

**TEKFEN HOLDİNG ANONİM ŐİRKETİ  
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE THREE MONTH  
INTERIM PERIOD  
ENDED 31 MARCH 2021

(Translated into English from the report  
originally issued in Turkish)

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**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

<b>ASSETS</b>	<b>Notes</b>	<b>Unreviewed 31 March 2021</b>	<b>Audited 31 December 2020</b>
<b>Current Assets</b>		<b>10.590.856</b>	<b>9.013.197</b>
Cash and cash equivalents	7	3.413.211	3.259.116
Financial investments		75.468	82.118
Trade receivables	8	2.431.663	2.038.851
- Related party receivables		152.371	106.715
- Trade receivables		2.279.292	1.932.136
Other receivables		78.242	81.642
- Related party receivables		-	1.925
- Other receivables		78.242	79.717
Contract assets arising from ongoing construction works	9	1.347.982	631.682
Derivative instruments	21	14.698	9.046
Inventories	10	2.132.714	2.033.545
Prepaid expenses		513.643	408.930
- Prepaid expenses		513.643	408.930
Assets related to current tax		204.592	154.823
Other current assets		305.376	245.921
- Other current assets		305.376	245.921
		<b>10.517.589</b>	<b>8.945.674</b>
Assets classified as held for sale		73.267	67.523
<b>Non-Current Assets</b>		<b>5.038.076</b>	<b>4.903.836</b>
Financial investments		1.551.652	1.414.920
Trade receivables	8	111.769	293.407
- Trade receivables		111.769	293.407
Other receivables		13.920	12.983
- Other receivables		13.920	12.983
Investments valued by equity method	11	111.208	115.818
Investment property	12	145.205	137.019
Property, plant and equipment	12	2.730.455	2.576.975
Right-of-use assets	12	59.458	62.741
Intangible assets	12	141.278	136.095
- Goodwill		93.545	91.838
- Other intangible assets		47.733	44.257
Prepaid expenses		37.040	18.968
- Prepaid expenses		37.040	18.968
Deferred tax assets		116.294	111.413
Other non-current assets		19.797	23.497
- Other non-current assets		19.797	23.497
<b>TOTAL ASSETS</b>		<b>15.628.932</b>	<b>13.917.033</b>

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

Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	Unreviewed 31 March 2021	Audited 31 December 2020
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>8.463.673</b>	<b>7.474.512</b>
Short-term borrowings	13	2.049.028	1.875.394
Short-term portion of long-term borrowings		219.147	210.267
Trade payables	8	4.193.194	3.418.087
- Related party payables		4.373	12.835
- Trade payables		4.188.821	3.405.252
Payables related to employee benefits		91.175	64.602
Other payables		74.309	117.733
- Related party payables		518	40.142
- Other payables		73.791	77.591
Contract liabilities arising from ongoing construction works	9	448.427	435.122
Deferred revenue		598.730	590.110
- Deferred revenue		598.730	590.110
Current tax liability		225.406	137.578
Short-term provisions	14	526.387	596.524
- Short-term provisions attributable to employee benefits		149.363	143.430
- Other short-term provisions		377.024	453.094
Other short-term liabilities		37.870	29.095
- Other short-term liabilities		37.870	29.095
<b>Non-Current Liabilities</b>		<b>656.399</b>	<b>631.621</b>
Long-term borrowings	13	273.766	272.613
Trade payables	8	77.064	67.228
- Trade payables		77.064	67.228
Other payables		63.325	69.427
- Other payables		63.325	69.427
Government incentives and grants		-	1.132
Deferred revenue		236	241
- Deferred revenue		236	241
Long-term provisions	14	133.172	119.606
- Long-term provisions attributable to employee benefits		133.111	119.534
- Other long-term provisions		61	72
Deferred tax liabilities		108.836	101.374
<b>TOTAL LIABILITIES</b>		<b>9.120.072</b>	<b>8.106.133</b>
<b>EQUITY</b>		<b>6.508.860</b>	<b>5.810.900</b>
<b>Equity Attributable To Owners Of The Parent</b>	5, 17	<b>6.423.366</b>	<b>5.730.139</b>
Paid in capital		370.000	370.000
Capital structure adjustment		3.475	3.475
Premiums in capital stock		300.984	300.984
Accumulated other comprehensive income that will not be reclassified to profit or loss		261.344	292.529
- Gain on investments in equity instruments		253.336	292.516
- Gain on revaluation and remeasurement		8.008	13
Accumulated other comprehensive income that will be reclassified to profit or loss		1.368.558	1.063.183
- Currency translation reserve		1.356.802	1.055.947
- Hedging reserve		11.756	7.236
Legal reserves		396.810	382.727
Prior years' income		3.310.034	3.377.366
Net profit (loss) for the period		412.161	(60.125)
<b>Non-controlling Interests</b>		<b>85.494</b>	<b>80.761</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>15.628.932</b>	<b>13.917.033</b>

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

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**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	<b>Notes</b>	<b>Unreviewed 1 January- 31 March 2021</b>	<b>Unreviewed 1 January - 31 March 2020</b>
Revenue	6	3.790.591	3.021.940
Cost of revenue (-)		(3.140.239)	(2.777.962)
<b>GROSS PROFIT</b>		<b>650.352</b>	<b>243.978</b>
General administrative expenses (-)		(120.513)	(112.988)
Marketing expenses (-)		(91.062)	(99.569)
Research and development expenses (-)		(6.394)	(1.564)
Other operating income	19	135.428	157.950
Other operating expenses (-)	19	(255.789)	(240.536)
Share on profit (loss) of investments valued by equity method	11	(5.441)	20.447
<b>OPERATING PROFIT (LOSS)</b>		<b>306.581</b>	<b>(32.282)</b>
Investment income		678	18.256
Investment expense (-)		(17)	(118)
<b>PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)</b>		<b>307.242</b>	<b>(14.144)</b>
Financial income	20	364.270	177.626
Financial expenses (-)	20	(145.163)	(85.766)
<b>PROFIT FROM CONTINUING OPERATIONS BEFORE TAXATION</b>		<b>526.349</b>	<b>77.716</b>
<b>Tax Expense from Continuing Operations (-)</b>		<b>(116.971)</b>	<b>(31.357)</b>
Tax expense for the period (-)		(115.096)	(30.115)
Deferred tax expense (-)		(1.875)	(1.242)
<b>PROFIT FROM CONTINUING OPERATIONS FOR THE PERIOD</b>		<b>409.378</b>	<b>46.359</b>
<b>Distribution of Profit for the Period</b>			
Non-controlling interests		(2.783)	(700)
Owners of the parent	18	412.161	47.059
<b>Earnings Per Share</b>	18	1,114	0,127

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**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	<b>Unreviewed 1 January- 31 March 2021</b>	<b>Unreviewed 1 January - 31 March 2020</b>
<b>PROFIT FOR THE PERIOD</b>	<b>409.378</b>	<b>46.359</b>
<b>OTHER COMPREHENSIVE INCOME:</b>		
<b><u>Items that will not be reclassified to profit or loss</u></b>	<b>(31.185)</b>	<b>(7.368)</b>
Loss on investments in equity instruments (-)	(41.626)	(9.727)
Gain on revaluation of defined benefit plans	9.994	2.340
Taxes based on other comprehensive income that will not be reclassified to profit or loss	447	19
- <i>Deferred tax income</i>	447	19
<b><u>Items that will be reclassified to profit or loss</u></b>	<b>312.891</b>	<b>292.422</b>
Currency translation reserve differences	308.371	265.856
Other comprehensive income related to cash flow hedging	5.650	34.059
Taxes based on other comprehensive income that will be reclassified to profit or loss	(1.130)	(7.493)
- <i>Deferred tax expense (-)</i>	(1.130)	(7.493)
<b>OTHER COMPREHENSIVE INCOME</b>	<b>281.706</b>	<b>285.054</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>691.084</b>	<b>331.413</b>
<b>Distribution of Total Comprehensive Income for The Period</b>		
Non-controlling interests	4.733	3.899
Owners of the parent	686.351	327.514

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

				Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss	Retained Earnings						
	Paid in capital	Capital structure adjustment	Premiums in capital stock	Gain (loss) on investments in equity instruments	Gain on revaluation and remeasurement	Currency translation reserve	Gains (loss) on hedging	Legal reserves	Prior years’ income	Net profit for the (loss) period	Equity attributable to owners of the parent	Non- controlling interests	Equity
<b>Unreviewed</b>													
<b>Opening balance as of 1 January 2020</b>	370.000	3.475	300.984	87.717	2.305	488.224	(23.183)	278.423	2.499.985	1.420.750	5.428.680	68.190	5.496.870
Transfers	-	-	-	-	-	-	-	104.091	1.316.659	(1.420.750)	-	-	-
Total comprehensive income (loss)	-	-	-	(9.240)	1.872	261.257	26.566	-	-	47.059	327.514	3.899	331.413
- Profit (loss) for the period	-	-	-	-	-	-	-	-	-	47.059	47.059	(700)	46.359
- Other comprehensive income (expense)	-	-	-	(9.240)	1.872	261.257	26.566	-	-	-	280.455	4.599	285.054
Dividends	-	-	-	-	-	-	-	-	(456.320)	-	(456.320)	-	(456.320)
Other changes	-	-	-	-	-	-	-	-	25.719	-	25.719	-	25.719
<b>Closing balance as of 31 March 2020</b>	<b>370.000</b>	<b>3.475</b>	<b>300.984</b>	<b>78.477</b>	<b>4.177</b>	<b>749.481</b>	<b>3.383</b>	<b>382.514</b>	<b>3.386.043</b>	<b>47.059</b>	<b>5.325.593</b>	<b>72.089</b>	<b>5.397.682</b>
<b>Unreviewed</b>													
<b>Opening balance as of 1 January 2021</b>	370.000	3.475	300.984	292.516	13	1.055.947	7.236	382.727	3.377.366	(60.125)	5.730.139	80.761	5.810.900
Transfers	-	-	-	-	-	-	-	14.083	(74.208)	60.125	-	-	-
Total comprehensive income	-	-	-	(39.180)	7.995	300.855	4.520	-	-	412.161	686.351	4.733	691.084
- Profit (loss) for the period	-	-	-	-	-	-	-	-	-	412.161	412.161	(2.783)	409.378
- Other comprehensive income (expense)	-	-	-	(39.180)	7.995	300.855	4.520	-	-	-	274.190	7.516	281.706
Other changes	-	-	-	-	-	-	-	-	6.876	-	6.876	-	6.876
<b>Closing balance as of 31 March 2021</b>	<b>370.000</b>	<b>3.475</b>	<b>300.984</b>	<b>253.336</b>	<b>8.008</b>	<b>1.356.802</b>	<b>11.756</b>	<b>396.810</b>	<b>3.310.034</b>	<b>412.161</b>	<b>6.423.366</b>	<b>85.494</b>	<b>6.508.860</b>

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

Notes	Unreviewed 1 January - 31 March 2021	Unreviewed 1 January - 31 March 2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>133.489</b>	<b>164.301</b>
Profit for the Period	409.378	46.359
Adjustments to Reconcile Net Profit	143.439	145.009
- Depreciation and Amortization	12 89.186	73.340
- Impairment/Reversed Provision	10 7.346	-
- Provision Adjustments	8, 14 (86.127)	75.399
- Dividend Income and Expenses	(41)	(2)
- Interest Income and Expense Adjustments	20 11.283	3.498
- Gain/Loss on Fair Valuation	-	(17.661)
- Group's Share on Profit of Investments in Associates Accounted by Equity Method	11 5.441	(20.447)
- Allowance for Taxation	116.971	31.357
- Adjustments for Gain/Loss on Sale of Fixed Assets	12 (620)	(475)
Movements in Working Capital	(322.875)	412.424
- Changes in Financial Investments	6.650	(73.287)
- Changes in Trade Receivables	8 (218.513)	245.478
- Changes in Other Assets	(55.218)	11.521
- Changes in Contract Assets Arising from Ongoing Construction Works	9 (716.300)	380.177
- Changes in Inventories	10 (106.030)	(56.320)
- Changes in Prepaid Expenses	(103.011)	(100.319)
- Changes in Trade Payables	8 784.989	151.703
- Changes in Payables Related to Employee Benefits	26.573	572
- Changes in Contract Liabilities Arising from Ongoing Construction Works	9 13.305	(408.799)
- Changes in Other Liabilities	36.065	358.376
- Changes in Deferred Revenue	8.615	(96.678)
Cash Generated by Operating Activities	229.942	603.792
Interest Paid	(24.274)	(41.220)
Interest Received	30.753	16.226
Payments Related to Employee Benefits	14 (25.825)	(30.741)
Other Provision Paid	14 (70)	(287)
Tax Paid/Return	(77.037)	(383.469)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(152.980)</b>	<b>(439.644)</b>
Cash Outflows for Payments due to Share Acquisition or Capital Increase of Associates or Joint Ventures	11 (100)	-
Cash Outflows for Acquisition of Shares in Other Entities or Shares in Funds or Borrowing Instruments	(37.467)	(375.701)
Proceeds from Sales of Tangible and Intangible Assets	12 2.304	7.528
Acquisition of Tangible and Intangible Assets	12 (99.910)	(72.733)
Advances and Debts Given	(19.774)	1.260
Dividend Received	1.967	2
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(65.334)</b>	<b>(112.887)</b>
Proceeds from Borrowings	195.861	339.904
Repayments of Borrowings	(179.804)	(440.327)
Payments of Lease Obligations	(10.309)	(12.464)
Dividend Paid	4 (71.082)	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION RESERVE EFFECT</b>	<b>(84.825)</b>	<b>(388.230)</b>
<b>D. CURRENCY TRANSLATION RESERVE EFFECT ON CASH AND CASH EQUIVALENTS</b>	238.920	229.055
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>	<b>154.095</b>	<b>(159.175)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	3.259.116	4.094.625
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	<b>3.413.211</b>	<b>3.935.450</b>

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

Majority shares of Tekfen Holding A.Ş. ("the Company") are controlled by Berker, Gökyiğit and Akçağlılar families. The Company and its subsidiaries are referred as "the Group" in the accompanying condensed consolidated financial statements.

As of 31 March 2021, the Group has 20.076 employees (31 December 2020: 18.444) including the personnel of subcontractors. Registered address of the Company is Kültür Mahallesi, Budak Sokak, Tekfen Sitesi A Blok, No: 7, Beşiktaş, İstanbul, Türkiye.

The Company shares are being publicly traded in Borsa İstanbul since 23 November 2007.

#### Changes in the Group's branches as of 31 March 2021:

During the period, a branch of Tekfen İnşaat ve Tesisat A.Ş. ("Tekfen İnşaat"), a subsidiary of the Group, was established in the Republic of Mozambique.

#### Approval of condensed consolidated financial statements:

The condensed consolidated financial statements are approved and published by the Board of Directors as of 29 April 2021.

### 2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the accounting principles in line with the Turkish Commercial Code ("TCC") and Tax Legislation. Subsidiaries those are registered in foreign countries maintain their books of account and prepare their statutory financial statements in local currencies and in accordance with the prevailing accounting principles in their registered countries.

The accompanying condensed consolidated financial statements have been prepared in accordance with the Communiqué Series II, 14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676. Turkish Accounting and Financial Reporting Standards ("TFRS") and additions and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA") are predicated on in accordance with article 5th of the Communiqué.

The condensed consolidated financial statements and notes are presented in accordance with the formats of Examples of Financial Statements and Usage Guide announced by CMB and "Announcement regarding to TFRS Taxonomy" which was published by POA on 15 April 2019.

The Group has preferred to disclose its interim consolidated financial statements as of 31 March 2021 in condensed format in accordance with TAS 34 "Interim Financial Reporting" standard. The descriptions and disclosures which are needed in the financial statements prepared annually complying with TFRS are summarized appropriately in accordance with TAS 34 or not mentioned.

The accompanying condensed consolidated financial statements have to be considered with the consolidated financial statements which are independently audited as of 31 December 2020 and the related disclosures. Interim periods' financial statements cannot be the sole indicator of the year-end results by themselves.

For the condensed consolidated financial statements, the Group continues to apply the same accounting policies and accounting estimate methods which are mentioned in the audited consolidated financial statements as of 31 December 2020.

Exchange rates used in the consolidation process as of 31 March 2021 are; 1 USD= 8,3260 TL, 1 EUR= 9,7741 TL, 1 AZN= 4,8976 TL, 1 SAR= 2,2203 TL, 1 QAR= 2,2811 TL, 1 RON= 1,9775 (Exchange rates as of 31 December 2020 are; 1 USD= 7,3405 TL, 1 EUR= 9,0079 TL, 1 AZN= 4,3179 TL, 1 SAR= 1,9575 TL, 1 QAR= 2,0111 TL, 1 RON= 1,8373).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 3. ADOPTION OF NEW AND REVISED STANDARDS

New and revised standards and interpretations are presented below:

**(a) Amendments in standards affecting the notes and amounts in the condensed consolidated financial statements:**

- None.

**(b) Standards, amendments and interpretations to existing standards that are effective as of the year 2021, but not affecting the condensed consolidated financial statements of the Group:**

- TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 (amendments) – “The benchmark interest rate reform Phase 2” is effective for annual periods beginning after 1 January 2021.
- TFRS 17 and TFRS 4 (amendments), postponement of the application of TFRS 9; effective for annual periods beginning after 1 January 2021.

**(c) Standards and interpretations and amendments to existing standards that are issued but not yet effective and have not been early adopted by the Group:**

- TFRS 17 “Insurance Contracts”, effective for annual periods beginning after 1 January 2023.
- TAS 1 (amendments), “Classification of Liabilities”, effective for annual periods beginning after 1 January 2023.
- Annual Improvements to TFRS 2018-2020 Cycle (TFRS 1, TFRS 9, TAS 41), effective for annual periods beginning after 1 January 2022.
- TFRS 3 (amendments), “Reference to the Conceptual Framework”, effective for annual periods beginning after 1 January 2022.
- TAS 16 (amendments), “Property, Plant and Equipment - Proceeds before Intended Use”, effective for annual periods beginning after 1 January 2022.
- TAS 37 (amendments), “Onerous Contracts - Cost of Fulfilling a Contract”, effective for annual periods beginning after 1 January 2022.

The Group evaluates the effects of the standards issued as of 31 March 2021 and the standards not yet effective as of 31 March 2021 on its consolidated financial position and performance.

#### 4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

##### COVID-19 Pandemic

Novel Coronavirus (COVID-19) outbreak that occurred in Wuhan city of People's Republic of China in December 2019 spread to the whole world and was declared Pandemic by the World Health Organization on 11 March 2020. This situation affects social life and economic activities negatively in the geography where the Group operates. The Group's management closely monitors the developments and takes measures to reduce the negative effects of the COVID-19 pandemic on the Group's consolidated financial position, consolidated financial performance and consolidated cash flows to an acceptable level. Within the scope of the measures taken, evaluations regarding the going concern of the Group have been reviewed in order to evaluate the going concern assumption of the business. The Group management believes that, despite the uncertain economic outlook, Group's business risks can be managed successfully. On the other hand, management has a reasonable expectation that the Group will have the resources to provide sufficient liquidity reserves in the twelve-month period to maintain its operational existence. In addition, possible effects of cash flow risk has been reevaluated by recalculating Group budget projections with various scenarios, estimations and assumptions used in expected credit losses, impairment of assets within the Group, performance obligations within the scope of recognizing revenue has been reevaluated, independent valuation has been performed for significant portion of the financial assets measured at fair value and condensed consolidated financial statements, that prepared on the basis of going concern, have been prepared by taking into consideration of these evaluations. As of the reporting date, there is no significant issue affecting the Group's activities and the condensed consolidated financial statements other than those disclosed in the condensed consolidated financial statements.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### 4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

##### Construction Projects

The COVID-19 pandemic, which has been effective since the last months of the year 2019 and caused delays in personnel, material and equipment logistics, has caused serious disruptions in the countries where the Engineering and Contracting segment operates.

Factors such as the embargo imposed by the Gulf countries against Qatar, the sudden drop in oil prices simultaneously with the pandemic, restrictions on travel and visa processes caused difficulties in accessing to construction materials and so caused an increase in material prices. These factors made it impossible to perform the activities in various projects were both within the program and budgetary framework.

The sudden decline in oil revenues and the serious and unpredictable financial burdens brought on the country budgets by the pandemic caused delays in contracting new projects, as well as delays in the progress payments of ongoing projects, and therefore bank loans have been used to ensure cash flow.

Some countries of operation suddenly imposed unilateral restrictions on employee visas, thus making it impossible to continue the ongoing projects efficiently. While some employers demand extension of the duration of the projects, in another region, unlike statistical information and documents, there were extraordinary situations that could not be planned in advance such as adverse weather conditions and severe fluctuations in exchange rates.

Necessary precautions have been taken and efforts have been made to minimize possible damages in order to overcome these adversities in the slightest possible way. In addition to these measures, the processes foreseen in the contracts were initiated to compensate for the losses caused by all these unforeseen negativities.

The compensation and claim files prepared by the contract department together with international expert consulting firms have been submitted to the employer administrations in 2021. The Engineering and Contracting segment, which continues to work within the framework of contractual obligations during the extraordinary period, by taking every possible and reasonable precautions, will continue to negotiate diligently in 2021 for these justified demands to be concluded positively.

Current information about related projects is as follows;

##### Kazakhstan - Kuyubaşı Pressure Management Project:

Pursuant to the contract signed between Gate İnşaat Taahhüt San. ve Tic. A.Ş. and Tengizchevroil on 24 July 2017, the construction, mechanical, electrical and instrument installation project in Kazakhstan's Tengiz oil and gas field was undertaken. The bid submitted to the pipeline tender in the same region was found successful by the employer on 19 January 2021 and the said pipeline works were added to the ongoing project with an Addendum.

The expected current end-of-project income of the project is 6.672.732 (USD 801.433.047) and the financial completion rate of the project is 43,8% as of the balance sheet date.

As of the balance sheet date, field work continues in a controlled manner in the project, in which the work was temporarily suspended by the employer administration within the scope of COVID-19 measures where mobilization resumed in September 2020. Negotiations about covering all additional costs incurred by the employer administration have been concluded and mutually signed.

##### Qatar - Al-Thumama Stadium Project:

Pursuant to the contract signed between Tekfen-Al Jaber J.V., which Tekfen İnşaat holds 50% ownership, and employer administration Qatar Supreme Committee for Delivery and Legacy on 10 December 2017, the engineering and construction works of the stadium complex project, where the 2022 World Cup Quarter Finals will be held in Qatar, were undertaken. The expected current end-of-project income of the project is 1.533.199 (672.132.650 QAR) and the financial completion rate of the project is 85,7% as of the balance sheet date.

During the construction process, due to the changes, as requested by the administration, made in the design of the project to comply with FIFA Standards, it is expected that a total increase of 833.267 (365.292.464 QAR) will occur in the end-of-project cost and Group share of this increase has been included in the condensed consolidated financial statements. Since an agreement could not be reached with the employer administration regarding the compensation of these additional costs, an application was made to the Debt Compensation Committee of the Ministry of Finance, which was established in accordance with the laws of Qatar, to resolve the dispute. Two meetings were held with the Debt Compensation Committee, in which additional costs were reported. Since the necessary approvals for the amount of compensation that the Group expect to earn as of the reporting date could not be obtained and an agreement could not be reached, no income was recognized in the condensed consolidated financial statements.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### 4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

##### Construction Projects (cont'd)

###### Qatar - Al Khor Highway Project:

Pursuant to the contract signed between Tekfen İnşaat and Qatar Public Engineering Office (PEO) on 13 October 2016, the project, which consists of a 10-lane 34 km length highway and its infrastructure, various intersections, viaducts, under and overpasses, was undertaken. The expected current end-of-project income of the project is 20.941.577 (9.180.489.735 QAR) and the financial completion rate of the project is 96% as of the balance sheet date.

During the construction of the project, the revenues from the additional works performed with the instructions of the administration are recognized in the condensed consolidated financial statements in accordance with "TFRS 15 Revenue from Customer Contracts" standard and the management estimations. As of the reporting date, negotiations with the administration regarding the Group's additional requests, which have not been included in the condensed consolidated financial statements yet, are in progress.

###### Azerbaijan- Ministry of Taxes New Administration Building Project:

Pursuant to the contract signed between the Ministry of Taxes of the Republic of Azerbaijan and Tekfen İnşaat on 22 July 2016, the construction project of the New Administration Building of the Ministry of Tax of Azerbaijan with the scope of reinforced concrete, steel and exterior, architectural, mechanical, electrical, landscape, elevator and equipment works was undertaken. The expected current end-of-project income of the project is 1.359.900 (163.331.682 USD) where the financial completion rate of the project is 94,8% as of the balance sheet date.

###### Saudi Arabia - Jeddah Yanbu Pipeline Project:

Pursuant to the contract signed between Tekfen İnşaat and Saudi Arabian Oil Company on 15 November 2016, the pipeline project between Jeddah and Yanbu was undertaken. The expected current end-of-project income of the project is 2.471.501 (1.113.155.059 SAR) and the financial completion rate of the project is 88,9% as of the balance sheet date. Due to the additional work done and the additional cost increases, negotiations concerning additional income demand are in progress within the scope of the contract signed with the employer administration.

###### Saudi Arabia - Haradh Satellite Compressor Stations Pipelines Project:

Pursuant to the contract signed between Tekfen İnşaat and Saudi Arabian Oil Company on 30 July 2018, the Haradh Field Gas Increase Program - Satellite Gas Compressor Stations Pipeline Construction Project was undertaken. The expected current end-of-project income of the project is 5.144.008 (2.316.842.513 SAR) and the financial completion rate of the project is 86,2% as of the balance sheet date. Due to the additional work done and the additional cost increases, negotiations concerning additional income demand are in progress within the scope of the contract signed with the employer administration.

###### Russia - Gas Transmission Pipeline between Kharampur Gas Field and Gazprom Main Pipeline:

Rusfen, one of the subsidiaries of the Group, signed a contract with Kharampurneftegaz LLC on 27 December 2019, for the construction and installation of 90 km length 48 "gas pipeline. The expected current end-of-project income of the project is 2.144.070 (19.527.364.330 Russian Rubles) and the financial completion rate of the project is 39,8% as of the balance sheet date.

While construction activities are in progress in Yamalo-Nenets autonomous region of Russia, various adverse events were experienced such as lack of cold weather conditions required for the implementation of the project, the warmest winter of the last 25 years, the COVID-19 pandemic and the devaluation of the Russian Ruble against the US Dollar so that construction activity of the project could not be carried out temporarily. Due to the changing conditions, negotiations were initiated with the employer regarding the determination of the project completion period, project cost and contract income, Tekfen İnşaat submitted an updated proposal to the employer according to the changed conditions. Within the scope of the proposal, an amendment protocol was signed with the employer on 30 December 2020, including the updated conditions for project planning and project completion. In the second winter of the project, the necessary weather conditions were not fully formed as well. With the partial agreement reached with the employer administration during the period, the duration of the project has been extended to May 2022, and the works for the completion of the project have been accelerated. As of the reporting date, a total of 369.783 (3.367.838.762 Russian Rubles) loss is expected to occur at the end of the project, as the estimated costs of the project have increased, and the entire expected loss has been included in the condensed consolidated financial statements. Negotiations with the employer administration for the compensation of all of these losses are in progress.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

##### Other

Tekfen İnşaat has signed an agreement with Central Bank of Azerbaijan for the construction works of the engineering, equipment and material supply turnkey construction works of Azerbaijan Central Bank administration building. Value of the project contract is approximately 2.130.754 (218.000.000 EUR).

Upon the resolution of Ordinary General Assembly held on 26 March 2020, it is decided to distribute 1,15 TL gross cash dividends per share attributable to the operations of the year of 2019. It is decided that the first portion of dividends of 426.492 and 29.828 in the aggregate 456.320 respectively to the owners of the parent and Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı which holds redeemed shares will be distributed on 27 April 2020 and second portion of dividend distribution will be held on 24 September 2020.

However pursuant to article 12 of Law Concerning the Reduction of the Effects of COVID-19 Pandemic on Economic and Social Life and the Amendment of Some Laws numbered 7244, which went into effect with its publication in issue 31102 of the official gazette on 17 April 2020 as well as to interim article 13 added to the Turkish Commercial Code numbered 6102, portions of dividends that exceed 25% of 2019 net profit must be paid after 30 September 2020. For this reason, the Board of Directors of the Company has decided that 456.320 of dividend will be paid in three installements. First installment amounting to 213.246 to the owners of the parent and 29.828 to Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı which holds redeemed shares which constitute 243.074 was paid in accordance with the decision taken in the Ordinary General Assembly on 27 April 2020, second installment amounting to 142.164 was paid on 24 September 2020. The last installment dividend payment amounting to 71.082, which was decided to be made on 1 October 2020, was paid on 7 January 2021 within the framework of the President’s Decree dated 18 September 2020.

#### 5. SIGNIFICANT CHANGES IN EQUITY

##### Gain (Loss) on Investments in Equity Instruments:

The negative change of 39.180 in the fair values of the fair value through other comprehensive income financial investments of the Group has been directly recognized in equity (31 March 2020: negative change of 9.240).

##### Legal Reserves:

In accordance with the resolutions taken during the Ordinary General Assemblies of Group companies as of 31 March 2021, 14.083 of legal reserves were transferred from retained earnings in the condensed consolidated financial statements as of 31 March 2021 (31 March 2020: 104.091).

##### Hedging Reserve:

The positive change of 4.520 (31 March 2020: positive 25.566) in the fair values of the effective derivative instruments which the Group uses for cash flow hedging has been recognized in equity.

##### Profit Distribution:

Upon the resolution of the Ordinary General Assembly held on 25 March 2021, it is decided not to distribute any dividend for the operations of the year 2020 due to the occurrence of loss for the year. (For the operations of the year 2019, profit shares of 426.492 and 29.828 in the aggregate 456.320 were distributed respectively to owners of the parent and Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı which holds redeemed share.)

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### 6. SEGMENT REPORTING

##### a) Segment results:

	1 January - 31 March 2021					Total
	Engineering & Contracting	Chemical Industry	Agricultural Production	Service	Investment	
Revenue	2.094.993	1.560.693	5.258	118.176	11.471	3.790.591
Cost of revenue (-)	(1.960.715)	(1.085.985)	(14.433)	(74.979)	(4.127)	(3.140.239)
<b>GROSS PROFIT (LOSS)</b>	<b>134.278</b>	<b>474.708</b>	<b>(9.175)</b>	<b>43.197</b>	<b>7.344</b>	<b>650.352</b>
General administrative expenses (-)	(72.406)	(17.998)	(2.299)	(5.354)	(22.456)	(120.513)
Marketing expenses (-)	(2.406)	(82.903)	(4.021)	(1.732)	-	(91.062)
Research and development expenses (-)	(1.301)	(3.193)	(1.900)	-	-	(6.394)
Other operating income	66.061	52.011	2.019	10.837	4.500	135.428
Other operating expenses (-)	(84.287)	(158.276)	(1.809)	(7.502)	(3.915)	(255.789)
Share on profit (loss) of investments valued by equity method	(6.197)	-	761	-	(5)	(5.441)
<b>OPERATING PROFIT (LOSS)</b>	<b>33.742</b>	<b>264.349</b>	<b>(16.424)</b>	<b>39.446</b>	<b>(14.532)</b>	<b>306.581</b>
Investment income	599	10	-	-	69	678
Investment expense (-)	-	-	-	-	(17)	(17)
<b>PROFIT BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>34.341</b>	<b>264.359</b>	<b>(16.424)</b>	<b>39.446</b>	<b>(14.480)</b>	<b>307.242</b>
Financial income	18.151	145.362	1.972	4.367	194.418	364.270
Financial expenses (-)	(15.204)	(43.299)	(16.278)	(2.138)	(68.244)	(145.163)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION</b>	<b>37.288</b>	<b>366.422</b>	<b>(30.730)</b>	<b>41.675</b>	<b>111.694</b>	<b>526.349</b>
Tax (expense) income from continuing operations	(25.622)	(56.066)	406	(9.649)	(26.040)	(116.971)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD</b>	<b>11.666</b>	<b>310.356</b>	<b>(30.324)</b>	<b>32.026</b>	<b>85.654</b>	<b>409.378</b>

For the three month interim period ended 31 March 2021, revenue amounting 467.664 was obtained from a single non-related client of Engineering and Contracting segment which constitute 12,3% of the Group's revenue.

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

##### a) Segment results (cont’d):

	1 January - 31 March 2020					
	Engineering & Contracting	Chemical Industry	Agricultural Production	Service	Investment	Total
Revenue	1.787.181	1.114.552	11.231	97.621	11.355	3.021.940
Cost of revenue (-)	(1.836.461)	(853.606)	(14.452)	(70.262)	(3.181)	(2.777.962)
<b>GROSS PROFIT (LOSS)</b>	<b>(49.280)</b>	<b>260.946</b>	<b>(3.221)</b>	<b>27.359</b>	<b>8.174</b>	<b>243.978</b>
General administrative expenses (-)	(58.934)	(13.337)	(4.394)	(3.666)	(32.657)	(112.988)
Marketing expenses (-)	(2.234)	(91.616)	(3.998)	(1.721)	-	(99.569)
Research and development expenses (-)	(379)	(1.176)	-	(9)	-	(1.564)
Other operating income	115.159	35.813	1.726	4.541	711	157.950
Other operating expenses (-)	(119.341)	(115.696)	(712)	(3.901)	(886)	(240.536)
Share on profit (loss) of investments valued by equity method	19.701	(74)	820	-	-	20.447
<b>OPERATING PROFIT (LOSS)</b>	<b>(95.308)</b>	<b>74.860</b>	<b>(9.779)</b>	<b>22.603</b>	<b>(24.658)</b>	<b>(32.282)</b>
Investment income	139	280	174	-	17.663	18.256
Investment expense (-)	(103)	(3)	(12)	-	-	(118)
<b>PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>(95.272)</b>	<b>75.137</b>	<b>(9.617)</b>	<b>22.603</b>	<b>(6.995)</b>	<b>(14.144)</b>
Financial income	14.457	51.978	1.039	2.134	108.018	177.626
Financial expenses (-)	(7.075)	(26.598)	(6.499)	(1.679)	(43.915)	(85.766)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION</b>	<b>(87.890)</b>	<b>100.517</b>	<b>(15.077)</b>	<b>23.058</b>	<b>57.108</b>	<b>77.716</b>
Tax (expense) income from continuing operations	(2.450)	(11.190)	197	(5.014)	(12.900)	(31.357)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD</b>	<b>(90.340)</b>	<b>89.327</b>	<b>(14.880)</b>	<b>18.044</b>	<b>44.208</b>	<b>46.359</b>

For the three month interim period ended 31 March 2020, revenue amounting 814.850 was obtained from a non-related client of construction segment which constitute 27% of the Group’s revenue.

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

##### b) Segment assets and liabilities:

	31 March 2021					
Balance sheet	Engineering & Contracting	Chemical Industry	Agricultural Production	Service	Investment	Total
Total assets	7.316.594	4.419.186	369.476	507.564	3.016.112	15.628.932
Current and non-current liabilities	6.030.630	2.511.664	237.703	141.793	198.282	9.120.072
Equity attributable to owners of the parent	906.040	2.630.556	(100.228)	351.139	2.635.859	6.423.366
Non-controlling interests	6.195	20.020	-	53	59.226	85.494

  

	31 December 2020					
Balance sheet	Engineering & Contracting	Chemical Industry	Agricultural Production	Service	Investment	Total
Total assets	6.553.439	3.588.933	383.638	564.705	2.826.318	13.917.033
Current and non-current liabilities	5.416.834	2.091.753	225.324	126.511	245.711	8.106.133
Equity attributable to owners of the parent	965.361	2.323.094	(68.220)	306.656	2.203.248	5.730.139
Non-controlling interests	5.693	22.288	-	47	52.733	80.761

Translated into English from the report originally issued in Turkish.



## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

c) Segment information related to property, plant and equipment, intangible assets, investment property, right-of-use assets and revenue:

	1 January - 31 March 2021					
	Engineering & Contracting	Chemical Industry	Agricultural Production	Service	Investment	Total
Capital expenditures	70.656	23.789	1.990	3.269	206	99.910
Depreciation and amortization expense for the period (*)	56.839	20.023	5.235	3.402	3.687	89.186
Intra-segment revenue	116.607	22.161	672	57	2.321	141.818
Inter-segment revenue	103	238	-	4.136	5.346	9.823

  

	1 January - 31 March 2020					
	Engineering & Contracting	Chemical Industry	Agricultural Production	Service	Investment	Total
Capital expenditures	40.884	21.078	5.242	4.921	608	72.733
Depreciation and amortization expense for the period (*)	44.896	19.735	2.866	3.080	2.763	73.340
Intra-segment revenue	64.034	16.311	-	47	3.439	83.831
Inter-segment revenue	949	378	-	2.969	4.290	8.586

(\*) Depreciation expense of 484 is added to the cost of inventory (31 March 2020: 2.837 deducted from the cost of inventory).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

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#### 6. SEGMENT REPORTING (cont’d)

d) Geographical segment information is as follows:

	Turkey	CIS	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January - 31 March 2021)	1.972.252	901.697	990.473	77.810	(151.641)	3.790.591
Total Assets (31 March 2021)	17.194.125	5.874.379	4.759.509	2.118.900	(14.317.981)	15.628.932
Capital Expenditures (1 January - 31 March 2021)	39.072	59.715	917	206	-	99.910

  

	Turkey	CIS	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January - 31 March 2020)	1.477.056	256.385	1.339.371	41.545	(92.417)	3.021.940
Total Assets (31 December 2020)	15.430.503	5.252.886	3.999.280	1.867.741	(12.633.377)	13.917.033
Capital Expenditures (1 January - 31 March 2020)	49.476	6.090	17.048	119	-	72.733

Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

### 7. CASH AND CASH EQUIVALENTS

Time deposits with maturity of three months or less constitute the part of the cash and cash equivalents amounting to 2.549.367 (31 December 2020: 2.413.297). Demand deposits and other cash equivalents with maturity of three months or less constitute the rest of the cash and cash equivalents.

### 8. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As at balance sheet date, details of trade receivables of the Group are as follows:

	31 March 2021	31 December 2020
<u>Short-term trade receivables</u>		
Receivables from Contracting & Engineering segment operations	1.412.155	1.272.636
Receivables from Chemical Industry segment operations	471.108	339.522
Receivables from Agricultural Production segment operations	19.147	21.820
Receivables from Service segment operations	29.893	8.958
Receivables from Investment segment operations	4.776	3.282
Provision for doubtful receivables (-)	(108.615)	(101.291)
Retention receivables (Note: 9)	432.719	367.890
Due from related parties	152.371	106.715
Other	18.109	19.319
	<u>2.431.663</u>	<u>2.038.851</u>
<u>Long-term trade receivables</u>		
Retention receivables (Note: 9)	109.546	290.195
Receivables from Contracting & Engineering segment operations	2.223	3.212
	<u>111.769</u>	<u>293.407</u>

Postdated cheques amounting to 251.560 (31 December 2020: 147.221), notes receivables amounting to 19.359 (31 December 2020: 20.003), positive foreign currency differences amounting to 1.469 (31 December 2020: positive foreign currency differences amounting to 5.104), date differences amounting to 279 (31 December 2020: None) are included in short and long-term trade receivables.

Average maturity date for trade receivables varies between the segments. Average maturity date for Engineering and Contracting segment, for projects in abroad is 81 days (31 December 2020: 100 days), for domestic projects is 151 days (31 December 2020: 159 days), for Chemical Industry segment is 43 days (31 December 2020: 41 days), for Agricultural Production segment is 70 days (31 December 2020: 63 days), for Service segment is 30 days (31 December 2020: 32 days), and for Investment segment is 30 days (31 December 2020: 30 days).

As of 31 March 2021, receivables amounting 643.988 was obtained from a single non-related client which constitute 26,9% of the Group’s receivables (31 December 2020: 490.286, 22%).

As of 31 March 2021, 108.615 of provision for doubtful receivables was determined based on past uncollectible receivable cases encountered and future expectations (31 March 2020: 85.207).

The movement of the Group’s provision for doubtful trade receivables is as follows:

	2021	2020
Provision as of 1 January	(101.291)	(80.609)
Charge for the period	(513)	(592)
Collected	122	371
Currency translation effect	(6.933)	(4.377)
Provision as of 31 March	<u>(108.615)</u>	<u>(85.207)</u>

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 8. TRADE RECEIVABLES AND PAYABLES (cont’d)

a) Trade Receivables (cont’d):

397 and 116 of doubtful receivable expense has been charged to cost of revenue and general administrative expenses respectively (2020: All of doubtful receivable expense has been charged to general administrative expenses).

b) Trade Payables:

As at balance sheet date, details of trade payables of the Group are as follows:

	31 March 2021	31 December 2020
<b>Short-term trade payables</b>		
Payables from Contracting & Engineering segment operations	2.068.711	1.650.578
Payables from Chemical Industry segment operations	1.283.618	985.773
Payables from Agricultural Production segment operations	5.402	15.777
Payables from Service segment operations	42.881	45.768
Payables from Investment segment operations	3.731	5.972
Due to related parties	4.373	12.835
Retention payables (Note: 9)	751.044	670.228
Other	33.434	31.156
	<u>4.193.194</u>	<u>3.418.087</u>
<b>Long-term trade payables</b>		
Retention payables (Note: 9)	74.072	64.246
Payables from Contracting & Engineering segment operations	2.992	2.982
	<u>77.064</u>	<u>67.228</u>

Foreign currency differences amounting to 160.650 (31 December 2020: 265.059) are included in short and long-term trade payables.

For Chemical Industry segment, payables attributable to inventory supplied through imports constitute 93% (31 December 2020: 93%) of trade payables as at balance sheet date and average payable period for these import purchases is 126 days (31 December 2020: 115 days) whereas average payable period for domestic purchases is 25 days (31 December 2020: 28 days). For Engineering and Contracting segment, average payable period for import purchases through letter of credit is 73 days (31 December 2020: 70 days) whereas the average payable period for other purchases is 140 days (31 December 2020: 141 days). The average payable period for Agricultural Production segment is 28 days (31 December 2020: 27 days), for Service segment is 46 days (31 December 2020: 44 days), and for Investment segment is 36 days (31 December 2020: 41 days).

#### 9. CONTRACT ASSETS AND LIABILITIES ARISING FROM ONGOING CONSTRUCTION WORKS

	31 March 2021	31 December 2020
Cost incurred on ongoing contracts	43.558.982	40.178.260
Recognised gain less losses (net)	1.449.419	2.112.733
	<u>45.008.401</u>	<u>42.290.993</u>
Less: Billings to date (-)	(44.108.846)	(42.094.433)
	<u>899.555</u>	<u>196.560</u>

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 9. CONTRACT ASSETS AND LIABILITIES ARISING FROM ONGOING CONSTRUCTION WORKS (cont’d)

Costs and billings incurred on uncompleted contracts in condensed consolidated financial statements are as follows:

	31 March 2021	31 December 2020
Contract assets arising from ongoing construction works	1.347.982	631.682
Contract liabilities arising from ongoing construction works	(448.427)	(435.122)
	<u>899.555</u>	<u>196.560</u>
	31 March 2021	31 December 2020
<u>Contract assets arising from ongoing construction works</u>		
Contracts undersigned abroad	1.220.827	522.268
Contracts undersigned in Turkey	127.155	109.414
	<u>1.347.982</u>	<u>631.682</u>
<u>Contract liabilities arising from ongoing construction works</u>		
Contracts undersigned abroad	(448.427)	(435.122)
	<u>(448.427)</u>	<u>(435.122)</u>
	<u>899.555</u>	<u>196.560</u>

The Group has 345.858 of advances given to subcontractors and other suppliers for construction projects classified in short-term prepaid expenses (31 December 2020: 267.203). Also, the Group has 432.949 of advances received for contracting projects classified in deferred revenue (31 December 2020: 472.264).

As of 31 March 2021, the Group has 825.116 of retention payables to subcontractors (31 December 2020: 734.474). Also, the amount of retention receivables is 542.265 (31 December 2020: 658.085) (Note: 8).

#### 10. INVENTORIES

	31 March 2021	31 December 2020
Raw materials	306.763	193.018
Work in progress	241.084	263.237
Finished goods	59.945	53.546
Trading goods	121.051	195.402
Goods in transit	79.622	52.877
Inventory at construction sites	1.228.156	1.183.100
Other inventories	103.594	92.520
Allowance for impairment on inventory (-)	(7.501)	(155)
	<u>2.132.714</u>	<u>2.033.545</u>

For the three month interim period ended 31 March 2021, there are no borrowing costs added to inventory (31 December 2020: None).

<u>Movement of allowance for impairment of inventory</u>	2021	2020
Provision as of 1 January	(155)	-
Charge for the period	(7.346)	-
Provision as of 31 March	<u>(7.501)</u>	<u>-</u>

All of impairment expense on inventory has been charged to cost of revenue (2020: None).

**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**11. INVESTMENTS VALUED BY EQUITY METHOD**

Joint Ventures	Location of foundation and operation	31 March 2021		31 December 2020		Power to appoint	Industry
		Participation Rate	Amount	Participation Rate	Amount		
H-T Fidecilik	Turkey	50%	14.133	50%	13.372	50%	Agriculture
Azfen	Azerbaijan	40%	5.965	40%	11.431	40%	Construction
Florya Gayrimenkul	Turkey	50%	91.110	50%	91.015	50%	Real Estate
			<u>111.208</u>		<u>115.818</u>		

Movements of Group’s joint ventures during the period is as follows:

	2021	2020
Opening balance as of 1 January	115.818	103.597
Group's share on profit (loss)	(5.441)	20.447
Capital increases	100	-
Currency translation effect	731	1.372
Closing balance as of 31 March	<u>111.208</u>	<u>125.416</u>

Group’s share on profit (loss) of joint ventures is as follows:

	1 January- 31 March 2021	1 January - 31 March 2020
H-T Fidecilik	761	820
Azfen	(6.197)	19.701
Black Sea Gübre (*)	-	(74)
Florya Gayrimenkul	(5)	-
Shares on profit (loss) of joint ventures valued by equity method	<u>(5.441)</u>	<u>20.447</u>

(\*) Shares of Black Sea Gübre were sold on 12 June 2020.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 11. INVESTMENTS VALUED BY EQUITY METHOD (cont’d)

Information related to balance sheet:

	H-T		Florya	
	Fidecilik	Azfen	Gayrimenkul	Total
<b>31 March 2021</b>				
Cash and cash equivalents	1.690	381.644	211	383.545
Other current assets	85.290	1.172.737	59.731	1.317.758
Non-current assets	20.210	215.246	124.906	360.362
<b>Total Assets</b>	<b>107.190</b>	<b>1.769.627</b>	<b>184.848</b>	<b>2.061.665</b>
Short-term borrowings	30.940	-	-	30.940
Other short-term liabilities	36.278	1.754.714	128	1.791.120
Long-term borrowings	8.057	-	-	8.057
Other long-term liabilities	3.649	-	2.500	6.149
<b>Total Liabilities</b>	<b>78.924</b>	<b>1.754.714</b>	<b>2.628</b>	<b>1.836.266</b>
Net Assets	28.266	14.913	182.220	225.399
Group's Ownership Rate	50%	40%	50%	
Group's Share on Net Assets	14.133	5.965	91.110	111.208
<b>31 December 2020</b>				
Cash and cash equivalents	370	202.391	38	202.799
Other current assets	64.752	829.169	59.708	953.629
Non-current assets	21.127	180.933	124.847	326.907
<b>Total Assets</b>	<b>86.249</b>	<b>1.212.493</b>	<b>184.593</b>	<b>1.483.335</b>
Short-term borrowings	23.045	-	-	23.045
Other short-term liabilities	22.651	1.183.915	73	1.206.639
Long-term borrowings	9.310	-	-	9.310
Other long-term liabilities	4.500	-	2.490	6.990
<b>Total Liabilities</b>	<b>59.506</b>	<b>1.183.915</b>	<b>2.563</b>	<b>1.245.984</b>
Net Assets	26.743	28.578	182.030	237.351
Group's Ownership Rate	50%	40%	50%	
Group's Share on Net Assets	13.372	11.431	91.015	115.818

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### 11. INVESTMENTS VALUED BY EQUITY METHOD (cont'd)

##### Information related to statement of profit or loss:

1 January - 31 March 2021	H-T Fidecilik	Azfen	Black Sea Gübre (*)	Florya Gayrimenkul	Total
Revenue	26.891	225.917	-	-	252.808
Depreciation and amortization expense (-)	(546)	(4.922)	-	-	(5.468)
Operating profit (loss)	3.174	(19.865)	-	-	(16.691)
Financial income	106	-	-	-	106
Financial expense (-)	(1.169)	-	-	-	(1.169)
Tax (expense) income	(588)	4.371	-	(10)	3.773
Profit (Loss) for the Period	1.521	(15.492)	-	(10)	(13.981)
Group's Ownership Rate	50%	40%	-	50%	
Group's Share on Profit (Loss) for the Period	761	(6.197)	-	(5)	(5.441)

1 January - 31 March 2020	H-T Fidecilik	Azfen	Black Sea Gübre (*)	Florya Gayrimenkul	Total
Revenue	26.524	242.530	-	-	269.054
Depreciation and amortization expense (-)	(536)	(5.300)	-	-	(5.836)
Operating profit (loss)	3.127	49.253	(403)	-	51.977
Financial income	16	-	155	-	171
Financial expense (-)	(1.062)	-	-	-	(1.062)
Tax (expense) income	(441)	-	1	-	(440)
Profit (Loss) for the Period	1.640	49.253	(248)	-	50.645
Group's Ownership Rate	50%	40%	30%	50%	
Group's Share on Profit (Loss) for the Period	820	19.701	(74)	-	20.447

(\*) Shares of Black Sea Gübre were sold on 12 June 2020.

Translated into English from the report originally issued in Turkish.



## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS

##### (a) Property, Plant and Equipment, Other Intangible Assets, Investment Property and Right-of-use Assets

	Property, Plant and Equipment	Other Intangible Assets	Investment Property	Right-of-use assets
<b>Cost Value</b>				
Opening balance as of 1 January 2021	6.319.659	127.888	175.747	95.044
Currency translation effect	547.605	14.471	8.876	4.653
Additions	98.634	1.276	-	1.860
Disposals	(21.102)	(597)	-	(4.085)
Transfers	(22.558)	22.558	-	-
Closing balance as of 31 March 2021	<u>6.922.238</u>	<u>165.596</u>	<u>184.623</u>	<u>97.472</u>
<b>Accumulated Depreciation and Amortization</b>				
Opening balance as of 1 January 2021	(3.742.684)	(83.631)	(38.728)	(32.303)
Currency translation effect	(410.146)	(11.995)	(18)	(1.973)
Charge for the period	(78.225)	(2.980)	(672)	(7.793)
Disposals	19.790	225	-	4.055
Transfers	19.482	(19.482)	-	-
Closing balance as of 31 March 2021	<u>(4.191.783)</u>	<u>(117.863)</u>	<u>(39.418)</u>	<u>(38.014)</u>
Carrying value as of 31 March 2021	<u>2.730.455</u>	<u>47.733</u>	<u>145.205</u>	<u>59.458</u>
<b>Cost Value</b>				
Opening balance as of 1 January 2020	5.118.716	108.650	161.229	103.618
Currency translation effect	276.156	6.936	5.121	6.207
Additions	71.317	1.416	-	3.613
Acquired through business combination	10.877	1.907	-	-
Disposals	(11.790)	(1.499)	-	(116)
Transfers from inventory	-	-	3.485	-
Closing balance as of 31 March 2020	<u>5.465.276</u>	<u>117.410</u>	<u>169.835</u>	<u>113.322</u>
<b>Accumulated Depreciation and Amortization</b>				
Opening balance as of 1 January 2020	(2.983.510)	(63.615)	(35.871)	(48.436)
Currency translation effect	(200.480)	(5.134)	24	(4.471)
Charge for the period	(56.673)	(2.486)	(611)	(10.733)
Disposals	5.389	847	-	24
Closing balance as of 31 March 2020	<u>(3.235.274)</u>	<u>(70.388)</u>	<u>(36.458)</u>	<u>(63.616)</u>
Carrying value as of 31 March 2020	<u>2.230.002</u>	<u>47.022</u>	<u>133.377</u>	<u>49.706</u>

The fair value of the Group’s investment property has been determined based on a valuation carried out by independent expertise which has no relation to the Group and is one of the independent valuers accredited by Capital Market Board. Valuation work has been concluded based on fair value of similar properties. The fair value of the investment properties as of 31 March 2021 is 627.536 (31 March 2020: 562.751) according to the valuation carried out by independent expert. There are not any restrictions on the realizability of investment property or any remittances of income and proceeds of disposal.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

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#### 12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS (cont’d)

##### (b) Goodwill

<u>Subsidiaries Acquired</u>	<u>Nature of Business</u>	<u>Date of Acquisition</u>	<u>Ratio of Shares Acquired</u>	<u>Acquisition Price</u>	<u>Goodwill</u>
Gate İnşaat Taahhüt San. ve Tic. A.Ş.	Engineering & Contracting	25 July 2018	50%	179.400	-
CFS Petrokimya Sanayi A.Ş.	Chemical Industry	31 May 2019	100%	8.518	8.799
Denkmal in Dahlem Otto-Hahn-Platz GmbH	Engineering & Contracting	30 July 2019	80%	51.141	21.786
Toros Gönen Yenilenebilir Enerji Üretim A.Ş.	Chemical Industry	31 July 2019	70%	42.946	41.608
Toros Meram Yenilenebilir Enerji Üretim A.Ş.	Chemical Industry	14 February 2020	99,9%	24.814	21.352
				<b>306.819</b>	<b>93.545</b>

Breakdown of the acquisition price is as follows:

	<u>Gate</u>	<u>CFS</u>	<u>Denkmal Dahlem</u>	<u>Gönen Enerji</u>	<u>Meram Enerji</u>	<u>Total</u>
Paid in cash	179.400	8.518	51.141	42.946	24.814	306.819
<b>Acquisition price</b>	<b>179.400</b>	<b>8.518</b>	<b>51.141</b>	<b>42.946</b>	<b>24.814</b>	<b>306.819</b>

The main items related to assets acquired and liabilities undertaken at the acquisition dates are as follows:

	<u>Gate</u>	<u>CFS</u>	<u>Denkmal Dahlem</u>	<u>Gönen Enerji</u>	<u>Meram Enerji</u>	<u>Total</u>
<b>Current assets</b>	<b>340.875</b>	<b>113</b>	<b>269.228</b>	<b>19.361</b>	<b>20.264</b>	<b>649.841</b>
Cash and cash equivalents	18.192	13	1.153	12.132	3.043	34.533
Other current assets	322.683	100	268.075	7.229	17.221	615.308
<b>Non-current assets</b>	<b>232.578</b>	<b>538</b>	<b>3.196</b>	<b>42.252</b>	<b>12.898</b>	<b>291.462</b>
Tangible and intangible assets	115.823	538	3.196	40.268	12.784	172.609
Other non-current assets	116.755	-	-	1.984	114	118.853
<b>Current liabilities</b>	<b>453.076</b>	<b>932</b>	<b>98.132</b>	<b>27.746</b>	<b>29.697</b>	<b>609.583</b>
<b>Non-current liabilities</b>	<b>5.429</b>	<b>-</b>	<b>137.600</b>	<b>31.956</b>	<b>-</b>	<b>174.985</b>
<b>Net assets</b>	<b>114.948</b>	<b>(281)</b>	<b>36.692</b>	<b>1.911</b>	<b>3.465</b>	<b>156.735</b>

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## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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#### 12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS (cont’d)

##### (b) Goodwill (cont’d)

As a result of the acquisitions, the Group obtained control of the companies so that goodwill arisen. The goodwill arising from the acquisitions is as follows:

	<b>Gate</b>	<b>CFS</b>	<b>Denkmal Dahlem</b>	<b>Gönen Enerji</b>	<b>Meram Enerji</b>	<b>Total</b>
Acquisition price	179.400	8.518	51.141	42.946	24.814	306.819
Non-controlling interest	-	-	7.337	573	3	7.913
Fair value of previously-held interest in the acquired company	57.474	-	-	-	-	57.474
Less: Fair value of net assets of the acquired company	(114.948)	281	(36.692)	(1.911)	(3.465)	(156.735)
Impairment (-) <i>(Including translation effect)</i>	(121.926)	-	-	-	-	(121.926)
<b>Goodwill</b>	<b>-</b>	<b>8.799</b>	<b>21.786</b>	<b>41.608</b>	<b>21.352</b>	<b>93.545</b>

The Group has calculated the recoverable amount of the goodwill and has not identified any impairment for the year ended 31 March 2021 (31 March 2020: 95.420).

Net cash outflow concerning the acquisitions is as follows:

	<b>Gate</b>	<b>CFS</b>	<b>Denkmal Dahlem</b>	<b>Gönen Enerji</b>	<b>Meram Enerji</b>	<b>Total</b>
Paid in cash	179.400	8.518	51.141	42.946	24.814	306.819
Less: Cash and cash equivalents of the acquired company	(9.096)	(13)	(1.153)	(12.132)	(3.043)	(25.437)
<b>Net cash outflow</b>	<b>170.304</b>	<b>8.505</b>	<b>49.988</b>	<b>30.814</b>	<b>21.771</b>	<b>281.382</b>

Movement of Goodwill is as follows:

	<b>Gate</b>	<b>CFS</b>	<b>Denkmal Dahlem</b>	<b>Gönen Enerji</b>	<b>Meram Enerji</b>	<b>Total</b>
Opening balance as of 1 January 2021	-	8.799	20.079	41.608	21.352	91.838
Additions	-	-	-	-	-	-
Currency translation effect	-	-	1.707	-	-	1.707
<b>Closing balance as of 31 March 2021</b>	<b>-</b>	<b>8.799</b>	<b>21.786</b>	<b>41.608</b>	<b>21.352</b>	<b>93.545</b>
Opening balance as of 1 January 2020	-	4.992	14.824	41.608	-	61.424
Additions	-	3.807	-	-	20.622	24.429
Currency translation effect	-	-	1.258	-	-	1.258
<b>Closing balance as of 31 March 2020</b>	<b>-</b>	<b>8.799</b>	<b>16.082</b>	<b>41.608</b>	<b>20.622</b>	<b>87.111</b>

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## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

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#### 13. SHORT AND LONG-TERM BORROWINGS

The Company’s bank loans are reclassified as long-term whose maturities passed 31 March 2022 according to their opening dates. Annual weighted average interest rate of the existing short-term loans is 3,67% for USD, 1,14% for EUR, 11,41% for TL and 4,5% for QAR (31 December 2020: 3,51% for USD, 1,10% for EUR and 10,87% for TL and 4,50% QAR). There is not any long-term loan in terms of USD, weighted average interest rate of the existing long-term loans is 2,65% for EUR and 11,25% for TL (31 December 2020: USD None, EUR 2,65%, TL 11,25%).

Within the scope of TFRS 16 Leases standard implementation, lease liabilities of 30.470 and 29.535 in the aggregate 60.005 included in short-term and long-term borrowings respectively (31 December 2020: 31.255 short-term, 31.958 long-term in the aggregate 63.213).

#### 14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 March 2021	31 December 2020
Short-term provisions	526.387	596.524
Long-term provisions	133.172	119.606
<b>Total provisions</b>	<b>659.559</b>	<b>716.130</b>
Employment termination benefits provision	190.168	170.019
Unused vacation pay liability provision	81.988	66.325
Premium provision	10.318	26.620
<b>Total provisions attributable to employee benefits</b>	<b>282.474</b>	<b>262.964</b>
Provision for litigation	15.356	14.651
Other liability provisions	361.729	438.515
Other provisions	377.085	453.166
<b>Total provisions</b>	<b>659.559</b>	<b>716.130</b>

	Employment Termination Benefits Provision	Unused Vacation Pay Liability Provision	Premium Provision	Total Provisions Attributable to Employee Benefits
Opening balance as of 1 January 2021	170.019	66.325	26.620	262.964
Currency translation effect	15.468	6.464	18	21.950
Charge for the period	22.716	14.435	19.775	56.926
Interest expense	875	-	-	875
Provision paid during the period	(8.555)	(4.669)	(12.601)	(25.825)
Provision released	(183)	(567)	(23.494)	(24.244)
Actuarial gain	(10.172)	-	-	(10.172)
<b>Closing balance as of 31 March 2021</b>	<b>190.168</b>	<b>81.988</b>	<b>10.318</b>	<b>282.474</b>
Opening balance as of 1 January 2020	117.115	52.218	63.704	233.037
Currency translation effect	6.396	3.216	5.303	14.915
Charge for the period	10.557	8.470	9.107	28.134
Interest expense	775	-	-	775
Provision paid during the period	(13.779)	(4.957)	(12.005)	(30.741)
Provision released	(36)	(283)	(1.466)	(1.785)
Actuarial gain	(2.415)	-	-	(2.415)
<b>Closing balance as of 31 March 2020</b>	<b>118.613</b>	<b>58.664</b>	<b>64.643</b>	<b>241.920</b>

Termination benefit pay calculated as of 31 March 2021 is subject to upper limit of 7.638,96 Turkish Lira (31 December 2020: 7.638,96 Turkish Lira).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont’d)

	Provision for Litigation	Other Liability Provisions	Total Other Provisions
Opening balance as of 1 January 2021	14.651	438.515	453.166
Currency translation effect	782	43.282	44.064
Charge for the period	197	-	197
Provision paid during the period	(70)	-	(70)
Provision released	(204)	(120.068)	(120.272)
Closing balance as of 31 March 2021	<u>15.356</u>	<u>361.729</u>	<u>377.085</u>
Opening balance as of 1 January 2020	13.382	183.334	196.716
Currency translation effect	460	20.793	21.253
Charge for the period	650	49.936	50.586
Provision paid during the period	(287)	-	(287)
Provision released	(70)	(2.462)	(2.532)
Closing balance as of 31 March 2020	<u>14.135</u>	<u>251.601</u>	<u>265.736</u>

#### Litigations:

As of 31 March 2021, lawsuit filed against the Group is totally 92.382 (31 December 2020: 112.844) and it has been decided to accrue 15.356 (31 December 2020: 14.651) of provision for lawsuits that might have high probability of potential outflow from the Group upon the consultation of legal advisors. Based on the legal advice of lawyers, there is no risk of outflow of resources for cases which no provision is made for.

#### *Libya Arbitration Claim*

Within the context of the Group’s decision taken on 30 January 2015 to apply for International Arbitration with the aim of claiming all of its rights, receivables and assets connected with The Great Man-Made River Project, which was undertaken in Libya by Tekfen-TML Joint Venture (Tekfen TML J.V.), a joint venture of the Group with 67% participation rate, – that having been halted on 21 February 2011 owing to events taking place in the aforesaid country and the instability thus caused – the Group applied to the International Court of Arbitration of the International Chamber of Commerce (ICC) for commercial arbitration against the Great ManMade River Authority (MMRA) as the ‘employer’, and against the State of Libya. A statement on this subject was duly made in our Announcement of 18 June 2015. In our subsequent announcement of 12 October 2015, we have further reported that a second arbitration case has been filed at the ICC against the Libyan State on the basis of the Agreement on the Mutual Promotion and Protection of Investments (“AMPPI”) signed between the Libyan and Turkish States. The partial award handed down in relation to the contractual arbitration case filed with the ICC on the basis of this Agreement has been notified to the Tekfen TML J.V.

In this partial award, the Arbitration Tribunal has ruled that the MMRA falls within its jurisdiction, but that the State of Libya does not; that the MMRA should pay the Tekfen TML J.V. the sum of 40.499 Thousand USD (of which the Group’s share is 27.134 Thousand USD) as compensation; that the MMRA should pay the Tekfen TML J.V. the sum of 5.000 Thousand USD (of which the Group’s share is 3.350 Thousand USD) in respect of the Tekfen TML J.V.’s legal expenses; that the parties should be asked to submit additional petitions for the determination of the rates of interest to be charged with respect to the aforementioned figures; that all counter-claims of the defendant (the MMRA) should be dismissed with the exception of a minor one for 365 Thousand USD and that only this amount should be deducted from the sum awarded to the Tekfen TML J.V.; that it was necessary for the agreement between the Tekfen TML J.V. and the MMRA to be readjusted in accordance with the changed conditions now in force; and that provision for matters such as the mechanical equipment needed in order for the Tekfen TML J.V. to continue its work should be evaluated within the framework of the revisions to be requested.

In accordance with the decision of the Arbitral Tribunal, the parties continue conciliation negotiations for the remainder of the proceedings.

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#### 14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

##### Litigations (cont'd):

##### *Libya Arbitration Claim (cont'd)*

On 13 August 2020, a Memorandum of Understanding ("MoU") was signed between the Republic of Turkey and Libyan Government of National Accord for the settlement of arising issues of the signed contracts of Turkish companies with employer administrations in Libya. The MoU was approved by both governments on 24 September 2020. According to the MoU, it is foreseen that the contractors shall apply to the Administrations by letter within a period of 90 days and start negotiations for the future of the projects. In this context, letters regarding the issue were sent to the MMRA.

According to the MoU, it is necessary to discuss the terms of continuation or termination of work with the Administrations in the second 90 days. Termination was agreed with MMRA in principle and mutual meetings were tried to be held. However, it has not been possible to come together due to travel restrictions. MMRA has established a four-person commission to discuss termination conditions and Tekfen TML J.V.'s demands. The commission examines Tekfen TML J.V.'s additional demands regarding machine losses.

The enforcement of the above mentioned partial award may only be done following an enforcement decision of a domestic court. This can only be acquired as a result of a recognition and enforcement lawsuit that can be filed in various countries in connection with the partial award handed down. Furthermore, as the collection of this award is also dependent on the determination of the defendant's (that is, the MMRA's) material assets, and on the actual execution of the award with regard to these assets, at this stage none of the above-mentioned legal processes will have any effect whatsoever on the consolidated financial statements of the Group.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

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### 15. COMMITMENTS

The guarantee, pledge and mortgage (“GPM”) position tables of the Group as of 31 March 2021 and 31 December 2020 are as follows:

31 March 2021	Equivalent of Thousands TL	<i>Thousands of US Dollars</i>	<i>Thousands of EUR</i>	<i>Other (Equivalent of Thousands TL)</i>
A. GPM given on behalf of its own legal entity	615	-	-	615
-Guarantee	615	-	-	615
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. GPM given on behalf of subsidiaries that are included in full consolidation	18.468.586	1.453.146	82.516	5.563.168
-Guarantee	18.464.086	1.453.146	82.516	5.558.668
-Pledge	-	-	-	-
-Mortgage	4.500	-	-	4.500
C. GPM given in order to guarantee third parties' debts for the routine trade operations	10.905	-	-	10.905
-Guarantee	10.905	-	-	10.905
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total amounts of other GPM given	-	-	-	-
i. Total amount of GPM given on behalf of parent company	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that are not included group B and C	-	-	-	-
iii. Total amount of GPM given on behalf of third parties that are not included group C	-	-	-	-
<b>Total as of 31 March 2021</b>	<b>18.480.106</b>	<b>1.453.146</b>	<b>82.516</b>	<b>5.574.689</b>

  

31 December 2020	Equivalent of Thousands TL	<i>Thousands of US Dollars</i>	<i>Thousands of EUR</i>	<i>Other (Equivalent of Thousands TL)</i>
A. GPM given on behalf of its own legal entity	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. GPM given on behalf of subsidiaries that are included in full consolidation	14.047.645	1.167.886	56.389	4.966.832
-Guarantee	14.043.145	1.167.886	56.389	4.962.332
-Pledge	-	-	-	-
-Mortgage	4.500	-	-	4.500
C. GPM given in order to guarantee third parties' debts for the routine trade operations	10.905	-	-	10.905
-Guarantee	10.905	-	-	10.905
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total amounts of other GPM given	-	-	-	-
i. Total amount of GPM given on behalf of parent company	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that are not included group B and C	-	-	-	-
iii. Total amount of GPM given on behalf of third parties that are not included group C	-	-	-	-
<b>Total as of 31 December 2020</b>	<b>14.058.550</b>	<b>1.167.886</b>	<b>56.389</b>	<b>4.977.737</b>

Since there are not any GPMs mentioned under D item, the ratio to the total equity is not presented.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

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#### 16. SIGNIFICANT RELATED PARTY TRANSACTIONS

According to TAS 24, the shareholders of the Company, Group companies and their subsidiaries, management and other related parties are classified as related parties.

Transactions with related parties are distinct and measurable. Transactions with related parties during the three month interim period ended 31 March 2021 consist of sales of goods and services amounting 9.100, dividend income amounting 41 and other expenses amounting 153. The remuneration of key management during the period is 7.518.

#### 17. EQUITY

##### Capital / Capital Structure Adjustment

The capital structure as of 31 March 2021 and 31 December 2020 is as follows:

Shareholders	(%)	31 March 2021	(%)	31 December 2020
Berker family	22,55%	83.422	22,55%	83.422
Gökyiğit family	22,18%	82.060	22,18%	82.060
Akçağlılar family	6,65%	24.611	6,65%	24.611
Other (*)	0,78%	2.898	0,78%	2.898
Publicly traded	47,84%	177.009	47,84%	177.009
Paid in capital	100%	370.000	100%	370.000
Capital structure adjustment		3.475		3.475
Restated capital		<u>373.475</u>		<u>373.475</u>

(\*)Indicates the total of shareholders with shares less than 5% of the capital.

#### 18. EARNINGS PER SHARE

	1 January- 31 March 2021	1 January - 31 March 2020
Average number of ordinary shares outstanding during the period (in full)	370.000.000	370.000.000
Net profit for the period attributable to owners of the parent (Thousands TL)	412.161	47.059
Earnings per share from continuing operations (TL)	1,114	0,127



**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**19. OTHER OPERATING INCOME AND EXPENSES**

	1 January- 31 March 2021	1 January - 31 March 2020
<b>Other operating income</b>		
Foreign exchange income from operations	89.485	121.687
Due date difference income	25.197	20.999
Hedging income (Note: 21)	5.571	1.155
Government grants and incentives income	1.619	727
Social security premium refund income	1.110	995
Rental income	1.046	1.409
Discount income	721	3.764
Scrap sales income	672	406
Indemnity income	284	358
Reversal of litigation provision (Note: 14)	204	70
Other income	9.519	6.380
	<u>135.428</u>	<u>157.950</u>
	1 January- 31 March 2021	1 January - 31 March 2020
<b>Other operating expenses (-)</b>		
Foreign exchange losses from operations	(247.199)	(218.079)
Discount expenses	(4.628)	(8.034)
Hedging expenses (Note: 21)	(721)	(11.710)
Grants and contributions	(217)	(424)
Litigation provision (Note: 14)	(197)	(650)
Due date difference expenses	(117)	(83)
Penalty and damages expenses	(34)	(21)
Other expenses	(2.676)	(1.535)
	<u>(255.789)</u>	<u>(240.536)</u>

**20. FINANCIAL INCOME AND EXPENSES**

	1 January- 31 March 2021	1 January - 31 March 2020
<b>Financial income</b>		
Foreign exchange gains	314.463	150.241
Interest income	33.905	17.720
Currency translation reserve gains	15.433	9.557
Other financial income	469	108
	<u>364.270</u>	<u>177.626</u>
	1 January- 31 March 2021	1 January - 31 March 2020
<b>Financial expenses (-)</b>		
Foreign exchange losses	(97.865)	(59.773)
Interest expenses	(41.375)	(19.459)
Currency translation reserve losses	(3.341)	-
Other financial expenses	(2.582)	(6.534)
	<u>(145.163)</u>	<u>(85.766)</u>

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 21. DERIVATIVE INSTRUMENTS

	31 March 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	14.698	-	9.046	-
Current	14.698	-	9.046	-
Non-current	-	-	-	-
	<u>14.698</u>	<u>-</u>	<u>9.046</u>	<u>-</u>

Currency derivatives:

The subsidiary of the Group, Toros Tarım utilizes currency derivatives to hedge significant future transactions and cash flows. Toros Tarım is party to a variety of foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Toros Tarım’s principal markets.

As of balance sheet date, the total notional amount of outstanding forward foreign exchange contracts to which Toros Tarım is committed are as follows:

	31 March 2021	31 December 2020
Forward foreign exchange contracts	152.163	178.022
	<u>152.163</u>	<u>178.022</u>

As of 31 March 2021, the fair value of the Toros Tarım’s currency derivatives is estimated to be 14.698 assets which is positive 14.698 (31 December 2020: assets 9.046, positive 9.046). These amounts are based on quoted market prices for equivalent instruments at the balance sheet date and fair value hierarchy classification of derivative instruments is Level 2 (31 December 2020: Level 2). There have been no changes in the purpose or use of derivative instruments.

The fair value of currency derivatives that are designated and effective as cash flow hedges amounting to positive 11.756 has been deferred in equity (31 December 2020: positive 7.236). There are no ineffective cash flow hedges for the period (31 March 2020: None). Gains amounting to 5.571 and expenses amounting to 721 concerning matured derivative contracts during the period have been recognized in profit or loss (31 March 2020: Gains amounting to 1.155 and expenses amounting to 11.710 concerning matured derivative contracts during the period have been recognized in profit or loss).

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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

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#### 22. FOREIGN CURRENCY POSITION

31 March 2021	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
1. Trade Receivables	301.162	10.314	2.143	4	194.296
2. Monetary Financial Assets	2.108.035	234.458	8.140	9	76.274
3. Other	33.974	1.074	622	17	18.758
<b>4. CURRENT ASSETS</b>	<b>2.443.171</b>	<b>245.846</b>	<b>10.905</b>	<b>30</b>	<b>289.328</b>
5. Trade Receivables	2.823	-	-	-	2.823
6. Monetary Financial Assets	583	-	-	-	583
7. Other	11.007	595	615	-	42
<b>8. NON-CURRENT ASSETS</b>	<b>14.413</b>	<b>595</b>	<b>615</b>	<b>-</b>	<b>3.448</b>
<b>9. TOTAL ASSETS</b>	<b>2.457.584</b>	<b>246.441</b>	<b>11.520</b>	<b>30</b>	<b>292.776</b>
10. Trade Payables	1.522.898	151.388	10.386	17	160.733
11. Financial Liabilities	159.360	150	10.700	-	53.528
12. Monetary Other Liabilities	139.934	1.924	4.547	-	79.472
12b. Non-Monetary Other Liabilities	12.251	1.185	244	-	-
<b>13. CURRENT LIABILITIES</b>	<b>1.834.443</b>	<b>154.647</b>	<b>25.877</b>	<b>17</b>	<b>293.733</b>
14. Trade Payables	10.391	84	6	-	9.633
15. Financial Liabilities	195.560	-	20.008	-	-
16. Monetary Other Liabilities	43.929	439	70	-	39.590
<b>17. NON-CURRENT LIABILITIES</b>	<b>249.880</b>	<b>523</b>	<b>20.084</b>	<b>-</b>	<b>49.223</b>
<b>18. TOTAL LIABILITIES</b>	<b>2.084.323</b>	<b>155.170</b>	<b>45.961</b>	<b>17</b>	<b>342.956</b>
19. Net Position of Off-balance Sheet Derivative Instruments (19a-19b)	153.015	18.378	-	-	-
19a. Derivative Assets	153.015	18.378	-	-	-
19b. Derivative Liabilities	-	-	-	-	-
20. Net Foreign Currency Assets / Liabilities Position	526.276	109.649	(34.441)	13	(50.180)
21. Monetary Items Net Foreign Currency Assets / Liabilities position (1+2+5+6-10-11-12-14-15-16)	340.531	90.787	(35.434)	(4)	(68.980)
22. Fair Value of Derivative Instruments Held for Hedging	14.698	1.765	-	-	-

Translated into English from the report originally issued in Turkish.

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#### 22. FOREIGN CURRENCY POSITION (cont'd)

31 December 2020	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
1. Trade Receivables	275.194	15.872	2.316	8	137.744
2. Monetary Financial Assets	1.885.130	227.816	11.619	11	108.074
3. Other	32.549	1.215	712	17	17.048
4. CURRENT ASSETS	2.192.873	244.903	14.647	36	262.866
5. Trade Receivables	109.829	-	-	-	109.829
6. Monetary Financial Assets	1.094	-	-	-	1.094
7. Other	11.699	876	580	-	44
8. NON-CURRENT ASSETS	122.622	876	580	-	110.967
9. TOTAL ASSETS	2.315.495	245.779	15.227	36	373.833
10. Trade Payables	1.333.828	139.718	15.751	64	165.708
11. Financial Liabilities	158.814	2	9.114	-	76.701
12. Monetary Other Liabilities	100.563	488	4.661	-	54.995
12b. Non-Monetary Other Liabilities	3.895	468	51	-	-
13. CURRENT LIABILITIES	1.597.100	140.676	29.577	64	297.404
14. Trade Payables	11.873	416	6	-	8.765
15. Financial Liabilities	180.158	-	20.000	-	-
16. Monetary Other Liabilities	38.294	506	74	-	33.913
17. NON-CURRENT LIABILITIES	230.325	922	20.080	-	42.678
18. TOTAL LIABILITIES	1.827.425	141.598	49.657	64	340.082
19. Net Position of Off-balance Sheet Derivative Instruments (19a-19b)	184.606	25.149	-	-	-
19a. Derivative Assets	184.606	25.149	-	-	-
19b. Derivative Liabilities	-	-	-	-	-
20. Net Foreign Currency Assets / Liabilities Position	672.676	129.330	(34.430)	(28)	33.751
21. Monetary Items Net Foreign Currency Assets / Liabilities position (1+2+5+6-10-11-12-14-15-16)	447.717	102.558	(35.671)	(45)	16.659
22. Fair Value of Derivative Instruments Held for Hedging	9.046	1.232	-	-	-

Translated into English from the report originally issued in Turkish.

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#### 22. FOREIGN CURRENCY POSITION (cont’d)

##### Foreign currency sensitivity

The Group is exposed to foreign exchange risk primarily with respect to US Dollars and Euro.

The following table details the Group’s sensitivity to a 5% increase and decrease in foreign currency rates. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the three month interim period end for a 5% change in foreign currency rates. Positive number indicates an increase in profit or loss.

	31 March 2021	
	Profit / (Loss)	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars changes 5% against TL	
US Dollars net assets / liabilities	45.647	(45.647)
	If Euro changes 5% against TL	
Euro net assets / liabilities	(16.831)	16.831
	If other foreign currencies changes 5% against TL	
Other foreign currency assets / liabilities	(2.502)	2.502
TOTAL	26.314	(26.314)
	31 December 2020	
	Profit / (Loss)	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars change 5% against TL	
US Dollars net assets / liabilities	47.467	(47.467)
	If Euro changes 5% against TL	
Euro net assets / liabilities	(15.507)	15.507
	If other foreign currencies change 5% against TL	
Other foreign currency net assets / liabilities	1.674	(1.674)
TOTAL	33.634	(33.634)

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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

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#### 23. FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on using prices from direct or indirect observable current market transactions.
- Level 3: The fair value of the financial assets and financial liabilities are determined where there is no observable market data.

Long-term financial investments and derivative instruments of the Group are measured at their fair values. Book values of other financial assets and liabilities approximate their fair values.

The fair values of financial assets and liabilities are as follows:

Financial instruments	31 March 2021	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
Fair value through other comprehensive income financial investments	1.230.909	206.326	-	1.024.583
Fair value through profit or loss financial investments	320.743	-	-	320.743
Derivative instruments	14.698	-	14.698	-
<b>Total</b>	<b>1.566.350</b>	<b>206.326</b>	<b>14.698</b>	<b>1.345.326</b>

Financial instruments	31 December 2020	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
Fair value through other comprehensive income financial investments	1.165.172	255.256	-	909.916
Fair value through profit or loss financial investments	249.748	-	-	249.748
Derivative instruments	9.046	-	9.046	-
<b>Total</b>	<b>1.423.966</b>	<b>255.256</b>	<b>9.046</b>	<b>1.159.664</b>

Changes of financial investments measured at their fair values during the period are as follows:

	Fair value through profit or loss financial investments	Fair value through other comprehensive income financial investments		Total
	Level 3	Level 1	Level 3	
Opening balance as at 1 January 2021	249.748	255.256	909.916	1.414.920
Additions	37.467	-	-	37.467
Fair value increase (decrease)	-	(48.930)	7.304	(41.626)
Currency translation effect	33.528	-	107.363	140.891
<b>Closing balance as at 31 March 2021</b>	<b>320.743</b>	<b>206.326</b>	<b>1.024.583</b>	<b>1.551.652</b>

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 23. FINANCIAL INSTRUMENTS (cont’d)

	Fair value through profit or loss financial investments	Fair value through other comprehensive income financial investments		Total
	Level 3	Level 1	Level 3	
Opening balance as at 1 January 2020	162.906	97.451	133.511	393.868
Additions	27.367	-	325.800	353.167
Fair value increase (decrease)	17.661	(9.727)	-	7.934
Transfer to subsidiaries	-	-	(2.314)	(2.314)
Currency translation effect	17.024	-	5.086	22.110
Closing balance as at 31 March 2020	224.958	87.724	462.083	774.765

The following methods have been used in measuring the fair values of the significant financial investment of the Group, those fair value level are determined to be Level 3:

#### Non-traded fair value through other comprehensive income financial investments

##### *Toren Doğalgaz Depolama ve Madencilik A.Ş.*

<i>Valuation Method</i>	<i>31 March 2021 Fair Value</i>	<i>Unobservable Inputs</i>	<i>Relation Between Unobservable Inputs and Fair Value Measurement</i>
Income Approach, Discounted Cash Flow	36.968	Weighted average cost of capital ratio: 14,4%	If the weighted average cost of capital ratio is increased to 15,4%, the estimated fair value decreases by 5.387; If it is decreased to 13,4%, the estimated fair value increases by 6.513.

##### *Gaz Depo ve Madencilik A.Ş.*

<i>Valuation Method</i>	<i>31 March 2021 Fair Value</i>	<i>Unobservable Inputs</i>	<i>Relation Between Unobservable Inputs and Fair Value Measurement</i>
Income Approach, Discounted Cash Flow	17.268	Weighted average cost of capital ratio: 14,4%	If the weighted average cost of capital ratio is increased to 15,4%, the estimated fair value decreases by 2.693; If it is decreased to 13,4%, the estimated fair value increases by 3.171.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2021

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 23. FINANCIAL INSTRUMENTS (cont’d)

##### Non-traded fair value through other comprehensive income financial investments (cont’d)

###### *SOCAR Polymer Investments LLC*

<i>Valuation Method</i>	<i>31 March 2021 Fair Value</i>	<i>Unobservable Inputs</i>	<i>Relation Between Unobservable Inputs and Fair Value Measurement</i>
Income Approach, Discounted Cash Flow	866.722	Weighted average cost of capital ratio: 10,2%	If the weighted average cost of capital ratio is increased to 10,3%, the estimated fair value decreases by 14.987; If it is decreased to 10,1%, the estimated fair value increases by 15.819.

##### Non-traded fair value through profit or loss financial investments

<i>Valuation Method</i>	<i>31 March 2021 Fair Value</i>	<i>Unobservable Inputs</i>	<i>Relation Between Unobservable Inputs and Fair Value Measurement</i>
Those whose cost value approaches their fair value	110.321	Valuation multiplier : 1,00	If the average valuation multiplier is increased by 10%, the estimated fair value increases by 32.074, in case of a 10% decrease, the estimated fair value decreases by 32.074.
Those whose fair value is determined using the equivalent value method	210.422	Valuation multiplier : 1,07 - 1,72	

#### 24. SUBSEQUENT EVENTS

As of 31 March 2021, prevailing corporate tax rate in Turkey is 20%. However, with the article 11 of the Law No. 7316 on the Procedure for the Collection of Public Claims and Amending Certain Laws, published in the Official Gazette No. 31462 dated 22 April 2021, provisional 13th article added to the Corporate Tax Law No. 5520 and the corporate tax rate will be applied as 25% for the corporate earnings for the 2021 taxation period and 23% for the corporate earnings for the 2022 taxation period. This change will be valid for the taxation of corporate earnings for the periods starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021. Since the tax rate change will come into effect as of 22 April 2021, 20% has been used as the tax rate in the period tax and deferred tax calculations in the condensed consolidated financial statements as of 31 March 2021.

Tekfen İnşaat has decided to establish a company in the People's Democratic Republic of Algeria.