets related to the mineral reserve accounted in the "Share of income/(loss) from investments accounted using the equity method" in the consolidated financial statement of profit or loss.

Equity effect arising from hedging agreements made by subsidiaries, functional currency differences between Akfen Holding and joint ventures, remeasurements of defined benefit plans and revaluation of property, plant and equipment are accounted for under other comprehensive income items (Note 24).

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

20. INVESTMENTS ACCOUNTED USING THE EQUITY METHOD *(cont'd)*

Akfen Renewable Energy:

Summary financial information on Akfen Renewable Energy is provided below:

	June 30, 2022	December 31, 2021
Total Assets	14,930,083	14,567,983
Total Liabilities	10,135,563	9,092,802
Net Assets	4,794,520	5,475,181
Group's share in Akfen Renewable Energy's net assets	**3,207,869**	**3,663,279**
Change in the share of partnership (*)	(242,605)	(242,603)
Carrying value	**2,965,264**	**3,420,676**

	January 1- June 30, 2022	January 1- June 30, 2021
Revenue	1,266,489	616,122
Gross profit	783,115	332,857
General administrative expenses	(30,527)	(12,925)
Other operating income expense, net	49,859	860
Operating profit	802,447	320,792
Profit before tax	616,466	162,600
Profit after tax	640,520	162,531
Profit for the year from parent company shares	639,973	165,584
Group's share in Akfen Renewable's profit for the period	**428,187**	**110,787**
Depreciation and amortization expenses	235,991	154,049

(*) It is the effect of changes in the ownership ratios of Akfen Renewables in previous years on the consolidated financial statements of the Group.

In calculating Akfen Renewable's fair values, the government's minimum purchase prices, details of which are given in Note 1 are used during the Renewable Energy Resources Support Mechanism ("Yekdem") period, and the estimated average market selling prices after Yekdem are used. The discount rates used in the valuation reports prepared as of December 31, 2021 are 11.31% in USD terms.

As of 1 July 2020, Akfen Renewables has started to apply hedge accounting (hedging against cash flow risk) as an accounting policy, one of the application methods specified within the scope of TAS 39, and the Group has been able to hedge against cash flow risk amounting to TRY 797,458 in the other comprehensive income statement on June 30, 2022. (June 30, 2021: TRY 444,096).

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

20. INVESTMENTS ACCOUNTED USING THE EQUITY METHOD *(cont'd)*

Akfen REIT:

The summary financial information of Akfen REIT is as follows:

	June 30, 2022	December 31, 2021
Total Assets	9,351,118	6,863,235
Total Liabilities	3,324,543	2,569,952
Net Assets	6,026,575	4,293,283
Group's share in Akfen REIT's net asset	**1,442,802**	**1,027,841**

	January 1- June 30, 2022 (*)	January 1- June 30, 2021 (*)
Revenue	176,175	57,789
Gross profit	167,783	51,342
General administrative and selling marketing expenses	(8,661)	(5,534)
Other operating income, net	1,405,153	3,219
Operating profit	1,564,275	49,027
Profit before tax	1,422,263	33,928
Profit after tax	1,283,115	57,367
Profit for the period from parent company shares	1,259,697	59,675
Group's share in Akfen REIT's profit for the period	**301,580**	**44,865**
Depreciation and amortization expenses	1,124	1,558

(*)After the capital increases on January 12, 2021 and February 9, 2021, the details of which are given in Note 2, the ownership rate of Akfen REIT decreased from 56.88% to 30.37%. Profit or loss items of Akfen REIT were consolidated are at the rate of 56.88%, which is the pre-capital increase ownership rate until January 31, 2021, which is the closest accounting period to the capital increase dates, at the rate of 30.37%, which is the the ownership rate after the capital increase dated January 12 and February 9, between January 31, 2021 to September 30, 2021 and at the rate of 23.94% which is the ownership rate after the capital increase on August 20, 2021 between September 30, 2021 to December 31, 2021.

Fair values of the Group's investment properties are calculated by a real estate appraisal Group included in the list of authorized companies to offer appraisal services within the framework of the CMB legislation as of June 30, 2022 and December 31, 2021. The fair values of the investment properties of which right of buildings are held, are determined as the present value of aggregate of the estimated cash flows expected to be received from renting out the property and the fair values of the investment properties which the Group owns, are determined as the present value of aggregate of the estimated cash flows for the period of lease agreement made. In the valuation process, a projection period which fits to the lease term for right of tenancy of each hotels is taken into consideration. The fair value is calculated by discounting the estimated cash flows at a rate which is appropriate for the risk level of the economy, market and the business to determine its present value.

As of June 30, 2022 and December 31, 2021, the discount rates used in the Euro valuation report prepared according to different versions are in the range of 9-11% (December 31, 2021: %7.9-10.5%), the discount rates for assets valued in TRY are determined as 26% (December 31, 2021: 19%) and the discount rates for assets valued in Ruble are determined as 13.8-14.8% in the calculation of the fair values of operating investment properties.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

20. INVESTMENTS ACCOUNTED USING THE EQUITY METHOD *(cont'd)*

MDO/İDO

The summary financial information of Akfen MDO/İDO is as follows:

	June 30, 2022	December 31, 2021
Total Assets	2,795,665	2,534,852
Total Liabilities	7,794,191	6,575,868
Net Assets	(4,998,526)	(4,041,016)
Group's share in MDO/İDO's net asset	**(2,499,263)**	**(2,020,508)**
Group's share recognized in the net assets of MDO/İDO (*)	**-**	**-**

	January 1- June 30, 2022	January 1- June 30, 2021
Revenue	509,812	288,473
Gross profit	(34,563)	34,698
General administrative and selling marketing expenses	(52,449)	(33,417)
Other operating expense, net	(15,655)	(4,380)
Share of profit from investments accounted using the equity method	2,639	1,304
Operating profit	(100,028)	(1,795)
Loss before tax	(1,358,491)	(627,524)
Loss after tax	(1,358,491)	(627,524)
Loss for the period from parent company shares	(1,358,491)	(627,524)
Group's share in MDO/İDO's loss for the period	**(679,246)**	**(313,762)**
Group share of MDO/İDO recognized as loss for the period	**(196,294)**	**(71,468)**
Depreciation and amortization expenses	70,740	71,335

(*) Akfen Holding's share became 50% after the share transfers made as of October 14, 2020, within the scope of the restructuring of the project financing at the stage of completion of İDO. In this context, MDO, which will also operate in the field of marine transportation, was established on May 5, 2021, with 50%/50% equal shares, in partnership with Akfen Holding and Tepe İnşaat. With the restructuring completed on July 8, 2021, Akfen Holding and Tepe İnşaat transferred their shares in İDO to MDO and MDO became the 100% owner of İDO. After the project financing was restructured in July 2021, the parts of the guarantor amounts between MDO and the Company for the relevant period were paid as of December 31, 2021. (According to the guarantee and equity contribution agreement between İDO and the Company, sponsorship contributions and guarantee payments will not exceed USD 12,500,000 annually as of June 30, 2021). Therefore, not the entire group's share in the net period loss and other comprehensive income or expenses of İDO is included, the part that will not exceed the mentioned liability in the consolidated profit or loss statement.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

20. INVESTMENTS ACCOUNTED USING THE EQUITY METHOD *(cont'd)*

Akfen Water:

The summary financial information of Akfen Water is as follows:

	June 30, 2022	December 31, 2021
Total Assets	66,884	59,266
Total Liabilities	6,757	9,938
Net Assets	60,127	49,328
Group's share in the net assets of Akfen Water	**30,064**	**24,664**

	January 1- June 30, 2022	January 1- June 30, 2021
Revenue	13,719	31,479
Gross profit	1,891	2,477
General administrative expenses	(2,616)	(2,307)
Other operating expense, net	(1)	(7,392)
Operating loss	(726)	(7,222)
Profit/(loss) before tax	9,801	(3,267)
Profit/(loss) after tax	10,826	(3,548)
Profit/(loss) for the period from parent company shares	10,826	(3,548)
Group's share in Akfen Water's profit/(loss) for the period	**5,413**	**(1,774)**
Depreciation and amortization expenses	56	179

Acacia Mine:

The summary financial information of Acacia Mine is as follows:

	June 30, 2022	December 31, 2021
Total Assets	6,469,967	4.926.247
Total Liabilities	2,629,473	2.930.264
Net Assets	3,840,494	1.995.983
Group's share in the net assets of Acacia Mine	**1,152,148**	**598.795**
Mining property reserves (*)	33,216	35.060
Goodwill carried at Group level (*)	3,670	3.670
Carrying value	**1,189,034**	**637.525**

	January 1- June 30, 2022	January 1- June 30, 2021
Revenue	1,674,966	548,506
Gross profit	822,552	184,500
General administrative and selling marketing expenses	(185,909)	(70,246)
Other operating income, net	9,591	760
Operating profit	646,234	115,014
Profit before tax	1,232,242	155,312
Profit after tax	1,195,238	70,286
Profit for the period from parent company shares	1,195,238	70,286
Group's share in Acacia Mine's profit for the period before purchase price allocation	**358,572**	**21,087**
Group's share in Acacia Mine's profit for the period after purchase price allocation (*)	**356,727**	**19,241**
Depreciation and amortization expenses	173,657	102,357

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

20. INVESTMENTS ACCOUNTED USING THE EQUITY METHOD *(cont'd)*

Acacia Mine *(cont'd)*

(*) Net assets of Acacia Mine include mining property reserves and goodwill. As of June 30, 2022, regarding the recognized the mining property reserves, amortization expense amounted to TRY 2,307 (June 30, 2021: TRY 2,307) and deferred tax income amounted to TRY 461 (June 30, 2021: TRY 461) have been recognized under "Share in profits/(losses) on investments accounted for using the equity method "in the consolidated financial statements.

On April 27, 2014, Acacia Mine received investment incentive certificate for the mining facility in Kastamonu in the "Lage Scale Investment" plan from Ministry of Economy. Within the scope of this incentive, 40% of total investment amount constitutes the basis for tax exemption and 80% of the future tax amount of the company will not be paid under the incentive until it reaches the base of tax exemption.

IBS Insurance:

After the share sale on January 28, 2021, IBS Insurance is not included in the Group assets as of June 30, 2022 and 2021 and December 31, 2021.

The summary financial information of IBS Insurance is as follows:

	January 1- June 30, 2021
Revenue	8,611
Gross profit	6,929
General administrative and selling marketing expenses	(838)
Other operating income, net	3,152
Operating profit	9,243
Profit before tax	9,178
Profit after tax	7,403
Profit for the period from parent company shares	7,403
Group's share in Akfen Water's profit for the period (*)	**1,480**
Depreciation and amortization expenses	152

(*) On January 28, 2021, the remaining 20% shares of IBS Insurance, whose details are given in Note 2, were sold. Profit or loss items of IBS Insurance were consolidated at the rate of 20% before the share sale until January 31, 2021, which is the closest accounting period to the share sale date, and profit or loss items after this date are not included in the consolidation.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

21. COMMITMENTS

Letters of guarantee, pledges and mortgages given

As of June 30, 2022 and December 31, 2021, the Group's statements on its position related to letters of guarantee/pledges/mortgages are as follows:

GPM given by the Group	June 30, 2022	December 31, 2021
A. Total Amount of GPM Given on Behalf of Own Legal Entity	29,436,810	25,049,379
B.Total Amount of GPM Given in Favor of Partnerships which are Fully Consolidated	455,479	524,566
C.Total Amount of GPM Given for Assurance of Third Parties Debts in Order to Conduct Usual Business Activities	-	-
D. Total Amount of Other GPM Given	3,996,178	3,598,864
i. Total Amount of GPM Given in Favor of the Parent Company	-	-
ii. Total Amount of GPM Given in Favor of Other Group Companies which B and C do not comprise	3,996,178	3,598,864
iii. Total Amount of GPM Given in Favor of Third Parties which C does not comprise	-	-
Total	**33,888,467**	**29,172,809**

As of June 30, 2022, the ratio of other GPM given by the Company to equity is %26 (December 31, 2021: %27).

The breakdown, in foreign currency, of the GPM the Group has given is as follows:

	June 30, 2022 (*)			December 31, 2021 (*)		
	TRY	Euro	US Dollar	TRY	Euro	US Dollar
GPM given on behalf of the Group's own legal entity	152,178	17,817,891	11,466,741	391,557	15,484,511	9,173,311
GPM given in favor of companies under full consolidation	208,186	234,049	13,244	306,170	218,396	-
Total of other GPMs given	96,766	121,937	3,777,475	96,824	132,924	3,369,116
	457,130	**18,173,877**	**15,257,460**	**794,551**	**15,835,831**	**12,542,427**

(*) All amounts are expressed in TRY equivalent.

22. FINANCIAL INVESTMENTS

Short-term financial investments

The details for short-term financial investments as of June 30, 2022 and December 31, 2021, are as follows:

	June 30, 2022	December 31, 2021
Financial assets at fair value through profit or loss	813,527	1,023,720
Total short-term financial investments	**813,527**	**1,023,720**

Long-term financial investments

The details for long-term financial investments as of June 30, 2022 and December 31, 2021, are as follows:

	June 30, 2022	December 31, 2021
Financial assets at fair value through profit or loss	1,384,923	1,159,125
Financial assets at fair value through other comprehensive income	4,940,398	3,723,028
Total long-term financial investments	**6,325,321**	**4,882,153**

Financial assets at fair value through profit or loss

As of June 30, 2022 and December 31, 2021, all of the financial assets whose short and long term fair value differences are reflected to profit / loss consist of the Group's bonds and investment funds with a maturity of more than 3 months, and all of these assets are in US currency.

As of June 30, 2022, fair value gain amount of TRY 520,826 related to the mentioned assets is accounted in the consolidated statement of income or expense (Note 30) (June 30, 2021: TRY 66,751).

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

22. FINANCIAL INVESTMENTS *(cont'd)*

Financial assets at fair value through other comprehensive income

	2022	2021
January 1	**3,723,028**	**2,123,935**
Revaluation increases accounted for as other comprehensive income	1,217,367	344,074
Other	3	(264)
June 30	**4,940,398**	**2,467,745**

As of June 30, 2022, TRY 4,831,375 of other long-term investments consists of MIP, TRY 10,530 of Travalex Group Investment, TRY 90,034 of Tepe Akfen Reformer TAR shares and TRY 8,331 of Tav Investment shares. (December 31, 2021 : MIP; TRY 3,625,827, Travelex; TRY 10.530, Tepe Akfen Reformer TAR; TRY 80,056, Tav Investment; TRY 6,489). Sensitivity analysis regarding the fair value of MIP recognized in the consolidated financial statements of the Group is given in Note 34.

23. OTHER CURRENT/NON-CURRENT ASSETS AND CURRENT/NON-CURRENT LIABILITIES

As of June 30, 2022 and December 31, 2021, other current assets are stated as follows:

	June 30, 2022	December 31, 2021
VAT carryforward	63,868	67,539
Other	748	1,754
Total	**64,616**	**69,293**

As of June 30, 2022 and December 31, 2021, other non-current assets are stated as follows:

	June 30, 2022	December 31, 2021
VAT carryforward	27,232	25,934
Other	572	571
Total	**27,804**	**26,505**

Other current and non-current liabilities

As of June 30, 2022 and December 31, 2021, other current liabilities are stated as follows:

	June 30, 2022	December 31, 2021
Advances received (1)	77,090	60,017
Other	326	2,369
	77,416	**62,386**

(1) As of 30 June 2022, TRY 68.747 of advances received (December 31, 2021: TRY 53.522) consists of advances received by the Group for Acacia Maden.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

24. EQUITY

Issued Capital

As of 30 June 2022 and 31 December 2021, the Company's capital structure is as follows:

	June 30, 2022		December 31, 2021	
Name of shareholder	Share ratio (%)	Share amount	Share ratio (%)	Share amount
Pelin Akın Özalp	47.10	329,732	47.10	329,732
Selim Akın	47.10	329,732	47.10	329,732
Hamdi Akın	3.29	23,002	3.29	23,002
Akfen Holding A.Ş.	2.27	15,883	2.27	15,883
Akınısı Makine Sanayi ve Ticaret A.Ş.	0.24	1,651	0.24	1,651
Nominal	**100**	**700,000**	**100**	**700,000**
Total issued capital	**100**	**700,000**	**100**	**700,000**

With the decision of Akfen Holding Board of Directors dated September 21, 2021, it was decided that Akfen Altyapı Holding, which owns the majority shares of the Company (89.49%), joins the Company as a whole, without liquidation. At the Akfen Holding Extraordinary General Assembly meeting held on November 2, 2021, the merger was unanimously approved. As of November 10, 2021, the merger of Akfen Holding and Akfen Altyapı was completed and Akfen Altyapı was dissolved without liquidation. Since the companies were merged together with all their assets and liabilities through dissolution without liquidation, the nominal value of the shares of Akfen Holding, in which Akfen Altyapı Holding participates, amounting to TRY 597,057 and the registered value of the shares in Akfen Altyapı Holding's assets has been deducted, the capital of Akfen Holding A.Ş., which took over, became TRY 650,124 as a result of the merger and thus a capital decrease amounting TRY 17,057 has occurred. However, in line with the decision taken, a simultaneous capital increase of TRY 49,876 was made. The entire capital increase was covered by Akfen Holding's profits from previous years. As a result of the aforementioned simultaneous capital decrease and capital increase, the capital of Akfen Holding A.Ş., which took over, became TRY 700,000.

Restricted reserves appropriated from profits

In accordance with Article 520 of the Law no. 6102, reserve fund is allocated for the shares repurchased. As of June 30, 2022, legal reserves in the financial statements is TRY 2,605,094 (December 31, 2021: TRY 2,493,382).

Foreign currency translation differences

As of June 30, 2022 the translation reserve amounting to TRY 898,572 recognized in the equity is comprised of foreign exchange difference arising from the translation of the financial statements of Akfen REIT, TAV Investment, Acacia Mine and Akfen Construction from their functional currency of USD, Euro and Ruble to the presentation currency TRY. (December 31, 2021: TRY 590,699 – Akfen REIT, TAV Investment, Acacia Mine and Akfen Construction - USD, Euro, Ruble)

Currency translation differences recognized in the consolidated statement of profit or loss and other comprehensive income as of June 30, 2022 are TRY 307,873 (June 30, 2021: TRY 53,119).

24. EQUITY *(cont'd)*

Tangible asset revaluation increases

As of June 30, 2022, the amount of tangible fixed asset valuation increase fund under equity in the consolidated financial statements of the Group is TRY 4,391,162 (TRY 4,385,090 from the power plant valuation of Akfen Renewable, TRY 6,072 consists of valuations for buildings owned by Akfen Construction). (December 31, 2021, TRY 4,461,126-TRY 4,455,054 consists of the power plant valuation of Akfen Renewable, TRY 6,072 consists of Akfen Construction).

Effect of business combinations under common control

Based on the decision of the Board of Directors of Akfen Holding dated 5 January 2018; the merger of Akfen Engineering, which has the same partnership with the Company, was completed on February 28, 2018, with no liquidation and participation in the Company as a whole. With the decision of Akfen Holding Board of Directors dated September 21, 2021, it was decided that Akfen Altyapı Holding, which owns the majority shares of the Company (89.49%), joins the Company as a whole, without liquidation. At the Akfen Holding Extraordinary General Assembly meeting held on November 2, 2021, the merger was unanimously approved. As of November 10, 2021, the merger of Akfen Holding and Akfen Altyapı was completed and Akfen Altyapı was dissolved without liquidation. All of these transactions were evaluated as "Effect of transactions under common control" and accounted "Pooling of Interest" method. The "Effects of business combinations under common control" account is used under equity to offset the inconsistency of assets and liabilities arising under common control effects.

Non-controlling interests

Out of the net assets of subsidiaries, the portions corresponding to the shares out of direct and/or indirect control of the parent company are classified within the item "Non-controlling interest" in the consolidated balance sheet.

As of June 30, 2022, the amount classified under non-controlling interests in the balance sheet is TRY (39,343) (December 31, 2021: TRY (33,909). The net profit/(loss) of the subsidiaries that are not directly and/or indirectly controlled by the parent company is classified under the "Non-controlling interest" in the consolidated statement of comprehensive income. For the years periods ended at June 30, 2022 and 2021, losses of non-controlling interests are TRY 5,434 and TRY 16,021, respectively.

Other revaluation and measurement gains

The fair value of MIP, Travelex Group Investment and Tepe Akfen Reformer TAR, which are recognized as financial investments in the Group's financial statements, as of June 30, 2022. It was evaluated within the scope of TFRS 9 standard and occurred in the value of financial investment. TRY 1,156,499 of the change of TRY 1,217,367, net of deferred tax, is recognized as revaluation and measurement gains in the Group's consolidated financial statements under accumulated other comprehensive income that will not be reclassified to profit or loss. (June 30, 2021: TRY 326,870 net of the change in the value of the financial investment amounting to TRY 344,074 of deferred tax). As of 30 June 2022, other revaluation and measurement gains recognized under equity in the consolidated financial statements are TRY 3,911,191 (December 31, 2021: TRY 2,754,692).

Reserve hedge fund

The Group's hedging losses amounting to TRY 2,860,848 as of June 30, 2022 (December 31, 2021: TRY 1,976,224) are due to Akfen Renewables has started to apply hedge accounting (hedging in cash flow risk) as an accounting policy, one of the application methods specified within the scope of TAS 39, as of July 1, 2020. The Group has recognized other comprehensive expense for hedging cash flow risk in the other comprehensive income statement amounting to TRY 884,624 including the effect of deferred tax income (TRY 1,105,780, excluding the effect of deferred tax income) for period ended June 30, 2022. (June 30, 2021: TRY 444,096 - including deferred tax income effect, (TRY 555,120 excluding deferred tax income effect).

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

25. SALES AND COST OF SALES

The breakdown of revenue for the periods ended June 30 is as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Operational revenues		
Hospital service revenues (*)	335,719	244,180
Incek Loft apartment sales revenues	87,765	4,568
Commercial area revenues	26,943	8,704
Accommodation income (**)	15,571	10,884
Dormitory revenues	5,710	7,006
Other	9,246	3,462
Sales returns (-)	(5,888)	(5,080)
	475,066	**273,724**

(*) Isparta, Eskişehir and Tekirdağ City Hospitals started operations as of March 2017, October 2018 and November 2020, respectively, and the Group started to generate revenue from its hospital management activities.
(**) Bodrum Loft Hotel started operations as of July 1, 2020 and the Group started to earn accommodation income. Accommodation income also includes other income such as food, beverage, etc.

As of June 30, 2022 and 2021, all of the revenue is obtained in Turkey.

For the periods ended as of June 30, details of cost of sales are as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Hospital service expenses (*)	295,794	197,386
Personnel expenses	24,180	11,817
Food and beverage expenses	12,062	6,202
Construction costs	11,862	24,924
Insurance expenses	7,429	242
Depreciation and amortization expenses	3,506	2,171
Operational lease expenses	3,190	1,503
Energy expenses	3,148	1,105
Tax and duties expenses	460	516
Other	20,022	23,147
	381,653	**269,013**

(*) Isparta, Eskişehir and Tekirdağ City Hospitals started operations as of March 2017, October 2018 and November 2020, respectively, and the Group started to generate revenue from its hospital management activities.

26. GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses for the periods ended June 30, are as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Personnel expenses	44,561	20,233
Consultancy expenses	9,767	10,247
Depreciation expenses	9,226	6,623
Travel and hosting expenses	7,636	1,676
Office expenses	3,008	1,614
Rent expenses	2,841	3,420
Taxes, duties and fees	2,345	1,539
Donations	1,188	275
Insurance expenses	806	502
Other	6,242	3,262
	87,620	**49,391**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

27. SELLING AND MARKETING EXPENSES

Selling and marketing expenses for the periods ended June 30, are as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Dues expenses	1,127	1,000
Advertising expenses	666	152
Other	1,570	437
	3,363	**1,589**

28. OTHER INCOMES AND EXPENSES FROM OPERATING ACTIVITIES

Other incomes from operating activities for the periods ended June 30, are as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Increase in value due to Service Concession Agreements (Note 10)	2,846,791	1,712,042
Increase in value of investment properties (Note 11)	32,592	-
Reversal of impairment of receivable	9,739	-
Rent revenue	7,164	4,218
Profit on sales of investment properties	415	-
Exchange difference income	33	-
Other	5,623	7,935
	2,902,357	**1,724,195**

Other expenses from operating activities for the periods ended June 30, are as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Transfer fee expenses (*)	24,703	18,710
Provision for doubtful receivables	4,121	509
Exchange difference expense	4,536	622
Rediscount interest expense (Note 32)	-	45,497
Loss on sales of investment properties	-	6,378
Decrease in value of investment properties (Note 11)	-	1,912
Impairment of receivables	-	2,950
Other	1,197	423
	34,557	**77,001**

(*) Akfen Holding's Hydroelectric Power Plants belonging to Akfen Renewable Energy are the amounts paid and expected to be paid to the previous shareholders of the project companies in accordance with the share transfer agreement.

29. FINANCE INCOMES AND EXPENSES

Finance incomes for the periods ended June 30, are as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Exchange difference income	680,015	392,363
Fair value increases of derivative instruments	460,812	26,901
Interest income	66,202	50,295
	1,207,029	**469,559**

Finance expenses for the periods ended June 30, are as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Exchange difference expense	2,348,894	1,201,553
Interest expense	468,961	337,239
Discount loss on trade receivables and payables	-	55,931
Other	7,560	6,175
	2,825,415	**1,600,898**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

30. INCOMES AND EXPENSES FROM INVESTMENT ACTIVITIES

Incomes from investment activities:

The breakdown of incomes from investment activities for the periods ended June 30, is as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Gains due to the sale in the share of affiliates (Note 3)	-	*34,491*
Total of the gains arising from the disposal of subsidiaries, joint ventures and financial investments or changes in shares	**-**	**34,491**
Dividend income (*)	83,058	133,195
Fair value gains of financial assets (Note 22)	-	66,751
Other	209	-
	83,267	**234,437**

(*) Dividend income as of June 30, 2022 and 2021 consists of dividend income from MIP.

Expenses from investment activities:

The breakdown of expenses from investment activities for the periods ended June 30, is as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Loss due to share sale of associates/subsidiaries (Note 3)	-	117,528
Fair value losses of financial assets (Note 22)	520,826	-
Other (*)	55,000	34,098
	575,826	**151,626**

(*) All of the expenses from other investment activities for June 30, 2022 consist of the Group's investment expenses related to Acacia (June 30, 2021: TRY 31,872).

31. TAX ASSETS AND LIABILITIES

a) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity, in such case, the tax is also recognised in shareholders' equity.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries and associates of the Group operate. Under the Turkish Tax Code, companies having head office or place of business in Turkey are subject to corporate tax.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot retrospectively offset against the profits of previous years.

Furthermore, provisional corporate taxes are paid at 25% (will be applied as 23% for 2022 and 20% for 2023 and after tax periods) over profits declared for interim periods in 2021 in order to be deducted from the final corporate tax.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

For the temporary differences that are expected to be realized/closed in the deferred tax calculation, a tax rate of 25% for 2021 (2022: 23% and 20% for 2023 and later) is used.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

31. TAX ASSETS AND LIABILITIES (cont'd)

b) Corporate tax

In Turkey, the corporate tax rate is 20%. However, in accordance with the addition of temporary 10th article to the Corporate Tax Law, 20% corporate tax rate will be applied as 25% to the profits of the entities for 2021 tax periods (2022: 23%, 2023 and after: 20%). This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid by the end of the fourth month..

The tax legislation provides for a temporary tax of 23% (2021: 25%) to be calculated based on earnings generated for each quarter. Temporary tax is declared by the 14th day of the second month following each quarter and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Dividend payments made to companies in Turkey, those who are not liable for corporate tax and income tax and those who are exempted, and to real persons and legal entities not in Turkey, are subject to 15% income tax.

Dividend payments made to resident corporations in Turkey again from resident companies in Turkey are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to capital.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

Gains arising from the investments received within the scope of the hospital project related incentive certificates are subject to corporate tax at a discounted rate to be effective as of the fiscal year in which the investment is started to be fully or partially operated until the investment reaches the contribution amount. In this context, the Company recognizes the tax advantage that it expects to benefit in the foreseeable future in companies with investment incentives as deferred tax asset in the financial statements.

c) Transfer pricing arrangements

In Turkey, transfer pricing arrangements are stated in article 13 of the CTL headed "distribution of concealed gains via transfer pricing". Communique of November 18, 2007 on the distribution of concealed gains via transfer pricing regulates practical details.

If a taxpayer trades goods or services with related persons over the fee or price that it sets in breach of the arm's length principle, the gains are considered to be partly or entirely distributed by concealed means via transfer pricing. Such distribution of concealed gains via transfer pricing is considered as non-deductible expenses for corporate tax.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

31. TAX ASSETS AND LIABILITIES *(cont'd)*

Tax income/(expense)

The details of tax (expense)/income for the periods ended June 30, are as follows:

	January 1- June 30, 2022	January 1- June 30, 2021
Current corporate tax expense	(3,583)	(1,773)
Deferred tax expense	(152,038)	(107,651)
Total tax expense	**(155,621)**	**(109,424)**

	June 30, 2022	June 30, 2021
Profit before tax	1,654,898	655,528
Local tax rate	%23	%25
Tax expense calculated over tax rate	(380,627)	(163,882)
Non-deductible expenses	(57,517)	(32,944)
Tax exemptions and exceptions (*)	27,448	46,531
The effect of the shares in the profits of the investments accounted in equity method	205,991	25,783
Revaluation tax expense	(2,201)	-
Previous period tax expense	-	6,623
Current period losses not subject to deferred tax income	-	(10,818)
Effect of tax rate differences	28,810	19,751
Revaluation deferred tax difference (**)	22,007	-
Other	468	(468)
Total tax expense	**(155,621)**	**(109,424)**

(*) Discounts and exemptions consist of the Company's emission premium earnings, participation earnings and exceptions, discounts and exemptions arising from cash capital increase.
(**) As of June 30, 2022, the company revalued its buildings within the scope of the legal legislation, and it is the deferred tax effect that occurs after the legal valuation as the related fixed asset is accounted for as "investment property" at the end of the period with fair value in the IFRS financial statements (June 30, 2021: None).

	June 30, 2022	December 31, 2021
Current period tax expense (A)	(3,583)	(32,059)
Tax deductible (B)	2,890	41,629
Current income tax (liabilities)/assets, net (A+B)	**(693)**	**9,570**

Deferred tax assets and liabilities

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences of non-tax deductible goodwill, and assets and liabilities that are not accountable and taxable and are recognized for the first time.

As of June 30, 2022 and December 31, 2021, the Group's deferred tax assets are as follows:

	June 30, 2022	December 31, 2021
Investment incentives	1,329,878	1,329,878
Accumulated losses	783,380	410,194
Derivative instruments	(25,584)	54,491
Service concession agreements	(1,292,062)	(845,829)
Investment properties and fixed assets	41,489	11,287
Discount on debts	11,280	14,245
Financial investments	(200,743)	(140,562)
Un-invoiced construction revenues	(92,842)	(95,586)
Other	15,184	44,752
Deferred tax assets, net	**569,980**	**782,870**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

31. TAX ASSETS AND LIABILITIES *(cont'd)*

Deferred tax asset movements for the periods ended at June 30, 2022 and 2021 are as follows:

	2022	2021
January 1	**782,870**	**678,720**
Recognized in the statement of profit or loss	(152,038)	(107,651)
Subsidiary sales impact (Note 3)	-	42,520
Recognized in the statement of profit or loss	(60,852)	(17,199)
June 30	**569,980**	**596,390**

32. RELATED PARTY DISCLOSURES

a) Trade receivables from related parties / Trade payables to related parties

As of June 30, 2022 and December 31, 2021, the Group's short-term trade receivables from related parties are as follows:

	June 30, 2022	December 31, 2021
Akfen İnşaat Turizm ve Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. Adi Ortaklığı ("Adi Ortaklık")	13,438	13,438
Akfen Renewable	2,161	3,896
Farklı Yatırım İnşaat A.Ş.	1,051	1,363
Other	1,177	1,299
	17,827	**19,996**

As of June 30, 2022 and December 31, 2021, the Group's short-term trade payables to related parties are as follows:

	June 30, 2022	December 31, 2021
Akfen Water	4,398	3,220
Akfen REIT	3,846	3,909
MIP	903	1,892
Other	462	209
	9,609	**9,230**

b) Other receivables from related parties / Other payables to related parties

As of June 30, 2022 and December 31, 2021, the Group's long-term other receivables from related parties are as follows:

	June 30, 2022	December 31, 2021
İzbir Mine	266,215	207,142
Akfen Renewable (*)	236,448	328,998
Acacia Mine (*)	160,262	298,208
Other	1,092	807
	664,017	**835,155**

(*) It consists of the amounts given by the Company in order to finance the working capital and ongoing investments of the companies within the group and the Company calculates financial income for the related receivables at the same interest rates as the market conditions.

As of June 30, 2022 and December 31, 2021, the Group's short-term other payables to related parties related parties are as follows:

	June 30, 2022	December 31, 2021
Company Main Partner	-	25,465
İlbak Madencilik San. Ve Tic. A.Ş. ("İlbak Madencilik")	-	14,682
Other	-	348
	-	**40,495**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

32. RELATED PARTY DISCLOSURES *(cont'd)*

As of June 30, 2022 and December 31, 2021, the Group's long-term other payables to related parties related parties are as follows

	June 30, 2022	December 31, 2021
Akfen International BV (*)	686,647	542,532
MIP Other Partners	464,337	293,127
Fıratcan Tourism	300,597	162,232
Company Founding Partner	240,310	193,103
MIP (**)	199,548	185,588
Akfen Water	7,044	6,449
Other	3,440	3,971
	1,901,923	**1,387,002**

(*) It belongs to the founding partner of the Company and the related balances consist of debts whose interest rates are operated under market conditions.
(**) The Company is the financial investment of the shareholder and is accounted at discounted amount since the aforesaid payable has a certain maturity.

The main transactions with related parties for the periods ended June 30, are as follows:

		January 1- June 30, 2022	January 1- June 30, 2021
MIP	Dividend income	83,058	133,195
Acacia	Interest income	11,064	3,648
Akfen Renewable Energy	Interest income	25,047	23,990
İzbir Mine	Interest income	5,803	2,986
Other	Interest income	377	1,361
Akfen Renewable Energy	Other income	2,403	1,427
Company founding partner	Rediscount interest expense(*)	-	(45,497)
Akfen International	Interest expense	-	(5,920)
Other	Interest expense	(12)	(39)
Company founding partner	Rent expense	-	(402)
Company main partner	Rent expense	(1,036)	(422)
Akfen Water	Other expense	(10,076)	-
Akfen REIT	Loss on sales of company (Note 3)	-	(45,071)
Other	Other income	448	-

(*) It is the amount of the trade debt that arises as a result of the transfer of Akfen Holding shares to Akfen Altyapı, details of which are given in Note 1. Related debt amount has been accounted by discounting.

Benefits to senior executives

Total short-term benefits provided to senior managers for Akfen Holding and subsidiaries for the period ended on June 30, 2022 is TRY 20,093 (June 30, 2021: TRY 10,290).

33. EARNINGS PER SHARE

The Group's earnings per share for the periods ended June 30, 2022 and 2021 are as follows:

	2022	2021
Net profit for the period belonging to the shareholders of the parent company	1,504,711	562,125
Number of shares at the end of the period	700,000,000	667,180,686
Number of shares available during the period	700,000,000	667,180,686
Earnings per share (full TRY)	**2.15**	**0.84**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

i. Credit risk

The credit risks exposed by types of financial instruments are as follows (TRY):

	Receivable						
	Trade receivables		Other receivables				
June 30, 2022	**Related Party**	**Third Party**	**Related Party**	**Contract assets arising from ongoing construction and contracts**	**Third Party**	**Financial assets related to concession agreements**	**Bank Deposits (*)**
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	**17,827**	**187,444**	**664,026**	**-**	**82,393**	**14,517,298**	**4,227,962**
- Portion of the maximum risk that is guaranteed with a collateral, etc,	-	-	-		-	-	-
A. Net book value of financial assets that are not overdue or not impaired	17,827	187,444	664,026	-	82,393	14,517,298	4,227,968
B. Book value of financial assets, the terms of which are re-negotiated, and which will otherwise be considered to be overdue or impaired	-	-	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	-	-	-	-	-	-
- Net book value of assets that are overdue but not impaired	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	(6)
- Net book value of impaired assets	-	23,611	-	-	-	-	-
- Impairment (-)	-	(23,611)	-	-	-	-	-
- Not overdue (gross book value)	-	7,145	-	-	-	-	-
- Impairment (-)	-	(7,145)	-	-	-	-	(6)
E. Elements including off-balance-sheet financing	-	-	-	-	-	-	-

	Receivables	
December 31, 2021	**Trade Receivables**	**Other Receivables**
0-3 months overdue	-	-
3-12 months overdue	-	-
1-5 years overdue	23,610	-
1-5 years overdue	-	-
Total receivables overdue	-	-
Total provisions reserved	-	-
Portion guaranteed with a collateral, etc.	-	-

(*) As of June 30, 2022, investment funds in other cash and cash equivalents of Akfen Holding amounting to TRY 1,116,447 and other short-term and long-term investment funds and deposits amounting to TRY 2,198,451 are included in the bank deposits.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (cont'd)

i. Credit risk (cont'd)

	Receivable						
	Trade receivables		Other receivables				
December 31, 2021	**Related Party**	**Third Party**	**Related Party**	**Contract assets arising from ongoing construction and contracts**	**Third Party**	**Financial assets related to concession agreements**	**Bank Deposits (*)**
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	**19,996**	**91,808**	**835,164**	**-**	**97,394**	**12,445,309**	**4,161,275**
- Portion of the maximum risk that is guaranteed with a collateral, etc,	-	-	-		-	-	-
A. Net book value of financial assets that are not overdue or not impaired	19,996	91,808	835,164	-	97,394	12,445,309	4,161,297
B. Book value of financial assets, the terms of which are re-negotiated, and which will otherwise be considered to be overdue or impaired	-	-	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	-	-	-	-	-	-
- Net book value of assets that are overdue but not impaired	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	(22)
- Net book value of impaired assets	-	19,490	-	-	-	-	-
- Impairment (-)	-	(19,490)	-	-	-	-	-
- Not overdue (gross book value)	-	7,518	-	-	-	-	-
- Impairment (-)	-	(7,518)	-	-	-	-	(22)
E. Elements including off-balance-sheet financing	-	-	-	-	-	-	-

	Receivables	
December 31, 2021	**Trade Receivables**	**Other Receivables**
0-3 months overdue	-	-
3-12 months overdue	-	-
1-5 years overdue	19,489	-
1-5 years overdue	-	-
Total receivables overdue	-	-
Total provisions reserved	-	-
Portion guaranteed with a collateral, etc.	-	-

(*) As of December 31, 2021, investment funds in other cash and cash equivalents of Akfen Holding amounting to TRY 1,198,105 and other short-term and long-term investment funds and deposits amounting to TRY 2,182,845 are included in the bank deposits.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (cont'd)

ii. Liquidity risk

Possession of financial instruments also involves the risk that the counterparty will fail to comply with the terms of the agreement. The Group management meets these risks by limiting the average risk for the counterparty (excluding related parties) in each agreement and by obtaining collaterals if necessary.

June 30, 2022

Maturities under contract	Carrying amount	Total contractual cash outflows (I+II+III+IV+V)	Less than 3 months (I)	3 - 12 Months (II)	1 – 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Borrowings	15,031,365	(18,862,706)	(435,676)	(1,283,329)	(9,959,334)	(7,184,367)
Trade payables to third parties	188,115	(188,115)	(188,115)	-	-	-
Due to related parties	1,911,532	(2,198,536)	(9,609)	-	(1,688,498)	(500,429)
Other payables(*)	167,601	(167,601)	(34,315)	(90,406)	(42,880)	-
Total	**17,298,613**	**(21,416,958)**	**(667,715)**	**(1,373,735)**	**(11,690,712)**	**(7,684,796)**

December 31, 2021

Maturities under contract	Carrying amount	Total contractual cash outflows (I+II+III+IV+V)	Less than 3 months (I)	3 - 12 Months (II)	1 – 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Borrowings	13,698,830	(17,328,894)	(717,127)	(1,523,245)	(8,200,990)	(6,887,532)
Trade payables to third parties	141,272	(141,272)	(141,272)	-	-	-
Due to related parties	1,436,727	(1,707,921)	(9,230)	(40,495)	(1,264,335)	(393,861)
Other payables(*)	144,050	(144,050)	(35,634)	(72,041)	(36,375)	-
Total	**15,420,879**	**(19,322,137)**	**(903,263)**	**(1,635,781)**	**(9,501,700)**	**(7,281,393)**

(*) Non-financial liabilities such as deposits and advances received are not included in other liabilities.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(cont'd)*

iii. Interest risk

Interest rate risk arises from the possibility that changes in interest rates will affect the financial statements. The interest rate details of the Group's interest-bearing financial instruments at the reporting date are as follows:

	June 30, 2022	December 31, 2021
Fixed-Interest financial instruments	**(3,256,944)**	**(2,920,732)**
Financial assets	797,011	728,695
Financial liabilities	(4,053,955)	(3,649,427)
Floating-Interest financial instruments	**(7,664,175)**	**(6,668,451)**
Financial assets	3,313,235	3,380,952
Financial liabilities	(10,977,410)	(10,049,403)

As of June 30, 2022 and December 31, 2021, if interest rates increase by 1 basis point, the consolidated comprehensive income statement would be affected as follows. While performing the analysis, it is assumed that all other variables, chiefly the foreign exchange rates, remained fixed.

Interest Position Statement			
		June 30, 2022	**December 31, 2021**
Fixed-Interest financial instruments		**(32,570)**	**(29,207)**
Financial assets	Assets at fair value through profit or loss	7,970	7.287
Financial liabilities			(36,494)
Floating-Interest Financial Instruments		**(76,642)**	**(66,684)**
Financial assets		33,132	33,810
Financial liabilities		(109,774)	(100,494)

Interest rate risk refers to the risk that the fair value of a financial instrument or future cash flows may fluctuate due to changes in market interest rates. Payables to related parties and interest rates on financial assets are fixed. The Group risk arising from changes in market interest rates mainly arises from floating rate loans.

iv. Foreign currency risk

The balances of the Group's foreign currency transactions arising from operating and financial activities as of reporting date are explained below. With respect to foreign currency denominated payables or creditors; In case of changes in the exchange rates of these currencies against Turkish Lira, they may be exposed to exchange rate risk. The aforesaid exchange rate risk is limited by the continuous analysis and monitoring of the foreign exchange position.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (cont'd)

As of June 30, 2022, assets and liabilities denominated in foreign currencies are as follows:

	June 30, 2022			
	TRY Equivalent	**US Dollar**	**Euro**	**Other(*)**
1. Trade receivables	4,600	53	214	-
2a. Monetary Financial Assets (including safe and bank accounts)	2,812,608	162,431	5,791	282
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	1,618,825	29,091	65,292	-
4. Current Assets (1+2+3)	**4,436,033**	**191,575**	**71,297**	**282**
5. Trade Receivables	33	2	-	-
6a. Monetary Financial Assets	1,565,183	86,228	7,398	-
6b. Non-Monetary Financial Assets	4,839,704	290,474	-	-
7. Other	13,336,541	255,534	522,679	-
8. Non-Current Assets (5+6+7)	**19,741,461**	**632,238**	**530,077**	**-**
9. Total Assets (4+8)	**24,177,494**	**823,813**	**601,374**	**282**
10. Trade Payables	37,952	535	1,176	422
11. Financial Liabilities	1,494,437	19,158	67,504	-
12a. Other Monetary Liabilities	359,142	20,081	1,377	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**1,891,531**	**39,774**	**70,057**	**422**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	13,313,984	318,594	459,515	-
16a. Other Monetary Liabilities	1,448,146	86,760	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**14,762,130**	**405,354**	**459,515**	**-**
18. Total Liabilities (13+17)	**16,653,661**	**445,128**	**529,572**	**422**
19. Net Foreign Currency Asset/(Liability) Position (9-18)	**7,523,833**	**378,685**	**71,802**	**(140)**
20. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	**(12,271,237)**	**(196,414)**	**(516,169)**	**(140)**
21. Export	-	-	-	-
22. Import	-	-	-	-

(*) Assets and liabilities denominated in other currencies are stated in TRY.

As of June 30, 2022, the Company's currency risk analysis is as follows (TRY):

Exchange Rate Sensitivity Analysis Statement				
June 30, 2022				
	Profit/Loss		**Equity**	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In the event that USD appreciates/depreciates by 20% against TRY				
1- US Dollar net asset/liability	1,261,884	(1,261,884)	-	-
2- Portion hedged for USD (-)	-	-	-	-
3- USD Net Impact (1+2)	**1,261,884**	**(1,261,884)**	**-**	**-**
In the event that EUR appreciates/depreciates by 20% against TRY				
4- Net asset/liability in Euro	249,442	(249,442)	-	-
5- Portion hedged for EUR (-)	--	--	-	-
6- Euro Net Impact (4+5)	**249,442**	**(249,442)**	**-**	**-**
In the event that other foreign currencies appreciate/depreciate by 20% against TRY				
7- Other foreign currency net asset/liability	(568)	568	-	-
8- Portion hedged for other foreign currency (-)	--	--	-	-
9- Other Foreign Currency Assets Net Impact (7+8)	**(568)**	**568**	**-**	**-**
TOTAL (3+6+9)	**1,510,758**	**(1,510,758)**	**-**	**-**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(cont'd)*

As of December 31, 2021, assets and liabilities denominated in foreign currencies are as follows:

	December 31, 2021			
	TRY Equivalent	**US Dollar**	**Euro**	**Other(*)**
1. Trade receivables	3,000	53	152	-
2a. Monetary Financial Assets (including safe and bank accounts)	2,979,220	204,380	16,600	256
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	1,368,398	29,927	64,262	-
4. Current Assets (1+2+3)	**4,350,618**	**234,360**	**81,014**	**256**
5. Trade Receivables	641	30	16	-
6a. Monetary Financial Assets	1,159,130	86,963	-	-
6b. Non-Monetary Financial Assets	3,632,486	272,525	-	-
7. Other	11,588,761	275,219	524,990	-
8. Non-Current Assets (5+6+7)	**16,381,018**	**634,737**	**525,006**	**-**
9. Total Assets (4+8)	**20,731,636**	**869,097**	**606,020**	**256**
10. Trade Payables	32,115	209	1,608	278
11. Financial Liabilities	1,519,597	18,136	84,520	-
12a. Other Monetary Liabilities	308,322	21,407	1,487	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**1,860,034**	**39,752**	**87,615**	**278**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	11,524,989	326,047	474,483	-
16a. Other Monetary Liabilities	1,276,455	75,233	17,988	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**12,801,444**	**401,280**	**492,471**	**-**
18. Total Liabilities (13+17)	**14,661,478**	**441,032**	**580,086**	**278**
19. Net Foreign Currency Asset/(Liability) Position (9-18)	**6,070,158**	**428,065**	**25,934**	**(22)**
20. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	**(10,519,487)**	**(149,606)**	**(563,318)**	**(22)**
21. Export	-	-	-	-
22. Import	-	-	-	-

(*) Assets and liabilities denominated in other currencies are stated in TRY.

As of December 31, 2021, the Company's currency risk analysis is as follows (TRY):

Exchange Rate Sensitivity Analysis Statement				
December 31, 2021				
	Profit/Loss		**Equity**	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In the event that USD appreciates/depreciates by 20% against TRY				
1- US Dollar net asset/liability	1,141,136	(1,141,136)	-	-
2- Portion hedged for USD (-)	-	-	-	-
3- USD Net Impact (1+2)	**1,141,136**	**(1,141,136)**	**-**	**-**
In the event that EUR appreciates/depreciates by 20% against TRY				
4- Net asset/liability in Euro	78,252	(78,252)	-	-
5- Portion hedged for EUR (-)	-	-	-	-
6- Euro Net Impact (4+5)	**78,252**	**(78,252)**	**-**	**-**
In the event that other foreign currencies appreciate/depreciate by 20% against TRY				
7- Other foreign currency net asset/liability	(79)	79	-	-
8- Portion hedged for other foreign currency (-)	-	-	-	-
9- Other Foreign Currency Assets Net Impact (7+8)	**(79)**	**79**	**-**	**-**
TOTAL (3+6+9)	**1,219,309**	**(1,219,309)**	**-**	**-**

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(cont'd)*

v. Capital Risk Management

The Group's objectives in capital management are;

- To be able to provide returns to partners and benefit to other shareholders by ensuring the continuity of their activities
- To increase profitability by pricing services in accordance with the risk level.

The Group determines the amount of capital in proportion to the risk level. The Company regulates the structure of shareholders' equity according to economic conditions and risk characteristics of assets.

The Group monitors capital management by using the debt / equity ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings (total of short-term and long-term liabilities stated in the consolidated statement of financial position) less cash and cash equivalents. Total capital is the sum of the equity stated in the consolidated financial statements.

As of June 30, 2022 and December 31, 2021, the ratio of total capital to net liabilities is as follows:

	June 30, 2022	December 31, 2021
Total financial liability	15,031,365	13,698,830
Less: cash and cash equivalents (*)	(4,230,518)	(4,162,769)
Net debt	10,800,847	9,536,061
Equity	**15,287,996**	**13,168,525**
Net financial debt / equity ratio	**0.71**	**0.72**

(*) Cash and bank deposits as of June 30, 2022; short-term and long-term financial investments of the Group amounting to TRY 2,198,451, excluding cash and cash equivalents, in the form of deposits and investment funds (December 31, 2021: TRY 2,182,845).

Fair value disclosures

Fair value is defined as the price to be obtained from the sale of an asset or to be paid in the transfer of a debt in the usual transaction between market participants on the measurement date.

Financial instruments

The Group has determined the estimated fair values of financial instruments using current market information and appropriate valuation methods. However, evaluating market information and estimating fair values requires interpretation and judgement. As a result, the estimations presented here cannot be an indication of the amounts that the Group can obtain in a current market transaction.

The following methods and assumptions are used to estimate the fair values of financial instruments that are practically possible to estimate fair values:

Financial assets

Since they are short term cash assets, the registered values of cash and cash equivalents are assumed to be close to their fair values.

As their commercial receivables are short term, their recorded values are expected to reflect the fair value.

Since service concession agreements are a guaranteed income in the contract with the Ministry of Health, it accounts for the amount calculated based on the construction model, based on the service concession agreement, as a financial asset.

It is foreseen that the fair values of the foreign currency balances, which are converted at the end of the period, are close to their registered values.

Financial liabilities

Due to the fact that commercial debts and other monetary liabilities are short-term, their fair value is thought to approach the value they carry.

Bank loans are expressed in amortized cost values and transaction costs are added to the initial cost of the loans. Since the Group's floating rate bank loans have been repriced recently, their fair values are considered to represent the value they bear.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(cont'd)*

Financial Instrument classifications and fair values

June 30, 2022	Amortized cost	Fair value difference reflected to profit / loss	Fair value difference reflected in other comprehensive income and expense	Book value	Fair value	Note
Financial assets						
Cash and cash equivalents (*)	2,032,068	-	-	2,032,068	2,032,068	5
Trade receivables from third parties	187,444	-	-	187,444	187,444	7
Trade receivables from related parties	17,827	-	-	17,827	17,827	7-32
Other receivables from third parties	82,393	-	-	82,393	82,393	8
Other receivables from related parties	664,026	-	-	664,026	664,026	8-32
Financial assets related to concession agreements	-	14,517,298	-	14,517,298	14,517,298	10
Financial investments whose fair value difference is reflected in profit / loss	-	2,198,450	-	2,198,450	2,198,450	22
Financial investments whose fair value difference is reflected in other comprehensive income	-	-	4,940,398	4,940,398	4,940,398	22
Financial liabilities						
Financial borrowings	15,031,365	-	-	15,031,365	15,031,365	6
Trade payables to third parties	188,115	-	-	188,115	188,115	7
Trade payables to related parties	9,609	-	-	9,609	9,609	7-32
Other payables to third parties	39,789	-	-	39,789	39,789	8
Other payables to related parties	1,901,923	-	-	1,901,923	1,901,923	8-32

December 31, 2021	Amortized cost	Fair value difference reflected to profit / loss	Fair value difference reflected in other comprehensive income and expense	Book value	Fair value	Note
Financial assets						
Cash and cash equivalents (*)	1,979,924	-	-	1,979,924	1,979,924	5
Trade receivables from third parties	91,808	-	-	91,808	91,808	7
Trade receivables from related parties	19,996	-	-	19,996	19,996	7-32
Other receivables from third parties	97,394	-	-	97,394	97,394	8
Other receivables from related parties	835,164	-	-	835,164	835,164	8-32
Financial assets related to concession agreements	-	12,445,309	-	12,445,309	12,445,309	10
Financial investments whose fair value difference is reflected in profit / loss	-	2,182,845	-	2,182,845	2,182,845	22
Financial investments whose fair value difference is reflected in other comprehensive income	-	-	3,723,028	3,723,028	3,723,028	-
Financial liabilities						
Financial borrowings	13,698,830	-	-	13,698,830	13,698,830	6
Trade payables to third parties	141,272	-	-	141,272	141,272	7
Trade payables to related parties	9,230	-	-	9,230	9,230	7-32
Other payables to third parties	41,359	-	-	41,359	41,359	8
Other payables to related parties	1,427,497	-	-	1,427,497	1,427,497	8-32

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(cont'd)*

As of June 30, 2022 and December 31, 2021, the fair value classifications of financial assets and financial liabilities measured at fair value are as follows:

June 30, 2022			**Fair Value Level**
	Level 1 TRY	**Level 1 TRY**	**Level 1 TRY**
Short term financial investments			
Financial assets at fair value through profit or loss (Note 22)	813,527	-	-
Long term financial investments			
Financial assets at fair value through profit or loss (Note 22)	1,384,923	-	-
Other financial investments (Note 22)	-	-	4,940,398
Interest rate swap transactions (Note 12)	-	180,253	-
Receivables from service concession agreements/Financial assets related to concession agreements (Note 10)	-	-	14,517,298

December 31, 2021			**Fair Value Level**
	Level 1 TRY	**Level 1 TRY**	**Level 1 TRY**
Short term financial investments			
Financial assets at fair value through profit or loss (Note 22)	1,023,720	-	-
Long term financial investments			
Financial assets at fair value through profit or loss (Note 22)	1,159,125	-	-
Other financial investments (Note 22)	-	-	3,723,028
Interest rate swap transactions (Note 12)	-	(280,559)	-
Receivables from service concession agreements/Financial assets related to concession agreements (Note 10)	-	-	12,445,309

The fair value of assets and liabilities is determined as follows:

- Level 1: Valued at the quoted market prices for active assets and liabilities.
- Level 2: Appraised from inputs used to find the directly or indirectly observable price in the market other than the market price stated in the first level of the related asset or liability.
- Level 3: Valued at inputs that are not based on observable market data used to determine the fair value of the asset or liability.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(cont'd)*

Discounted Cash Flows

Under the discounted cash flows method, the fair value of an asset is estimated using the net assumptions about the ownership benefits and liabilities over the life of the asset, including the output and the final value. This estimation includes estimating a series of cash flows and a corresponding, market-based discount rate is applied to generate the present value of the revenue stream.

The duration of cash flow and specific timing of the inflows and outflows are determined by the review of rents, renewal of lease agreements and related lease periods, leasing, redevelopment and renewal.

Cost incurred during the development of the asset and construction costs, development costs and expected sales revenue are estimated to reach a set of cash flows that are reduced through additional development and marketing expenses throughout the lease. Certain development risks, such as planning, permits and development permits must be assessed separately.

Level 3 sensitivity analysis of significant changes in unobservable inputs used in fair value calculations

As of June 30, 2022 and December 31, 2021, the sensitivity analysis of the important assumptions used in the fair value calculation of the financial asset regarding the concession agreements are as follows:

June 30, 2022	**Discount rate change (*)**	
Sensitivity level	**%1 decrease**	**%1 increase**
Fair value change	1,023,374	(915,634)

December 31, 2021	**Discount rate change (*)**	
Sensitivity level	**%1 decrease**	**%1 increase**
Fair value change	890,790	(795,874)

(*) It refers to the change in the discount rate expectations of the model used in determining the fair value of the years in the first 10 years of the contract period.

In addition, the sensitivity analysis of the important assumptions used in the fair value calculation of the building, which is under investment properties ((whole of Hacettepe Dormitory and for the asset valued as TRY, 24% discount rate is used in the valuation report (December 31, 2021: 17%)) as of June 30, 2022 and December 31, 2021, is as follows:

June 30, 2022	**Inflation expectation (*)**		**Discount rate change (*)**	
Sensitivity level	**%0.5 decrease**	**%0.5 increase**	**%1 decrease**	**%1 increase**
Fair value change	(6,240)	(6,429)	23,285	(20,227)

December 31, 2021	**Inflation expectation (*)**		**Discount rate change (*)**	
Sensitivity level	**%0.5 decrease**	**%0.5 increase**	**%1 decrease**	**%1 increase**
Fair value change	(5,796)	5,997	23,771	(19,789)

(*) It represents the change in the expectations of the discount rate of the model used to determine the inflation and fair value for each year in the first 10 years of the contract period.

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

34. NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(cont'd)*

Discounted Cash Flows *(cont'd)*

The fair value of MIP, which is recognized as a financial investment in the financial statements of the Group, has been evaluated within the scope of TFRS 9 standard as of June 30, 2022 and December 31, 2021, and the change in the value of the financial investment has been recognized in the other comprehensive income or expense statement in the consolidated financial statements of the Group. The fair value of MIP, which is recognized as a financial investment in the consolidated financial statements of the Group, has been calculated using the the market approach method as of June 30, 2022 and December 31, 2021. While applying the market approach method, the Interest Amortization and Pre-Tax Profit (EBITDA) multiplier technique was used. The market approach used in fair value measurement ideally reflects fair value in current conditions.

Sensitivity analysis of the financial investment in question for unobservable inputs used in the measurement of fair values is as follows:

		if increases	**if decreases**
June 30, 2022	**Sensitivity analysis**	**Profit/(Loss) effect of fair value (TRY)**	**Profit/(Loss) effect of fair value (TRY)**
Long term financial investments			
EBITDA multiplier	0.50 basis point	171,366	(171,366)

		if increases	if decreases
December 31, 2021	Sensitivity analysis	Profit/(Loss) effect of fair value (TRY)	Profit/(Loss) effect of fair value (TRY)
Long term financial investments			
EBITDA multiplier	0.50 basis point	131,021	(131,021)

(All amounts are in thousand Turkish Liras ("TRY") unless otherwise specified.)

35. EXPLANATIONS ON SHARES IN OTHER BUSINESSES

As of June 30, 2022 and December 31, 2021, information on the Group's major subsidiaries in which non-controlling interests are as follows:

				June 30, 2022
	Hacettepe Clinic(*)	**Akfen Merter**	**Isparta City Hospital**	**Total**
Total assets	347,934	72,932	4,841,434	**5,262,300**
Total liabilities	432,975	23,159	3,065,232	**3,521,366**
Equity	(85,041)	49,773	1,776,202	**1,740,934**
Profit/(loss) for the period	(10,581)	(792)	367,470	**356,097**
Non-controlling interest ratio	0.5500	0.0848	0.0012	
Equity – Non-controlling interest	(46,772)	4,221	2,246	**(40,305)**
Profit/(loss) for the period – Non-controlling interest	**(5,819)**	**(67)**	**451**	**(5,435)**

				December 31, 2021
	Hacettepe Clinic(*)	**Akfen Merter**	**Isparta City Hospital**	**Total**
Total assets	285,657	73,238	4,115,175	**4,474,070**
Total liabilities	360,117	22,673	2,706,443	**3,089,233**
Equity	(74,460)	50,565	1,408,731	**1,384,836**
Profit/(loss) for the period	(14,352)	(1,657)	662,814	**646,805**
Non-controlling interest ratio	0.5500	0.0848	0.0012	
Equity – Non-controlling interest	(40,953)	4,288	1,795	**(34,870)**
Profit/(loss) for the period – Non-controlling interest	**(7,894)**	**(141)**	**814**	**(7,221)**

(*) Information about the companies that do not have a controlling interest in Akfen Holding and Akfen Construction.

36. SUBSEQUENT EVENTS

Due to the division transaction registered on July 4, 2022,

- By making simultaneous capital reductions and increases at Akfen Construction, the capital which was TRY 569,743 was first reduced to TRY 362,873 and then increased to TRY 569,743 TL again.
- The capital of Ayrı Gayrimenkul was increased from TRY 100 to TRY 342,298, and Akfen Construction's share in Ayrı Gayrimenkul was 0.03% and Akfen Holding's share was 99.97%. In addition, the lands in Koparan were transferred to Ayrı Gayrimenkul.
- The capital of Zeki Group was increased from TRY 2,520 to TRY 23,195 and Akfen Construction's share in Zeki Group was 10.86% and Akfen Holding's share was 89.14%. In addition, the land in Tuluntaş is were transferred to Zeki Grup.

On July 22, 2022, MIP paid a dividend of TRY 25,706 (USD 1,46 million) to Akfen Holding. Thus, the total dividend payment made by MIP to Akfen Holding in 2022 reached USD 7,15 million.

On July 22, 2022, pursuant to the share transfer agreement dated January 18, 2021, Akfen Holding's shares in Acacia, constituting 4.5% of Acacia's total capital, were transferred to Bacacı Uluslararası Ticaret Yatırımları ve Yönetim A.Ş. ("Bacacı"). İlbak Madencilik also transferred shares at the same rate, and Bacacı became a 9% shareholder in Acacia.

36. SUBSEQUENT EVENTS *(cont'd)*

On July 29, 2022, Haziran Yatırım İnşaat A.Ş. which is fully owned by Akfen Construction and Temmuz Yatırım İnşaat A.Ş. and Ağustos Yatırım İnşaat A.Ş. which is fully owned by Akfen Holding was established.

At the General Assembly meeting of Hacettepe held on June 24, 2022, it was decided to increase the capital, and as a result of the mentioned capital increase, Akfen Construction's share in Hacettepe reached 99.76%. The aforementioned general assembly resolution was registered on August 2, 2022.

Pursuant to the decision taken by the companies on July 15, 2022 for the merger of Akınısı and Akfen Turizm under Akfen Turizm, the merger report dated August 5, 2022 has been obtained. The merger process continues.

Regarding Isparta, Eskişehir and Tekirdağ City Hospitals; Contracts made between subcontractors and Akfen Construction have been transferred to Akfen Hospital, and following the approval of the Administration regarding the aforementioned transfer, subcontractors will issue their invoices to Akfen Hospital and Akfen Hospital to Akfen Construction. Administration approval was obtained for Isparta City Hospital on August 11, 2022, and the approval process for other hospitals continues.