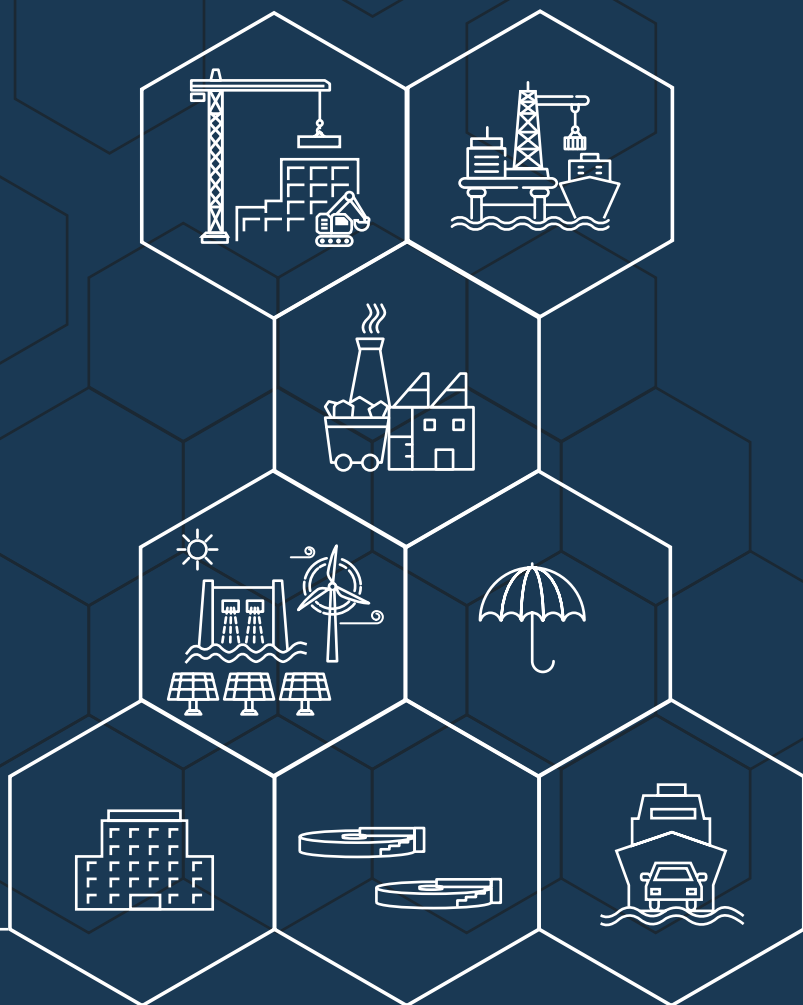


AKFEN INFRASTRUCTURE HOLDING

Annual Report | **2020**



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akfen
infra

CHAPTER 1

ABOUT AKFEN INFRASTRUCTURE HOLDING

- *Overview*
- *About Akfen Infrastructure Holding*
- *Akfen Infrastructure Holding
Group Structure*
- *Milestones*
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About Akfen Infrastructure Holding

Akfen Group continues to grow organically and inorganically

CONTINUOUS GROWTH

Since the first company was founded in 1976, Akfen Group has accomplished many important projects in Turkey in the fields of infrastructure, construction, real estate and so on. The Group has adopted a “continuous growth strategy” since its establishment. As a requirement of this strategy, all the values created were used to satisfy the need for equity in the creation of new assets. 1997 was also an important turning point for Akfen Holding. In this year, the Istanbul Atatürk Airport International Terminal Tender, to be built with the Build-Operate-Transfer (BOT) method, was won and this increased Akfen’s tendency towards long-term infrastructure works.

The accumulation of knowledge and experience that started in that period has made Akfen Group what it is today, not only in Turkey but also in various countries in the world; a sought-after company in the construction of national infrastructure, such as airport management, port management, energy, maritime transport, water and wastewater management.

Among the areas of activity of Akfen Group are; construction, energy, seaport management, maritime transportation, real estate, mining, insurance and reinsurance brokerage, water/waste water and solid waste management services. As per its strategy, the Group works with partners and financial institutions that are experienced and strong in their sectors. Among the partnerships of Akfen group companies, there are nationally and internationally renowned entrepreneurial companies and financial institutions such as Tepe Construction Inc., PSA International, IFM Investors, EBRD, IFC, Accor, Souter Investments, LLP, Kardan N.V.

Among the group companies, in addition to Akfen Holding and Akfen Construction, there are Akınısı Machinery (the first company of Hamdi Akın, the founder of Akfen Group), Akfen Merter, Akfen Consulting and Project Development, Travelex, Akfen Real Estate Portfolio Management and Tepe Akfen Reformer.

AKFEN INFRASTRUCTURE HOLDING HAS BEEN DETERMINED AS THE UMBRELLA COMPANY OF THE AKFEN GROUP IN 2018

2018 has been a year of restructuring for Akfen Group. Within the scope of the structuring steps in the new period created under the umbrella of Akfen Infrastructure Holding, 37% of IBS Insurance shares belonging to Akfen Infrastructure Holding were transferred to Akfen Holding in March 2018. In May 2018, 100% of shares in Masanda Turizm which belonged to Selim Akın were transferred to

2020 was an important test in the fight against the pandemic. While our companies in tourism, restaurant services and maritime transport suffered serious revenue losses, there were no significant negative effects in the fields of energy, port management, health and construction

Akfen Infrastructure Holding, and the title of Akfen Infrastructure Consulting was changed to "Akfen Infrastructure Holding Inc."

In August 2018, after a series of share transfer transactions carried out within Akfen Holding, Akfen Infrastructure Holding acquired shares corresponding to 99.36% of Akfen Holding's capital.

DUE TO COVID-19, 2020 WAS THE YEAR OF THE HIGHEST CONTRACTION ON A GLOBAL SCALE

The restructuring process continued in the first half of 2019. In February 2019, Akfen Holding transferred Akfen International shares to Hamdi Akın, and in March 2019, Akfen Holding repurchased 9.87% of its own shares. In May 2019, Akfen Holding sold its shares in TAV Investment Holding.

The uncertainty created by the pandemic in 2020 adversely affected global growth. The Covid-19 pandemic has greatly affected every field from economy to social life, from production to consumption and has led to significant changes. Due to Covid-19, the biggest pandemic of the last century, on a global scale, the most severe contraction of the last period was experienced in 2020.

In 2020, a year like no other, our country also passed an important test in the fight against the pandemic. The pandemic has had a significant negative impact on the operating environment for many companies in our country. In this environment where revenues decreased significantly and expenses continued, our companies operating in tourism, restaurant services and maritime transportation suffered serious losses of income. On the other hand, there was no significant

negative impact in the fields of energy, port management, health and construction.

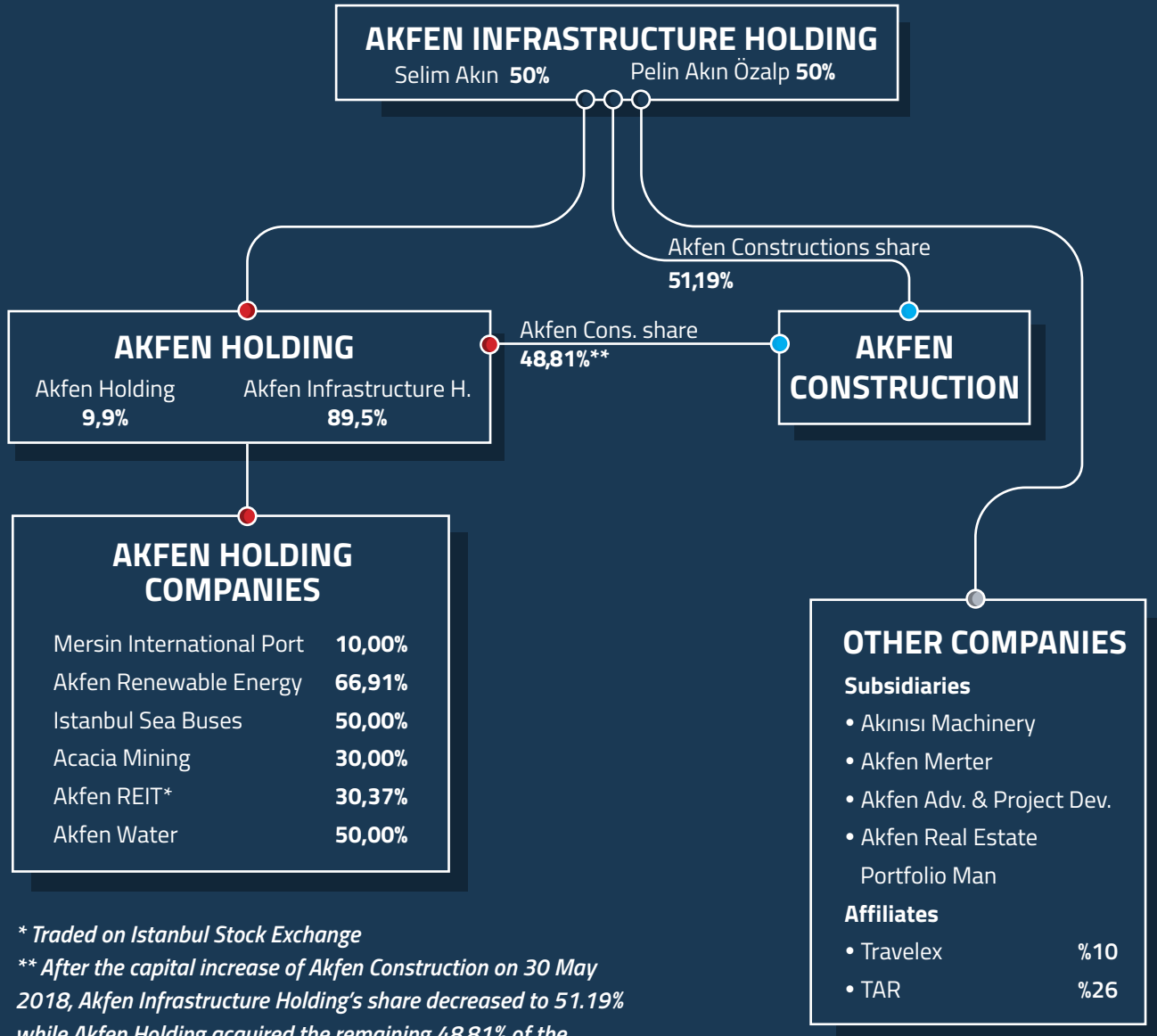
TEKIRDAG CITY HOSPITAL AND BODRUM LOFT INVESTMENTS WERE COMPLETED IN 2020...

Akfen Group completed its ongoing investments mainly in renewable energy, hospital PPP, mining and real estate/hotel sectors in 2020.

The projects, which were announced before and whose investments were made within a certain program, continued uninterrupted during the pandemic period. City hospitals, energy and mining investments continued. Among the projects completed in 2020, the Bodrum Loft holiday village project and Tekirdağ City hospital construction were prominent ones.

The Group attaches importance to creating new business areas in line with its growth plans. For the company, which has extensive experience in asset trading, the value created through sales is critical for starting new businesses and raising funds for ongoing investments.

Group companies continue to ensure their organic and inorganic growth and support oriented investments by using advanced financial instruments effectively. This is one of the most important reasons for high profitability. With this vision, as in the past, Akfen Group aims to continue making new investments by developing new businesses, in order to help increase employment, contribute to the development of the country's economy, and create value for its shareholders.



* Traded on Istanbul Stock Exchange

** After the capital increase of Akfen Construction on 30 May 2018, Akfen Infrastructure Holding's share decreased to 51.19% while Akfen Holding acquired the remaining 48.81% of the company.

This table, reflects the current status of Akfen Infrastructure Holding as of May 2021.

Milestones

The winning of the Istanbul Airport International Terminal tender marked the beginning of a serious transformation for Akfen Group, whose foundations were laid when Hamdi Akin founded Akinisi Machinery in 1976

1970'S



- 1976** » The foundations of Akfen were laid by the establishment of Akinisi Makina by Hamdi Akin.
- 1977** » The first company of Hamdi Akin, Akfen Engineering Consultancy Contracting and Distributorship, was founded.

1980'S



- 1980** » Akfen won the first state tender with Bank of Provinces' "Forged Parts and Molds Manufacturing Project".
- 1986** » Akfen Construction was founded.

1990'S



- 1990** » As the first project with DHMI, the Antalya Airport Terminal Building renovation agreement was signed.
- 1992** » DHMI Isparta Airport apron and runway construction started.
- 1993** » Akfen Construction entered the housing sector with the construction of Ankara Oran Çarşı dwelling project.
- 1997** » TAV Istanbul was established and the foundations of TAV Airports were laid when the Istanbul Airport International Terminal BOT tender was won.
- 1999** » With the establishment of Akfen Holding, all companies affiliated with Akfen were restructured under the holding company.
 - » TIKAV was founded.

2000'S



- 2000** » TAV Airports began operating the Istanbul Atatürk Airport International Terminal.
- 2003** » TAV Construction was founded.
» Together with Royal Caribbean Kuşadası cruise port privatization tender was won.
- 2004** » Akfen Holding's share in Kuşadası cruise port was sold to other partners.
» TAV Construction won the Cairo Airport project in Egypt.
- 2005** » The tender for the privatization of vehicle inspection stations was won, and TÜVTÜRK was established in equal partnership with Doğu Group and TÜV SÜD.
» PSA-Akfen Joint Venture won the privatization tender of Mersin Port.
» Construction and operation rights of İzmir Adnan Menderes International Terminal was transferred to TAV Airports.
» TAV Airports won the Tbilisi and Batumi International airports tender in Georgia.
» The framework agreement on cooperation between Akfen Holding and Accor was signed.
- 2008** » Dilovası Industrial Park Wastewater Treatment BOT project tender was won.
» TÜVTURK İstanbul Vehicle Inspection Stations Management Inc. started operation.
» In order to build a natural gasbased power plant in Mersin province, an application was made to EMRA for generation license.
» TAV Airports took over the operation of Monastir Airport in Tunisia.
» TAV Airports won the tender and signed the concession agreement for the operation of Skopje and Ohrid airports in Macedonia and the construction of the Shtip Cargo Airport, which it had the options for.
» A hotel of Akfen REIT started operation.
- 2009** » Akfen Holding sold its shares in TÜVTÜRK to Bridgepoint Capital Ltd.
» Akfen launched its first renewable HEPP project.
» TAV Gazipaşa became operational at Antalya Gazipaşa Airport.
» TAV Construction won the Muscat Airport MC1 package tender with a partner.

Realizing its initial public offering and bond issuance in 2010, Akfen Holding continues to diversify its portfolio by transferring the fresh resources it creates to ports, renewable energy and city hospitals

- 2006** » İzmir Adnan Menderes Airport Int. Terminal and Esenboğa Airport Domestic and International Terminals started operation.
» Akfen Water won the tender for the Güllük Municipality Water and Wastewater Concession Project and the plant became operational.
» Aksel Tourism Investments and Management became Akfen Real Estate Investment Partnership.
» TAV Construction won the Doha Airport project in Qatar.
- 2007** » Public offering of TAV Airports was completed.
» Batumi International Airport started operation.
» TAV Airports won the tender for the Monastir and Enfidha airports in Tunisia.
» TAV Airports won the tender for the operation of Antalya Gazipaşa Airport.
» Akfen's 100% subsidiary Akfenhes Investments and Energy Generation Inc. was founded.
» Mersin Port was taken over from TCDD.
» Akfen REIT's 4 hotels started operations.

2010'S



- 2010** » 28.3% of Akfen Holding shares were offered to public.
» Akfen Holding made its first bond issue in the amount of TL 100 million and this was the first and largest real sector bond issue of Turkey.
» Piriçlik HEPP, which belonged to Akfen's HEPP Group and has a capacity of 22.5 MW, was sold.
» TAV Airports took over the operations of Skopje and Ohrid airports.
» HAVAŞ acquired 50% of North Hub Services, a ground services company operating in Latvia Riga International Airport.
» Akfen Water started Dilovası Industrial Park wastewater treatment operations.
» 5 hotels of Akfen REIT started operations.
» TAV Construction won the tender for the New Doha Airport.

- 2012** » The sale of Akfen Holding's 18% share in TAV Airports, 20.325% share in TAV Investments, and Akfen Construction's %0.5 share in TAV Investments to ADP Group was completed.
- » Akfen Holding completed the sale of 40% of the shares in 5 power plants in Karasular to Aquila.
- » TAV Airports took over the operation of Medina Airport, in which it has 50% share.
- » The joint venture, in which TAV Construction takes part, won the tender for the Midfield terminal in Abu Dhabi.
- » Akfen Holding made a TL 200 million bond public offering.
- » 2 HEPPs and two hotels started operation.
- 2013** » MIP issued USD 450 million Eurobond to qualified investors abroad.
- » Akfen Construction won the tender for Isparta City Hospital.
- » Akfen Construction started working on Incek Loft project.
- » The license change for power plant capacity (1,150 MW) for Mersin CCGT was approved.
- » Akfen Holding sold 60% of its shares in Ideal Inc, which has 5 power plants in Karasular, to Aquila.
- » Akfen Thermal Energy bought 50% of Adana İpekyolu.
- » TAV Construction won the tender for the Riyadh Airport terminal.
- » The contract for "Damac Towers by Paramount" project in Dubai was signed.
- » The consortium, in which TAV Airports takes part, took over the operation of Zagreb Airport.
- » Two HEPPs and three hotels started operation.
- 2014** » Akfen Construction, made the best offer in the Eskisehir City Hospital tender and acquired.
- » 45% share in the guesthouse project which will serve in Hacettepe University campus.
- » En Engineering News Records magazine chose TAV Construction as the "World's Largest Airport Construction Company".
- » TGS, 50% subsidiary of HAVAS, won the ground services tender for Turkish Airline's 8 airports.
- » MIP started \$170 million investment in new berths and deepening and started expansion project.
- » TAV Airports took over Milas-Bodrum Airport Domestic Terminal.
- » TAV Construction, New Doha Int. Airport opened.
- » Incek Loft press launch.
- 2014** » 75% of Artı Foreign Exchange sold to Travelex.
- » Contract signed for Isparta City Hospital.
- » Akfen Holding made the public offering of a total of TL 400 million bonds and completed its share buyback program in April 2014.
- » Izmir Adnan Menderes Domestic Terminal opened.
- » A HEPP and a hotel started operation.
- 2015** » When Hamdi Akin and the partners acting together became the controlling shareholders, the process of using the right of sale of investors started in 23 December 2015 - 22 March 2016.
- » TAV Airports, in a consortium with ADP and Metro Pacific Investments, was prequalified for the PPP tender for 5 regional airports in the Philippines.
- » ATÜ won the right to operate duty free shops located in George Bush Airport, Houston.
- » A USD 100 million partnership agreement was signed with EBRD for 20% share of Akfen Renewable Energy.
- » ENR chose TAV Construction as the "World's Largest Airport Construction Company" for the second year in a row.
- » A HEPP and a hotel started operation.
- » The best offer for Tekirdağ City Hospital was from Akfen.
- » Contract signed with Bank of Provinces for Istanbul Atasehir Office.
- » Eskisehir City Hospital groundbreaking ceremony.
- » Akfen Holding, transferred 98.85% of Akfen Construction to Akfen Infrastructure.
- 2016** » Akfen Holding Board of Directors decided to split the company in June 2016. It was decided that assets other than MIP, TAV Airports and Akfen Renewable Energy would be transferred to Akfen Engineering. The split was completed in February 2017.
- » With the approval of the CMB, Akfen Holding share trading was suspended on 29 April 2016 and as of 12 May 2016 the company shares were delisted from the Stock Exchange.
- » TAV Airports subsidiary BTA Inc won the tender for the management of food and beverage areas in New Muscat International Airport in Oman.
- » Novotel Istanbul Bosphorus started operation.
- » TAV Construction and its partner Arabtec, on 25 January 2016, won the tender for the new terminal building and related projects of Bahrain International Airport amounting to USD 1.1 billion (TAV Construction share: 40%)

- 2016**
- » In June 2016, EBRD and IFC decided to acquire 16.667% of Akfen Renewable Energy by paying USD 100 million each. With the capital increase of 12 July, in the first stage EBRD and IFC each transferred US\$ 44.4 million for 5% share.
 - » In the second half of the year, IDO presented novel services such as free open buffet and children's play areas in an allinclusive service on Eskihisar - Topçular ferries.
 - » Akfen Water started service in solid waste Management at Mersin International Port, too.
 - » MIP completed the first stage of the port expansion project as of 8 August 2016.
 - » Solentegre SPP with a licensed capacity of 8 MW became operational in October.
 - » Tekirdag City Hospital signing ceremony.
- 2017**
- » The principal of the TL 140 million bond issued in 2014 was repaid. The bond issue with 9 January beginning date, 3 year maturity, a nominal value of TL 300 million was realized.
 - » The division of Akfen Holding was completed. With the division; subsidiaries other than TAV Airports, Akfen Renewable Energy, MIP and PSA Port were transferred to Akfen Engineering.
 - » The principal of the TL 200 million bonds issued in 2014 was repaid. Bond issue with a 23 March beginning date, 3 year maturity, a nominal value of TL 150.360.000 was realized.
 - » An agreement was signed for the transfer of 8.119% stake at TAV Airports to Tank ÖWA Alpha GmbH for USD 160 million (June 9). The share transfer was completed on July 7.
 - » As of June 9, Akfen Renewable Energy's capital was increased from TL 705 million to TL 793 million with premium. In this context, EBRD and IFC transferred USD 55.5 million to the company. After the transfer, EBRD and IFC's shares increased to 19.99% and Akfen Holding's share in the company became 80.01%.
 - » An agreement was signed for the sale of 40% of Akfen Holding's shares in MIP to Global InfraCo SP NEUM SLU for USD 869 million. (July 28). Share transfer was made on October 27th.
 - » A HEPP with an installed power of 8.8 MW and 18 SPPs with total installed capacity of 15.94 MW went into operation.
 - » On June 13, the acquisition of three WPP in Çanakkale and one in Denizli, with 242 MW license and not in operation was completed.
 - » Akfen Construction's Boulevard Loft Project in Ankara was added to Akfen REIT's portfolio in November.
 - » Akfen Water started to provide waste service to Yozgat City Hospital, Mersin Integrated Health Campus and Isparta City Hospital floor.

- 2018**
- » The merger of Akfen Holding and Akfen Engineering was completed in February 2018.
 - » In March 2018, Akfen International was established as a 100% subsidiary of Akfen Holding in Amsterdam, Netherlands.
 - » In March 2018, 37% IBS Insurance shares belonging to Akfen Infrastructure Holding was transferred to Akfen Holding.
 - » In May 2018 100% of Selim Akin's shares in Masanda Tourism were transferred to Akfen Infrastructure Holding.
 - » In May 2018, the title of Akfen Infrastructure Consultancy was changed to "Akfen Infrastructure Holding".
 - » After the share transfer transactions made within Akfen Holding in August 2018, Akfen Infrastructure Holding owned 99.36% of Akfen Holding capital.
 - » In November 2018, Akfen Holding completed the merger by acquiring Akfen Thermal Energy and Akfen Energy Distribution.

In 2018 Akfen Group went into restructuring and Akfen Infrastructure Holding was determined as the umbrella company. 99.36 percent of Akfen Holding shares were transferred to Akfen Infrastructure Holding

- 2019**
- » All Akfen Holding shares of Akfen International B.V. were sold to Hamdi Akin on 7 February 2019.
 - » On 6 March 2019, Akfen Holding repurchased 9.868% shares from Akfen Infrastructure Holding.
 - » On 29 May 2019, Akfen Holding transferred its 21.68% share in TAV Investment Holding to Gazelle Yachting Real Estate Tourism Automotive Trade Inc.
 - » After the capital increase made by Akfen Renewable Energy on 9 December 2019, the shares of EBRD and IFC increased to 16.933% each, Akfen Holding's share became 66.134%.

General Developments (2020)

AKFEN HOLDING

- » On 7 February 2020, Akfen Holding issued bonds with a nominal value of 150 million TL with a maturity of 2 years to qualified investors.
- » Of two bonds issued in 2017, end-of-maturity principal payments of 252.57mn TL in January 2020 and 92mn TL in March 2020 were made.
- » On 14 December 2020, Turkrating confirmed Akfen Holding's Long-Term National Credit Rating as TR AAA, Short-Term National Credit Rating as TR A1 with a stable outlook.

AKFEN CONSTRUCTION

- » Bodrum Loft holiday village was opened on 1 July 2020.
- » With the acquisition of 25% share that belonged to Renkyol in September 2020, Akfen Construction's share in Hacettepe Student Dormitory rose to 70%.
- » The opening ceremony of Tekirdağ City Hospital was held on 13 November 2020, and it became operational on 30 November 2020.

AKFEN RENEWABLE ENERGY

- » In 2020, 1 SPP with a total installed power of 13 MW became operational, and 2 WPPs with an installed power capacity of 80 MW were purchased and added to the portfolio.
- » As a result of Akfen Renewable Energy's capital increase transaction on 17 February 2020, Akfen Holding's share was 66.91%, EBRD's share was 17.10%, and IFC's share was 15.99%.

AKFEN REIT

- » Due to the pandemic, Akfen REIT's 8 hotels in Turkey and 2 in Russia were closed at the end of March 2020. The closed hotels in Russia became operational in June, 6 closed hotels in Turkey became operational in August, and the remaining 2 hotels became operational in September. Additionally, the hotel in the TRNC stayed closed in April-May and between September 14 and November 2.
- » Akfen REIT's 100% subsidiary Akfen Real Estate Trade and Construction Inc.'s subsidiaries, which were located in the Netherlands and that owned investments in Russia (Russian Hotel Investment BV, which the company had a 97.89% share in; Russian Property Investment BV which the company had a 96.37% share in, and Hotel Development Investment BV which the company had a 100% share in), were liquidated on 3 November 2020 and the investments in Russia became subsidiaries of Akfen Real Estate Inc.

- » Akfen REIT reached an agreement with Credit Europe Bank NV Netherlands, Credit Europe Bank Ltd Russia and Fibabanka on 18 December 2020 to restructure the loan agreements currently worth EUR 177.73 million, to a maturity of 10 years.

ACACIA MINING

- » Acacia Mining's exports in 2020 reached USD 130 million.

MIP

- » MIP broke a record by exceeding 2 million TEU container business volume in 2020.
- » Thus, MIP became the largest container port in Turkey in 2020.

İDO

- » In 2020 the measures taken to fight the Covid-19 pandemic, such as the curfews and the stopping of intercity transportation, adversely affected the operational performance of İDO which had to temporarily suspend its services, canceled some and reduced scheduled services.
- » As of 14 October 2020, after the share transfers made as part of the restructuring of İDO's project finance, Akfen Holding's share in the company became 50%.

IBS INSURANCE & REINSURANCE BROKERING

- » On 10 March 2020, Akfen Holding signed a share sale agreement to transfer its 17% share in IBS Insurance to DASSAV Management and Consulting Inc. With the completion of the transaction, Akfen Holding's share in IBS Insurance decreased to 20%.
- » As of 28 December 2020, an agreement was signed for the sale of the remaining 20% share in IBS to Güçsav Management and Consulting Inc. (the sale was completed on 28 January 2021).

Fields of Activity



CONSTRUCTION

Akfen Construction

At the end of 2020, Akfen Construction completed its investments in city hospitals and real estate hotel investment projects with a total contract value of USD 280 million. Bodrum Loft holiday village project became operational in July and Tekirdağ City Hospital in December.

Subsidiary Share	100%*
Adjusted Turnover (mn US\$)	254
Adjusted EBITDA (mn US\$)	96
Total Assets (mn US\$)	1,396
Number of Employees	73

* Sum of direct + indirect shares



PORT MANAGEMENT

Mersin International Port

The volume of containers handled by MIP in 2020 reached 2 million TEU with an increase of 3.6% compared to the previous year. MIP became Turkey's largest container port in 2020.

Subsidiary Share	10%
Turnover (mn US\$)	322
EBITDA (mn US\$)	230
Total Assets (mn US\$)	1,372
Number of Employees	1,960
Partners	PSA, IFM Investors

PSA Akfen Port Management



ENERGY GROUP

Akfen Renewable Energy

Akfen Renewable Energy, which has one of the largest renewable energy portfolios in Turkey, continued its activities in 2020 with a total installed power capacity of 706 MW in 13 hydroelectric and 35 solar and 6 wind power plants.

Subsidiary Share	66.91%
Turnover (mn US\$)	146
EBITDA (mn US\$)	112
Total Assets (mn US\$)	1,148
Number of Employees	213
Partner	EBRD, IFC

Akfen Energy Generation*

Subsidiary Share	99%
-------------------------	-----

* As of January 2021, Akfen Holding's share in Akfen Energy Generation became 100%. As of March 2021, Akfen Holding's merger with Akfen Energy Generation Inc. has been completed.

Adana İpekyolu Energy Generation

Subsidiary Share	90%
-------------------------	-----



MINING

Acacia Mining

The Gökırmak Copper Mine project in the Hanönü District of Kastamonu started production in March 2019. In 2020, a total of 1.8 million tons of ore was processed and 101 thousand tons of copper concentrate was produced.

Subsidiary Share	30%
Turnover (mn US\$)	136
EBITDA (mn US\$)	87
Total Assets (mn US\$)	396
Number of Employees	225
Partners	İlbak, İzbir

Company financial data and employee numbers in this section are as of the end of 2020.



MARITIME TRANSPORT

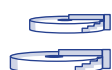
ido

Due to the pandemic, the number of passengers carried by ido in 2020 was 25 million; the number of vehicles was 5 million.

Subsidiary Share	50%
Turnover (mn US\$)	82
EBITDA (mn US\$)	24
Total Assets (mn US\$)	310
Number of Employees	1,041
Partner	Tepe Construction

ENVIRONMENT AND WATER

CONCESSIONS



Akfen Environment and Water

In 2020, the number of Akfen Water Güllük subscribers increased by 2% to 8,486, and the volume of water billed increased by 4% to 730 thousand m³. The amount of waste collected was 9 thousand tons.

Subsidiary Share	50%
Adjusted Turnover (mn US\$)	5
Adjusted EBITDA (mn US\$)	(0.3)
Total Assets (mn US\$)	8
Number of Employees	32
Partners	Kardan

OTHER

Travelex

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



REAL ESTATE INVESTMENTS

Akfen REIT

Akfen REIT's hotel portfolio consisting of 20 hotels (3,628 rooms) was adversely affected by the pandemic in 2020, and the average occupancy rate was 33%.

Subsidiary Share	56.88%
Turnover (mn US\$)	9
EBITDA (mn US\$)	7
Total Assets (mn US\$)	396
Number of Employees	17

* As of February 2021, Akfen Holding's share in Akfen REIT became 30.37% due to capital increases.



INSURANCE & REINSURANCE

BROKERAGE

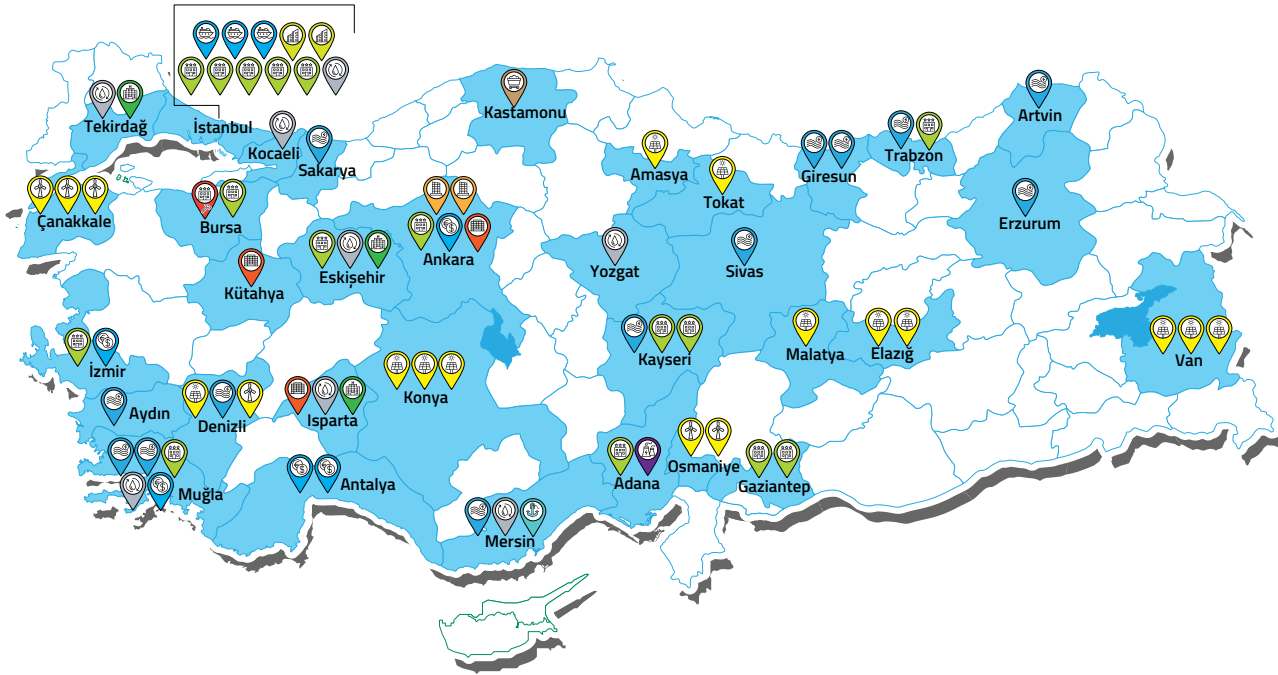
IBS Insurance & Reinsurance Brokerage

The premiums earned by the company in 2020 increased by 16% and reached 763 million TL.

Subsidiary Share	20%
Turnover (mn US\$)	10
EBITDA (mn US\$)	6
Total Assets (mn US\$)	44
Number of Employees	82
Partners	UIB, Real Persons

* On 28 January 2021, Akfen Holding sold all its remaining shares in IBS.

Subsidiary Share	10%
Turnover (mn US\$)	1.0
EBITDA (mn US\$)	0.03
Total Assets (mn US\$)	6.5
Number of Employees	41
Partners	Travelex, Tepe Cons., Sera



Domestic Investments

City Hospital (Completed)

- Isparta City Hospital
- Eskişehir City Hospital
- Tekirdağ City Hospital

Dormitory (Completed)

- Hacettepe Guest House/Ankara
- Isparta Dormitory
- Kütahya Dormitory

Housing Projects (Completed)

- İncek Loft / Ankara
- Bulvar Loft / Ankara

Office/House Projects (Completed)

- Levent Loft
- Levent Bahçe

Maritime Passenger Transportation (İDO)

- European Side: 9 Terminals
- Anatolian Side: 12 Terminals
- Marmara Region: 14 Terminals

Hotel Investments (Akfen Costruction) (Construction Ongoing)

- Uludağ Loft

Hotel Investments (Akfen REIT) (In Operation)

- Novotel Zeytinburnu / İstanbul
- Novotel İstanbul Bosphorus
- Novotel Trabzon
- Novotel Gaziantep
- Novotel Kayseri
- İbis Otel Zeytinburnu / İstanbul
- İbis Otel Esenyurt / İstanbul
- İbis Otel Eskişehir
- İbis Otel Gaziantep
- İbis Otel İzmir
- İbis Otel Kayseri
- İbis Otel Bursa
- İbis Otel Adana
- İbis Otel Esenboğa / Ankara
- İbis Otel Tuzla / İstanbul
- Bodrum Loft*

Port Concessions (MIP) (In Operation)

- Mersin International Port

Mining (Acacia Mining) (In Operation)

- Gökırmak Copper Mine Project / Kastamonu

Water and Wastewater Projects (Akfen Water) (In Operation)

- Güllük Municipality Fresh Water and Waste Water Concession Project / Muğla
- İDO Solid Waste Management Services / İstanbul
- MIP Solid Waste Man. Ser./ Mersin
- Yozgat City Hospital Solid Waste Man. Ser.
- Isparta City Hospital Solid Waste Man. Ser.
- Eskişehir City Hospital Solid Waste Man. Ser.
- Tekirdağ City Hospital Solid Waste Man. Ser.

HEPP Investments (In Operation)

- Sırma HEPP/ Aydın
- Demirciler HEPP/ Denizli
- Çamlıca III HEPP/ Kayseri
- Otluca HEPP/ Mersin
- Kavakçalı HEPP/ Muğla
- Saraçbendi HEPP/ Sivas
- Yağmur HEPP/ Trabzon
- Gelinkaya HEPP/ Erzurum
- Sekiyaka II HEPP/ Muğla

* As of February 9, 2021, Akfen REIT took over Masanda Turizm (Bodrum Loft).



HEPP Investments (cont'd)

- Doğançay HEPP/ Sakarya
- Doruk HEPP/ Giresun
- Çalıkobası HEPP/ Giresun
- Çiçekli I-II HEPP/ Artvin



WPP Investments (In Operation)

- Kocalar WPP/ Çanakkale
- Üçpınar WPP/ Çanakkale
- Hasanoba WPP/ Çanakkale
- Denizli WPP
- Saritepe WPP/ Osmaniye
- Demirciler WPP/ Osmaniye



SPP Investments (In Operation)

- Denizli SPP Projects (7 SPP Projects)
- Yaysun SPP / Konya
- Solentegre SPP / Elazığ
- Karine SPP / Elazığ
- Amasya SPP
- Tokat SPP Projects
- Omicron Engil SPP / Van
- Omicron Erciş SPP / Van
- PSİ SPP / Van
- ME-SE SPP / Konya
- MT Doğal SPP / Konya
- İOTA SPP / Malatya



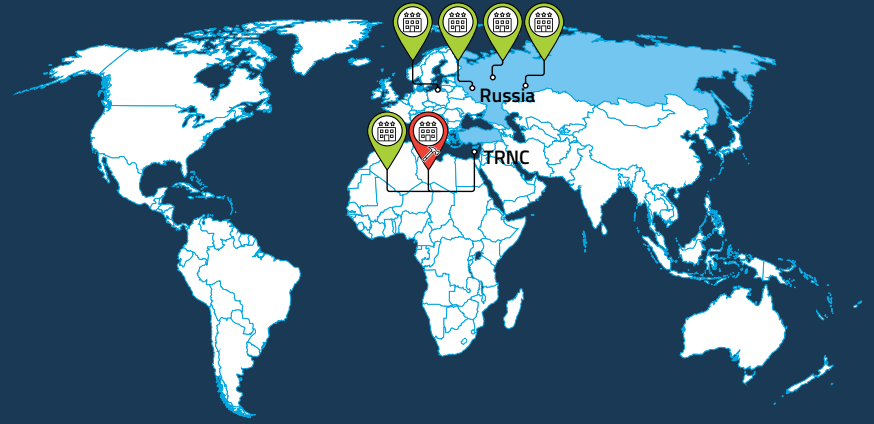
Other (Travelex) (In Operation)

- Antalya: 4 exchange points
- İzmir: 3 exchange points
- Ankara: 3 exchange points
- Alanya: 1 exchange points
- Kuşadası: 1 exchange points

Exited Investments

- TAV Construction
- TAV Airports
- TUV Turk Vehicle Inspection Stations
- Kuşadası Cruise Port/ Aydın
- Karasu-1 HEPP / Erzurum
- Karasu-2 HEPP / Erzurum
- Karasu-4.2 HEPP / Erzincan
- Karasu-4.3 HEPP / Erzincan
- Karasu-5 HEPP / Erzincan
- Pirinçlik HEPP / Karabük
- IBS Insurance
(İstanbul/Ankara/İzmir/Mersin)

Foreign Investments



Hotel Investment (Akfen REIT) (In Operation)

- Ibis Hotel Kaliningrad / Russia
- Ibis Hotel Yaroslavl / Russia
- Ibis Hotel Samara / Russia
- Ibis Hotel Moskova / Russia
- Merit Park Hotel Kyrenia / TRNC



Hotel Investment (Akfen Construction) (Construction Ongoing)

- Kıbrıs Bafra Hotel / TRNC

Our Partners



IFC



The International Finance Corporation was established in 1956 as the private sector arm of the World Bank Group. Headquartered in Washington. The corporation provides investment, consultancy and asset management services to encourage the progress of the private sector in developing countries; in order to reduce poverty, it aims to produce projects that increase employment and life standards by enabling the private sector to create new jobs.

EBRD



The European Bank for Reconstruction and Development, based in London, is an international financial institution founded in 1991. The EBRD was established to support the creation of a new era in the post-cold war period in Central and Eastern Europe. At present, it operates in more than 30 countries in the Southern and Eastern Mediterranean region, and in a vast area from Central Europe to Central Asia.

TRAVELEX



1976 yılında kurulan Travelex, döviz ve ilintili hizmetler alanında dünyanın lider uzman kuruluşudur. 24 ülkede faaliyet gösteren Travelex, gerek havalimanlarında gerek havalimanı dışı lokasyonlarda 950 ATM ve 1.000 hizmet noktasının yanı sıra her geçen gün gelişen online ve mobil döviz-alım satım hizmetleri platformları ile sınırlar arası fiziki ve dijital para hareketini global olarak yeniden yorumlayan bir platform oluşmasını sağlamış, böylece tüm müşterilerinin rekabetin bir adım ilerisinde kalmasını garanti altına almıştır.

IFM



For more than 20 years IFM Investors, a fund management company serving more than 15 million fund members and more than 280 institutional investors worldwide, has managed approximately AUD 105 billion in funds.

KARDAN N.V.



In addition to the real estate projects developed in Southeastern Europe, Kardan entered the Chinese market in 2005 and provides housing and shopping center development and management services. The company has also been providing services globally in the field of water and wastewater since 1952. Also, the company provides financial services and products in Bulgaria, Romania and Ukraine.

ACCOR



Founded in 1967, the Accor Group, based in France, has 5,100 hotels in 110 destinations including economic, medium, luxury and top classes.

İLBAK HOLDİNG



İlbağ companies came together in 2010 under a holding structure. İlbağ Holding, with İlan Marble, TETE Albania and Acacia Mining companies under its roof, aims to be a prominent brand in the mining sector. İlbağ Holding currently continues its active mining and exploration work in Turkey, primarily in Rize, Trabzon, Ordu, Giresun, Erzincan, Erzurum, Burdur, Kastamonu, Konya and Mersin provinces, and also in Albania.

TEPE CONSTRUCTION



Tepe Construction was founded by the Hacettepe University Foundation in Ankara in 1969. The restructuring process was completed in 1986 and the company continued its activities as a part of Bilkent Holding. Tepe Construction touches all aspects of life with the residential building, shopping center, hospital, educational building, industrial facility and infrastructure projects that it has constructed since the day it was founded.

PSA



PSA, one of the largest port operators in the world, was established in Singapore in 1972. Serving at 50 ports in 26 countries, PSA handled a total of 86,6 million TEU containers in all ports worldwide in 2020.

Dear Partners,

As Akfen Group, all through the pandemic, we have continued to realize our investments in many sectors in which we have been operating

Turkey and the world spent almost all of 2020 in a climate of stagnation and uncertainty under the shadow of the coronavirus pandemic. Starting with the beginning of 2020, as the pandemic snowballed all over the world, we experienced a period where normal life stopped. An environment where countries closed their borders to each other, education in schools was interrupted, and many companies stopped activities completely, caused a rare kind of uncertainty.

While the only agenda of the world was the fight against the coronavirus, even giant economies came to a standstill. While the coronavirus crisis caused serious damage without distinction between developed-underdeveloped-developing economies, parameters such as production, exports and economic confidence remained in the background. States have given their full attention to launching support packages for their citizens suffering from restrictions.

Taking the potential of the Turkish economy as well as the improvement in the world markets into consideration, we anticipate that the Turkish economy will start growing as of the beginning of 2021. The improvement in consumption and foreign trade figures in Turkey in the coming period will support growth. In an environment where foreign investments can increase, we expect the growth figures to be high, with positive developments in tourism and construction investments.

WE IMPLEMENT PRE-PLANNED INVESTMENTS

Since the beginning of 2020, we are experiencing unexpected developments due to the pandemic in Turkey and globally. In such an environment, we, as Akfen Group, have continued to implement our previously planned investments in many sectors in which we operate, from mining to energy, from port management to tourism, since the beginning of the pandemic.

The biggest project of Akfen in 2020 was undoubtedly Tekirdağ City Hospital, which we completed on the promised date, as in all our jobs. There are 124



polyclinics, 18 operating rooms and 102 intensive care units in the 566-bed City Hospital, which was opened on 13 November 2020 and will make Tekirdağ a center of attraction in the health sector.

We opened the Isparta, Eskişehir and Tekirdağ City Hospitals, which we undertook the construction of, for a total cost of 1.1 billion dollars. We are happy to be instrumental in helping our nation benefit from the world-class 2,402 beds and other services in these hospitals today, free of charge.

Another outstanding investment of 2020 was the Bodrum Loft project, which we realized in Bodrum. In our Bodrum Loft project, which we designed as a modern village that respects the environment and opened its doors in July, 128 units in 36 independent villas are rented on a long-term basis. The Bodrum Loft, which we have realized in order to position in the right place in the sector and set an example, rather than making big profit, has been mentioned frequently. The fact that the Bodrum Loft is the only hotel in Turkey among the 300 hotels that the Leading Hotels of the World promotes globally, is an important indicator that it will host foreign tourists in the future.

In addition to these projects, we continued our activities and investments in Akfen Renewable Energy, Acacia Copper Mine and Mersin Port.

During the pandemic period, while completing our current investments, we had to spare time for the financing studies of the projects. However, with the removal of uncertainty and the improvement of the investment environment supported by strong growth rates in Turkey in the coming period, I believe that we will now direct our investment appetite towards strategic investments that will create value.

As Akfen, we will continue to create value for our country, which we love very much.

Regards,
HAMDİ AKIN

Honorary President of Akfen Group

Dear Stakeholders,

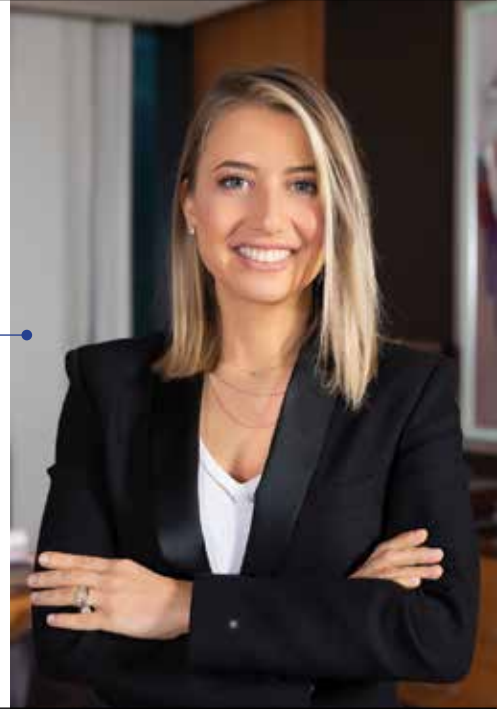


PELİN AKIN ÖZALP

Akfen Infrastructure Holding
Deputy Chairman of the
Board of Directors

SELİM AKIN

Akfen Infrastructure Holding
Chairman of the Board



Although the pandemic conditions affecting the whole world brought great difficulties in every field, we leave the year 2020 behind with the pride of implementing, one after the other, all the investments we have undertaken as Akfen Group

Although the pandemic conditions affecting the whole world brought great difficulties in every field, we leave the year 2020 behind with the pride of implementing, one after the other, all the investments we have undertaken as Akfen Group.

In 2020, we observed that the fact that the pandemic brought the world's real economies to a standstill adversely affected the ongoing investments and revenues of operational companies, especially in our country. In this sense, we have witnessed a serious loss of income for our companies operating in the tourism, restaurant services and maritime transportation sectors.

However, the pleasing development for our Group was that we successfully completed the construction of our Bodrum Loft holiday village project and Tekirdağ City Hospital, despite all kinds of difficulties, at a time when working hours decreased significantly and production decreased accordingly. In energy, port management, health and construction, we did not experience a significant loss of operational income due to the pandemic.

MIP BECAME THE LARGEST CONTAINER PORT OF TURKEY

As Akfen Holding, we issued a 2-year maturity bond with a nominal value of 150 million TL to qualified investors on 7 February 2020. When we look at the sectors in which we operate, we opened our Bodrum Loft holiday village, which will set an example for the entire tourism sector with a new understanding that respects the environment and nature, on 1 July 2020. We completed Tekirdağ City Hospital, another giant facility that we had the honor of offering to our citizens during the pandemic period, and put it into operation on 13 November 2020 under the auspices of the Ministry of Health of the Republic of Turkey.

During the pandemic period, our activities in some sectors continued without rest. In our Akfen Renewable Energy company, whose installed power we increased with on-going active investments, 1 SPP with a total installed power of 13 MW started operating in 2020, and we purchased and added to the portfolio 2 WPPs with an installed power capacity of 80 MW. As a result of the capital increase transaction on 17 February 2020, Akfen Holding's share became 66.91%, EBRD's share became 17.10%, and IFC's share became 15.99% in our energy company, which has reached a total power of 706 MW.

Acacia Mining, our copper mine in Hanönü, Kastamonu, continued production in 2020. Exports from the mine reached USD 130 million. Mersin International Port (MIP) exceeded 2 million TEU container business volume in 2020 and became the largest container port in Turkey.

HOTELS AND SEA TRANSPORTATION WERE NEGATIVELY AFFECTED BY THE PANDEMIC

Some of our activities were also adversely affected by the pandemic. Akfen REIT's 8 hotels in Turkey and 2 hotels in Russia were closed at the end of March 2020. While the closed hotels in Russia started to operate in June, 6 closed hotels in Turkey became operational in August, and the remaining 2 hotels in September. Additionally, the hotel in the TRNC remained closed in April-May and between September 14 and November 2.

On 18 December 2020, we restructured Akfen REIT's loan agreements with Credit Europe Bank NV Netherlands, Credit Europe Bank Ltd Russia and

Fibabanka, currently worth 177.73 million Euros, to a maturity of 10 years.

In 2020 the measures taken to fight the Covid-19 pandemic, such as the curfews and the stopping of intercity transportation, adversely affected the operational performance of İDO which had to temporarily suspend its services, canceled some and reduced scheduled services. After the share transfers made as part of the restructuring of İDO's project finance, as of 14 October 2020, Akfen Holding's share in the company became 50%.

WE CREATED A CULTURE OF REMOTE WORKING

As part of the health measures we have taken as Akfen Group, we have closed all our offices as of 17 March 2020, allowing our personnel to work remotely. We have completed most of our investments in order to carry out remote work in a complete and sustainable manner. Today, we can say that we have created a remote working culture to a certain extent in a short time under the umbrella of Akfen. This situation has started to reflect effectively on all business processes. Ensuring the continuation of this situation in the future will be our first agenda.

Additionally, we have made important changes on the Performance Evaluation System, which we put into use before the pandemic, in order to increase efficiency and performance. At this point, we are going to renew it considering the remote working conditions. We believe that this will have important returns as an example of changing business styles under pandemic conditions.

We have an expectation that 2021 will be much better than the year we left behind in every sense. We foresee an environment where the effects of the pandemic, which has taken over the whole world and our country, will decrease. We expect a year in which the negative effects experienced by all sectors will heal, the markets will recover and the economic indications will start to improve. With this situation, we are planning to create a market where we can see a little further ahead in our activities. We, as Akfen Group, wish that it will be a year in which we will continue to make investments that will create value for our country and our nation with our usual enthusiasm.

Regards

Akfen Infrastructure Holding

Financial Results (2020)

Akfen Infrastructure Holding's growth in total assets and equity continued in 2020

The main changes in Akfen Holding's subsidiary portfolio that affect Akfen Infrastructure Holding's financial results in 2020 are as follows:

- As a result of Akfen Renewable Energy's capital increase completed on 17 February 2020, Akfen Holding's share became 66.91%. Akfen Renewable Energy has been consolidated with a rate of 66.91% in the balance sheet dated 31 December 2020, and in the income statement with a rate of 66.13% before the capital increase in 1Q20 financials, and with a rate of 66.91% since 2Q20.
- On 10 March 2020, Akfen Holding transferred its 17% share in the total capital of IBS Insurance and its share in IBS Insurance decreased to 20%. IBS Insurance has been consolidated with a 20% rate in its balance sheet dated 31 December 2020, a pre-sale rate of 37% in its 1Q20 income statement, and a 20% rate as of 2Q20. Additionally, the contract for the sale of the remaining 20% shares in IBS was signed in December 2020 (and the said share sale was completed as of 29 January 2021), therefore, it has been accounted for as "assets held for sale" in the 31 December 2020 financial statements.
- After the share transfers as of 14 October 2020, within the scope of the restructuring of İDO's project finances, Akfen Holding's share, which was previously 30%, became 50%. Profit or loss items of İDO were consolidated with 30% until 3Q20, the accounting period closest to the share increase date, and 50% after 3Q20.

BALANCE SHEET

Consolidated Assets: Akfen Infrastructure Holding's total consolidated assets in 2020 increased by 26% compared to 2019 and reached 17.99 billion TL. Financial assets related to concession agreements which saw a fair increase in value in 2020/ receivables from ongoing service agreements and the increase in investments valued by the equity method, mainly due to Akfen Renewable Energy, were the main reasons for this increase..

Consolidated Equity: At the end of 2020, Akfen Infrastructure Holding's consolidated equity reached 6.6 billion TL, an increase of 32% compared to the previous year.

Consolidated Financial Debt: While Akfen Infrastructure Holding's consolidated financial debt was 7.0 billion TL in 2019, it reached 8.9 billion TL in 2020. On the other hand, the company's net financial debt, which was 4.40 billion TL in 2019, reached 6.33 TL billion in 2020.

* Akfen Infrastructure Holding's adjusted turnover according to IFRS-12 was 1,742 million TL in 2020 (2019: 1,266 million TL).

INCOME STATEMENT

Revenues: Akfen Infrastructure Holding's revenue for 2020 was 1,184 million TL (2019: 835 million TL). Akfen Construction's Tekirdağ hospital project revenues, which was completed in 2020, were effective in the increase compared to 2019.

Operating Profitability: Gross profit was 146 million TL in 2020 (2019: 188 million TL). In 2020, Akfen Infrastructure Holding's operating profit was 1,279 million TL. On the other hand, Akfen Infrastructure Holding's adjusted EBITDA according to IFRS-12 (for hospital guaranteed rental income) increased by 19% to 631 million TL in 2020 (2019: 530 million TL). In this context, the adjusted EBITDA margin stood at 53% in 2020*.

Profit for the Period: The net profit for the period, which was 667 million TL in 2019, became 47 million TL in 2020. Other developments that had a significant impact on net profit in 2020 are summarized below:

Income from Investment Activities, net: Net income from investment activities, which was 476 million TL in 2019, decreased by 59% to 194 million TL in 2020. The main reasons for the decrease were the relative decrease, compared to the previous year, in participation share sales/share exchange profits and value gains in foreign currency financial investments.

Net Finance Expenses: Net finance expense, which was 729 million TL in 2019, reached 1,652 million TL in 2020, mainly due to foreign exchange losses due to the depreciation of TL.

Main Financial Indicators

Summary Balance Sheet (million TRY)	2020	2019	Change
Total Current Assets	3,328	3,068	8%
Cash and Cash Equivalents	1,627	2,085	-22%
Financial Investments	475	20	2,317%
Financial Assets Related to Concession Agreements	862	423	104%
Receivables from Ongoing Construction, or Service Contracts	0	77	-100%
Other Receivables	58	91	-36%
Stocks	43	71	-39%
Other Current Assets	248	298	-17%
Assets Reclassified as Held for Sale	15	3	416%
Total Fixed Assets	14,663	11,174	31%
Financial Investments	2,620	2,415	8%
Financial Assets Related to Concession Agreements	6,514	4,361	49%
Receivables from Ongoing Construction, or Ser, Contracts	0	707	-100%
Other Receivables	752	535	41%
Investments Accounting Using the Equity Method	2,188	1,368	60%
Property, plant and equipment	358	110	224%
Intangible assets	106	98	8%
Investment Properties	1,133	875	29%
Deferred Tax Assets	914	627	46%
Other Non-Current Assets	79	78	1%
Total Assets	17,991	14,242	26%
Financial Liabilities	8,950	7,039	27%
Trade Payables	1,088	1,261	-14%
Other Liabilities	1,309	901	45%
Total Liabilities	11,347	9,201	23%
Equity Att, to Equity Holders of the Parent	6,665	5,066	32%
Non-Controlling Interests	-22	-25	n.m.
Shareholders' Equity	6,644	5,041	32%
Total Liabilities and Equity	17,991	14,242	26%
Summary Income Statement			
Revenues	1,184	835	42%
Gross Profit	146	188	-22%
Operating Profit	1,279	901	42%
Income / Expenses from Investment, Activities, Net	194	476	-59%
Financial Expenses, Net	-1,652	-729	n.m.
Profit Before Tax	-178	647	n.m.
Net Profit for the Period	47	667	-93%
Non-Controlling Interests	3	-23	n.m.
Equity Holders of the Parent	44	690	-94%
Summary Cash Flow Statement			
Cash Flows from Operating Activities	458	-10	n.m.
Cash Flows from Investment Activities	-432	103	n.m.
Cash Flows from Financing Activities	-408	-122	n.m.
Net (Decrease) / Increase in Cash and Cash Equivalents	-382	-30	n.m.
Cash & Cash Equivalents at the Beginning of the Period	2,002	2,032	-1%
Cash & Cash Equivalents at the End of the Period	1,620	2,002	-19%
Financial Indicators			
Current Ratio	0,8	1,2	-0,4
Liquidity Ratio	0,7	1,2	-0,4
Total Financial Debt / Equity	1,3	1,4	0,0
Financial Leverage	1,1	1,1	0,0

CHAPTER 2

AKFEN INFRASTRUCTURE HOLDING GROUP COMPANIES & PROJECTS

AKFEN CONSTRUCTION

HOUSE INVESTMENTS

- › İncek Loft
- › Bulvar Loft

HEALTH INVESTMENTS

- › Isparta City Hospital
- › Eskişehir City Hospital
- › Tekirdağ City Hospital

DORMITORY INVESTMENTS

- › Hacettepe Guest House
- › Isparta Dormitory
- › Kütahya Dormitory

OTHER INVESTMENTS

- › HEPP Construction
- › Bafra Hotel / TRNC
- › Bodrum Loft

OTHER SUBSIDIARIES

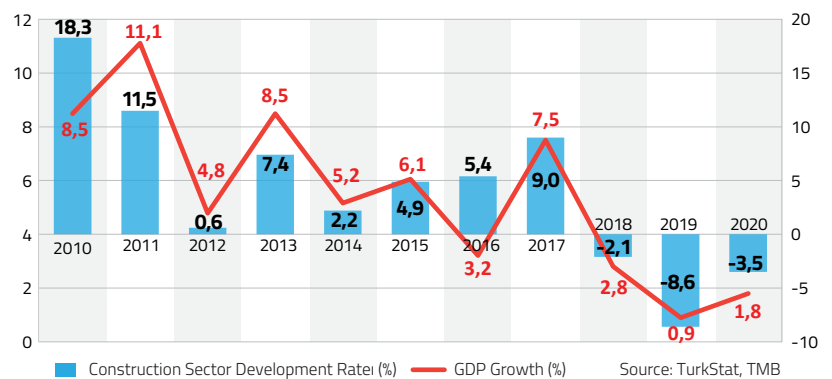
- › Travelex
- › Akınısı Machinery
- › Akfen Tourism Investments
- › Tepe-Akfen Reformer
- › Akfen Cons. & Project Development
- › Akfen Real Estate Portfolio Management
- › Masanda Tourism
- › Akfen Merter

Construction Industry

SHRUNK BY 3.5% IN 2020

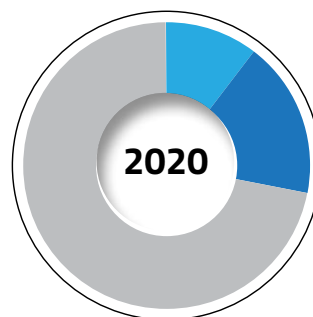
The pandemic, which affected the whole world in 2020, negatively affected the construction sector like many other sectors. The construction sector felt the impact of the epidemic especially in the second quarter, due to the large number of sectors it is connected to. Then, with the loan support packages implemented by the government during the pandemic period, declining interest rates and the strong increase in house sales, recorded a growth of 6.4% in the third quarter. However, the end of the support packages provided due to the pandemic and the increase in loan rates had a negative impact on the sector in the last quarter, and the construction sector shrank by 3.5% in 2020.

Construction Sector Development



General Information About Ankara

Distribution of House Sales



	Total sales (unit)	Share (%)
■ Ankara	157,095	10.5
■ İstanbul	265,098	17.7
■ Other	1,077,123	71.8
Total	1,499,316	100.0

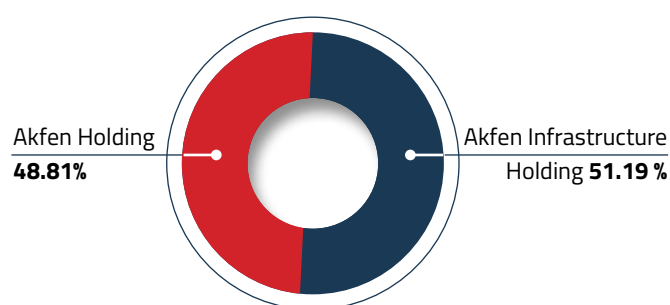
Ankara, whose population density is increasing day by day, has a share of 3.19% in Turkey's surface area in terms of its provincial land. According to official data of 2020, Ankara, where 5 million 663 people live, is the most populous city in Turkey after Istanbul.

In 2020, 157 thousand of the 1 million 499 thousand houses sold throughout Turkey were sold in Ankara. Ankara's share in total sales is 10.5%, which makes it the city with the second highest number of residential sales in Turkey following Istanbul. In 2019, this rate was 9.8%.

While 573 thousand 337 houses across Turkey were sold with mortgages in 2020, the number of mortgage sales in Ankara was 73 thousand 426 units, and its share in total sales reached 13%.

Akfen Construction

Akfen Construction, the 'Flagship' of Akfen Infrastructure Holding, has completed more than USD 3.5 billion worth of construction projects in the 35 years since its establishment



Akfen Construction, the flagship of Akfen Infrastructure, multiplies its energy with new areas of expertise it adds to its portfolio. After 2013, new areas were added to the high-skill requiring construction projects such as hotels, airport terminals, runways, industrial facilities, hydroelectric power plants, and pipelines.

INTENSE EXPERIENCE WAS GAINED FROM PPP PROJECTS...

Hospitals are at the forefront of these areas. Akfen Construction quickly gained a great deal of experience in the construction of city hospitals built with the Public-Private Partnership (PPP) model. From among the city hospitals whose construction started in Isparta, Eskişehir and Tekirdağ, Isparta City Hospital was completed in March 2017 after a short period of 12 months and 12 days; Eskişehir City Hospital was completed in October 2018. Having completed the Tekirdağ City Hospital project within 2 years, Akfen Construction also put this hospital into operation in 2020 and therefore delivered all the

projects it undertook on time, providing the Ministry of Health with the greatest support in successfully fighting the Covid-19 pandemic in 2020.


The company brought its expertise to a higher level by adding to the office-residences it built in Levent, Istanbul with the Loft concept, the giant housing projects such as Bulvar Loft and İncek Loft in Ankara.

The company has successfully completed many superstructure construction projects such as hospitals, dormitories, schools and mixed-type real estate projects, as well as various infrastructure constructions such as airport terminals and related infrastructure constructions, hydroelectric power plants, water distribution, sewerage systems and wastewater treatment, and as a result has completed over USD 3.5 billion of construction projects.

As of 31 December 2020, the company has successfully completed all of its projects with a contract value of USD 280 million, and there is no backlog as of the end of the year.

Akfen Construction's experience, while making significant contributions to the group activities, has played an important role as the driving force of the ever-growing Turkish economy.

Continuing on its way with partners who have a global presence in every field and by creating a strong network of relations, Akfen works with national or regional governments or major local industry groups, which enable it to consolidate its reputation at home and abroad.

	Akfen Construction Share (%)	Contract Amount (US\$)	Physical Progress 31.12.2020 (%)
	Çiçekli HEPP Project (Engineering Works)	15,592,914	100.0
	Tekirdağ City Hospital	235,480,300	100.0
	Bodrum Loft Project	28,962,559	100.0
	Total	280,035,773	

Akfen Construction's Housing Investments

Akfen Construction, which provides services for engineering, project design and construction works in superstructure projects as well as infrastructure constructions, has built more than 2,000 modern flats in Ankara

Akfen Construction has a significant investment portfolio in superstructure projects as well as infrastructure projects. The company provides services for project design, engineering and construction works in a wide range of housing estate, luxury housing, hotel, shopping mall, hospital, school, library, lodging and military building projects. In addition to the Levent Loft, which was built in Levent, Istanbul with the Loft concept, two important housing projects were completed successfully in Ankara.

Akfen Construction completed its first investment in 2016 in the İncek District, which is rapidly growing as the new residential area of the city and is called the "golden triangle". 80% of İncek Loft was quickly sold out due to its proximity to educational and health institutions.

Following this success, the second project was Bulvar Loft. The project with 822 flats was completed at the end of 2018. Thus, Akfen Construction has added more than 2,000 modern, luxury apartments to the Ankara housing market.

ENVIRONMENTALLY FRIENDLY HOUSING PROJECTS

Akfen Construction, which has built a construction area of nearly half a million square meters on a total land of 145 thousand square meters, has also treated nature with respect in its housing projects. Just like how the Group turned to renewable sources of energy, it offers the citizens and the country an opportunity for a healthy life with its social facilities and landscaping area that reaches 70% in housing projects.

Akfen Construction's housing investments, which offer investment opportunities as well as peaceful living spaces, have succeeded in providing high returns to its investors over the last 2-3 years, despite the ups and downs in the economy.

Incek Loft Project

Akfen Construction's project in Ankara's "golden triangle" was completed in 2016

The foundations of Incek Loft, the first real estate project of Akfen Construction in the region defined as the 'golden triangle' of Ankara, were laid in 2014. Looking at the general silhouette, it is described as the most beautiful project of Ankara by far.

The project offers significant opportunities to real estate investors in terms of price performance, product segment and visuals. Working with Tabanlıoğlu Architecture, the architect of Levent Loft, one of the iconic projects of Istanbul, and Loft Garden, Akfen Construction has created buildings to meet different living and investment demands in Incek Loft.

HOUSING AREAS

One of the most important features of Incek Loft is that 68% of the project consists of landscaping and social facility areas, within the framework of respect for urban values and natural resources. In the project; the garden, terraces and all residences have been designed to make optimal use of daylight and the general view.

COMMERCIAL AREAS

In the project, the shopping area, which is organized as open, semi-open and closed areas, is called "Loft Street", which is open to pedestrian access at street level, and is designed to also serve those coming from outside. Incek Loft has 43 commercial areas spread over 8,027 square meters. Akfen Tourism was established to operate commercial areas.



Incek Loft

Social Facilities and Landscape Area

68%

Number of Houses

1,199 units

Number of Commercial Area

43 units

Opening Date

2016 April

Incek Loft has 43 commercial areas spread over 8 thousand square meters. A company named Akfen Tourism was established for commercial areas





Bulvar Loft Project

Life in the project, which has 822 flats in total, started in 2019

After Levent Loft, Loft Garden and İncek Loft, Akfen Construction completed its fourth project of the Loft concept, Bulvar Loft, in May 2019 as promised, and delivered it to the beneficiaries. Bulvar Loft carries the signature of A Architectural Design, the largest architectural office of the Capital, which has worked on many big projects in Ankara. Unlike İncek Loft, Bulvar Loft focuses on living spaces. The project has been developed to appeal to middle/upper socio-economic groups. The project is located at the intersection of Yavuz Sultan Selim Boulevard, which connects northern settlements such as Etimesgut, Çayyolu and Beysukent, to the south, and İncek Boulevard, which connects Oran, Mamak and İncek settlements in the east-west direction.

75% GREEN & LANDSCAPE AREA

In the central part of the Bulvar Loft project, 75 percent of which is allocated to green landscaping, there is a social region with 31 commercial areas built on 10 thousand square meters. With the decrease in loan interest rates in mid-2019, there is a dynamism in sales, which has not been seen over the last two years, in Bulvar Loft as well as in Ankara.

The commercial area in Bulvar Loft is spread over 10 thousand square meters



Bulvar Loft

Land Area
37 thousand m²

Construction Area
170 thousand m²

Number of Houses
822 units

Number of Commercial Areas
31 units

Opening Day
2019 May

Bodrum Loft Project*



NUMBER OF BLOCKS

19

NUMBER OF VILLAS

36

NUMBER OF ROOMS

128

Distribution of villas;

- ⊙ 20 units 2+1,
- ⊙ 12 units 3+1,
- ⊙ 4 units 4+1

NO. OF BEDROOMS

92

DOUBLE BED

40

TWO SINGLE BEDS

52

There are 92 bedrooms in the facility, 40 of which have double beds and 52 of which have 2 single beds. There are 36 social spaces available.

Bodrum, where world-famous tourism brands appear one after the other, is considered the future of Turkish tourism by sector representatives

Investments in touristic facilities are being made one after another in Turkey, one of the world's leading tourism countries. Among them, the most appealing place for hotel investments is Bodrum, a popular holiday destination.

In Bodrum, which is the focus of many domestic and foreign tourists especially in the summer months, the hotels that are opened and are planned to open over the last 3 years are particularly noteworthy. Bodrum, where world-famous tourism brands appear one after the other, is considered as the future of Turkey's tourism by sector representatives.

Akfen Infrastructure Holding has also rolled up its sleeves to develop a project in Bodrum, where world-famous giant hotel chains flock to. The Bodrum Loft project is a five-star holiday village built on land allocated by the Ministry of Culture and Tourism, 15 kilometers away from the center of Bodrum.

The allocated company is Masanda Tourism Investments Inc. and the allocation period is 49 years. The project covers 57.000 m² and its construction area is 14.517 m².

The concept design and architecture of the project was carried out by Tabanlıoğlu Architecture.

Bodrum Loft in Numbers

Allocating By	Ministry of Culture and Tourism
Land Area	57,000 m ²
Construction Area	22,586 m ²
Allotment Period	49 years
Delivery Date	2020
Design	Tabanlıoğlu Architecture

As of February 9, 2021, Akfen REIT took over Masanda Turizm (Bodrum Loft).



HEPP Construction

Another type of Akfen Construction's specialty construction projects such as hospitals, hotels and airports is the construction of hydroelectric power plants.

Akfen Construction, a subsidiary of Akfen Infrastructure, undertook the construction of 14 hydroelectric power plants of Akfen Renewable Energy, another company of the group.

LAST DELIVERED PROJECT IS ÇİÇEKLİ HEPP

Akfen Construction, which has delivered 14 HEPPs to date, has finally completed the construction of Çiçekli HEPP in Artvin on 26 September 2019. The total installed power of the HEPPs delivered to date has reached 235.7 MW. Additionally, Karasu HEPP with an installed capacity of 26 MW, whose construction was completed in 2012/13, was sold to the Aquila Group.



Bafra Hotel, TRNC

Bafra Hotel Project is being built on the Bafra Village Beach of Cyprus. The land has been allocated to Akfen Tourism and Trade Inc. for 49 years by the Cyprus Forestry Administration. The construction to be made on an area of 224,527 square meters will cover 85,364 square meters.

The construction area in the hotel project, which will consist of two stages, is planned to be 50,924 square meters in the first phase and 34,440 square meters in the second phase. There are a total of 403 rooms and 1,042 beds in the hotel part of the project. The first stage will consist of 201 rooms and 522 beds and the second stage will consist of 202 rooms and 520 beds. Additionally, the project includes 50 villas with a total of 200 beds. When the project is completed, it will serve as a hotel with 453 rooms and 1,242 beds. The construction permit for the project was obtained on 03 October 2016.

TRNC Bafra Hotel in Numbers

Allocating By	TRNC Forestry Administration
Land Area	224,527 m ²
Permitted Floor Area	78,585 m ²
Construction Area	85,364 m ²
No. of Rooms / Beds	453 rooms/ 1,242 beds
Allotment Period	49 years (30.12.2059)
Design	YPU Architecture



City Hospitals

The system in the city hospitals project covers a period of 28-29 years in total, 1 year of which is preparation, 2-3 years of investment and 25 years of operation

FIRST CITY HOSPITAL STARTED OPERATING IN 2017

City hospitals have been put into practice to meet the quality and modern health service needs of the Turkish people. The first of the projects implemented with PPP was put into service in January 2017.

The system was founded on the idea that the construction of the hospitals and the implementation of all the main services would be carried out by the private sector in return for a certain rent from the public. In this model managed by the Ministry of Health, Public Private Partnership Department, the target is to increase the quality of health services provided to the public with a lower cost. In the project, the construction and completion process covers 28-29 years, 1 year of which is preparation, 2-3 years of investment and 25 years of operation. It is envisioned that the hospitals built at the end of the contract will be transferred to the public.

13 HOSPITALS IN OPERATION, FIVE UNDER CONSTRUCTION

Currently, there are 13 PPP city hospitals in Turkey that are in operation and 5 are under construction.

The Ministry of Health has decided to use the contracting model instead of the PPP model for new hospitals to be built. The tenders for new hospitals will be decided according to the lowest cost offer, within the feasibility prepared by the General Directorate of Health Investments.



Akfen Construction's City Hospital Investments

Akfen Construction completed three city hospitals with an investment of USD 1.1 billion

THE CONSTRUCTION OF THREE HOSPITALS WAS UNDERTAKEN

Akfen Construction, which undertook the construction and operation of three city hospitals in Isparta, Eskişehir and Tekirdağ, successfully completed the Tekirdağ City Hospital in 2020 and now all the projects are in the service of the Ministry of Health.

Akfen Construction undertook three of the city hospitals to be built with the PPP model after the restructuring in the Turkish health sector. Of the 20 health complexes approved by the state, Akfen Construction won the tenders for the construction and operation of city hospitals in the provinces of Isparta, Eskişehir and Tekirdağ, and committed to invest a total of USD 1.1 billion in this area.

SERVED 6 MILLION PATIENTS OVER 4 YEARS IN ISPARTA

Isparta City Hospital, the first of the three city hospitals, was handed over to the Ministry of Health with a ceremony held on 24 March 2017. Working with a performance beyond its capacity, Isparta City Hospital succeeded in serving 6 million patients over four years of operation.

TWO HOSPITALS STOOD OUT WITH THEIR SERVICES DURING THE PANDEMIC


Eskişehir City Hospital, which was put into service on 27 October 2018, reached 3.4 million patients in its second year.

Both hospitals stood out for their greatest service to the Ministry of Health in the successful fight against the Covid-19 pandemic throughout 2020.

The newest devices of modern medicine are used in hospitals with a total construction area of 705,960 square meters. The Ministry of Health stated that Isparta City Hospital is considered as an example for many hospital investments currently in progress, both in terms of construction and hospital equipment.

Isparta City Hospital

Isparta City Hospital, whose construction was completed in 12 months and started operation in March 2017, has served 6 million patients to date

<p>26 AUGUST 2014 <i>Date when project contract was signed</i></p> <p>JANUARY 2015 <i>Date when credit agreement was signed</i></p> <p>16 FEBRUARY 2016 <i>Construction started</i></p> <p>1 MARCH 2017 <i>Construction completed</i></p>	<p>FIRST PATIENT ADMITTED IN MARCH 2017</p> <p>It is the first city hospital of Akfen Group to be put in service. Isparta City Hospital, which is built on an area of 178 thousand square meters and has a bed capacity of 755, started accepting its first patients after the ceremony held on 24 March 2017.</p> <p>EMPLOYMENT PROVIDED TO 1,528 PEOPLE, 940 OF WHICH WERE NEWLY EMPLOYED</p> <p>The Ministry of Health will be a tenant for 25 years in Isparta City Hospital, which provides free health services to citizens as a public hospital. As the responsibility of medical services remains with the public in the system, the employment regime of health personnel does not change. The total number of employees in the facility was 1,528, 940 of which were newly employed. All services such as data processing, security, cleaning, dining hall and parking lot are covered by Akfen Construction, which undertook the construction and operation of the hospital.</p>	 <p>Isparta City Hospital</p> <p>Total Area 179 thousand m²</p> <p>Construction Area 221 thousand m²</p> <p>Opening Date 2017</p> <p>Operating Duration 25 years</p> <p>Total Beds 755 units</p> <p>Polyclinic 167 units</p> <p>Operating Rooms 20 units</p> <p>Polyclinic Services 10 thousand people/day</p>
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Eskişehir City Hospital

Eskişehir City Hospital, the largest of the three projects undertaken by Akfen Group, meets an important need not only of the city but also of the surrounding provinces

Eskişehir City Hospital, the second city hospital of the Akfen Group to be put into service, is built on an area of 188 thousand square meters and has a total bed capacity of 1,081. The hospital, which was put into service on 27 October 2018, has a total construction area of 333 thousand square meters. While 710 of the beds were allocated to general health units, 117 beds were allocated to the oncology unit, 154 beds to the cardiovascular unit, and 100 beds to the High Security Forensic Psychiatry (HSFP) unit. The hospital occupancy rates, which meet an important need of the region, are also at a very high level.

WORLD CLASS MEDICAL EQUIPMENT

The hospital also has special areas such as a nursery for children receiving treatment, dialysis and burn units. The hospital is among the leading hospitals in the region with its 249 outpatient clinics and world-class advanced technology medical equipment. With 37 operating rooms, it serves not only Eskişehir but also patients from surrounding cities.



Eskişehir City Hospital

Total Area	188 thousand m ²
Construction Area	333 thousand m ²
Investment Amount	512 million USD
Opening Date	2018
Operating Duration	25 years
Total Beds	1,081 units
Single Rooms	695 units
Double Rooms	193 units
Polyclinic	249 units
Operating Rooms	37 units
Polyclinic Services	10 thousand people/day

20 AUGUST 2015

Date when project contract was signed

AUGUST 2016

Date when credit agreement was signed

30 DECEMBER 2016

Construction started

27 OCTOBER 2018

Construction completed



Tekirdağ City Hospital

Tekirdağ City Hospital, the largest health center of the Thrace Region, was put into service in November 2020

THE LARGEST HEALTH PROJECT OF THRACE

The hospital, which is the third project undertaken by Akfen Group, was put into service in 2020 and became the largest healthcare center in the Thrace Region.

Tekirdağ City Hospital, with a total capacity of 480 beds, stands out as the largest hospital in the Thrace Region. The contract was signed with the Ministry of Health on 12 August 2016 and the hospital was built on an area of 114 thousand square meters.

INVESTMENT IS USD 260 MILLION

Tekirdağ City Hospital, with an investment amount of USD 260 million, was designed as a smart hospital like the other two hospitals of Akfen Group. Like in the Isparta and Eskişehir City Hospitals, seismic isolators were used in the construction of the Tekirdağ City Hospital, which came into service in 2020, to increase earthquake resistance. This was a technology that was not used in hospitals until that day.

Tekirdağ City Hospital has a closed parking area of 45 thousand square meters with a capacity of 1,152 vehicles.

With the opening of Tekirdağ City Hospital, the total bed capacity in the three hospitals that Akfen Group undertook increased to 2,316, the number of operating rooms to 74 and the number of polyclinics to 544.



Tekirdağ City Hospital

Total Area	114 thousand m ²
Construction Area	159 thousand m ²
Investment Amount	260 million USD
Opening Date	2020
Operating Duration	25 years
Total Beds	480 units
Single Rooms	172 units
Double Rooms	100 units
Polyclinic	128 units
Operating Rooms	18 units

128 POLYCLINICS, 18 OPERATING ROOMS

The hospital has 128 polyclinics, 18 operating rooms, an intensive care unit with 102 beds and a dialysis unit with 20 beds. The hospital also has a neonatal intensive care unit, 8 high-security forensic psychiatry units, two burns units and a delivery room.

12 AUGUST 2016

Date when project contract was signed

DECEMBER 2017

Date when credit agreement was signed

1 NOVEMBER 2018

Construction started

NOVEMBER 2020

Construction completed



Dormitory & Guest House Projects



Kütahya Dormitory*

With the tender issued by Kütahya Dumlupınar University, the easement right of the land within the university was taken for 29 years. The project, whose investment started in 2017, was completed by the end of 2018.

The "Kütahya Student Residence" built in Evliya Çelebi Campus of Kütahya Dumlupınar University has a total bed capacity of 3.032. The 59 thousand square meter dormitory was delivered in January 2019. For the project, an agreement was signed with the Credit and Dormitories Institution (CDI) for the lease of the building.

Kütahya Dormitory in Numbers	Construction Area	59,000 m ²
	Number of Beds	3,032
	Starting Date	April 2017
	Delivery Date	Jan. 2019
	Right of Use	29 years



Isparta Dormitory*

Another dormitory project of Akfen Construction is the Isparta Dormitory Project, which was built in the commercial area of Isparta City Hospitals, and opened in March 2017. In the dormitory, which consists of a total of six blocks, there are four residential blocks and two social facility blocks. There are 1,016 rooms and 4,032 beds in the dormitory, which consists of a ground floor + seven floors. The project was completed in May 2018. An agreement was signed with CDI regarding the lease of the building. The dormitory is operational and student admission has begun.

Isparta Dormitory in Numbers	Employer	Isparta Dormitory Inv Inc.
	Land Area	31,848 m ²
	Construction Area	67,000 m ²
	Number of Beds	4,032
	Right of Use	25 years
	Delivery Date	May 2018
	Design	Ediz Architecture

* As of 9 February 2021, Akfen REIT purchased all of the shares of Isparta Dorm (Kütahya and Isparta dormitories) from Akfen Construction.

Hacettepe Guesthouse

The Hacettepe Guesthouse Project, which will be developed and operated on the Hacettepe University Beytepe Campus in Ankara, started with the share transfer on 15 May 2014. Akfen Construction undertook the project by acquiring 45% of the Hacettepe Teknokent Training and Clinical Research Center Health R&D Consulting Project Inc. on said date.

The project, which was planned as seven blocks with a total bed capacity of 7,300 on a land of 68,000 square meters at the first stage, will be able to increase to a bed capacity of 15,000 over time. An agreement has been reached with TSKB (Industrial Development Bank of Turkey) regarding financing. Two buildings were completed in the first quarter of 2016 and 5 buildings are under development.



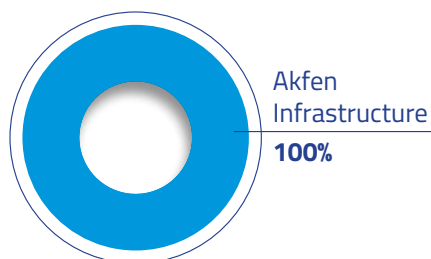
Hacettepe Guesthouse in Numbers

Hacettepe Guesthouse in Numbers	Allocating By	Hacettepe University
	Cons.Area (1st Stage-2 Block)	27,450 m ²
	İnşaat Alanı (2nd Stage-5 Block)	83,600 m ²
	Number of Beds	2,264 / 5,036
	Starting Date	2014 Q2
Delivery Date (1st Stage)	September 2016	

Other Subsidiaries

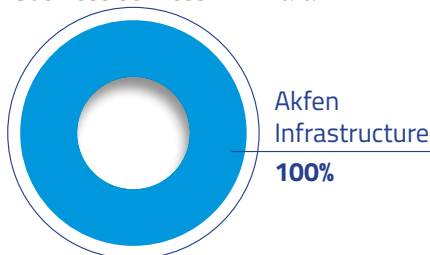
AKINISI MACHINERY

The company was established in 1976 to operate in the industrial heating sector and is now idle and owns a piece of land in Ankara.



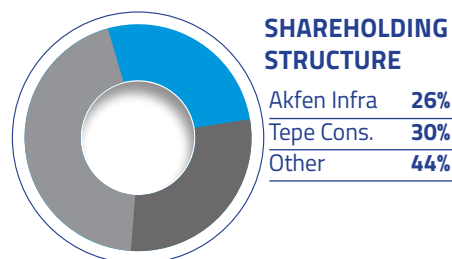
AKFEN TOURISM INVESTMENT AND BUSINESS INC.

Akfen Tourism coordinates the Group’s potential tourism investments. In this context, it operates the Akfen Club hotel in Kuşadası, the Bodrum Loft holiday village, various facilities in the Ankara Bulvar Loft commercial area and the canteens of Isparta, Eskişehir and Tekirdağ City Hospitals. It also provides catering business services in Ankara.



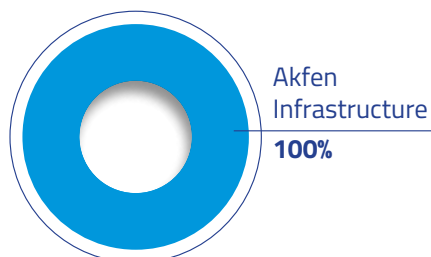
TEPE AKFEN REFORMER (TAR)

Established in Poland, the company owns a plot in Poland. The company is pursuing opportunities to develop a real estate project on this land.



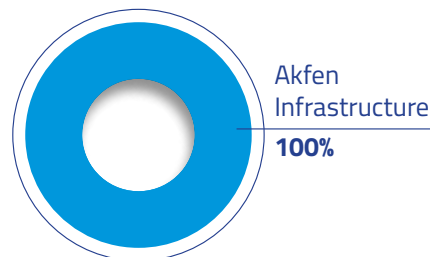
AKFEN REAL ESTATE PORTFOLIO MANAGEMENT INC.

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



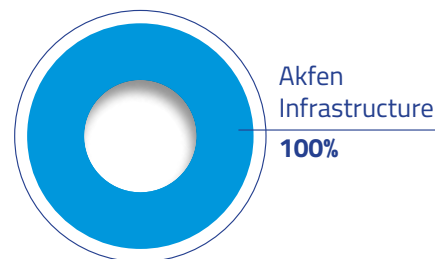
AKFEN CONSULTING AND PROJECT DEVELOPMENT INC.

Founded in 2016, the company is responsible for the sales of real estate projects such as İncek Loft and Bulvar Loft.



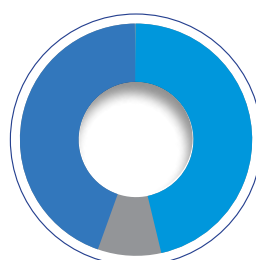
MASANDA TOURISM

Founded in 2012, the company’s 5-star holiday village project (“Bodrum Loft”) in Bodrum was completed in 2020. The said project was handed over to Akfen REIT in January 2021.



AKFEN MERTER REAL ESTATE TOURISM AND CONSTRUCTION INC.

The company leased the property, which is located in Zeytinburnu district, Merkezefendi district, Çörekçi Nalbant Çukurları Street, on block 3284, parcel 47, which is owned by the General Directorate of Foundations of Istanbul, for a period of 30 years, according to the BOT model, with a “construction conditional lease” agreement dated 21 October 2011.



Energy Sector

While the share of renewable energy in Turkey's total installed power was 35% in 2010, it reached 50% by 2020

IMPORT DEPENDENT ON MACHINERY EQUIPMENT

One of the main components of Turkey's energy policy is the more effective use of domestic and renewable energy resources.

Although it tries to reduce foreign dependency in energy, Turkey still imports the primary raw materials in the production of electrical energy and the machinery-equipment used in production to a large extent. Import dependency is at high levels, especially in high-tech machinery and equipment used in generating energy from wind, solar, geothermal and biomass.

VISION FOR 2023

The growth targets in the electricity market are directly proportional to Turkey's 2023 vision. In this context, electricity consumption is expected to be over 375 TWh in 2023. In order to meet this demand, it is aimed that the installed power will reach 110 thousand MW by said year.

The trend in renewable energy in Turkey follows a parallel development with the world. The economy management has taken important steps to reduce energy costs recently. These steps have led to an increase in the share of renewable energy in Turkey's total installed power.

SHARE OF RENEWABLE ENERGY IS 50%

While the share of renewable energy plants in the installed power was 35% in 2010, this percentage increased to 50% in 2020.

Installed power has nearly doubled over the last 10 years (93.6% increase). Turkey's total installed power of 95,891 MW in 2020 has grown by 5.1% compared to the previous year.

If we look at the installed power development on the basis of resources, the highest share is in hydraulics with 32.3% (30,984 MW). Following hydraulic power plants in order of magnitude; natural gas + LNG has a share of 26.8%, coal 21.2%, wind 9.2%, solar 7.0% and other power plants (geothermal-biomass) 3.6%.

BIG CHANGE IN ELECTRICITY GENERATION

Over the last 10 years, there has been a serious increase in the installed power of renewable resources, rising from the change in energy production in Turkey, other than hydro.

Although its share in the total installed power is low, wind power plants increased by 16% compared to the previous year and reached 8,832 MW, while the installed power of solar power plants increased by 11% and reached 6,667 MW.

As in many developing countries of the world, electricity production and consumption have grown in parallel over the last 10 years in Turkey (annual average 3.3%).

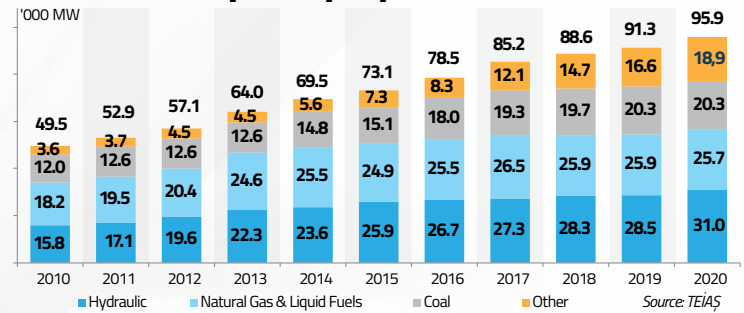
THE SHARE OF RENEWABLES IN PRODUCTION IS RISING QUICKLY

The share of renewable energy in production has increased rapidly over the last 10 years. While 26% of the electricity produced in 2010 was from renewable sources, the rate increased to 39% in 2020. While the share of renewable energy power plants consisting of geothermal, wind and solar power plants, excluding hydroelectric power plants, in total production was only 1.7% in 2010, the percentage increased to 12.2% in 2020.

There is a linear relationship between social and economic development and energy consumption. Energy consumption increases in parallel with the increase in economic and social welfare.

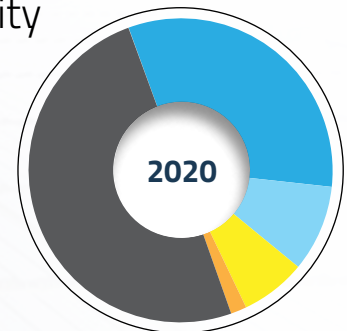
Over the last decade, Turkey's GDP has increased by 5.2% on average, while the growth in energy demand has remained at an average of 3.3%. This indicates that Turkey has a long way to go in energy.

Development of Installed Capacity by Sources



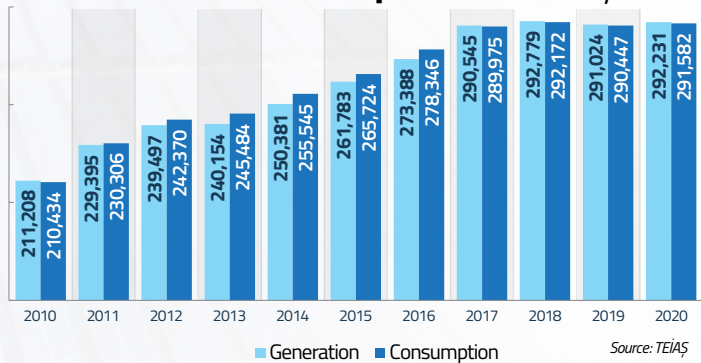
Share of Renewable Energy in Total Installed Capacity

	Installed Cap. (MW)	Share (%)
Hydraulic	30,984	32.3
Wind	8,832	9.2
Solar	6,667	7.0
Geothermal	1,613	1.7
Other	47,794	49.8
Total	95,891	100.0



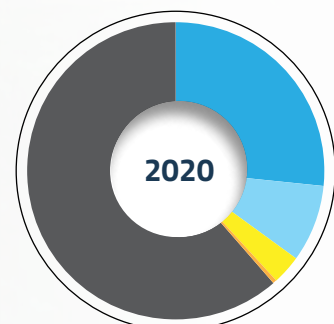
Source: TEİAŞ

Generation & Consumption in Turkey (GWh)



Share of Renewable Energy in Total Generation

	Generation (GWh)	Share (%)
Hydraulic	77,832	26.6
Wind	24,487	8.4
Solar	9,316	3.2
Geothermal	1,182	0.4
Other	179,414	61.4
Total	292,231	100.0



Source: TEİAŞ



Akfen Holding, which started its investments long before the interest in the energy sector increased, has become one of the most important renewable energy producers in Turkey.

Akfen Energy entered the sector in 2007 with HEPP investments in order to meet Turkey's increasing energy needs and thus make significant contributions to reducing the current deficit. In 2009, Sirma HEPP was the first HEPP project to become operational. Akfen Energy has implemented all of the 18 HEPP projects it has undertaken to date in the field of renewable energy resources, has sold five of them, and is still running 13 of them.

The development of SPP projects started in 2013, and the development of WPP projects started in 2014 with wind measurements.

Akfen Holding, following its transfer to Akfenhes, Akfenres, Akfen Wholesale and Holding, its subsidiaries operating in the field of renewable energy, in December 2015, structured Karine SPP under a single roof and established Akfen Renewable Energy Inc.

Akfen Renewable Energy partnered with the EBRD and IFC in 2016. The investment made by the two institutions has been the largest capital investment ever made in the Turkish energy sector. With this investment, Akfen Renewable Energy has become one of the most important players in the renewable energy sector.

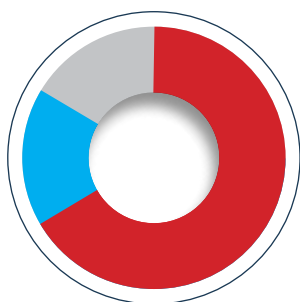
The installed power portfolio of the company is currently operating at 706 MW. This portfolio consists of HEPP/SPP/WPP projects.

USD-based purchase guarantee

If they obtain a Renewable Energy Resources Certificate and complete their investments by 31 December 2020, HEPP projects have the right to benefit from the government's purchase guarantee of at least 7.3 USD cents/kWh for 10 years from the date of commissioning.

Within the scope of the support mechanism, if the investments are completed by 31 December 2020, the WPP portfolio can benefit from a minimum purchase guarantee of 7.3 USD cents/kWh and the SPP portfolio a minimum of 13.3 USD cents/kWh.

On the other hand, the prices to be applied for 10 years for electricity generation facilities based on renewable energy sources with RES certificate, which will be valid from 1 July 2021 to 31 December 2025, were announced in the Official Gazette. According to this, the guaranteed tariff for hydroelectric power plants is 40 TLkr/kWh, for wind power plants 32 TLkr/kWh, for geothermal power plants 54 TLkr/kWh and for solar power plants 32 TLkr/kWh. Additionally, if domestic equipment is used in the installation of the renewable energy power plant, an additional price incentive of 8 TLkr/kWh is offered for the first five years after the power plant is put into operation.



SHAREHOLDING STRUCTURE

■ Akfen Holding	66.91%
■ EBRD	17.10%
■ IFC	15.99%

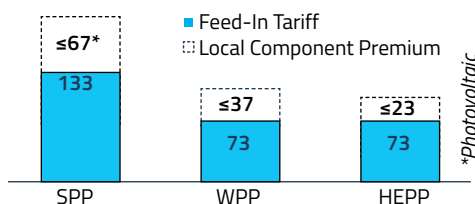
All generation is sold at FIT

The generation of all Akfen Renewable Energy's power plants, except for Sirma HEPP and the licensed IOTA SPP (commissioned in 2020), was sold at FIT (Feed in Tariff). In 2021, all power plants except for Sirma HEPP, will make use of the FIT.

FIT price for all HEPPs is 7.3 USD cents/kWh, for all licensed SPPs the price is USD 13.74 cents/kWh with domestic contribution, for Hasanoba WPP, Üçpınar WPP, Kocalar WPP, Denizli WPP projects 7.9 USD cents/kWh with domestic contribution, and 8.7 USD cents/kWh

for Saritepe and Demirciler WPP added to the portfolio as of 5 February 2020, together with domestic contribution. All of these will be making use of the FIT.

Feed-In Tariff (US\$/MWh)



Akfen Renewable Energy Portfolio Distribution

Portfolio (As of the end of 2020)

6 WPP
348.9 MW

13 HEPP
235.7 MW

14 SPP
121.4 MW

Total Installed Cap.
706.0 MW

HEPP Group

As of 31 December 2020, 13 HEPPs belonging to Akfen Renewable Energy have an installed capacity of 235.7 MW. The annual energy production capacity of these power plants is 916.8 GWh. Total electricity generation in 2020 decreased by 11% compared to 2019 and was 605.7 GWh.

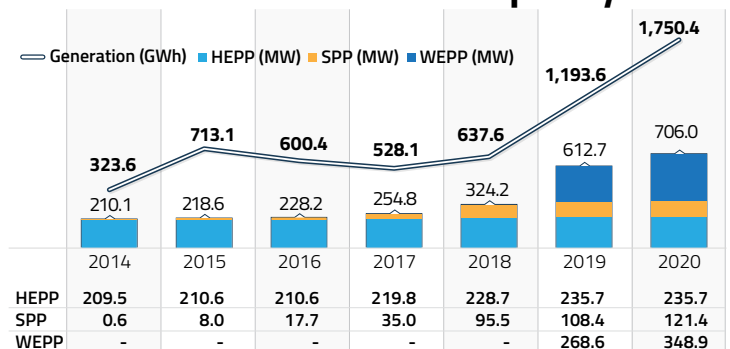
SPP Group

The solar energy group's 2020 energy production amounted to 184.8 GWh, with an increase of 11.5% compared to the previous year. As of the end of 2020, the SPP portfolio has been completed and the installed power has reached 121.4 MW.

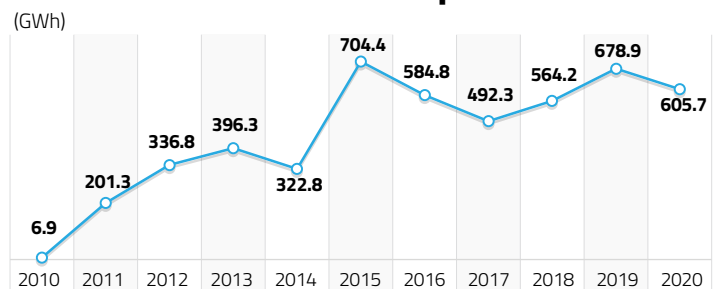
WPP Group

Akfen Renewable Energy's WPP portfolio reached an installed capacity of 348.9 MW as of the end of 2020. The 2020 energy production of the WPP Group was 959.9 GWh. Akfen Renewable Energy signed a share purchase agreement in December 2019 for Zorlu Wind Energy Electric Generation Inc.'s Saritepe and Demirciler WPP projects in Osmaniye with an installed capacity of 80.3 MW. Following the addition of Saritepe-Demirciler WPP, which stands out as the largest purchase agreement of 2019, to the portfolio, the operational WPP installed power in Akfen Renewable Energy's portfolio reached 348.9 MW in February 2020.

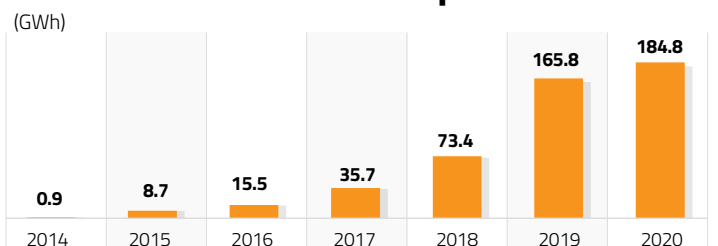
Development of Generation and Installed Capacity




Realised Generation Output of HEPPs




Realised Generation Output of SPPs




Company	HEPP	Installed Cap. (MW)	Generation Cap. (GWh/year)	Commercial Operation Date	Realized Generation Output (GWs)	
					2020	2019
Beyobası	Otluca	48.8	224.0	April 2011	185.0	214.7
	Sırma	6.7	23.2	June 2009	10.9	15.3
	Sekiyaka II	3.5	17.1	Jan.'14- Aug.'15	13.2	16.8
Çamlıca	Çamlıca III	28.5	104.5	April 2011	64.5	64.9
	Saraçbendi	26.3	100.5	May 2011	59.6	64.0
Pak	Demirciler	8.7	34.5	August 2012	14.8	21.9
	Kavakcalı	11.4	44.3	March 2013	22.4	38.2
	Gelinkaya	7.1	25.8	June 2013	7.7	12.2
BT Bordo	Yağmur	9.2	31.5	November 2012	100.0	22.2
Elen	Doğançay	31.6	171.7	Aug.-Sept. 2014	21.7	112.1
Yenidoruk	Doruk	28.9	75.5	September 2014	62.4	67.5
H.H.K. Enerji	Çalıkobası	18.1	42.3	June '17-May '18	26.3	27.0
Kurtal	Çiçekli 1-II	7.0	21.9	September 2019	17.3	2.0
Total		235.7	916.8		605.7	678.9

 **HEPP PROJECTS**

Project Name	Type	Installed Cap. (MW)	Location	Commercial Operation Date	Realized Generation Output (GWs)	
					2020	2019
Yaysun	Unlicensed	0.6	Konya	February 2014	0.9	0.9
Denizli Projects	Unlicensed	7.4	Denizli	May 2015	12.3	12.1
Solentegre	Licensed	9.1	Elazığ	October 2016	14.1	13.5
Solentegre	Unlicensed	0.6	Elazığ	February 2016	0.9	0.9
Amasya	Unlicensed	11.2	Amasya	16-23 Aug. '17	17.5	17.2
Karine	Unlicensed	0.6	Elazığ	August 2017	0.9	0.9
Tokat Projects	Unlicensed	5.6	Tokat	October 2017	8.8	8.4
Omicron Engil	Licensed	12.1	Van	September 2018	20.5	21.7
Omicron Erciş	Licensed	12.1	Van	September 2018	20.5	21.6
Yaysun	Licensed	12.1	Konya	September 2018	19.7	19.6
ME-SE	Licensed	12.1	Konya	September 2018	19.2	18.9
MT Doğal	Licensed	12.1	Konya	September 2018	19.9	19.8
PSİ	Licensed	13.0	Van	July 2019	22.3	10.4
IOTA	Licensed	13.0	Malatya	August 2020	7.3	-
Total		121.4			184.8	165.8

 **SPP PROJECTS**

Company	Project Name	Installed Cap. (MW)	Location	Commercial Operation Date	Realized Generation Output (GWs)	
					2020	2019
Isider Energy	Kocalar	30.6	Çanakkale	March 2019	113.0	79.1
Derbent Energy	Üçpınar	112.2	Çanakkale	May-June 2019	344.5	189.6
Kovancı Energy	Hasanoba	51.0	Çanakkale	Aug.-Sep. 2019	128.5	38.1
Korda Energy	Denizli	74.8	Denizli	Sep.-Oct. 2019	166.0	42.2
İmbat Energy	Saritepe	57.0	Osmaniye	August 2016	151.0	-
İmbat Energy	Demirciler	23.3	Osmaniye	August 2016	56.9	-
Total		348.9			959.9	348.9

 **WPP PROJECTS**

Highlights of 2020

2 WPP WITH 80 MW INSTALLED CAPACITY WERE PURCHASED

5 February 2020: İmbat Energy Inc., a subsidiary of Akfen Renewable Energy, has added to its portfolio, the Sarıtepe and Demirciler WPP located in Osmaniye with a total installed power of 80.3 MW, owned by Zorlu Wind Energy Electric Generation Inc., by completing the acquisition as of February 5, .

CAPITAL INCREASE

17 February 2020: Akfen Renewable Energy's total capital increased to TL 1,016,031,947.00 as a result of the capital increase completed on February 17. In this context, Akfen Holding's share became 66.91%, EBRD's share became 17.10%, and IFC's share became 15.99%.

IOTA M.FIRINCI SPP COMMISSIONED

13 August 2020: The licensed IOTA M. FIRINCI SPP (13 MW), located in Malatya, was accepted by the Ministry of Energy on 13 August.

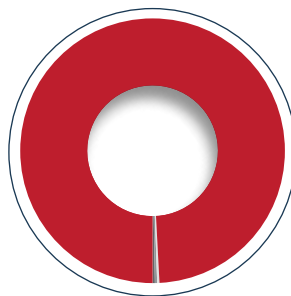


Akfen Energy Generation

The production license for the Mersin Natural Gas Combined Cycle Power Plant project was terminated with the EMRA's decision numbered 9943-9 dated 30 December 2020, after the application made to the Energy Market Regulatory Board was accepted.

Following Akfen Holding's 100% purchase of Akfen Energy Generation on 18 January 2021, Akfen Holding and Akfen Energy Generation Inc. merger has been completed.

SHAREHOLDING STRUCTURE*



■ Akfen Holding	99.25%
□ Akınısı	0.25%
■ Akfen Tourism	0.25%
■ Akfen Construction	0.25%

* As of 18 January 2021, Akfen Holding became 100% owner of Akfen Energy Generation, and as of 5 March 2021, the merger of Akfen Energy Generation with Akfen Holding was completed.

Port Sector

2 million TEU of 11.4 million TEU, which is the total amount of containers handled in Turkey in 2020, was carried out by MIP

87% OF TURKEY'S TRADE IS MADE BY SEA

90% of world goods trade and 87% of Turkey's goods trade is carried out by maritime transportation. The most important reason for preferring the seaways in the world is that the cost is low compared to land and air transportation.

In addition to the cost, Turkey's geographical location, its being close to the Asian, European and African continents is an important factor in the advantage and development of the maritime transport sector. Additionally, Turkey has made large investments in port operations for the last ten years, as a result doubling its capacity and the number of containers.

Sea transportation has become a very common and preferred mode of transportation in Turkey. Ports such as Izmir Port, Ambarlı Port, Mersin Port are important both in foreign trade and in passenger transportation to neighboring countries.

GLOBAL CONTAINER VOLUME DECREASED by 2.1%

The container port sector is affected by the negative developments in the global economy. Container volume and economic growth develop parallel with each other. On the other hand, the anticipated improvement

in containerized trade brings with it an expectation of growth in container handling at global container ports.

According to the Drewry 2020 Container Expectation Report, the amount of containers handled worldwide is expected to reach 784 million TEU in 2020 with a decrease of 2.1%.

CONTAINERS HANDLED IN TURKEY INCREASED TO 11.4 MILLION TEUs

In Turkey, on the other hand, the increase in foreign trade volume, increases in trade with neighboring countries and private capital's port investments ensure the rapid growth of the sector.

According to TÜRKLİM (Port Operations Association of Turkey) data, the amount of containers handled in import-export and domestic transportation reached 8.4 million TEU in 2020 (2019: 8.1 million TEU), while the volume of transshipment cargo reached 3.0 million TEU (2019: 3.2 million TEU).

The amount of cargo handled in 2020 reached 11.4 million TEU (2019: 11.3 million TEU).

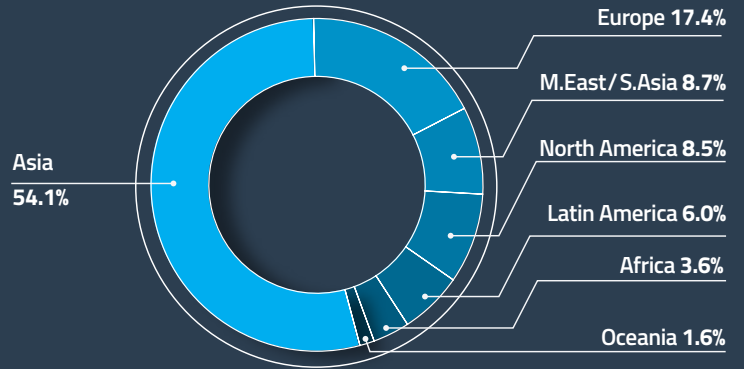
Conventional cargo amount was measured as 134.9 million tons (2019: 127.8 million tons).

In 2020, when Turkey's GDP grew by 1.8%, the growth in the volume of containers handled was 0.4%.

10-year container growth exceeds country growth

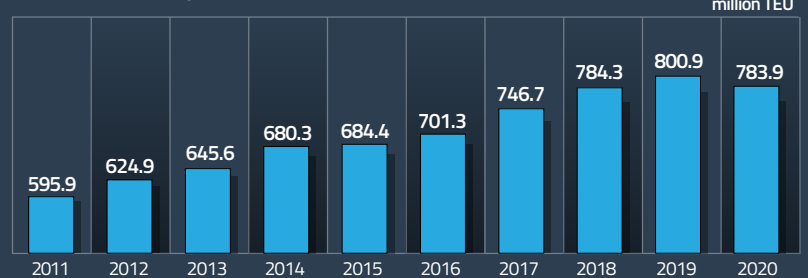
Over the 10-year period between 2010 and 2020, the container volume growth was above the country's growth. While the Turkish economy has grown by an average of 5.2% over the last 10 years, container transportation has grown by 6.8%. In conventional cargo, the average growth of the last 10 years has been calculated as 2.6%.

World Container Volume Distribution by Region (2020)



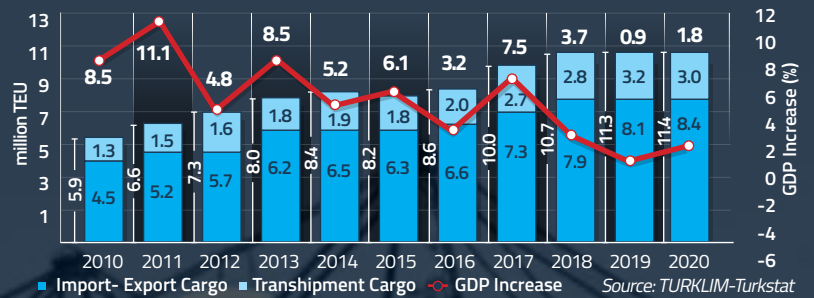
Source: Drewry Report

The Development of World Container Volume



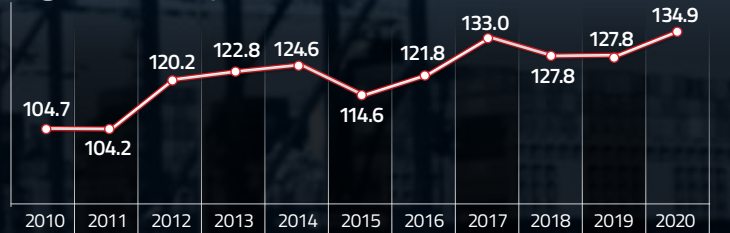
Source: Drewry Report

The Development of Container Handling in Turkey



Source: TURKLIM-Turkstat

The Development of Conventional Cargo in Turkey



Source: TURKLIM



Mersin International Port (MIP)



MIP succeeded in completing the year 2020 as Turkey's largest, leading container port

LEADING PORT WITH ITS UNIQUE LOCATION

MIP, Turkey's largest multi-purpose export-import container port, is Turkey's leading container port with its land, air and rail connections. MIP has a market share of 17% among Turkish container ports with its 6,200 customers to whom it provides regular service worldwide and 24% in terms of import-export-transit container business volume.

Thanks to its strategic location, capacity, and land, air and railway connections, MIP is Turkey's leading port with combined transportation options it offers to industrialized cities and neighboring countries. It also has a diversified, fast-developing hinterland with an established ecosystem.

GATEWAY TO 190 COUNTRIES

MIP is directly connected to the Mersin Free Zone with a total area of 836,322 m². MIP, one of the world's top 100 container ports with its high-quality infrastructure, trained human resources, strong relationships with customers and shipping companies, is Turkey's gateway to mutual trade with 190 countries.

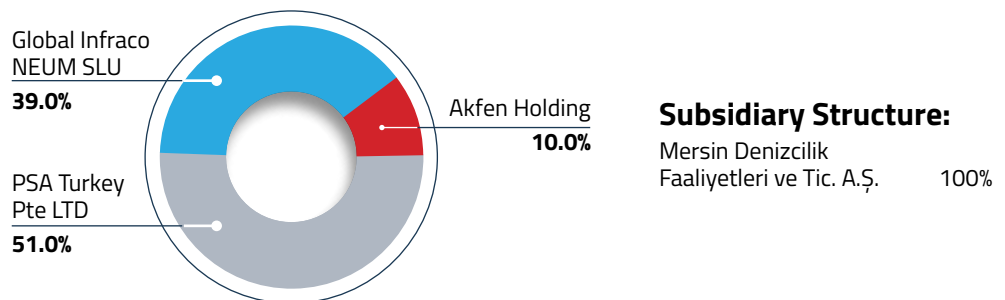
TRANSIT TRADE CONNECTION WITH NEIGHBORING COUNTRIES

Turkey's industrialized cities, such as Adana, Ankara, Gaziantep, Kayseri, Kahramanmaraş and Konya, play an important role in regional trade and are an important transit trade connection point to neighboring countries.

With its 112 hectare area, MIP is Turkey's largest multi-purpose port, providing container, conventional, Ro-Ro and maritime services, and provides regular service to 6,200 customers around the world. MIP, which has approximately 2000 employees, has a market share of 74% among the Eastern Mediterranean ports (MIP, Assan and Limak) with a total of 32 services it offers.

MIP's paths crossed with Akfen Holding as a result of the tender held by the Privatization Administration in 2007. Akfen-PSA partnership won the 36-year transfer of operating rights for MIP with a USD 755 million offer.

MIP, which handled 800 thousand TEU containers when it was taken over from the T.R. State Railways in 2007, handled 1.6 million TEU containers in 2017 when Akfen Holding sold 40% of its shares to



Global InfraCo SP NEUM SLU.

Akfen Holding sold 40% of its shares in MIP to Global InfraCo SP NEUM SLU for USD 869 million. The sale contract was signed on 28 July 2017, and the sale was completed as of 27 October 2017.

INVESTMENTS EXCEED USD 1.2 BILLION

In accordance with the concession agreement signed in 2007, a total of USD 407 million was spent, USD 120 million of which was spent on operational efficiency and USD 282 million on capacity increase between 2007 and 2020. With the USD 755 million paid in return for operating rights, the total investment cost exceeded USD 1.2 billion.

After the investments, the capacity of the port, which was 900 thousand TEU in 2007 before the transfer of the concession right, was increased approximately 3 times and reached 2.6 million TEU in 2016. The first phase of the EMH project, which enabled it to reach this capacity and started to be built in 2014, was completed on 8 August 2016.

FIRST PHASE USD 152.8 MILLION

In the first phase of the EMH Project a total of USD 152.8 million was invested, of which USD 52.5 million was equipment and USD 100.3 million was infrastructure investment.

Thanks to this investment, the berth capacity has reached 2.6 million TEU and the field capacity has reached 2.2 million TEU. Additionally, the port can serve ships with a depth of 15 meters and a length of 387 meters.

As of the end of 2017, the EMH Phase-2 has started. When EMH Phase-2 is completed, the quay capacity will be increased to 3.6 million TEU and it will be able to serve two mega ships at the same time. The target is to gradually increase the handling capacity of the port to 4.6 million TEU within 10 years.



MIP CAPACITY PROJECTION

- **2033**
4.6 million TEU
- **2023**
3.6 million TEU
Capacity to be reached with EMH Phase-2
- **2016**
2.6 million TEU
EMH Phase-1 investment completed US\$ 152,8 million
- **2007**
900 thousand TEU
Before the transfer of operating rights US\$ 755 million

MIP'S POSITION IN THE MEDITERRANEAN BASIN STRENGTHENED

MIP continues to increase its competitiveness in the Mediterranean with its pier, environmentally friendly equipment, transformer center providing its own electricity and technology investments.

In addition to EMH investments, MIP's position in the Mediterranean basin has become even stronger with its 500-meter-long dock, state-of-the-art and environmentally friendly equipment, a 15,500-volt transformer center to meet the electricity it needs, and a 106 thousand m² backyard. As a result of all these investments, MIP has become a port that handles 2 million TEU containers annually, has a conventional cargo capacity of over 10 million tons, and has an annual transaction volume of over 30 million tons.

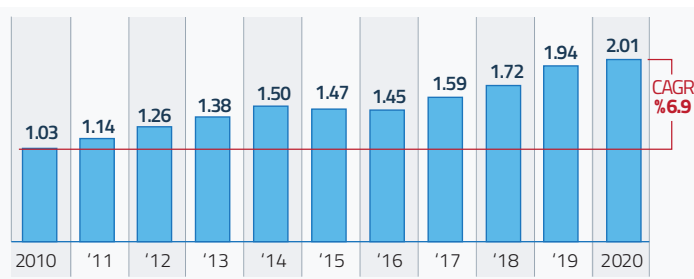
USD 600 MILLION BOND ISSUE

Continually improving its port capacity, MIP is also getting stronger financially. Through international banks, MIP issued new bond amounting to USD 600 million in November 2019 as part of the refinancing of the USD 450 million bond it issued abroad in 2013, and made an early repayment of the USD 450 million bond in December 2019. S&P rated the USD 600 million bond issued in November 2019 with BB- and Fitch rated BB-. As of 31 December 2020, the price of the bond was USD 106,451 and its yield was 3.57%.

DIVIDEND PAYMENT

With the temporary article 13 added to the Turkish Commercial Code numbered 6102, some restrictions were imposed on the dividend distribution rights of capital companies until 31 December 2020, within the scope of the measures to be taken to eliminate the negative effects of the coronavirus on economic activities. In this context, in the cash dividend distribution decisions, it was decided not to distribute the previous years' profits and the distribution amount not to exceed 25% of the net profit for the year 2019. For this reason, there has been a decrease in the dividend payment and MIP has made an advance dividend payment of 72 million TL over its 2019 profit in January 2020.

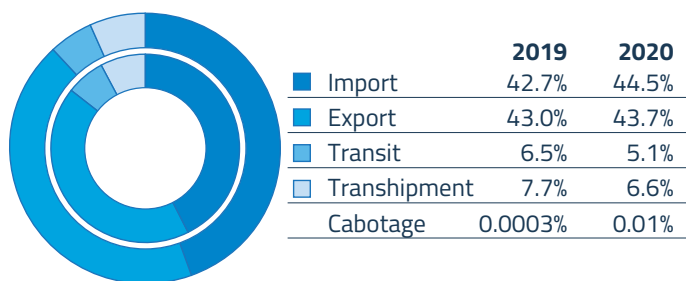
Container Handling (million TEU)



Conventional Cargo (million tons)



Container Regime Breakdown (%)



MIP Port Development

	2020	2007
Capacity (million TEU)	2.6	0.9
Container	9	6 Allocated, 3 multi purpose
Max Ship Size (thousand TEU)	18	5
Gantry Crane	12	5
Mobil Crane (MHC-unit)	5	1
Container Stacking Site (ha)	38	20
- RTG	0	7
- E-RTG	38	0
- Full Container Handling Machine (Reach Stacker)	17	10
- Empty Container Handling Machine (ECH)	15	13
Number of Container Slots	15,564	7,000
Crane Efficiency (Movement/Hour)	27	18-20

Highlights of 2020

CONTAINER VOLUME INCREASED BY 3%

The growth in transaction volume of MIP in 2020 was above the Turkey average. In 2020, container business volume increased by 4% compared to the previous year, from 1.94 million TEU to 2 million TEU. The increase in container volume was due to the increasing export figures of Turkey and the region, especially in the second half of the year, and accordingly the increasing need for raw materials.

SIGNIFICANT INVESTMENTS MADE THROUGHOUT THE YEAR

MIP has renewed its berths 14-15. MIP has completed the procurement process for 2 second hand MHCs. MHCs have been operational since the beginning of Q4 2020.

Additionally;

- 2 Reach Stacker (RS)
- 5 Empty Container Handler (ECH) (ECH)
- 2 mini-loader
- 2 compressor

investments were made and brought into operation.

Awards

RANKED 265th IN THE TOP 500 COMPANIES LIST

MIP ranked 265th in the list of “Turkey’s Top 500 Private Companies” published by Capital magazine in 2020.

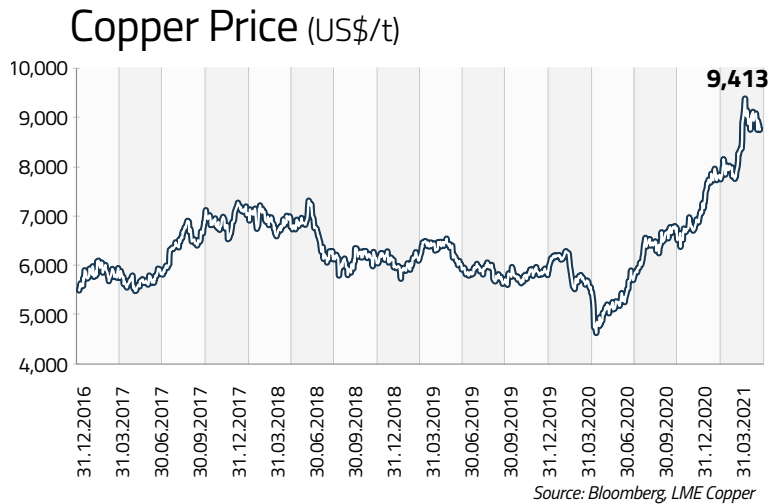
ATLAS LOGISTICS ‘PORT OF THE YEAR’ AWARD

MIP won the “Port of the Year” award given as part of the Atlas Logistics Awards in 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019, and crowned its success with this award for the tenth time in a row by being selected as the “Port of the Year” in 2020.

RANKED 97th IN LLOYD’S LIST

MIP was ranked 97th in the list of “The World’s 100 Largest Container Ports” published by Lloyd’s List magazine.

Copper Mining Sector



Copper, which has the best conductivity among metallic mines, is used effectively in energy, communication, construction, transportation vehicle and industrial machinery production sectors. The wide usage areas and increasing consumption of copper push copper producers to seek new deposits.

The largest production in the world is in South America. In this region, Chile accounts for more than a quarter of the world's copper production. Countries with the most copper mines in the world are Chile, Peru, Australia, Russia, Mexico, USA, Poland, China, Zambia, Kazakhstan, Congo and Canada.

According to the data of the International Copper Study Group (ICSG), copper mine production in the world decreased by 0.1% in 2020 compared to the same period of the previous year and was realized as 20.5 million tons (copper metal content). In 2020, refined copper production increased by 1.6% to 24.4 million tons, while consumption increased by 2.3% to 25 million tons.

By converting imported copper raw material into refined copper, China makes 41% of the world's refined copper production.

ICSG announced that the deficit in the global copper market increased from 383,000 tons to 559,000 tons in 2020 compared to the same period of the previous year.

In 2020, the price of copper started the year with USD 6,180 per ton and rose to USD 7,985 per ton towards the end of the year.

Copper Mining In Turkey

► The majority of the mines used in industry exist in Turkey. According to the research of the General Directorate of Mineral Research and Exploration, dolomite, marble, lignite coal, hard coal, rock salt, boron, pumice and copper ore are among the most abundant minerals in Turkey.

► Looking at Turkey's mineral foreign trade in 2019, it is seen that mineral exports increased by 14.83% compared to the previous year and amounted to USD 4,979,348,154, while imports decreased by 14.59% and amounted to USD 5,716,271,191. Accordingly, the ratio of exports to imports was 87.11%, and the foreign trade deficit in mining was USD 736,923,037.

► Countries prominent in mineral exports are China, USA, India, Spain, Belgium, Italy, Saudi Arabia, Bulgaria, Israel and UAE. The prominent ones in mineral imports are Russia, Colombia, Australia, Brazil, Canada, India, USA, Republic of South Africa, Sweden and China.

Turkey's copper export is 60 thousand tons per year, and its import is 330 thousand tons per year

► Turkey's annual copper export is 60,000 tons (copper metal content), and its import is 330,000 tons (copper metal) annually.

► Turkey's annual copper production from mines is approximately 160,000 tons (copper metal content), and its consumption is 450,000 tons (copper metal).

► According to MAPEG (General Directorate of Mining and Petroleum Affairs) data, 10.9 million tons of copper ore was processed in our country in 2020, and 766,000 tons of copper concentrate with approximately 160,000 tons of copper metal content was produced.

► In the ICSG ranking, Turkey ranks 7th in copper metal consumption in 2019.




The life of the mine is
10 Years


Copper ore
20 million tons

Acacia Mining Operations Inc. ("Acacia"), a partnership of Akfen Holding, İlbak Mining and İzbir Mining, operates the Gökırmak Copper Mine located in Hanönü district of Kastamonu province. Acacia was established in 2007 and Akfen Group joined the partnership by purchasing 30% of the company in 2016.

USD 320 MILLION INVESTMENT

Production at the Gökırmak Copper Mine, which was established in the Hanönü district of Kastamonu with an investment of 320 million USD, started in March 2019.

Production at the Gökırmak Copper Mine, which was established in the Hanönü district of Kastamonu with an investment of USD 320 million, started in March 2019. The company will produce a total of 20 million tons of ore during its 10-year mine life


Project investment amount
US\$ **320** million

The total investment amount, including the investments to be made by Acacia over the operation period in the facility, where copper ore is converted into copper concentrate after going through various processes, is USD 320 million. The company, which has been producing copper concentrate for about 2 years, will produce a total of 20 million tons of ore during its 10-year mine life.

Acacia processes copper ore at its flotation plant to produce copper concentrate, which is an intermediate product in the metallic copper production process. During the years 2019 and 2020, the company produced 156.000 tons of copper concentrate with a copper content of approximately 33,000 tons and exported all of it, generating an export income of USD 185 million. In this context, a total of 101,392 tons of copper concentrate with a copper content of 22,589 tons was produced in 2020.

The Goal

Increasing the Life of the Mine to Over 20 Years

Of the approximately USD 320 million investment made in the project, 48% is from equity and the rest is from European banks; the second part was provided by project financing method from the consortium formed by BNP Paribas S.A., ING European Financial Services, Societe Generale and Traxys. Having a strong equity structure, the company has the potential to grow with international financing support. With additional drillings to be made throughout the mine life, it is aimed to increase the mine reserve and to increase the mine life to more than 20 years.

During the life of the mine, a total of 1,100 jobs are provided to 800 people directly and

300 indirectly. Currently, it is expected to bring in approximately USD 1.7 billion income from the exports over the 10-year life of the mine.

There are 8 mining licenses in total belonging to Acacia Mining in the region where Gökırmak Copper Mine is located. The area covered by the licenses is 14.000 hectares and the open pit where the copper mine is being mined covers an area of approximately 120 hectares.

Acacia Mining continues its activities under a single license and reserve determination studies are continuing for the rest of its license in order to increase the life of the mine to over 20 years, and other license areas.

Features of Gökırmak Copper Mine

1

2 million tons of Copper Ore Produced Every Year

A total of 98.000 meters of drilling was carried out and an economic reserve containing 20 million tons containing an average of 1.4% copper was determined. The method used is opencast production method. 2,000,000 tons of copper ore containing 1.4% copper is produced annually from the open pit for 10 years.

2

Production of Copper Concentrate Containing 22% Copper Metal

The ore extracted from the mine is transported by trucks to the ore enrichment facility with an annual ore processing capacity of 2,000,000 tons, located 5.3 km from the mine. The ore fed to the facility in 75 cm pieces is reduced to 20 microns in the crushing, sifting and grinding units and fed to the flotation unit. Copper ore is converted into copper concentrate containing 22% copper in the flotation unit. Annual average concentrate production is 120,000 tons.

3

A Mine Project Important for Turkey

Our country's annual consumption of copper and its products is 400,000 tons, and the annual production of copper metal equivalent from mining activities and scrap is approximately 100,000 tons. The difference of 300,000 tons (USD 2.1 billion) is covered by imports. Acacia produces 26,000 tons of copper-containing copper concentrate per year with the Gökırmak Copper Mine. This corresponds to 10% of our country's imports.

4

Create Add Value in Many Fields

The socio-economic impacts of the project; it creates value in areas such as local industry, employment, transportation, material supply, engineering and contracting services, local construction sector, local public support programs, electricity consumption, tax, other mineral exploration and project investments, and exports.

5

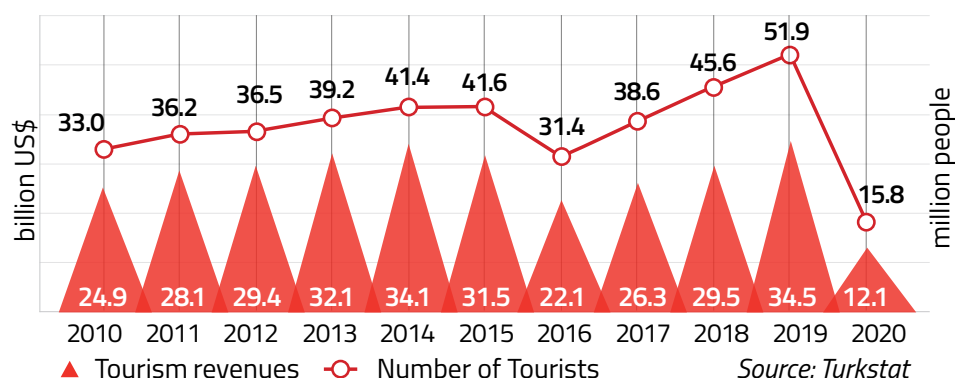
Employment for 1,100 People

Employment will be provided to 1,100 people throughout the life of the mine. By giving priority to local employment, it is aimed that the people of the region specialize in mining and gain job opportunities in mines located in different regions of the country. Thus, an important contribution is made to reducing the unemployment rate in the region.

REIT & Tourism Sector

The tourism sector, which makes a significant contribution to the country's economy, was adversely affected by the pandemic. In 2020, the number of visitors decreased by 69% and tourism revenues by 65%

Turkey's Tourism Revenues & Number of Tourists



DECREASED FROM 52 MILLION PEOPLE TO 15.8 MILLION

The tourism sector makes a significant contribution to the country's economy. The number of tourists, which was around 10 million in the 2000s, reached 52 million by the end of 2019. As a result of the negative effects of the pandemic, 15.8 million people visited in 2020, a decrease of 69% compared to the previous year.

INTERRUPTED BY THE PANDEMIC

Turkey's growth spurt in tourism, which includes the hotel and accommodation sector, was interrupted in 2020 due to the pandemic conditions that affected the whole world.

RUSSIA RANKS FIRST

The country that sent the most visitors was Russia with 2 million 128 thousand 758 people. Russia was followed by Bulgaria with 1 million 242 thousand 961 people and Germany with 1 million 118 thousand 932 people. Germany was followed by Ukraine, Great Britain, Georgia, Iraq, Iran, France and the Netherlands, respectively.

The number of visitors to Turkey decreased by 69.5% in 2020 compared to the previous year, to 15.8 million. 12.7 million of the visitors were foreigners and 3.1 million were citizens residing abroad.

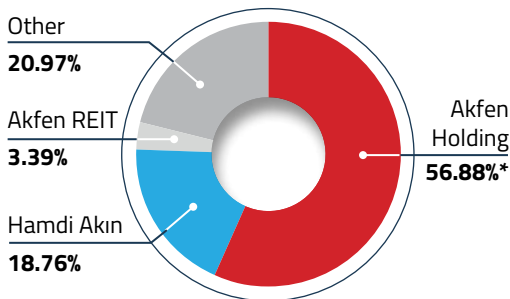
TOURISM REVENUES DECREASED BY 65%

Tourism revenues in 2020 decreased by 65.1% compared to the previous year and became USD 12.1 billion. 75.4% of the income was obtained from foreign visitors and 24.6% from citizens living abroad.



Akfen REIT, which started the concept of city hotel management in Turkey in 2007, has a portfolio of 21 hotels, 2 dormitories and 1 office building as of today

SHAREHOLDING STRUCTURE



* As of 9 February 2021, Akfen REIT's shareholding structure is Akfen Holding 30.37%, Hamdi Akın 56.51%, and other 13.12%.

Subsidiary Structure

(Direct and Indirect):

Akfen Gayrimenkul Tic. ve İnş.	100%
Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş.	91.47%
Akfen İnş. Tur. ve Tic. A.Ş. ve Akfen GYO A.Ş. Adi Ortaklığı	100%
YaroslavlOtelInvest Ltd.	97.8%
Samstroykom Ltd.	97.8%
Volgastroyskom Ltd.	96.17%
KaliningradInvest Ltd.	97.8%
Severnyi Avtovokzal Ltd.	100%
Masanda Turizm Yatırımları A.Ş.	100%
Isparta Yurt Yatırımları A.Ş.	100%

Akfen REIT has reached a portfolio of 21 hotels, 2 dormitories and 1 office building over 14 years since 2007, with the "Contemporary City Hotels" project that it pioneered in the sector. Thus, Akfen REIT has become one of Turkey's main hotel investors, primarily with its Accor expertise. The company, which started its operations as Aksel Tourism Investments and Management Inc. in 1997, was transformed into a real estate investment trust in 2006.

The company has taken action to fill the gap it identified in the 3 and 4 star hotel classes, especially in cities other than Istanbul, under an international brand. After the public offering process in 2011, Akfen REIT shares started to be traded on the Borsa Istanbul on 11 May 2011. The actual circulation rate is 13.12% (24.26% as of 31 December 2020). At the end of 2020, the closing price of Akfen GYO shares was 4.86 TL (Close market value: 894 million TL). With the capital increases in 2021, the market value exceeded 1.5 billion TL.

STRATEGIC PARTNERSHIP WITH ACCOR

Akfen REIT, which became a strategic partner of Accor in 2005, one of the world's leading hotel chains, obtains regular and predictable rental income by signing long-term rental agreements for the hotels it opens in Turkey and Russia.

In contracts with Accor regarding Akfen REIT's hotels (except 3 hotels in Russia, Bodrum and Cyprus) Akfen REIT has a minimum guarantee requirement for its rental income. Rental income for hotels in Turkey is determined as the higher of a certain percentage of

turnover or adjusted hotel gross profit. This sharing, on the one hand guarantees a minimum income, and on the other hand, it has the potential to share in the income increase that will be provided by the performance of the hotels.

The business model involves developing city hotel projects under the Novotel and Ibis brands within the framework of the strategic cooperation between Akfen REIT and Accor. The company's domestic investments focus on taking the maximum share from the growing middle class potential and from the steadily increasing activity of the Turkish business world in the sector.

On the other hand, the 5-star Merit Park Hotel and casino in the portfolio of Akfen Real Estate Trade, a subsidiary of Akfen REIT, located in Kyrenia, TRNC, has been operated by Voyager, a Net Holding group company, since 2013.

FINANCIAL STRENGTHENING

Akfen REIT contributes to company value by reducing debt and further strengthening its financial structure. Akfen REIT, which redeemed the convertible bond issued for the first time by a public company in Turkey by converting it into shares at the beginning of 2021, made its second capital increase and added Bodrum Loft and two dormitory buildings to its portfolio. Additionally, the company restructured all its financial debts to a maturity of 10 years and closed its Dutch subsidiaries, therefore directly connected its Russian investments to Akfen Real Estate Trade, and took important measures against the negative effects of the Covid epidemic by saving on other general expenses, too. The company strengthened its financial structure by revising its lease agreements with Accor in a way to increase rental income by 10%-22.5% depending on the hotel. As of 31 December 2020, the number of employees of Akfen REIT and its subsidiaries is 17.

Domestic & International Hotels		
	Number of Rooms	Opening Date
DOMESTIC HOTELS		
Zeytinburnu Ibis	228	2007
Zeytinburnu Novotel	208	2007
Eskişehir Ibis	108	2007
Trabzon Novotel	200	2008
Gaziantep Ibis	177	2010
Gaziantep Novotel	92	2010
Kayseri Ibis	160	2010
Kayseri Novotel	96	2010
Bursa Ibis	200	2010
Adana Ibis	165	2012
Esenyurt Ibis	156	2013
Ibis Alsancak	140	2013
Ibis Ankara Airport	147	2014
Novotel Karaköy	200	2016
Tuzla Ibis	200	2017
HOTELS ABROAD		
Merit Park Otel/TRNC	286	2007
Yaroslavl Ibis/Russia	177	2011
Samara Ibis/Russia	204	2012
Kaliningrad Ibis/Russia	167	2013
Moscow Ibis/Russia	317	2015
TOTAL	3,628	

Operational Performance of Hotels	Hotels	Number of Rooms*	Occupancy rate		Revenue per room (€)**		Total revenue per room (€)***	
			2020	2019	2020	2019	2020	2019
	Turkey Total	2,477	33%	69%	10	25	13	32
	Russia Total	865	33%	61%	11	25	15	35
	Grand Total	3.342	33%	67%	10	25	13	33

* The 286-room Merit Park Hotel in the TRNC is not included. ** Revenue Per Room=Average Room Fee*Occupancy Rate

*** The total room revenue include room fees and other revenues (food & beverage, seminar-congress, banquet income).

Highlights of 2021

- ▶ **07 January 2021:** For the redemption of the Convertible Bonds for 238.627.432 TL, with the decision of the Board of Directors dated 30 December 2020, the CMB has approved the issuance document for 59,066,196 new Group B shares at a value of 4.04 TL.
- ▶ **12 January 2021:** The bond convertible to shares was redeemed and as a result of the dedicated capital increase, 59,066,196 new Group B shares were issued and the capital was increased to 243,066,196 TL.
- ▶ **26 January 2021:** In order to enrich and diversify Akfen REIT's asset portfolio, to provide additional resources for the repayment of the new loan structure, to ensure that it attains a more sustainable structure that will reduce the impact of the epidemic in its revenues with regular and continuous income-generating asset contribution, the Board of Directors of the company decided that all shares in Masanda Tourism Investments Inc., which has a 184-bed 5-Star Holiday Village investment in Bodrum, be purchased from Akfen Infrastructure Inc; and that all shares in Isparta Dormitory Investments Inc., which has two dormitories with a total of 7,232 beds leased to the General Directorate of Credit and Dormitories for 13 years, be purchased from Akfen Construction Tourism and Trade Inc.; and the TL450 million cash required for the purchase of the two assets be met by means of a dedicated, paid capital increase with premium for the company; and that an application be submitted to the CMB for the allocation of issued shares to Hamdi Akin.
- ▶ **04 February 2021:** CMB allowed the capital increase, the exemption of the right to leave and the purchase of Isparta Dormitory Investments Inc. and Masanda Tourism Investments Inc.
- ▶ **9 February 2021:** The capital of the company was increased by 101.580.136 TL to 344,646.332 TL and the shares of Isparta Dormitory Investments Inc. and Masanda Tourism Investments Inc. were purchased.
- ▶ **19 March 2021:** A total of 6,233,384 shares, which were bought back by the company in previous years and represent 1.81% of the company's capital, were sold at a price of 4,24 TL for 26.429,548.20 TL.

Highlights of 2020

SHARE SALE

28 February 2020 Akfen REIT Inc. shares with a nominal value of TL 4,175,380, corresponding to 2.27% of the company's capital, owned by one of its partners, İbrahim Süha Güçlüsav, were sold to Hamdi Akin at a price of 4.20 TL per share per 1 TL nominal value.

TEMPORARY SUSPENSION DUE TO COVID

27 March 2020 Due to the effects of the worldwide Corona Virus (COVID-19) pandemic, 12 of our hotels operated by Accor and our hotel operated by Voyager in Kyrenia have temporarily ceased operations.

SUPPORT TO HEALTH PERSONNEL

9 April 2020 Eskişehir Ibis, Zeytinburnu Ibis and Kayseri Ibis, our hotels whose activities were temporarily suspended, have been allocated to health personnel who work hard in hospitals fighting the coronavirus epidemic.

BONDS HAVE BEEN TRANSFERRED TO AKIN

9 April 2020: All rights, including principal and interest, of the 170,000,000 nominal convertible bonds issued by Akfen Real Estate Investment Partnership Inc., which was owned by our company Akfen Holding Inc. were transferred to Hamdi Akin, the controlling partner of Akfen REIT Inc., for 215,718,356.16 TL.

HOTELS ARE OPERATIONAL AGAIN

5 August 2020: Hotels whose activities had been temporarily suspended have started to operate.

EXTRAORDINARY GENERAL MEETING

11 September 2020: Extraordinary General Assembly meeting was held. For the purpose of determining the conversion price of 1 share of the convertible bond issued by the company as 2.75 TL and applying for the approval of the CMB, and re-determining the authorization period as 2020-2024 (five years)

for the registered capital ceiling of 1,000,000,000 TL, the amendment of Article 8 of the Company's Articles of Partnership, titled "Capital and Shares", has been approved.

SIMPLIFICATION IN ORGANIZATION

3 November 2020 Our company's 100% subsidiary Akfen Real Estate Trade and Construction Inc.'s subsidiary located in the Netherlands, which owns our investments in Russia, Russian Hotel Investment BV, in which it has a 97.89% stake, Russian Property Investment BV, in which it has a 96.37% stake, and Hotel Development Investment BV, in which it has a 100% stake, was liquidated in order to reduce operational costs in our general structure, simplify the organizational structure and facilitate activities, and our investments in Russia were directly transferred to Akfen Real Estate Trade and Construction Inc. as subsidiaries.

RESTRUCTURING

18 December 2020: Since the negative impact of the pandemic in the tourism sector and in our hotels caused a significant decrease in our revenues, Credit Europe Bank NV Netherlands, Credit Europe Bank Ltd Russia and Fibabanka agreed to restructure the current debt of EUR 177,728,000 to a maturity of 10 years. An agreement has been reached and work on amending the loan agreements within this scope has begun.

CAPITAL INCREASE

28 December 2020 The Board of Directors of the company decided on 17 January 2018 that, 238.6 million TL debt related to the convertible bonds with a nominal value of 170 million TL, 12% annual interest and a maturity of 15.01.2021, was converted into shares at a price of 4.04 per share through capital increase. In this context, it has been decided to increase the capital by 59,066,196 TL allocated to Hamdi Akin, who is the sole investor of the bond.

Maritime Transportation Sector

89.9% of the passengers carried on seas and
92.5% of vehicles are transported on Marmara Sea lines

SEA TRANSPORT HAS THE LOWEST SHARE OF PASSENGERS

Maritime transport has great potential in terms of freight and passenger transport in Turkey, which is surrounded by seas on three sides. Although it is fast, safe, economical and environmentally friendly, it has the lowest share among passenger transportation modes.

Cabotage line passenger and vehicle transportation is mainly carried out by TDI (Turkey Maritime Organisation) passenger ships and ferries, and İDO (İstanbul Sea Buses Inc.) ferries and sea buses. In addition to this, there are private marine ferry operators in urban sea transportation.

AS ALTERNATIVES INCREASE, INTEREST IN MARITIME TRANSPORT DECREASES

New highways, bridges, high-speed train services and cheap airline tickets affect sea transportation negatively. Especially Osmangazi Bridge, which became operational in 2016, Yavuz Sultan Selim Bridge and Eurasia Tunnel reduced the interest in maritime transportation. Also, the 3-storey tunnel project that will be built under the Sea of Marmara to connect Europe and Asia, will provide train and vehicle passage and will be an alternative to sea transportation.

NEGATIVELY AFFECTED BY THE PANDEMIC

As a result of the negative effects of the pandemic, the number of passengers carried on Turkish cabotage lines decreased in 2020 compared to the previous year.

The number of passengers decreased by 42.9% to 85.9 million, and the number of vehicles decreased by 18.8% to 10.9 million. Looking at the averages over the last 10 years, there was a 1.5% growth in vehicles and a 5.7% decrease in passengers transported.

89% OF THE PASSENGERS ARE ON THE SEA OF MARMARA

Almost all of the passengers and vehicles transported on cabotage lines in 2020 were on Marmara and Aegean Seas. 89.9% of the passengers were carried on the Marmara Sea, and 10.1% on the lines in the İzmir Region.

92.5% of the vehicles were transported within the Sea of Marmara and 7.3% of them were transported on the lines in the İzmir Region. 64.7% of the transport on the Sea of Marmara were carried out in the Marmara basin and 27.8% in the Çanakkale Region.



İDO, one of the largest maritime transport companies in the world, provides service on 16 lines with 52 ferries

Being one of the largest maritime transport companies in the world with its large fleet, high vehicle and passenger carrying capacity, İDO has adopted a mission of economy, comfort, speed and travel safety on 16 routes with 52 ferries.

CONTRIBUTION TO THE ENVIRONMENT AND ECONOMY

Akfen Holding, Tepe, Souter, Sera Joint Venture won the tender for the privatization of 100% of the shares of İDO, which was established by İstanbul Metropolitan Municipality in 1987, with a block sale method, for a value of USD 861 million. With 52 ferries working between 35 piers on 16 lines, İDO endeavors to reduce the travel time on Bosphorus, Marmara Sea and İzmit Gulf lines to a minimum, thus contributing to the economy and the environment by saving time and fuel for passengers.

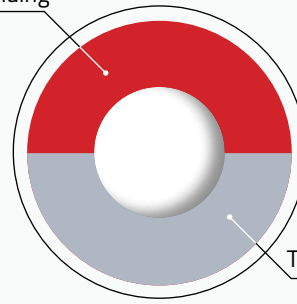
As of the end of 2020, İDO provides service with its modern fleet consisting of 52 sea vehicles (24 sea buses, 20 ferryboats, 7 fast ferries and 1 service ship). It operates on the Sea of Marmara with a total of 16 lines with a carrying capacity of 35,021 in the summer period, 28,903 passengers in the winter period and 2,577 vehicles for both periods.

As of 31 December 2020 the number of employees of İDO is 1,041. The most recent collective bargaining agreement with the Turkish Seafarers' Union continues to cover the dates 01 January 2020/31 December 2021.

In 2020, a total of 1,947,674 liters of fuel was saved. Thus, carbon dioxide emissions were reduced by 5,162 tons.

SHAREHOLDING STRUCTURE

Akfen Holding
50.0%



Subsidiary Structure

Zeytinburnu Liman
İşl. San. ve Tic. A.Ş. 20%

Number of Passengers and Vehicles

	2020	2019	Değişim
NO. OF PASSENGER			
Fast Ferry	3,923,727	7,126,032	-44.9%
Sea Bus	1,258,805	2,766,812	-54.5%
Conventional Ferry*	19,869,199	24,073,433	-17.5%
Total no. of Passenger	25,051,731	33,966,277	-26.2%
NO. OF VEHICLES			
Fast Ferry**	958,525	1,409,261	-32.0%
Conventional Ferry	4,229,407	5,304,025	-20.3%
Total no. of Vehicles	5,187,932	6,713,286	-22.7%

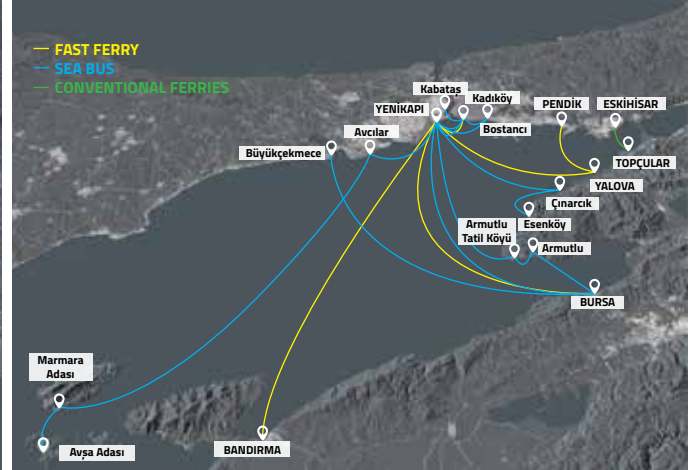
* In-car passenger coefficients, determined according to vehicle class, are used in the calculation of the total number of in-car passengers on Eskihisar-Topçular car ferry line. The coefficient assumptions are as follows:

Vehicle Class	Number of In-Car Passengers
Motorcycle	1
Automobile	3
Minivan	3
SUV/Pick-up, Minibus	6
Midibus (2+1)	9
Truck / 2 Axle Bus	26
Axle Bus / 3 Axle TIR	26
4 Axle and over TIR	2

** Vehicle numbers carried on the fast ferry lines are given by Vehicle Measurement Unit (VMU). VMU consists of the conversion of vehicles of different classes to automobile units with vehicle coefficients:

Vehicle Class	Coefficient
Motorcycle	0,25
Automobile	1,00
Disable Car	1,00
Minivan	1,00
Minibus (12 persons)	1,25
Jeep	1,25
Minibus (19 persons)	1,50
Midibus	2,00
Pick-up (0-2,000 kg)	1,50
Pick-up (2,001-2,500 kg)	2,00
Pick-up (2,501-3,500 kg)	2,00
Bus	5,00
Tow Truck	1,50

İDO Innercity and Intercity Line Map



Highlights of 2020

TOY JOY FOR CHILDREN AFTER ELAZIG EARTHQUAKE

As İDO, in the toy campaign we started to contribute to the recovery of earthquake-affected children in Elazığ, we delivered all the toys we collected and purchased to the Elazığ Provincial Directorate of Family, Labor and Social Services. Toys were distributed with the same meticulousness to children under care and protection in affiliated institutions in cooperation with the Provincial Child Rights Coordinator and to earthquake victims who benefited from service models.

HELPING İZMİR EARTHQUAKE VICTIMS

As İDO, within the scope of our social responsibility approach to our citizens of İzmir, who were shaken by the earthquake on 30 October 2020, under the leadership of AFAD and in cooperation with İzmir Metropolitan Municipality, we provided sleeping bags and blankets, which our citizens needed most at the time. We also provided food aid and the Red Crescent provided food distribution to earthquake victims with the food we sent.

COLLABORATION WITH UNICEF

As in previous years, we helped UNICEF meet İDO guests at İDO terminals throughout 2020. Accordingly, we helped UNICEF gain 500 new supporters. This support contributed to helping 375 disadvantaged children.

FREE TRAVEL TO AVŞA FOR HANDICAPPED PASSENGERS WITH TSD COOPERATION

In cooperation with the Turkish Association for the Handicapped (TSD), İDO conducted a free trip to Avşa for disabled citizens who are included in the "Avşa Accessible Summer Camp" program of the association. İDO supported the travels of our disabled citizens within the framework of its corporate social responsibility approach so that they can meet the sea and be rehabilitated with an unhindered summer vacation.

AWARENESS WITH LÖSEV, KIZILAY AND DARÜŞŞAFKA POSTERS

As İDO, within the framework of our corporate social responsibility approach, LÖSEV, KIZILAY and Darüşşafaka posters were placed on İDO ferries and terminals, thus increasing sensitivity and awareness on leukemia (blood cancer), healthy living, the importance of blood donation and equal opportunity in education.

İDO MEMORIAL FOREST

İDO, within the framework of corporate social responsibility and environmental awareness, brought together its employees and families in January 2020 to create a new memorial forest. 2000 saplings were planted in Arnavutköy for the second Memorial Forest to commemorate the 10th anniversary of the first memorial forest created in Arnavutköy Fenertepe in 2009.

Wastewater and Solid Waste Sector

INVESTMENT NEED €14.2 BILLION

According to the EU Integrated Environmental Harmonization Strategy planned for Turkey, the investment needed in the water and wastewater sector is 14.23 billion Euros between 2019-2023. The water sector has a share of 43% in the distribution of environmental investments. It is foreseen that 80% of the investments in the field of water and wastewater will be made by the public sector and 20% by the private sector.

According to the 2023 Waste Water Treatment Action Plan of the Ministry of Environment and Urbanization, the no. of wastewater treatment plants, which was 991 in 2019, is expected to be increased by 1,163 by 2023 to 2,154 plants. As of 2018, the number of drinking and utility water treatment plants in Turkey is 624. The percentage of the population served by treatment plants to the total population was calculated as 60.1%. New drinking and utility water treatment plant investments are required for 40% of the population.

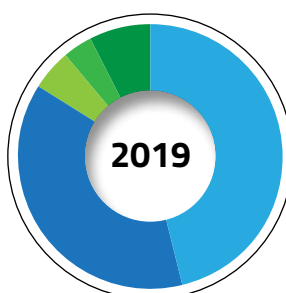
SEA WATER TREATMENT PLANT IS AN IMPORTANT STEP FOR İSTANBUL

Additionally, the Sea Water Treatment Plant and Deep Sea Discharge projects planned for İstanbul are important developments in this area.

It is estimated that the waste management sector in Turkey exceeds 5 billion Euros. Long-standing cooperation agreements between Turkey and the EU in the field of waste management have led to the harmonization of Turkish waste legislation with the EU and the gradual modernization of waste-related infrastructure.

76.9% OF ENVIRONMENTAL PROTECTION EXPENDITURES ARE FROM THE PRIVATE SECTOR

76.9% of the environmental protection investment expenditures, which decreased by 10.5% compared to the previous year and amounted to 6.4 billion TL, were made by the private sector and 23.1% by the general government and non-profit organizations. While 3.3 billion TL was spent on wastewater management services and 1.4 billion TL was spent on waste management services, 1.7 billion TL was spent on environmental protection in other areas.



Environmental Protection Expenses by Subject

Expenditure	Share
Waste management	46,3%
Waterwaste management	37,8%
Protection of biodiversity and landscape	4,8%
Soil, groundwater and surface water protection and quality improvement	3,8%
Other env. protection exp.	7,3%

Source: TurkStat

New facility investments determined under the 2023 Action Plan

Municipal Waste Incineration and Establishment of Energy Generation Facilities	€ 680 million
Landfill Facilities	€ 690 million
Irregular Landfill Rehabilitation	€ 1.875 million
Establishment of Animal Waste Biomethanization Facilities	€ 420 million

4 BILLION EUROS WORTH INVESTMENT UNTIL 2023

According to the National Waste Management Action Plan, the cost of waste facility investments planned and needed until 2023 is approximately 4 billion Euros, depending on the choice of technology.

Environmental protection expenditures increased by 1.2% in 2019 compared to the previous year and totaled 38.4 billion TL. 57.8% of environmental protection expenditures were made by the private sector, 34.2% by general government and non-profit organizations and 8% by households.

Of the environmental protection expenditures, 46.3% was for waste management services, 37.8% was for wastewater management services, 4.8% was for the protection of biological diversity and landscape, 3.8% was for the protection and quality improvement of soil, ground and surface waters, and 7.3% was for other environmental protection issues.

While the share of environmental protection expenditures in gross domestic product was 1.0% in 2018, it was 0.9% in 2019.



Akfen Environment and Water

Subsidiary Structure

Akfen Güllük Çevre ve Su Yatırım Yapım İşletme A.Ş. **100%**

Akfen Environment and Water is the first private sector organization in Turkey that serves in water and wastewater network management, waste water purification and integrated waste management areas with PPP and concession models



Construction of water and wastewater networks



Improving reserves



Treatment systems construction



Development of sustainable solid waste management systems



Distribution of groundwater

* Akfen Environment and Water transferred all of its shares in Akfen Güllük to Hız Environment and Water Investments Inc. (with all its rights and obligations) on 19 April 2021.

Akfen Environment and Water is the first private sector company in Turkey that provides services in the fields of water and wastewater networks management, wastewater treatment and integrated waste management with concession and PPP models.

The company was established in 2005 and develops projects in the fields of construction of water and wastewater networks, distribution of all kinds of drinking water obtained from underground sources, improvement of reserves by protecting them, construction of treatment systems, development of waste water and sustainable solid waste management systems.

NUMBER OF EMPLOYEES IS 32

Kardan N.V., 50% shareholder of the company, is an international investment company established in the Netherlands, and is among the leading companies in the world with its water, wastewater and waste infrastructure investments in Europe, Africa, Asia, South America and the Mediterranean Basin countries with its engineer staff of more than a thousand. As of 31 December 2020, the number of Akfen Environment and Water employees is 32.

The company continues its activities within the framework of the Concession Agreement for the Construction and Operation of Drinking and Potable Water Supply-Plant and Wastewater Treatment Plant signed with the Municipality of Güllük on 29 August 2006. All investments related to this project, whose

concession rights were transferred for 35 years, have been covered by equity. It is the first and only concession agreement in which the privileges of water supply, distribution, wastewater collection and treatment of a municipality are transferred to the private sector with the opinion of the Council of State and the decision of the Ministry of Interior.*

DİLOVASI TRANSFERRED IN 2019

Akfen Environment and Water signed a BOT contract with the Dilovası Organized Industrial Zone Directorate on 3 August 2007. As of 1 July 2010, the wastewater treatment plant, sludge drying facility and waste water collector lines, with a capacity of 21,144 m³/day (11,000 m³ of which is active to-day) were put into operation within the framework of the 29-year BOT contract. With this project, Akfen Water became the implementer of the first BOT model developed for the solution of wastewater treatment problems in organized industrial zones in Turkey. The project was transferred to Kocaeli Gebze Dilovası Organized Industrial Zone on 1 August 2019.

ALSO PROMINENT IN WASTE MANAGEMENT

Akfen Environment and Water continues to successfully continue the services it provides within the framework of the Waste and Environmental Management Agreement it signed with İDO in 2012.

Since August 2016, the company has also started providing "Disposal and Recycling of Hazardous and Non-Hazardous Wastes"

WASTE MANAGEMENT

- İDO Solid Waste & Environment Management
- Bilkent City Hospital Waste Management*
- Yozgat City Hospital Waste Management
- Eskişehir City Hospital Waste Management
- Isparta City Hospital Waste Management
- Mersin International Port Waste Management
- Mersin City Hospital Waste Management**
- Tekirdağ City Hospital Waste Management

* Ankara City Hospital contract and related waste service has been terminated as of 30 September 2020.

** Mersin City Hospital contract and related waste service has been terminated as of 01 February 2020.

service for MIP. In the following period, the company added the waste management service for the first three city hospitals of Turkey, implemented with the PPP model in 2017, to its existing projects. These are respectively; Yozgat City Hospital with 475 beds, which was put into service in January 2017, Mersin Integrated Health Campus with 1,294 beds, which came into service in February 2017, and Isparta City Hospital with 755 beds, which came into service in March 2017.

The company continued to grow in the field of waste management with the Eskişehir City Hospital with 1,081 beds, which started service in October 2018, and the Bilkent City Hospital with 3,711 beds, which started service in February 2019. The waste management service of Tekirdağ City Hospital with 480 beds, which started accepting patients as of December 2020, has also been added to the existing projects.

Aiming to implement exemplary services, practices and strategies in the field of water and waste management for a sustainable development, Akfen Environment and Water has improved the solid waste and environmental management services successfully carried out in İDO and MIP even further with city hospital projects carried out within the scope of PPP projects.

THE FIRST AND LEADING COMPANY IN CITY HOSPITAL WASTE MANAGEMENT SERVICES

Akfen Environment and Water reinforced its position as a leading and qualified player in this field by undertaking waste management services for 6 city hospitals with a total bed capacity of 7,725 in 2020. As of the end of 2020, 4 city hospitals are being served. Akfen Environment and Water is the first company to provide waste management services in city hospitals and currently provides the highest number of beds in total. The company closely monitors the waste management processes of 5 health institutions that are expected to be opened within the scope of city hospital projects and aims to maintain its leading position.

Highlights of 2020

VOLUME OF WATER BILLED INCREASED by 4.2%

The volume of water billed by Akfen Güllük Environment and Water Investment and Construction Operations Inc. in 2020 increased by 4.2% compared to the previous year and reached 730,488 m³. Akfen Water Güllük serves 8,486 subscribers as of the end of 2020.

VOLUME OF WASTE MANAGED DECREASED 15%

Management services were provided for 9,175 tons of waste, with a 15% decrease in all waste types.

MERSIN AND BILKENT CITY HOSPITAL WASTE MANAGEMENT SERVICE ENDED

As of 1 February the services for Mersin Integrated Health Campus and on 30 September the services for Bilkent City Hospital were terminated.

ACACIA MINING TREATMENT PLANT PROJECT TENDER

The wastewater coming out of the copper mine and ore enrichment facilities operated by Acacia Mining Operations in Hanönü district of Kastamonu province are stored in the Waste Storage Facility (WSF-1) with a capacity of 5 million m³. Akfen Water won the tender opened for the purpose of treating this wastewater on 24 December 2020. The tender involves the design, project design, construction and operation for 3 months, of the treatment plant with a capacity of 7,200 m³/day, using the latest technology integrated treatment systems applied today. Turnkey construction contract of USD 6.5 million was signed with the employer on 7 April 2021 for the recycling, within the process, and/or for release into nature, of the top water collected in the waste dam. Akfen Water Sub-Subcontractor contract was signed on the same date "back to back" with the same content. With the site delivery and the employer's approval, the mobilization and the construction site installation started on 19 April 2021.

ACTIVE MISSION AT TAYÇED CONTINUES

After the acceptance of Akfen Environment and Water to TAYÇED (Waste and Environmental Management Association), Akfen Water General Manager Mr. Emre Sezgin was elected a Member of the Board of Directors of TAYÇED at the TAYÇED Extraordinary General Assembly on 17 October 2018. We continued to take an active role in TAYÇED studies in 2020.

IBS Insurance & Reinsurance Brokerage

IBS Insurance, one of the largest insurance brokers in Turkey with three offices in Istanbul, Ankara and Mersin, aims to grow both domestically and abroad.

As one of the 3 largest insurance brokerage companies in Turkey, IBS Insurance's short and medium-term goals include growth in the country and abroad.

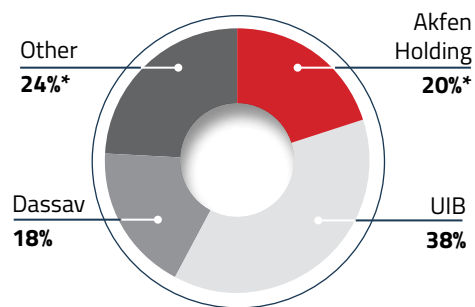
Founded in 1997, IBS Insurance and Reinsurance Insurance Brokerage Inc. (UIB Turkey) gained an international identity by gaining access to global markets after its partnership with United Insurance Brokers (UIB), a Lloyd's broker, in 2002.

In addition to being the preferred insurance broker in the energy, construction, defense and aviation industries, IBS Insurance has consolidated its position by successfully completing the insurance and reinsurance programs such as the 1915 Çanakkale Bridge project, one of the biggest projects in the history of the Republic, İstanbul's 3rd Airport, the world's largest airport with a capacity of 150 million, and the Izmir Istanbul Highway, another one of the largest projects in the history of the Republic.

Despite the difficulties in the Turkish economy, IBS Insurance completed 2020 with 84 thousand policy production and more than 30 thousand customers.

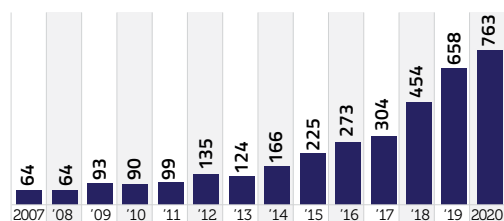
In 2020, IBS Insurance managed to increase its premium production by 16% to 763 million TL.

SHAREHOLDING STRUCTURE



** Akfen Holding signed an agreement on 28 December 2020 for the sale of its remaining 20% stake in IBS to Güçlüsav Management and Consultancy Inc. Said sale transaction was completed as of 28 January 2021.*

Premium Production (million TRY)



Local Premium Production			
(thousand TL)	2020	2019	Change
Total	82,575,846	69,242,169	19.3%
Brokers	9,801,165	8,167,723	20.0%
Brokers Share	12%	12%	0.07 p.p.

Source: Insurance Association of Turkey

Insurance Sector

The insurance sector is a very important component for the resilience of the economy due to the size of the premium amount it collects and the investments made with this premium. The Turkish insurance sector system is among the sectors that contribute significantly to the economy.

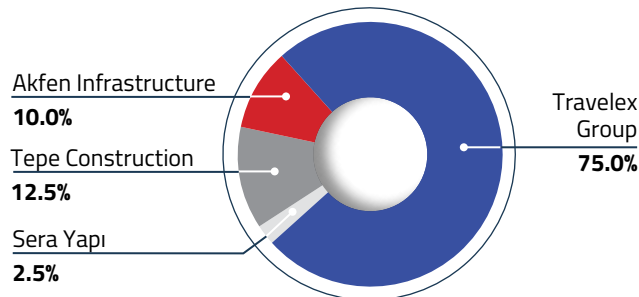
According to the statistics announced by the Insurance Association of Turkey about the premiums produced by the sector as of the end of December 2020, a total of 82 billion 576 million TL premium was produced in the sector, resulting in a growth of 19.3% compared to the same period of the previous year.

The share of brokers in the sector for the same period amounted to 9 billion 801 million TL and increased by 20% compared to the same period of the previous year.



Travelex operates in more than 27 countries with more than 1,200 service points in airports and non-airport locations

SHAREHOLDING STRUCTURE



Established in 1976, Travelex is the world's leading specialist organization in foreign exchange and related services. Travelex, which operates in 24 countries, has created a platform that reinterprets the physical and digital money movement across borders globally, with 950 ATMs and 1,000 service points both at airports and off-airport locations, as well as online and mobile foreign exchange trading service platforms that are developing day by day, thus ensuring that all its customers stay one step ahead of the competition.

Using its expertise and experience, it provides reliable, effective and accurate international money transfer services to financial institutions, travel agencies and hotels, complementing this service with a secure cash delivery service in all currencies. The group also provides bulk money supply and delivery services to its customers, including central banks and international financial institutions.

ACTIVITIES IN TURKEY

Travelex operates in Ankara Esenboğa, İzmir Adnan Menderes, Antalya and Alanya Gazipaşa Airports and Kuşadası Cruise Port in Turkey. After the sale to Travelex in 2014, Akfen Infrastructure has 10% of its shares.

- Number of Countries
24
- Number of Locations
1,000
- Number of ATMs
950
- Number of Offices in Turkey
12

CHAPTER 4

CORPORATE GOVERNANCE

- *Corporate Values & Perspective for the Future*
- *Board of Directors*
- *Management of Subsidiaries and Affiliates*

Corporate Values and Perspective for the Future

OUR GOAL



- Our goal is to utilise growth opportunities in new business areas in all sectors in which we operate in Turkey and abroad and to create value for all of our stakeholders, primarily our employees and partners; we also aim to be a sustainable national company by continuing our success in the fields of business we are experienced in.

OUR STRATEGY



- In light of our deep-rooted experience in acquiring concessions, management and business development, to continue to move forward with strong domestic and foreign strategic partners in infrastructure sectors, which is our core business.
- To further strengthen our pioneering position in our main business areas by focusing on concessions and sectors with high growth potential, monopolistic character or low competition, long-term and maximum income guarantee, and with this power, to enter new infrastructure areas.
- Creating and maximizing value for shareholders.
- Managing our assets actively.
- Growing our revenues, improving profitability and optimizing capital structure.

OUR CORPORATE VALUES



Our building blocks that make us a sustainable country:

- All tasks are important, all employees are valuable.
- We have a dynamic and entrepreneur.
- Honesty is the symbol of our quality.
- Our investments are both material and spiritual.
- We take the road less travelled.
- We embrace our business, we learn every day.
- Our identity is our reputation.

OUR PRINCIPLES



- To gather development focused, value-adding, participatory, dynamic and competent manpower under the roof of Akfen Infrastructure Holding.
- To prioritize our understanding of quality and ethical values in all business processes and management.
- To complete the work under our commitment in a timely manner and with the highest quality.
- To fulfill the promises made to our employees, business partners, shareholders and social stakeholders and to protect their interests.
- Sustaining a transparent and honest business approach.
- To manage risks with an original and innovative business approach while evaluating new initiatives and opportunities.
- Investing in people and society through social responsibility activities.

Human Resources

Akfen Infrastructure Holding is aware that it is the employees who ensure success and the future. With the basic understanding of "All tasks are important, all people are valuable", it aims to develop a working environment where the ideas of employees are valued, their participation is supported and equality of opportunity is provided for everyone.

The company believes that working in an environment based on human rights principles, taking into account all the material and moral rights of Akfen employees, as well as that of subcontractors, who have adopted a spirit of cooperation based on love, respect and tolerance under the umbrella of Akfen, is the main criterion for sustainable success and attaches importance to collaborations in which corporate values and ethical principles are shared.

Our HR Policy, created with this understanding, adopts approaches that protect employee rights and keep the "Akfen Family" feeling alive both within the organization and before all our stakeholders. Human Resources Management Department carries out Human Resources Practices in line with the strategic plan and objectives of the company, aims to review them according to the conditions of the day and to continuously develop them in a dynamic structure. Thus, human resources planning, selection, placement, development, job analysis, preparation of suitable job descriptions according to changing conditions, performance and career planning studies, increase of work motivation and development of corporate culture are executed to ensure that the skills and competencies of the employees meet with the requirements of the job.

Employee Distribution by Male and Female Personnel (31.12.2020)

Companies	Total Employee	Female Employee	Male Employee
Akfen Infrastructure Holding	6	5	1
Akfen Construction	73	20	53
Akfen Tourism	154	54	100
Akfen Cons.&Project Dev.	15	6	9
Akfen Real Estate Portfolio Man.	5	2	3
Travelex	41	13	28
Akfen Holding	54	20	34
Akfen REIT	17	9	8
Akfen Renewable Energy	213	20	193
MIP	1,960	103	1,857
IDO	1,041	57	984
Akfen Water	32	6	26
IBS Insurance	82	49	33
Acacia Mining	225	36	189
TAV Investment	1,094	47	1,047
Total	5,012	447	4,565

Employee Distribution by Education Level (31.12.2020)

Companies	Associate Degree Bachelor Degree, Masters Degree, Ph.D	Secondary & High School Graduate	Primary School Degree
Akfen Infrastructure Holding	5	1	0
Akfen Construction	60	11	2
Akfen Tourism	43	82	29
Akfen Cons.&Project Dev.	8	6	1
Akfen Real Estate Portfolio Man.	5	0	0
Travelex	33	8	0
Akfen Holding	34	18	2
Akfen REIT	13	4	0
Akfen Renewable Energy	95	98	20
MIP	439	1,252	269
IDO	538	405	98
Akfen Water	16	9	7
IBS Insurance	75	5	2
Acacia Mining	116	90	19
TAV Investment	564	111	419
Total	2,044	2,100	868

Organizational Development



In order to ensure sustainable success and innovation, the organization, human resources, business processes and job descriptions are structured and systematically reviewed in line with the needs. Studies on sustainability, improvement and dissemination of target and competency-based human resource systems that support a high performance culture and continuous development are carried out.

Selection and Placement



Efforts are made to bring in personnel that create value, is sensitive to the environment, society and people, is open to innovation and change, is flexible, entrepreneurial, dynamic, fast, and aims to develop him/herself and the company. While positions and job descriptions are prepared, the capabilities needed are determined and personnel most suitable to the job descriptions are employed.

Performance Management



In order to develop a career plan for value-creating human resources, to reward such resources and identify aspects that are open to development, a goal and competency-based performance evaluation system has been adopted in which success is evaluated according to measurable criteria. While the expectations from the employees are put forward concretely, it is aimed to define effective and efficient training and development programs that support the career paths of the employees in line with the feedback of the managers. The main purpose of the 'Performance Management Model' is to allow the person to improve him/herself, to achieve measurable performance within the framework of fairness, to create developmental and training opportunities, thereby creating a highly motivated climate by improving our corporate performance as the Akfen Family.

Career Management



Horizontal and vertical promotions are offered to the employees in order to provide individual development opportunities while meeting corporate needs. Opportunities for improving competencies are provided through job enrichment programs.

Employee Profile



Akfen Holding's employee profile is a human resource open to change and development, with a high motivation for success, believing in teamwork and team spirit, utilizing its resources and time correctly, and also having a high sensitivity to social responsibility.

Training Management



In Akfen Holding, continuous training is seen as an essential element of creating a sustainable value system and is considered to be a very important building block of corporate culture. In this context, various educational environments are created to enrich the qualifications of the workforce and to develop intellectual capital; in addition to studies within the company framework, orientation and on-the-job training, a training program is conducted for soft skills and technical capabilities with partners within the company or other firms; and training programs are handled in a process that includes the employees and are reviewed annually according to demand and needs.

Board of Directors



Hamdi Akın

Honorary President of Akfen Group /
Akfen Infrastructure Holding Board Member

Born in Istanbul in 1954, Hamdi Akın graduated from Gazi University, Department of Mechanical Engineering. He founded Akfen Holding in 1976, whose field of activity today is to invest in and to provide management and coordination for subsidiaries and affiliates operating in industries such as infrastructure and superstructure construction, sea port management, maritime transportation, water distribution and wastewater services, energy and real estate.

In addition to his duties as the Chairman of Akfen Holding's Board of Directors, he continues to serve as the Chairman of Mersin Port Management (MIP). He also served as the Chairman of the Board of Directors of Akfen Holding and TAV Airports Holding, of which he is a shareholder and founder, between 2005 and 2017. Akın, who implements infrastructure, energy and investment projects within the scope of privatization in addition to his private entrepreneurship, has carried his dynamism and effort in the business world to non-governmental organizations as a founder and manager in many voluntary organizations such as associations, foundations and professional chambers.

Akın was the Vice-President of Fenerbahçe Sports Club between 2000-2002, the Chairman of the Ankara Region Representatives Board of the Metal Industrialists' Union (MESS) between 1992-2004, the Chairman of the Board of the Young Businesspeople Association of Turkey (TÜGİAD) between 1998-2000. He was a member of the Board of the Confederation of Turkish Employers' Unions (TİSK) between 1995-2001, Member of the Board of the Turkish Industrialists' Businesspeople Association (TÜSİAD) between 2008 and 2009, and also the Chairman of the Information Society & New Technologies Commission of the same, and between 2011-2018 he was a Board Member of the Deniz Temiz Association (TURMEPA).

One of the founders of the Contemporary Turkey Studies Chair at the London School of Economics, Akın is the Founding Member and Honorary President of the Turkish Human Resources and Education Foundation (TİKAV), which he established in 1999 to provide well-trained human resources to Turkey. He is also the Deputy Chairman of the Board of Trustees for Kayseri Abdullah Gül University Support Foundation.

Hamdi Akın is single and has three children.



Selim Akın

Akfen Infrastructure Holding Chairman of the Board

Selim Akın, who graduated from Surrey University, Department of Business Administration in England in 2006, started his career in Akfen Holding Accounting Department the same year. Selim Akın later worked in Akfen Holding's Project Development and Finance Departments. The main projects Selim Akın has been involved in are: The privatization and financing of Vehicle Inspection Stations, the privatization and financing of Mersin Port, and Akfen Holding's public offering and bond issuance. He currently serves as the Chairman of the Board for Akfen Infrastructure Holding and Akfen Construction and Tourism Inc. and the Deputy Chairman of the Board of Directors for Akfen Holding.

Selim Akın, who is the Deputy Chairman of the Board of the Young Businesspeople Association of Turkey and the Chairman of the Trade Commission of the same, is also a member of the Turkish Industrialists' and Businesspeople's Association (TÜSİAD) and the Turkish Tourism Investors Association (TTYD). Akın is also been the DEİK representative since 2018.



Pelin Akın Özalp

Akfen Infrastructure Holding Deputy Chairman of the Board

Pelin Akın Özalp, who graduated from Surrey University in England in 2010, started her career at Deutsche Bank. Pelin Akın Özalp, who worked for TAV Airports Holding upon returning to Turkey, joined Akfen Holding as a member of the Board of Directors in 2012.

Pelin Akın Özalp works as a Member of the Board of Trustees and a Member of the Board of Directors at TIKAV (Turkish Human Resources Education and Health Foundation), founded by Akfen Holding, and also serves as the Vice President of the Duke of Edinburgh International Award Turkey Program.

Pelin Akın Özalp has been the Chairman of the Advisory Board of the Contemporary Turkey Studies Chair, established at the London School of Economics (LSE), since 2010. Pelin Akın Özalp, who serves in different working groups in DEİK Spanish, British, Irish and US Business Councils, is a member of PODEM, TAİDER and TOBB Young Entrepreneurs Advisory Boards. Pelin Akın Özalp is also a Member of the Board of Directors of TIKAD, YKKD and TURMEPA.

Pelin Akın Özalp, who is currently the Vice Chairman of the Board of Directors of Akfen Infrastructure Holding and a Member of the Board of Directors of Akfen Holding, also serves as a Member of the Board of Directors of Akfen REIT, IDO, and Travelex.



İrfan ERCİYAS

Akfen Infrastructure Holding Board of Directors Member / Executive Member

İrfan Erciyas, graduated from Economics and Finance department of Gazi University in 1977, has started to work in Türkiye Vakıflar Bankası. After having worked as inspector and Branch manager in Türkiye Vakıflar Bankası, he continued to work as Vice General Manager between 1996 and 2002 and as General Manager between 2002-2003.

Erciyas who joined Akfen Holding in 2003 as Vice Chairman of the Board of Administrators, had worked especially on privatization of Vehicle Inspection Stations, Mersin International Port and IDO and also during the foundation and investment processes of Akfen REIT and Akfen Energy, for the public offering of Akfen Holding and Akfen REIT and on the subjects of the share sales of the shareholdings and long term financing.

İrfan Erciyas is working in Akfen Holding, as Executive Board Member since March 2010 and he is also Chairman of the Board of Administrators, Vice Chairman and Member of Board of Administrators of several subsidiaries and affiliates of Akfen Holding.



Sıla CILIZ İNANÇ

Akfen Infrastructure Holding Board of Directors Member

Sıla Ciliz İnanç, graduated from Marmara University, Faculty of Law in 1995, joined Akfen Holding in 1997 upon having carried out law internship in 1996.

She took part in Public Private Partnership projects (PPP) in Turkey, mergers and acquisitions, worked in concern with infrastructure, construction, energy and competition law. She took an active role in secondary legislation of Public Tender Law.

She worked at every stage of build-operate-transfer projects, transfer of rights/ concession and all process of privatizations implementations including tenders and transfers in which Akfen and its subsidiaries participated, also dealt with establishment of financial structures, facility agreements and both share and bond issues laws and regulations. She conducted company and holding structure works.

She is Board Member of Akfen Infrastructure Holding A.Ş., Akfen Holding A.Ş. and also Board Member of various Akfen Holding subsidiaries and Akfen İnşaat Turizm ve Ticaret A.Ş.

Management of Subsidiaries & Affiliates

Mesut Coşkun RUHİ
General Manager,
Akfen Construction



After graduating from Middle East Technical University, Faculty of Engineering, Civil Engineering Department in 1992, Ruhi worked at Güriş Construction Inc. for a short time and joined Akfen Construction Tourism and Trade Inc in the same year. He has worked in various positions at construction sites ranging from Project Management to Site Engineering. Since 2005, he has been serving as the General Manager and as of January 2016 he is also a Member of the Board of Directors.

Kayrıl KARABEYOĞLU
General Manager,
Akfen Renewable
Energy



Kayrıl Karabeyoğlu graduated from METU Civil Engineering Department in 1998. Between 1998-2001, he completed his master's degrees at New York Lubin School of Business M.B.A. by doing double major on Finance and Information Systems. He started his career by working at the New York office of Standard and Poors between 2001-2004. Between 2004-2006 he worked on purchase financing and financing of energy projects at the Project Finance Department at Garanti Bank. Between 2006 and 2010 he served as Director at SU Private Equity Management. Between 2010-2013 he worked as Country Manager for Turkey at U.S. based Advent International. Between 2013 and 2018 he served as CEO at Doğuş SK Venture Capital Investment Trust. Between 2014 and 2018, he served as a Board Member at Radore Data Center. Currently he is a member of the Endeavor Advisory Board.

Johan VAN DAELE
General Manager,
MIP



Johan Van Daele is a graduate of Leuven University, Department of Business Economics. He received his MSc degree in Marine Science from the University of Antwerp. Van Daele has 30 years of experience in ports and terminal operations, including operations, security, security and shipment, HSSE and cargo. He is currently serving as MIP's General Manager.

In 1989, Van Daele joined the maritime sector at Noord Natie, which is a subsidiary of PSA that operates in bulk cargo business, and served as the Safety, Security and Shipping Manager at PSA Antwerp from 2006 to 2010. From that time on until 2017, he worked as PSA Zeebrugge Container Operation Group Manager.

Throughout his career, Johan VAN DAELE has played an important role in many projects, including mergers and acquisitions. VAN DAELE joined MIP in 2017, and leads new development projects with high added value and develops strategic plans accordingly.

M. Zeki SAYILIR

General Manager,
Acacia Mining



Zeki Sayilir graduated from Istanbul Technical University as a Metallurgical Engineer in 1985. He completed his MBA in USA on National Education Ministry scholarship between 1986-1990, returned to Turkey and began his career as a marketing specialist at Eti Mining Operations. Between 1994-2006 he has served as a marketing manager at Çayeli Copper Operations, a Canadian-owned company which is the first foreign-owned company in Turkey. Between 2006-2013 he worked at Inmet Mining Corporation, based in Canada, as the director of global sales for the mining operations in Finland, Spain, Canada, Panama and Turkey. In 2013, when Inmet was sold, he left the company and carried out minerals export activities through the company he founded and also served as a consultant for various domestic and foreign mining companies. Since the end of 2016, he has been the CEO of Acacia Mining Operations.

Sertac KARAAĞAOĞLU

General Manager,
Akfen REIT



Mr. Sertac F. Karaağaoğlu, who started his professional carrier as assistant portfolio manager at Toprakbank in 1996, and worked at Kentbank between the years of 2000-2001, then continued his carrier in Fortis Bank (Dışbank) in March 2001. He served duties at various managerial positions as Portfolio Manager, Branch Manager, SME Banking Director of Anatolian Region, Regional Director for East Mediterranean Region and Director Responsible for Credits up to the year of 2011 in their respective orders.

Mr. Karaağaoğlu, who continued his professional career as the Credits Director at TEB BNP Paribas between 2011-2012, worked as the Listing and Private Market Group Director at Borsa Istanbul in the fields of Corporate Finance (public offerings, bond issuances and m&a businesses) between 2012-2016. Mr. Sertac Karaağaoğlu, who graduated from the Political Sciences and Public Management of the Faculty of Economics and Administrative Sciences of the Middle-East Technical University (ODTÜ), completed his master degree course in 2015 on Business Management in Maltepe University.

Emre SEZGİN

General Manager,
Akfen Environment &
Water



After graduating from Bilkent University Faculty of Economics and Administrative Sciences in 2000, Sezgin started his career at ABN Amro Securities in the same year.

He completed his master's degree in Business Administration in the UK in 2002 and served as a senior reinsurance specialist in IBS Insurance Brokerage Services Inc. In 2008, he started at Akfen Holding Business Development Department and worked at project finance, privatization tenders, mergers-acquisitions, public offerings and bond offerings. In March 2014 he was appointed the Deputy General Manager of Akfen Environment and Water Investment Construction Management Inc. Sezgin has been serving as the General Manager since August 2015.

Murat Orhan

General Manager,
İDO



After graduating from Anadolu University, Department of Business and Labor Economics and Industrial Relations, Orhan completed his master's degree in Labor Economics and Industrial Relations at Marmara University. He is currently continuing his PhD in Labor Economics and Industrial Relations at Istanbul University (in thesis stage).

Orhan started his career at İstanbul Glass Industry Inc. in 1987 and held various positions in the field of Personnel and Human Resources in different companies of Toprakbank and OYAK.

While working as HAVAŞ Personnel Manager starting 2004, he also worked as International Projects and Remuneration Manager, Human Resources Manager and Human Resources Coordinator at TAV Airports Holding. After Orhan was appointed to İDO in 2012, he had the opportunity to work in different disciplines in addition to the Human Resources processes in parallel with the changing organizational structures.

Orhan was appointed as the Acting General Manager on 1 October 2019 and as General Manager on 2 July 2020.

Orhan, a member of PERYÖN, gives lectures on Labor Economics and Industrial Relations at various universities. He is also the Vice Chairman of the Board of Zeyport Port Management and a member of the Fenerbahçe Sports Club General Assembly.

Murat ÇİFTÇİ

General Manager and
CEO, IBS Insurance



In 1998, Murat Çiftçi completed his degree in Engineering Management and Industrial Engineering in the University of Missouri - Rolla as a valedictorian. In 1999 he started working at IBS, in the Reinsurance Department. He served as Reinsurance Manager between 2002 and 2005, and as Deputy General Manager responsible for the Reinsurance Department between 2005 and 2013. In 2011, he became a managing partner. Çiftçi joined the American Institute for CPCU Are program in 2002 and completed his master's degree in Marmara University Engineering Management in 2004.

He served leading companies of Turkey about their insurance and reinsurance needs for build-operate-transfer projects that require project financing. He achieved significant success in serving many Turkish investors from different industries about their insurance and reinsurance needs in projects in foreign countries.

He is currently continuing his PhD thesis studies in the Engineering Management Department at Marmara University, and also working as a member of the Executive Committee of the Foreign Economic Relations Board (DEİK) United Arab Emirates, Azerbaijan and Russia Business Councils.

CHAPTER 5

AKFEN GROUP SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT

- *Global Compact*
- *Akfen Sustainability Priorities*
- *Akfen Infrastructure Holding and Akfen Holding*
- *Turkish Human Resources in Health and Education Foundation (TİKAV)*
- *Akfen Construction*
- *Mersin International Port (MIP)*
- *Akfen Renewable Energy*
- *Istanbul Sea Buses (İDO)*
- *Akfen REIT*
- *Akfen Environment and Water*
- *Acacia Mining*
- *IBS*
- *Travelex*
- *General Information*

Akfen Holding, together with its subsidiaries, has implemented numerous projects in different fields in Turkey and abroad since its establishment in 1976, and has touched the lives of thousands of people so far in order to raise awareness in the fields of education, women, economy and environment in the regions where its projects take place. Being the first holding in Turkey to sign the United Nations' Global Compact and Women's Empowerment Principles (WEPs), Akfen also supports HeForShe, a global solidarity movement for gender equality.

A part of Akfen Infrastructure Holding's 2020 Annual Report and this Sustainability Report, which will be published separately, consists of annual statements published to inform stakeholders about how Akfen Infrastructure Holding and Akfen Holding, along with all subsidiaries and affiliates, implement the United Nations Global Compact (UNGC) and Women's Empowerment Principles (WEPs) and how the same work in compatibility with the Global Goals for Sustainable Development (SDGs)

Global Compact

On 2 July 2002 Akfen Holding signed the United Nations Global Compact, which was formed to create a common development culture in the constantly competitive business world. The current ten principles included in the Global Compact cover the areas of human rights, working conditions, environment and fighting against corruption

10 Principles of the Global Compact

Human Rights



Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and.

Principle 2: make sure that they are not complicit in human rights abuses.

Labour



Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment



Principle 7: Businesses should support a precautionary approach to environmental challenges;.

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption



Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



United Nations

Sustainable Development Goals

	<i>Goal 1. No Poverty</i>		<i>Goal 2. Zero Hunger</i>		
	<i>Goal 3. Good health and well-being</i>		<i>Goal 4. Quality Education</i>		<i>Goal 5. Gender Equality</i>
	<i>Goal 6. Clean Water and Sanitation</i>		<i>Goal 7. Affordable and clean energy</i>		<i>Goal 8. Decent work and economic growth</i>
	<i>Goal 9. Industry, innovation and infrastructure</i>		<i>Goal 10. Reduced inequalities</i>		<i>Goal 11. Sustainable cities and communities</i>
	<i>Goal 12. Responsible consumption and production</i>		<i>Goal 13. Climate Action</i>		<i>Goal 14. Life Below Water</i>
	<i>Goal 15. Life on Land</i>		<i>Goal 16. Peace, justice and strong institutions</i>		<i>Goal 17. Partnerships for the goals</i>

Akfen Sustainability Priorities

While directing work and investments

As Akfen, within the Holding, its subsidiaries and affiliates, studies are carried out for the sustainability of global and local resources. Paying attention to sustainability in its investments enables the company to fulfill its social duties, while making financing conditions more accessible.



Cares about the future

Akfen especially cares about the equalization of women's positions in social and business life, creating employment for them, and realizing their efforts and dreams. It implements various projects for women who build our future with the children they raise.



Prepares youth for the future

It invests in young people, who are our future, both with the Individual Development Program and International Award Program Turkey implemented by TIKAV, and with various donations and sponsorships.



Respects nature

Aiming to protect the world we live in and to develop the human being, who is the essence of everything, the company counts caring for the environment as one of its principles in achieving this.



Supports art

Akfen Holding, through various projects, supports arts and culture.

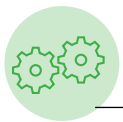


Participates in NGOs

Akfen Group, with all its subsidiaries and managers, takes an active role in many associations and non-governmental organizations established to contribute to Turkey's economic growth.



Akfen Infrastructure Holding and Akfen Holding



While directing **work** and **investments**

As Akfen, within the body of the Holding, at our subsidiaries and affiliates, studies are carried out for the sustainability of global and local resources. Paying attention to sustainability in its investments enables it to fulfill its social duties and makes financing conditions more accessible

Quality Certificates

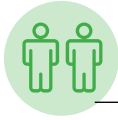
Akfen Holding Inc. has the "ISO 9001:2015 Quality Management System" certificate and has successfully passed the interim audits regarding the aforementioned management system during the period.

Management of Natural Resources

Printing on Paper: In correspondence that does not carry legal obligations, the amount of paper printing is reduced by printing on both sides of the papers as much as possible, and employees are reminded of this issue regularly.

Energy Consumption: With the aim of reducing energy consumption, our server systems have been migrated from single physical servers to multiple combined virtual servers. Thus, with the increase in virtualization, we started to work with fewer physical servers and use less energy with the same system.

Water Consumption: Photocell sink faucets were installed in our offices and all faucets were replaced. Thus, savings are achieved in water usage.



Prepares the youth for the future

Abdullah Gül University

Goal 4. Quality Education

Goal 8. Decent work and economic growth

Since 2011, Akfen Holding has been contributing to the Abdullah Gül University Support Foundation, which was established in order to help Abdullah Gül University achieve a position line with its vision as soon as possible and to reduce the obligations of the public in the field of education and training.



London School of Economics

Goal 4. Quality Education

Goal 8. Decent work and economic growth

Akfen Holding is a permanent member of the Advisory Board of the Contemporary Turkey Studies Chair of London School of Economics, one of the most prestigious academic institutions in the world. The Chair was established with the initiative of the Ministry of Foreign Affairs. On behalf of the Holding, this task is carried out by Member of the Board of Directors Pelin Akin Özalp.



Other Education and Employment Efforts

Goal 4. Quality Education

Goal 8. Decent work and economic growth

Goal 10. Reduced inequalities

Goal 17. Partnerships for the goals

Within the scope of the Koç University Anatolian Scholars project, Akfen Holding gave 2 students full scholarship during their undergraduate program in the 2020-2021 Academic Year.

Akfen Holding is among the first corporate supporters of Esas Social's social investments in youth and employment, and its First Opportunity program, which aims to remove the obstacles that new graduates face in the transition from school to work.



Schools

Goal 4. Quality Education

Goal 8. Decent work and economic growth

Goal 9. Industry, innovation and infrastructure

Goal 10. Reduced inequalities

Goal 11. Sustainable cities and communities

Ülkü Akin Secondary School: Ülkü Akin Middle School: Named after the late Ülkü Akin, the wife of Akfen Holding Chairman Hamdi Akin, who died as a result of a sudden illness at a young age, the school was founded in Ankara with the protocol signed between Ankara Governorship and Hamdi Akin at the beginning of the 1993-1994 academic year. The school has 21 classrooms, 1 laboratory, 1 music and 1 arts class, 1 IT class and library, and currently has 435 students.

Hikmet Akin Middle School: The School, which was founded in the Hamidiye District of Düzce at the beginning of the 2004-2005 academic year, was built by Akfen Holding Chairman of the Board of Directors, Hamdi Akin, in the name of his deceased mother, Hikmet Akin. There are 20 classrooms, 1 laboratory, 1 multi-purpose hall and library at the school, and has 429 students.



Support for Youth and Entrepreneurs

Goal 4. Quality Education

Goal 11. Sustainable cities and communities

Akfen Holding executives, particularly Akfen Holding Chairman Hamdi Akin, attended conferences and summits held in different cities of our country as speakers in 2020 in order to contribute to Turkey's economic growth and inspire young entrepreneurs and managers.

In the context of "Supporting Youth and Entrepreneurs", 2020 has been a rich year in terms of online conferences, summits, etc., with the direct participation of Akfen executives.



Cares For **The Future**

Hamdi Akin Kayseri Microfinance Branch

- Goal 1. No Poverty**
- Goal 2. No Hunger**
- Goal 5. Gender Equality**
- Goal 8. Decent work and economic growth**
- Goal 17. Partnerships for the goals**

The first step of the microcredit project in Turkey was taken by Prof. Dr. Aziz Akgül, President of the Turkish Foundation for Waste Prevention (TISVA) in 2003, and reached approximately 170,000 micro-entrepreneur women in 91 branches in 61 provinces of the country since then.

Operating in Kayseri under the umbrella of Turkey Graameen Microfinance Program and providing support to nearly 2000 low-income micro-entrepreneurs, Kayseri Microfinance Branch is named after Akfen Holding Chairman of the Board, Hamdi Akin.

On 8 March 2018, women who will use microcredit from Hamdi Akin Kayseri Microfinance Branch, operating in Kayseri under the umbrella of Turkey Graamen Microfinance Program and providing support to 1574 low-income micro-entrepreneurs, received their checks with a ceremony.



Women’s Empowerment Principles (WEPs)

- Goal 5. Gender Equality**
- Goal 17. Partnerships for the goals**

The WEPs platform, which was established in 2010 under the partnership of the United Nations Global Compact and the United Nations Gender Equality and Women’s Empowerment Unit (UN Women), presents the private sector with important points to consider in order to ensure gender equality in workplaces, markets and society in general.

In Turkey, Akfen Holding was the first holding to sign Women’s Empowerment Principles (WEPs) which was created by the United Nations Gender Equality and Women’s Empowerment Unit (UN Women) and the UN Global Compact, and which aims to create awareness for gender equality in the business world. The initiative has 47 signatories to Turkey initiative and 900 signatories globally.



Turkish Businesswomen’s Association (TIKAD)

- Goal 5. Gender Equality**
- Goal 17. Partnerships for the goals**

Akfen Holding Board Member Pelin Akin Ozalp, who serves on the Board of Turkish Businesswomen’s Association (TIKAD), supports projects organised by TIKAD that works with a mission of taking responsibility in Turkey’s democratization and integration with the modern world.



Intercompany Mentorship Program for More Women on Boards of Directors

- Goal 5. Gender Equality**
- Goal 17. Partnerships for the goals**

As Akfen Holding, in line with our corporate culture, we believe that each task is important and each employee is valuable. In addition to supporting women’s role in society with applications aimed at our female employees, we also offer professional career opportunities to them. Furthermore, Akfen Holding Chairman Hamdi Akin, within the scope of “Intercompany Mentoring Program to Get More Women on Boards of Directors” implemented in collaboration with Praesta Turkey and Forbes Turkey, mentors female executives to get prepared for board duties.



HeForShe Project

- Goal 5. Gender Equality**
- Goal 17. Partnerships for the goals**

Akfen Holding Chairman of the Board Hamdi Akin and Member of the Board of Directors Pelin Akin Özalp support HeForShe, a global solidarity movement for gender equality.



The Association of Women on Boards of Directors (YKKD)

Goal 5. Gender Equality

Goal 17. Partnerships for the goals

Pelin Akin Özalp, Member of the Board of Directors of Akfen Holding, has an active role in the Association of Women on Boards of Directors, which works to eliminate gender inequality and ensure that more women take part in the boards of directors.



Respecting Nature

TEMA

Goal 13. Climate Action

Goal 15. Life On Land

Goal 17. Partnerships for the goals

Akfen Holding participates in projects carried out by The Turkish Foundation for Combating Soil Erosion (TEMA) and contributes to afforestation through its special projects as well as with general donations.



EBRD Sustainability Awards

Goal 17. Partnerships for the goals

Akfen Holding, 2014 yılından bugüne her yıl EBRD'nin düzenlediği Sürdürülebilirlik Ödüllerine destek vermektedir. 2020 yılında pandemi nedeniyle etkinlik gerçekleştirilememiş olup, 2021 yılına ertelenmiştir.



Zero Waste Blue Promise

Goal 14. Life Below Water

Goal 17. Partnerships for the goals

By making the 'Zero Waste Blue Promise', Akfen Holding has vowed to work against sea pollution.

Zero Waste Blue Promise: "We promise to prevent the pollution of our seas and coasts, to encourage the fight against pollution, to develop and increase participation, to leave a livable and healthy environment for the future generations, to increase creativity and innovation for the purpose of developing a good solution, to use alternatives instead of consuming single use plastic, and to support circular economy with Zero Waste Blue."



Supporting Art

Goal 17. Partnerships for the goals

Akfen Holding supports culture and arts through various projects.

Examples of projects supported:

- **SAHA Association:** Akfen Holding is one of the sponsors of the SAHA Association, which aims to increase the visibility and awareness of Turkish contemporary art and gives unconditional support to projects in this direction.





Actively Participates in NGOs

Foreign Economic Relations Board

- Goal 8. Decent work and economic growth*
- Goal 9. Industry, innovation and infrastructure*
- Goal 11. Sustainable cities and communities*
- Goal 12. Responsible consumption and production*
- Goal 16. Peace, justice and strong institutions*
- Goal 17. Partnerships for the goals*

Founded in 1986, the Foreign Economic Relations Board (DEİK) is responsible for coordinating the foreign economic relations, researching domestic and international investment opportunities and increasing Turkey's exports and similar business development studies for the Turkish private sector, and serves primarily foreign trade, international investment, services, contracting and logistics activities.

DEİK gained a new structure on 11 September 2014 with the passing of Law No 6552 and thereby undertook the task of "conducting the foreign economic relations of the Turkish private sector". DEİK is a volunteer "business diplomacy" organization created by Turkey's leading entrepreneurs and business representatives together with Founding Institutions, members and the Business Councils.



Europe

Akfen's top executives continued to take part in different working groups to represent Turkey in 2019. Pelin Akin Özalp, Member of the Board of Directors at Akfen Holding, continued to serve in the Foreign Economic Relations Board (DEİK) as a member of the Turkish-Spanish Business Council, the Turkish-Irish Business Council and the Turkish-British Business Council.

USA

Akfen Infrastructure Holding Vice President Pelin Akin Özalp serves as the Chairperson of the Committee for Member Relations of Turkey-America Business Council (TAİK).

Middle East

Akfen Holding Deputy Chairman of the Board and CEO Selim Akin is a member of the Executive Committees in Turkey-Middle East Business Councils.

Far East

Akfen Holding CEO Süha Güçsav (Süha Güçsav continues to serve as the Advisor for the Chairman of the Board of Akfen Holding as of 1 January 2020) is the Chairman of the DEİK Turkish-Singapore Business Council. Güçsav, in addition to these duties, was appointed as the Honorary Business Representative of Turkey at the International Trade and Investment Agency, which works under the Singaporean Ministry of Industry and Trade in October 2014 (IESingapore) and continued in this role in 2019.

Turkish Enterprise and Business Confederation (TÜRKONFED)

- Goal 5. Gender Equality*
- Goal 17. Partnerships for the goals*

Akfen Holding Board Member Pelin Akin Özalp, as a member of the Board of Directors of the Turkish Enterprise and Business Confederation (TÜRKONFED), serves on the Women in Business Commission and supports the Multi-Faceted Empowerment of Women project. Pelin Akin Özalp continued to support the project by attending the meetings held in Samsun within the scope of the Multi-Faceted Empowerment of Women Project of the Turkish Enterprise and Business Confederation (TÜRKONFED) in 2016.



NGOs WE ARE A MEMBER OF

- ▶ The Association of Listed Companies' Executives (KOTEDER)
- ▶ Deloitte Best Managed Companies
- ▶ Foreign Economic Relations Board (DEİK)
- ▶ World Economic Forum – Global Shapers
- ▶ Real Estate and Real Estate Investment Trust Association (GYODER)
- ▶ Young Presidents Organization (YPO)
- ▶ Turkish Enterprise and Business Confederation (TÜRKONFED)
- ▶ Turkish Industry and Business Association (TÜSİAD)
- ▶ Family Businesses Association of Turkey (TAİDER)
- ▶ Young Businessmen Association of Turkey (TÜGİAD)
- ▶ Human Resources Association of Turkey (PERYÖN)
- ▶ Turkish Society for Quality (KaİDer)
- ▶ Corporate Governance Association of Turkey (TKYD)
- ▶ Turkey Tourism Investors Association (TYD)

Goal 8. Decent work and economic growth
Goal 9. Industry, innovation and infrastructure
Goal 17. Partnerships for the goals



- ▶ Turkish Business Women Association (TİKAD)
- ▶ Women on Board Turkey Association (YKKD)

Goal 5. Gender Equality
Goal 17. Partnerships for the goals



- ▶ Clean Sea Association (TURMEPA)
- ▶ Waste and Environmental Management Association (TAYÇED)

Goal 13. Climate Action
Goal 14. Life Below Water
Goal 15. Life On Land
Goal 17. Partnerships for the goals



SPONSORSHIPS AND DONATIONS

- ▶ SAHA Association
- ▶ Red Crescent
- ▶ Ankara Film Festival
- ▶ EBRD Sustainability Awards
- ▶ Hikmet Akın Kindergarden
- ▶ TEMA
- ▶ Koç University Anatolian Scholarship Program
- ▶ TİKAV

Goal 17. Partnerships for the goals





Turkish Human Resources in Health and Education Foundation (TİKAV)

Since 2010, TİKAV has been aiming to implement sustainable projects for the education and development of people in order to create permanent solutions to the problems it deals with. In this context, TİKAV, which carries out joint projects with various organizations in different locations in Turkey, met with young people, children living in mountain villages, women, headmen, relatives of the disabled, children receiving treatment in hospitals and mothers accompanying them, and also carried out school repair works.

Founded by the Akfen Family, TİKAV aims to help society adapt to change, and to find and help develop individuals who will lead this progress

Adopting the idea that sustainable prosperity is only possible through investment in people and society as well as in the economy, Akfen carries out its corporate social responsibility projects within the body of the Turkish Human Resources Education and Health Foundation (TİKAV), which was founded in 1999 by the Akin Family.

TİKAV aims to find solutions for the adaptation of society to change, to bring in individuals who will lead the development, and to lead the spread of social responsibility awareness by working with an innovative understanding in the rapidly changing information age.

Accordingly, TİKAV aims to increase the knowledge and experiences of the young generation through its long-term social responsibility projects, aims to improve the awareness for healthy living and to contribute to the elimination of today's environmental problems.

TİKAV has met with different segments

of the society, including university students, people from the business world, young people, children living in mountain villages, women, headmen, relatives of the disabled, children receiving treatment in hospitals and mothers accompanying them, in the projects it has carried out so far, and has also undertaken the repair of many schools.

2020 was another year in which young people and women came to the fore in social responsibility projects carried out by TİKAV.

INVESTING IN PEOPLE

TİKAV projects aim to provide social benefits for the development of individuals who can adapt to innovations in the ever-evolving information age, who respect social and universal values, are sensitive to the environment, and have social responsibility awareness. It classifies its projects in three different categories: Individual Development Program, International Youth Award Program Turkey, and National Projects.

1. Individual Development Program

The aim of IDP is to equip university students in Eastern and Southeastern Anatolia regions with various life skills and prepare them for post-university working life and social life. Within the scope of IDP students are provided with development programs that will help them find equal opportunities and start working life as self-confident, well-equipped, tolerant, socially responsible people open to continuous learning and development, aware of their abilities and able to use their talents.

The project continues with 33 scholarships at Firat University. By the end of 2021, 30 scholarship students are planned to be included in the program.

Goal 4. Quality Education

Goal 5. Gender Equality

Goal 10. Reduced inequalities



The Individual Development Program consists of 12 parts:

- 1. Orientation Program:** In the Orientation Program, activities are carried out for all students within the group, to help them get to know each other; detailed information is given about the Foundation, the program and educational practices.
- 2. Scholarship Program:** Students receive scholarships in an amount determined by the the board of directors each year.
- 3. Language and Computer Education:** Each student attends English and computer classes for at least 18 months.
- 4. Personal Development Seminars:** Seminars include Communication and Body Language, Teamwork, Storytelling, Presentation Techniques, Basic Dance Training, I Value Myself Seminars, Applied Debate, Diction, European Union Project Writing, Reveal Your Potential, Time Management, Protocol and Courtesy Rules, Towards Active Citizenship, Applied Drama, Camp Preparation, Problem Solving Skills and Conflict Management, Everyone Equal-Everyone Different, Creative Drama, First Aid, Emotional Intelligence, Entrepreneurship and Innovation, Research and Reporting Techniques, Applied Interview Techniques, RYLA and reparation for Business Life.
- 5. Individual Reading Program:** Students read at least 3 books each academic year and make presentations about these books in the summer program.
- 6. Culture and Art Program:** The excursions and visits made within the scope of the cultural program are conducted with the guidance of the students studying in the province where these will take place. Additionally, different cultural areas are visited in the Summer Programs.
- 7. Voluntary Service Program:** They provide assistance to groups in need by performing Social Service Activities on a voluntary basis within social assistance institutions and non-governmental organizations for at least 12 months.
- 8. Internship and Vocational Programs:** Internship support is also provided according to the interests, wishes and abilities of the students in accordance with their field of study.
- 9. Summer Program:** Students attend a Summer Program at the end of each academic year until they graduate.
- 10. International Youth Award Program- Turkey (Award Program):** TİKAV has been implementing the Award Program with students who are under the Individual Development Program since 2001.
- 11. International Projects:** Each student participates in international youth projects organized within the scope of the European Union Youth Program or International Youth Award Program at least once during the scholarship process.
- 12. TİKAV Career Workshop Mentee-Mentor Program:** The program brings together Akfen Holding managers and employees (mentors) and senior TİKAV scholarship students (mentees). Volunteers who receive Mentorship Training within the scope of the program share their experiences related to business life both online and face-to-face with mentees and give them ideas to draw their own career plans. With the TİKAV Individual Development Program, it is aimed to open the doors of professional life to the students who are preparing to become "Leaders of the Future" and to spread awareness for social responsibility in the business world.

1.1. The Purpose of the Project

Within the scope of IDP, the project aims to provide equal opportunities to university students who have difficulty in accessing education, cultural and personal development opportunities due to social and economic reasons. Thanks to the project, starting from the first year of the university until the end of the fourth year, scholarship students enrich their knowledge and skills by participating in various personal development, foreign language and computer training, culture-arts and voluntary service programs,

national and international projects, interviews, and professional programs.

Students participate in 40 different programs with IDP, which continues for three and a half years throughout their university life. It has been determined that a total of 95% of IDP students started their business life in a short period of time, 51% of them in government institutions and 49% in the private sector.



1.2. Individual Development Program from Past to Present

The Individual Development Program first started with the participation of Elazığ Fırat University students in 1999. It started at Van Yüzüncü Yıl University in 2003 and at Middle East Technical University, Hacettepe University, Ankara University and Eskişehir Osmangazi University in 2006. With the goal of creating equal opportunity in accessing educational resources, in 2009, TİKAV has turned to universities in the Eastern and Southeastern Anatolia Regions that have completed ten years and carried out the project at Elazığ Fırat University, Van Yüzüncü Yıl University, Şanlıurfa Harran University, Kahramanmaraş Sütçü İmam University and Erzurum Atatürk University. Since 2010, the project continues only for Fırat University students.

Since the establishment of TİKAV, 321 scholars have participated in the Individual Development Program. 211 of 321 scholars completed their TİKAV activities and graduated, and 33 of them continue their TİKAV activities. 77 scholars left the Foundation for various reasons or were dismissed.

Individual Development Program in Numbers

Participant	321
Graduates	211
Current student	33
Annual application	750
Interviewed	150
Accepted	25
Individual Development P. term	3.5 years
Programs participated	40
Total program hours	995
Project budget	550,000 TL

1.2. International Award for Young People Turkey (UGO-Tr)

GOAL 3. Good health and well-being

Goal 4. Quality Education

Goal 5. Gender Equality

Goal 8. Decent work and economic growth

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 15. Life On Land

Goal 16. Peace, justice and strong institutions

Goal 17. Partnerships for the goals



The Award Program is an exciting personal development program that can be attended by all young people between the ages of 14 and 24. The aim of the program is to equip young people with life skills that will enable them to make a difference in their own lives, in the society they live in and in the world. The program first started in 1956 with the support of Prince Philip, Duke of Edinburgh, in the United Kingdom as the Duke of Edinburgh's Award, and has reached more than 8 million young people in more than 130 countries around the world, and more than 20,000 in our country.

The Award Program is represented by TİKAV in Turkey.

The program is actively implemented in 119 award centers in 20 provinces and more than 2,500 young people participate in the Award Program every year.

The Human Resources Education and Health Foundation of Turkey, the only institution authorized to implement the Award Program in Turkey, is a member of the International Award Association approved by the United Nations and the European Union.

There are three types of award categories that the participant can aim for:

Bronze Award: This is the Award Category that young people between the ages of 14 and 24 can participate in. The duration of the program is at least 6 months.

Silver Award: This is the Award Category that young people between the ages of 15 and 24 can participate in. The duration of the program is at least 12 months.

Gold Award: This is the Award Category that young people between the ages of 16 and 24 can participate in. The duration of the program is at least 18 months.

The program consists of four areas;

In the Gold Category they also participate in a Social Harmony Project.

Voluntary Service: The Voluntary Service section aims to stress the importance of volunteering and taking part in social services by showing young people that individuals within a society need one another. In this section, participants need to find an activity that will help serve their community whilst developing their own personal skill set.

Skills Development: The aim of this section is to encourage young people to choose a suitable activity from among the cultural and social activities they are interested in, in order to help develop their skills. The important thing in the skills development section is that, more importantly than reaching a certain level of skill, the young people set goals within the scope of their skills and interests, and work regularly to reach these goals.

Physical Development: In this section, participants are expected to continue a sporting activity of their choice for a certain period of time, according to the award category they have chosen. The purpose of this section is to teach the participants how to stay in shape, improve fitness, discover new skills, overcome difficulties, and experience the happiness that success will bring.

Adventures and Discoveries: The Adventure and Discovery Journey section aims to increase self-confidence in young people through teamwork, gain environmental awareness and respect for nature through developing a spirit of adventure.

Social Harmony Project: This section, which only needs to be completed within the Gold Category, aims for young people to take part in an activity for the common good with a team that they have not worked with before; this allows young people to improve their life skills.

The Award Program, which is completely voluntary, aims to help young people discover and develop themselves, to gain self-confidence and discipline



1.2.1. Purpose of the Project

Thanks to the Award Program, with the certificate they receive, the participants gain advantages in their applications to universities, scholarships, internships and jobs abroad. Thanks to the Program, within the scope of Skills Development activities, many young people improved their existing skills or acquired new ones and worked on their personal development; strengthened their fitness and health with the Physical Development activities; and within the scope of Voluntary Service activities, contributed to society. All young people between the ages of 14-24 have had the opportunity to look at life from a different perspective with their increased self-confidence.

1.2.2. From Past to Present Award Program in Turkey

The Award Program was implemented in Turkey for the first time in 1995. The first implementers of the Award Program in our country were the Turkish-British Friendship Association and a few schools.

The Human Resources Foundation of Turkey (TİKAV), which put the Award Program on its agenda in 2001, started the efforts to nationalize the Award Program in cooperation with the Turkish-British Friendship Association. In May 2002, the Ministry of Education approved the implementation of the Award Program in high schools in 7 pilot provinces, namely Ankara, Aydın, Bursa, Elazığ, Eskişehir, Gaziantep and Kayseri.

In September 2003, the Youth Award Association was established by the educators and representatives of non-governmental organizations who implemented the International Youth Award Program within their own structure, and the program was carried out by the association.

The program has been continued by the "National Award Committee" with the representation of the TİKAV "National Authority" since 01 June 2013.

"Award Program" in Numbers

Number of Active Reward Centers	119
Number of Award Centers Signing Sub-License Agreements*	8
Total Award Leaders	428
Total Supervisors	261
Number of Active Participants	3,895
Total Number of Participants	7,081
Number of Provinces Implementing the Program	20
Project Budget (TL)	1,185,000

* AC signed in 2020 only

2021 Project Goals

Number of Active Reward Centers	130
Number of Award Centers Signing Sub-License Agreements	10
Number of Active Award Leaders	465
Number of Active Supervisors	290
Number of Active Participants	4,500
Total Number of Participants	7,500
Number of provinces implementing the program	22

1.3. National Projects

1.3.1. Projects Before 2020

Project	Stakeholders	Period	GOALS
New Tradition to the Old Villages	MIP	23-30 Jan. '10	Goal 10 / Goal 11
The Mothers' School	MIP	2011 & 2012	Goal 3
We Restore, You Study	MIP	2012-2016	Goal 4
Hand-in-hand With Headmen in Mersin	MIP	2013	Goal 11
The Disabilities Within Us	MIP	2014	Goal 3 / Goal 10
'Working Life and Women' and 'Communication Within the Family' Panels	MIP	2015	Goal 1 / Goal 3 / Goal 5 / Goal 11
My Mother and Me Project	TÜGIAD	2016	Goal 3 / Goal 17

1.3.2. Rural Area Education Seminars With Akfen Renewable Energy

With the financing of Akfen Renewable Energy and the coordination of TIKAV, since 2017, activities have been carried out with women living in rural areas where Akfen Renewable Energy power plants operate.

In summary; 1,000 women participated in the workshop on the development of children aged 0-6 with the project "Our School at Home" in 2017; and in 2018, 1,500 women were given training on first aid, basic health, cancer screening, gynecological diseases and organ donation with the "Health First" project. With the "Hygiene is Health" project, which started in 2019, 2000 women who do physical work were given information about food, body and living space hygiene. 200 women were reached with the "Economy at Home for a Prosperous Future" project, which started in 2020 and could be carried out only in six workshops in four different cities between January and February due to the Pandemic. Due to the pandemic, the remaining stages of the project will be completed in 2021.

1.3.2.1. Our School at Home Project

Goal 4. Quality Education

Goal 11. Sustainable cities and communities

In our country, in rural areas where urbanization is low and women play a lesser role in professional working life, most of the children start their education life directly in primary school without getting preschool education. In the preschool period, when people have the highest learning potential, there is a process in which their physical, psycho-motor, social-emotional, mental and language developments are completed to a large extent, the personality is shaped and they develop rapidly. Knowing the importance of preschool education for children aged 0-6, we started the "Our School at Home Project". We implemented our project with the participation of women who have children in the 0-6 age group, residing in rural areas where the hydroelectric and solar power plants affiliated with Akfen Renewable Energy Inc. operate. With the "Our School at Home Project", utilizing practical workshops, it was emphasized that education should not be left only to school in order to raise healthier individuals, and that it is necessary for parents to spend quality time with their children at home.

Within the scope of the project implemented in 15 different locations in Turkey, it was aimed to raise healthier individuals, to strengthen communication within the family, and to support the expansion of preschool educational activities in our country. 1000 people were reached with the project implemented in regions where Akfen Renewable Energy Inc. has 15 active hydroelectric, wind energy and solar power plants.

"We Are School At Home" in Numbers

Number of locations	15
Participant	1,000
Participants' participation rate in similar studies before	7%
Satisfaction rate of the participants	98%
Number of family members reached through participants	2,621
Project budget	320,000 TL



1.3.2.2. Health First Project

Goal 3. Good health and well-being

Goal 11. Sustainable cities and communities

In our country, many people lose their lives or become disabled due to home, work or traffic related accidents and natural disasters. With timely, simple and effective first aid, the life of the sick or injured person can be saved. In such cases, the first aid training of the responders plays a decisive role in sustaining life, preventing injuries and shortening the recovery period. It is known that most of the permanent ailments and deaths occur because of insensible first aid interventions and wrong transportation methods within the first minutes when panic and turmoil prevail. It is of great importance to raise awareness about first aid among people living in rural areas, which are far from health centers, especially where the ambulance can reach in 45 minutes at the earliest.

Additionally, it has been seen that the people living in rural areas do not benefit from the health opportunities offered by the state due to their negligent approach to health and their conservative perspectives, and they do not have the routine health screenings they should have.

With the Health First Project, it is aimed to raise awareness by addressing subjects such as first aid, basic health, cancer screening, examination routines, gynecological diseases and organ donation. The project, which was implemented in 17 different locations in Turkey, was carried out with the participation of women over the age of 18.

The project, which was carried out in the regions where Akfen Renewable Energy Inc. has 17 active hydroelectric, wind energy and solar power plants, reached 1,500 participants.

Awards

The "Health First" project was deemed worthy of the Social Responsibility Award at the 9th Turkey Energy Summit in 2018 and won the first prize. In 2018, it became a finalist in its own branch in the competition organized by the Doctors Club.

"Health First" in Numbers

Number of locations	17
Participant	1,500
Satisfaction rate of the participants	98%
Those who were not aware of first aid practices before training	79%
Participants who know their blood type	29%
Number of family members reached through participants	5,571
Project budget	475,000 TL





1.3.2.3. The Hygiene is Health Project

Goal 3. Good health and well-being

Goal 6. Clean Water and Sanitation

Goal 11. Sustainable cities and communities SKA

Goal 12. Responsible consumption and production

Hygiene is described as the practices made or cleaning measures taken to prevent the things that will harm the body's health. Meeting the needs such as nutrition, excretion and dressing in order to maintain the health of the individual is called "self-care". It has been determined that self-care and hygiene for the people living in rural areas in our country is limited to general cleaning, and that they do not have the necessary information to know that if enough attention is not given to hygiene and self-care, they may be exposed to situations that may cause health problems.

The project, which was implemented in 26 different locations in Turkey with the participation of women over the age of 18, aims to raise awareness about living space, body and food hygiene, which are necessary for women living in rural areas and doing physical work.

2000 people were reached with the project implemented in regions where Akfen Renewable Energy Inc. has 26 active hydroelectric, wind and solar power plants.



"Hygiene is Health" in Numbers

Number of locations	26
Participant	2,000
Satisfaction rate of the participants	98%
Those who do not know the diseases caused by hygiene and lack of self-care	79%
Those who do not have a habit of brushing teeth	24%
Number of family members reached through participants	7,900
Project budget	500,000 TL

Awards

The "Health First" project was deemed worthy of the Social Responsibility Award at the 9th Turkey Energy Summit in 2018 and won the first prize. In 2018, it became a finalist in its own branch in the competition organized by the Doctors Club.

1.3.2.4. Economy at Home for a Prosperous Future Project

- Goal 3. Good health and well-being
- Goal 6. Clean Water and Sanitation
- Goal 13. Climate Action
- Goal 14. Life Below Water
- Goal 15. Life On Land



With the “Economy at Home for a Prosperous Future” project, which will be implemented with the coordination of TIKAV and financed by Akfen Renewable Energy Inc., seminars will be held in the neighborhoods or villages in 27 different locations in regions where Akfen-affiliated power plants are located. In these seminars, we aim to contribute to both household economy and the ecological balance of the country and the world, by educating women living in rural areas about the wise and conscious use of electrical energy, which has a high cost among other energy types, and water, our main non-substitutable source.

Economy at Home for a Prosperous Future Project in Numbers

Because of the pandemic precautions that started in March 2020, only six seminars could be carried out in the provinces of Muğla, Denizli, Aydın and Mersin, and approximately 605 people attended..



1.3.2.5. Results of Rural Region Training Seminars with Akfen Renewable Energy

According to the results of the “Participant Evaluation Form” applied after the studies, the Instructor Evaluation Reports, the Operations Manager Evaluation Reports and the observations of the project managers, there has been more interest and participation in the projects than anticipated. The participants actively participated in the studies because interactive activities were preferred and the subject matter was of interest for all participants.

In the projects, it was aimed to make an impact on the entire household by meeting with mothers, who are the pillars of the family, who develop habits and maintain order in the family. In addition to receiving information that will benefit them and their relatives, the participants found opportunities to socialize, to express themselves and their motivation increased.

In the feedback of the project participants, there were requests to increase the number and frequency of adult awareness seminars. It has been observed that the problems that rise from the subjects covered within the scope of the projects negatively affect family relations, social relations and health. With the awareness created in the training, positive traces were left in people’s lives.

Rural Region Training Seminars with Akfen Renewable Energy in Numbers

Since 2017, a total of 4,900 people have participated in the seminars on four different topics. Considering that the families also benefited through the participants, approximately 18,500 people were reached.

2. Akfen Construction

Akfen Construction is the oldest subsidiary of Akfen Holding and one of the most important parts of the company.

The company, which was initially established to give feasibility and engineering services to industrial facilities, has in a short time expanded the range of services it provides to the manufacture, establishment and assembly of industrial facilities

To date, the company has successfully completed many projects, including superstructure, infrastructure, environmental protection and complete airport construction projects, which amount to a total of over USD 3.2 billion over 35 years.

The exemplary works of Akfen Construction, which prioritizes environmental values in every project it develops, are as follows:

2.1. Bodrum Loft Project

Goal 12. Responsible consumption and production

Goal 13. Climate Action

Goal 14. Life below water



2.1.1. Water Treatment

The Reverse Osmosis system, which is an advanced filtering technology, is used in the Bodrum Loft project. Osmosis is the process of absorbing water from a lower-density medium to a higher-density medium. Reverse osmosis is a system that reverses this process by utilizing pressure and thus purifies the water. It is used to pull clean water from a very dense environment. It is used in Bodrum Loft to take water from the sea and purify it.

2.1.2. Cooling

Using an underground heat pump, the underground temperature is used for cooling.

2.1.3. Landscaping

In the Bodrum Loft project, where plant selections were made in accordance with the natural vegetation of the Aegean-Mediterranean Region, plants such as Pine, Olive, Mastic, Myrtle, Mountain Strawberry were used in nature as a continuation of the forest texture, especially in the common landscaping areas. This texture is partially reflected in the villas, but the other selected plants have similar colors and care, based on the forest texture, both in accordance with the natural cover and the climatic and topographic structure of the land.

In architectural structures (social facilities, coastal structures, villas) constructed in nature, the existing trees in the region were taken into consideration and the same kinds of trees were planted in order to preserve their existence and maintain their continuity.

The piece of land on which Bodrum Loft is constructed, with its proximity to the sea, its high peaks and its location facing different directions sees, varied climate conditions. This means

- planting plants that are resistant to salt spray in areas close to the sea,
- selection of plants resistant to wind for high altitude areas,
- planting plants that require plenty of sun in south-facing parts,
- and in the north-facing parts, selecting plants which will create their own microclimate (structural screening).

In Bodrum Loft, especially for the villas, fruit trees such as oranges, lemons, pomegranates and tangerines are used in the inner courtyards, based on the usual village landscapes of the Aegean Region. Thus, in order to integrate the trees with the architecture, gaps were created between the pergolas, which are shaded areas, and the relationship of trees with the rest of nature was maintained.

2.2. Tekirdağ City Hospital

Goal 12. Responsible consumption and production

Goal 13. Climate Action

Goal 14. Life below water



Some of the studies carried out for the correct use of energy and water resources in the Tekirdağ City hospital, as in Isparta and Eskişehir City Hospitals:

- Electricity is produced from solar panels for both hot water and environmental lighting poles.
- With the rainwater collection system, water is collected and used for garden irrigation.
- Thanks to the trigeneration system, more electricity is produced from natural gas with less cost.

2.3. Quality Certificates

Goal 8. Decent work and economic growth



Akfen Construction Tourism and Trade Inc. has the "ISO 9001:2015 Quality Management System", "ISO 14001:2015 Environmental Management System" and "OHSAS 18001:2007 Occupational Health and Safety Management System" certificates. Both of our companies successfully passed interim audits regarding the aforementioned management systems during the period.

3. Mersin International Port

Mersin International Port (MIP), Turkey's largest foreign trade port, with its geographical location, capacity and wide hinterland, is one of the most important ports not only in Turkey but also in the Middle East and Eastern Mediterranean. MIP continues to develop in terms of sustainability. While the emission of MIP per TEU was 0.016 tCO₂e in 2019, this value was maintained as 0.016 tCO₂e in 2020

3.1. Innovative Projects

Goal 12. Responsible consumption and production



3.1.1. External Waiting Areas Project

It is aimed to use the external land to store loaded export containers x days until a given ship enters the port, before they are transferred to the port area approximately 1 days before they are loaded on the ship.

With transforming the external land to serve transit loading activities, the aim is to create additional capacity for both LD and MT containers and reduce traffic congestion in the port.

3.1.2. SYA

Cluster planning has been initiated for 16 of the main services to reduce the number of mix and change movements and increase productivity.

3.1.3. Global Stowage Planning (Interior Office Planning):

Its purpose is to demonstrate the possibility of stowage planning from an Operations center by one or more stowage planners in the PSA ports area. Due to the COVID-19 pandemic spreading all over the world, the presence of stowage planners in the port area will not be needed. As of April 2020, it has been observed that the shipyard and dock planning operations have been successfully carried out without any technical and strategic problems.

3.1.4. Bill of Lading Counter

It is based on multiples of 5 containers for effective use of predefined imported RTG blocks with Operation Planning. From 2020 on, meaningful data including multiples of 5 containers can be obtained with the relevant B / L number.

3.1.5. Occupancy Estimate

Due to its high density planning, MIP needs to use its areas dynamically. With the balance of export, import and empty containers, which have different planning dynamics among them, it is necessary to make site changes in a timely and accurate manner. The Occupancy Estimation project aims to estimate export, import and occupancy levels (in boxes, teu and %) using historical data.

3.2. Saving Energy and Water

Goal 6. Clean Water and sanitation

Goal 7. Affordable and clean energy



- LED light is preferred for lighting.
- The direct lighting fixtures in the field are sensitive to light and only turn on at night. An object sensitive sensor is used in the sink lighting of the central dining hall. Thus, energy is saved.
- Periodic maintenance of the air conditioners is carried out regularly, energy-saving air conditioners are preferred.
- Washing machines using pressurized water are used to wash the work machines, thus less water is wasted

3.3. Waste Management



Goal 6. Clean Water and sanitation

Goal 7. Affordable and clean energy

Goal 11. Sustainable cities and communities

Goal 12. Responsible consumption and production

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 15. Life On Land

3.3.1. Waste Reception Facility

The port area has a waste reception facility approved by the Provincial Directorate of Environment and Urbanization, and an environmental permit and license on air emissions. Mersin International Port Management Inc. has an Environmental Management Unit and two Environmental Engineers. The aim of waste management activities is to work within the scope of environmental legislation and in accordance with the waste management procedures, to keep wastes arising from the activities of MIP minimal, to separate waste at the source, collect, temporarily store, recover, transport, dispose of and control after disposal operations. The waste thus created is transferred to licensed recycling/disposal facilities.

3.3.2. Solar Panels

Solar panels were placed on the roof of the Atelier in 2019 in order to produce 150 KW of electricity per hour in the port area.

3.3.3. Electrical Equipment

It is important that the work machines used have electrical components. Electrical work machines (Gantry Cranes, RTGs) are preferred instead of diesel. Existing diesel RTG (rubber tyred gantry crane) construction equipment has been revised to operate electrically.

In order to reduce the use of fossil fuels in the coming periods, it is planned to purchase an electric Terminal Tractor for trial purposes. A course of action will be chosen as a result of the evaluation.



3.3.4. Waste Water

Domestic wastewater is discharged to sewers at MIP operation sites. There are Package Treatment Facilities in the port area in order to treat the wastewater generated as a result of the washing of the construction equipment, the wastewater obtained after the separation of the bilge water from the ships and the wastewater originating from the mess hall. Wastewater in the treatment plant is discharged to the sewer after being subjected to physical and chemical treatment.

3.3.5. General Waste Management

Waste Collection Points have been established in order to separate the wastes at the source. Wastes collected separately at the waste collection points are transported to the hazardous and non-hazardous waste temporary storage areas in the port area, and then delivered to licensed recycling/disposal facilities.

There is a Waste Acceptance Facility within the port operation area. Within the scope of "Regulation on Receiving Waste from Ships and Control of Wastes", published in the Official Gazette dated 26 December 2004 and numbered 25682, petroleum and petroleum-derived wastes (bilge water, sludge, waste oil) within the scope of MARPOL 73/78 ANNEX I, which arise as a result of the normal activities of ships; wastes within the scope of MARPOL 73/78 ANNEX II (vegetable oil, palm oil), sewage within the scope of MARPOL 73/78 ANNEX IV, garbage wastes within the scope of MARPOL 73/78 ANNEX V are collected.

There are six fixed tanks with a total capacity of 750 m3 at the waste reception facility in the port operation area.

The wastes taken from the ships are temporarily stored in the Waste Reception Facility, and after the separation and treatment processes, they are sent to the recovery/disposal facilities licensed by the Ministry of Environment and Urbanization.

3.3.6. Carbon Emission

A shuttle service is provided to the employees to enable them to come and go from home to the workplace. Thus, the use of personal vehicles is minimized.

Additionally, ring service is provided for all port users and employees so that individual vehicles are not used within the port area.

3.3.7. Zero Waste Certificate

Within the scope of the Zero Waste Regulation published in the Official Gazette dated 12 July 2019 and numbered 30829, "Basic Level Zero Waste Certificate" was obtained. Within the scope of the same regulation, at the end of twelve months following the receipt of the Basic Level Zero Waste Certificate, an application will be made for the silver, gold or platinum zero waste certificate.

3.3.8. Zero Waste Awareness Training

In 2020, an online "Zero Waste Awareness Training" was organized for our employees as part of the Zero Waste Project.



3.3.9. Other Environmental Activities

- Within the scope of the zero waste project, it is aimed to reduce the use of plastic bottles. For this purpose, the number of water dispensers in the port area has been increased. After the pandemic, it is aimed to expand the use of personal flasks.
- In order to save water and increase the hygiene level, sensor faucets started to be used in company buildings. In 2021, studies were initiated to implement the same throughout the Port.
- In order to minimize the amount of waste paper, the necessary work has started for the use of hand drying fans in the sinks.
- ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety System audits were carried out by Turkish Standards Institution, and no minor and/or major non-compliances were detected.

3.3.9.1. TURMEPA Sponsorship

MIP is a member and sponsor of TURMEPA, a non-governmental movement initiated to make the protection of our country's coasts and seas a national priority and to leave a livable Turkey to future generations.

3.3.9.2. TEMA Forest of Hope Project

In cooperation with TEMA, 6000 saplings were planted in Ankara and Gaziantep and 2 separate "Forests of Hope" were brought to nature.

3.3.9.3. Annual GO GREEN Week

Go Green Haftasında kapsamında her yıl Eylül ayında Çevre etkinlikleri gerçekleştirilmektedir.

3.3.9.4. 3,000 Saplings Project

In 2019, 3000 saplings were planted in Mersin with the participation of our employees. In 2020, again, 3000 saplings were planted in cooperation with the Regional Directorate of Forestry and a certificate was obtained.

3.3.9.5. Recycling Parks Project

A playground was built out of recycled port materials in the garden of the "Mersin International Port Primary School", built by MIP and transferred to the Directorate of National Education. In order to increase recycling awareness, it is aimed to increase the number of MIP Recycled playgrounds, the first of which was launched in 2019

3.3.9.6. Bottle Cap Campaign

Within the scope of the campaign, plastic bottle caps were collected and delivered to the recycling facility authorized by Akdeniz Municipality. In return for the caps collected, a battery-operated wheelchair was gifted to the child of a MIP personnel in need.

3.3.9.7. Marine Cleaning Activities

Marine cleaning is carried out periodically within the scope of MIP environmental activities, and the wastes collected from the sea are separated and transported to recycling facilities.

3.3.9.8. PSA Go Green Contest

MIP came in fifth place in the Go Green competition held between PSA ports, with its projects for a recycled playground and the collecting/recycling of plastic bottle caps to supply a wheelchair for the disabled.

3.4. Other Social Responsibility Projects

Goal 1. No Poverty
Goal 4. Quality Education
Goal 8. Decent work and economic growth



3.4.1. We are Enough for Each Other, my Turkey Campaign

In order to support those in need during the fight against the Covid 19 epidemic, 3 million TL support was given to the “We are Enough for Each Other, my Turkey” campaign launched by the President of Turkey.

3.4.3. MIP Primary School Project

“Mersin International Port Primary School”, the foundation of which was laid in 2019, was completed in one year and transferred to the Provincial Directorate of National Education. In order to meet the water needs of the students under hygienic conditions, multiple water fountains were built in the school garden.

3.4.2. 100% Support for Education Campaign

918 tablets were delivered to those in need through the Provincial Directorate of National Education in order to support students who did not have the opportunity to continue their online education process due to Covid 19.

3.4.4. Occupational Safety Drawing Contest

A drawing contest was organized in order to raise awareness during the Occupational Safety Week.

3.4.5. Charity Week

Masks and thermos bottles were sold during the Philanthropy Week, which is held every year with different activities in order to create awareness for sharing and cooperation among the employees. The money collected is planned to be used for the treatment of spouses or children of MIP employees.

3.5. Occupational Safety

Goal 8. Decent work and economic growth



Online Basic Occupational Health and Safety Trainings were given. Our goal is 0 occupational accidents. The LTIF (Lost Time Injury Frequency) target, by which we measure our occupational safety performance, was achieved in 2020.

A UYC (Understanding Your Culture) workshop was organized online in order to spread the occupational safety culture and raise awareness.

3.6. Gender Equality

Goal 5. Gender Equality



3.6.1. EOM Certificate

MIP completed the Equal Opportunity Model program implemented to end gender discrimination in business life and received its certificate on 18 March 2020.

3.6.2. Women’s Employment

The first female crane operators in Turkey were brought to the sector by MIP, and currently 4 female crane operators are working. The rate of female employees in MIP is 2% in parallel with the global maritime sector. Efforts continue to increase this number.

4. Akfen Renewable Energy

The amount of electrical energy produced from renewable energy sources in 2020



1,744,803
MWh

Total greenhouse gas reduction achieved in 2020



973,222
Tons

Number of trees equivalent to greenhouse gas reduction



22,633,064
Tons

Housing that provides electricity from clean energy



1,163,203
units

Akfen Holding took its first step into the sector in 2005 with its HEPP portfolio in order to meet the increasing need for energy in parallel with the growth of Turkey, to use domestic resources more efficiently, to produce energy with lower costs, to contribute to energy security and to reduce the current account deficit. Akfen Renewable Energy has positioned its existing power plants, hydroelectric, solar and wind power plants located in different basins and regions, in the most productive regions of Turkey in order to minimize the production risk.

In Akfen Renewable Energy Group's portfolio there are 13 hydroelectric power plants operating at 235.7 MW, solar power plants with a total installed power of 121.4 MW (95.5 MW licensed and 25.9 MW unlicensed) and a total of 348.9 MW wind power plants. Akfen Renewable Energy has reached a total installed power of 706 MW (excluding those at the permit stage) by including Demirciler (23.3 MW) and Saritepe WPP (57 MW), which it bought from Zorlu Energy in 2020, and which became operational in 2016. Turkey's first Renewable Energy Platform has grown even more as a result of signing a partnership agreement with the EBRD and the International Finance Corporation (IFC) at a percentage of 16.67% each in 2016, in order to realize the company's growth strategy.

Akfen Renewable Energy's modern power plants spread all over Turkey are located in regions with the most suitable natural resources for each technology. Most of the power plants have been commissioned in the last seven years.

4.1. Integrated Management System Certification Information List



Goal 8. Decent work and economic growth

Certificates

Management System	Status	Last Interim Audit Date	Update Date	Status
EN ISO 9001:2015	25.01.2017	02.10.2019 – 10.01.2020	18.06.2020	Successful
EN ISO 14001:2015	25.01.2017	02.10.2019 – 10.01.2020	18.06.2020	Successful
OHSAS 18001:200712	01.02.2017	02.10.2019 – 10.01.2020	01.06.2020	Successful
EN ISO 50001:201113	01.02.2017	02.10.2019 – 10.01.2020	28.06.2020	Successful

M-Files (document management, digital formation, planning and automatic reporting), SAP and SAP Fiori (purchasing and personnel time tracking), Humanist (personnel performance evaluation), ATLASCert Portal (SPP and WPP document management) program infrastructure are used to increase the efficiency of the integrated management system.

4.2. Institutions We Receive Service From



Goal 7.
*Affordable
and clean
energy*

The institutions from which we receive environmental and social management systems and technical services within the scope of Akfen Renewable Energy portfolio throughout 2020 are listed below.

ATLASCert: Integrated management system effectiveness, meeting ESAP requirements, EBRD performance requirements, IFC performance requirements, preparation of annual activity reports

ENVA: Waste Management

TÜVSÜD: SPP and WPP performance controls

IMOLINE: SPP and WPP Occupational Health and Safety performance controls

SOLARIAN: SPP Technical control and reporting

4.3. Number of Managers and Employees Responsible for Environmental and Social Issues



Goal 8.
*Decent
work and
economic
growth*

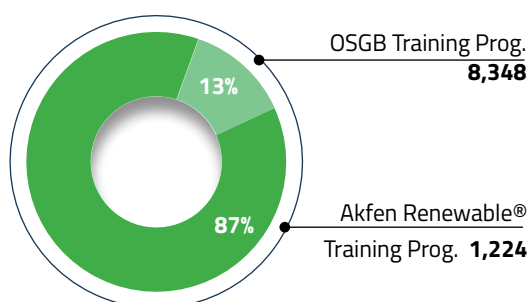
Number of Employees		Number of Employees	
Environment and OHS Officer	28	Other health personnel	2
Social expert	4	Consultant	10
OHS Specialist	14	HR Specialist	5
Occupational physician	13	Biologist academic & expert	15

4.4. Training Program



Goal 12.
*Responsible
consumption
and production*

In 2020, the training program on environmental and social issues was completely revised. Effort was made to create a presentation that employees could easily understand. Additionally, the training content in question was communicated to all participants via mobile systems as well as face-to-face/distance education organizations. In this way, employees were given the opportunity to review these issues at any time.



OSGB Training Prog.:

- Employee Handbook and Code of Business Ethics
- Security
- Waste Management
- Environmental Emergency Response Training
- Our Impact on the Environment
- Covid-19 Information Training
- Your Legal Rights
- Biodiversity Education
- Human Resources and Restructuring
- Protection of Cultural Heritage
- Occupational Health and Safety
- Simple Occupational Health Training

In addition to the trainings, the head office management team was given Concise Speech Training, SA8000 Basic Training, Emotional Intelligence Training, Project Management Fundamentals, and Covid 19 Information trainings.

4.5. Economy at Home for a Prosperous Future Project with TIKAV

Goal 3. Good health and well-being

Goal 6. Clean Water and Sanitation

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 15. Life On Land



Saving and not wasting is a very important value for the family budget and the country's economy. Therefore, it is necessary to develop behaviors in daily life in order to carry this value to future generations. In today's world, where the impact of environmental problems is increasing, the adoption of economical habits within the family and a lifestyle in harmony with nature are becoming increasingly important. With this project, it is aimed to contribute to both the household economy and the ecological balance of the world by informing women living in rural areas about the wise and conscious use of electrical energy, which has a high cost among other energy types, and water, our main non-substitutable source. Additionally, it is aimed to pave the way for women's socialization by enabling them to express themselves in a community created outside the area they are accustomed to.

The first phase (January-May 2020) of the "Economy at Home for a Prosperous Future Project", which was planned to be realized in 2020 at the locations of 27 active power plants of Akfen Renewable Energy Inc., has been completed. Within the scope of the project calendar, seven of the activities planned for February 2020 were implemented. The 8 activities planned for March and April 2020 could not be carried out due to the cancellation of all social events and organizations because of the Covid-19 outbreak.

In the first phase of the project, 29% of the activities were completed and 30,25% of the 2000 potential participants were reached. 51% of the project budget of 500,000.00 TL was spent in the first phase. The details of the project, which was carried out under the coordination of the Turkish Human Resources Education and Health Foundation and financed by Akfen Renewable Energy, can be found in the TIKAV section of the report.

4.6. Informing the Public on WPP Projects

Goal 11. Sustainable cities and communities



Within the scope of capacity increases of WPP Projects, open meetings were held in order to inform the local people. During said meetings, non-technical information about the projects was conveyed, and the questions of the local people on the subject were also answered.

4.7. Social Aids

- Goal 1. No Poverty**
- Goal 2. No Hunger**
- Goal 3. Good health and well-being**
- Goal 4. Quality Education**
- Goal 5. Gender Equality**
- Goal 6. Clean Water and Sanitation**
- Goal 7. Affordable and clean energy**
- Goal 8. Decent work and economic growth**
- Goal 9. Industry, innovation and infrastructure**
- Goal 10. Reduced inequalities**
- Goal 11. Sustainable cities and communities**
- Goal 12. Responsible consumption and production**
- Goal 13. Climate Action**
- Goal 14. Life Below Water**
- Goal 15. Life On Land**



The main objective is to establish good relations with its stakeholders at every stage of the project processes and to carry out our works in good faith by exchanging information with each other, and examples of the social assistance provided in the regions where the projects are located in 2020 are given below.

Van SPP Project

- Maintenance and renovation works were carried out for the Bakımlı Primary School.
- Support was provided for the establishment of the Kıyı-Bak Women’s Cooperative. Financial support was provided to the cultural and historical rug production activities of the cooperative.
- Food aid packages were distributed to families in need

Fırıncı SPP Project

- Food aid packages were distributed to families in need
- Financial support was promised for the construction of health centers in the villages around the project. In this context, the official permit applications of the village headmen have not been completed yet.

Denizli WPP Project

- Ataköy is a village engaged in agricultural trade. In this context, the construction of a lorry-truck scale, which can be used free of charge, was carried out so that the public could weigh and sell their products.
- A membrane artificial pool was built in Demirli village to be used for agricultural irrigation.
- Financial support was provided to the District Governor’s Office for the Historical Aphrodisias Antique City Festival.
- Financial support was provided for the repair and renovation of Ataköy primary school.
- Financial support was provided for the tablets which would be distributed to students by the District Governor’s Office during the pandemic process.
- Asphalt laying and construction work of all roads deteriorated during the construction process has been

completed.

- Dikmen flower & thyme honey geo-marking process has been completed.

Üçpınar - Kocalar WPP Projects

- After the completion of drinking water tanks in 2019, all infrastructure pipes and installations were renewed in 2020.
- Financial support was provided for the modernization of the Üçpınar Village social facilities.
- Financial support was provided for the modernization of Hacıgelen Village social facilities.
- Financial support was provided for the modernization of Çamyayla Village social facilities.
- Asphalt laying and construction work of all roads deteriorated during the construction process has been completed.

Hasanoba WPP Project

- Robots were purchased for primary school students within the scope of robotic coding courses.
- Financial support was provided for the restoration of Historical Buildings.
- Financial support was provided for the repair and renovation of Erenköy Social Facilities.
- Machine support was provided for the repair and modification of Erenköy roads.
- Electricity bills of Drinking Water Pumps have been paid.
- Support was provided within the scope of Parks and Gardens landscaping works.
- Wood charcoal was supplied to those in need.
- Financial support was provided to Erenköy Primary School for repairs.

Çalıkobası HEPP Project

- Fuel support was given to the Headman of Tandır Village.

Demirciler HEPP

- Food aid was provided for those who had a curfew imposed on in Demirciler Mahallesi.
- Food aid was given to Demirciler Mahallesi.

Kavakçalı HEPP Project

- Kavakçalı Village road maintenance was carried out.
- Food aid was given to Kavakçalı Village.

Doğançay HEPP Project

- Doğançay Neighborhood handicapped school renovation and painting works were carried out.
- Financial assistance was provided to the Doğançay District Headman.
- Coal aid was given to Doğançay Neighborhood Headman.
- A pergola was constructed for the Kızılkaya District Headman's Office.
- Financial aid was provided to Kızılkaya Sports Club.
- Financial aid was provided to the Nuri Osmaniye District Headman.
- Financial assistance was provided to Doğançay District Gendarme.
- Financial aid was provided to Geyve special education school.

Doruk HEPP Project

- Financial aid was provided for the Kızıldaş Village road.
- Kızıldaş Village snow plow was repaired.
- Financial aid was provided for the Karınca Village festivities.
- Snow ploughing works were carried out in Kızıldaş Village.

- Financial aid was provided to Kızıldaş Village Headman.
- Furniture support was given to Kızıldaş Village Headman.
- Tepeköy drinking water pipe aid (600m) was provided.

Saraçbendi HEPP Project

- Food aid was given to local individuals.
- Field road was provided for local stakeholders.

Yağmur HEPP Project

- Food aid was given to local individuals.
- Financial assistance was provided to local individuals.

Otluca HEPP Project

- Boğuntu Village school, teacher housing roof material aid was provided.
- Çaltıbükü Village drinking water source machine work assistance was provided.
- Akine Village cemetery construction material aid was provided.
- Pipe assistance was provided for the fountain water of the Çaltıbükü Village Cemetery.
- Food aid was given to the municipal employees involved in the Road Construction.

4.8. Storage and Use of Chemical Substances

Goal 12. Responsible consumption and production

Goal 14. Life Below Water

Goal 15. Life On Land

Chemical storage sites have been specially considered and evaluated during regular monthly site inspections. In 2020, the focus has been on ensuring that the contents of MSDS31 are understood by users and quick access to the said documents is provided when necessary and requested.



4.9. Liquid Waste

Goal 12. Responsible consumption and production

Goal 14. Life Below Water

Goal 15. Life On Land

The average number of employees per plant is 11 (minimum 5, maximum 24). For this reason, no wastewater treatment system has been installed in any of our power plants. Wastewater is kept in sealed septic tanks, taken by authorized vacuum trucks and delivered to municipalities. Vacuum truck service records are kept at our power plants. Septic tank control and delivery processes are included in environmental interaction training and are periodically communicated to all our employees.



4.10. Resources and Energy Consumption

Goal 12. Responsible consumption and production

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 15. Life On Land



The energy management program created within the integrated management system has been revised within the framework of EN ISO 5001:2018 standards. The fields where the domestic needs are met with the Off Grid Solar Energy System are as follows.

- Akfen Renewable Energy Head Office – Outdoor Lighting
- Mt-Natural Control Building – Internal Need
- Yaysun SPP Control Building – Internal Needs
- Me-Se SPP Control Building – Internal Need
- PSI SPP Control Building – Internal Needs
- Omicron Engil SPP Control Building – Internal Needs
- Omicron Erciş SPP Control Building – Internal Needs
- İota M. Fırıncı SPP Construction Site – Internal Need
- İota M. Fırıncı SPP Control Building – Internal Needs

Year/Infrastructure	Electricity Consumption (MWh)	Natural gas (m ³)	Diesel (lt)	Water (m ³)
2019 Total	6,472.87	120,100	114,347.00	13,036.65
2020 Total	5,048.81	78,152	117,390.00	11,578.00
Change	-22%	-35%	3%	11%

4.11. Conservation of Biodiversity, Sustainable Management of Natural Resources, Conservation of Cultural Heritage

Goal 14. Life Below Water

Goal 15. Life On Land



The following activities were carried out in 2020 for the protection of biological diversity.

- “Biological Diversity Control Instruction” was revised and communicated to all power plants.
- Web-based software was developed for species identification, evaluation and record keeping. Issues regarding the use of the software are specified in the Biological Diversity Control Instruction. Printed recording continued until June 2020, after which it was switched to a completely digital system.
- Training was organized in all our power plants within the framework of the revised instructions and the software prepared. Training presentations were shared with employees on their personal mobile phones.
- In 2020, 76 digital notifications were received from power plants.
- Spring Migration Period Monitoring for “Egyptian Vultures” was carried out within the scope of Sar-Dem.
- Within the scope of ÇAMLICA III HEPP, fish catching, transport and release works have been successfully completed.
- Ornithological and biodiversity observation studies continued in all WPP projects and seasonal reports were submitted to the General Directorate of Nature Conservation National Parks. According to the results of the reports, the effects of the projects on birds are negligible. In this context, it will be decided whether

or not to continue the observations as a result of the evaluations of the administration.

- Endemic plant species are observed within the scope of flora, seeds are collected and planted.
- Detection and evaluation were made at fish passages at HEPP Regulators. All fish passes operate to good standards.
- The water left by the flow observation stations at HEPP Regulators are controlled. The functionality of the flow monitoring stations has been checked.
- Final biodiversity observations were completed during the operation period of SPP projects and no major results were found.
- All biodiversity reports were evaluated in WPP and SPP ESAP lender audits conducted by ARUP and GOLDER. In

this context, there is no major non-compliance detected.

- In particular for hydroelectric power plants, FISH PASSES and FLOW OBSERVATION STATION audits were carried out and reported. As a result of said inspections, it has been determined that the fish passes and AGIs are suitable.
- There are transition structures in the power plants, where the water is delivered to the power plant by channel structures, so that the transmission channel does not prevent the passage of fauna. Thus, wild animals can roam between both sides to meet their water and food needs.
- We did not find any cultural heritage findings in our projects. However, the following activities were updated and continued in 2020 for the protection of cultural heritage.

4.12. Innovative Projects

Goal 8. Decent work and economic growth

Goal 9. Industry, innovation and infrastructure



We are structuring our activities in order to maximize performance in innovation indicators that we monitor within the scope of Akfen Renewable Energy mission. We are building long-term profitable growth as a reflection of our innovative approach based on sustainability in all renewable energy sources in which we operate.

As Akfen Renewable Energy, we always prioritize an innovation-oriented approach in the management of the environmental and social impacts of our R&D processes and activities. We give priority to activities that will bring Turkey up to speed in regards to developing technologies and the changing energy sector, developed with forward-looking innovative thinking and creating multifaceted added value. Our company continues to improve its expertise with its ability to produce innovative solutions, a qualified workforce that meets the requirements of the age, and a diversity of resources. The technologies of the digital transformation era are making their weight felt in the energy sector day by day.

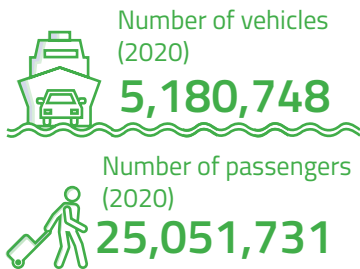
4.12.1. Web-based Operations Control Center

In order to increase operational efficiency and reduce production losses, we designed a Web-based Operations Control Center as an alternative to existing SCADA Control Centers. With its web-based Operations Control Center, it can provide continuous control of power plants in all provinces where it operates.

The infrastructure of smart grid applications was created with the Internet of Things (IoT) platform, which enables the integrated operation of all systems of Solar Power Plants, Wind Power Plants, Hydroelectric Power Plants on a single platform. It provides operations managers and users with remote access to control centers, monitoring energy data, detailed analytical reporting with functional features, preventive and regular maintenance management and increasing the efficiency of equipment. By creating a digital copy of the physical assets, bridging the physical and virtual worlds, the data allows the virtual asset to exist simultaneously with the physical asset, resulting in uninterrupted production optimization.

Start in 2019. Its aim is to increase the number of R&D and Innovation Collaborations and Operation Management Platforms.

5. Istanbul Sea Buses (İDO)



Established to contribute to Istanbul’s maritime transportation and the solution of traffic problems, the Istanbul Sea Buses company provides transportation of 34 million passengers and 7 million vehicles on average every year. The company continues its investments in increasing clean and environmentally friendly transportation opportunities. İDO operates on 16 lines in the Sea of Marmara with a carrying capacity of 35,021 passengers in the summer period, 28,903 passengers in the winter period and 2,577 vehicles for both periods.

5.1. Innovative Studies

Goal 9. Industry, innovation and infrastructure
Goal 15. Life On Land



As in every sector, digitalization in the transportation sector is an element that increases the quality and speed of service. İDO, which has been providing quality service to its guests for more than thirty years, continues to take important steps in digital transformation. As part of the digital transformation introduced in 2016 with e-tickets, İDO offered its website, which it renewed and made most practical, available to its guests as of 21 February 2018. While İDO renewed the website interface and made it user-friendly, it made ticket purchase easier with the renewal of the sales system. The number of ticket saved with respect to years after 2017 and a comparison to 2017 are given below. Additionally, the bulk of the savings is due to the fact that ticket sizes have shrunk in half in 2018. Also, the increase in the use of smartphones by passengers has reduced ticket consumption over the years.

Years	Pices	Ticket Dimensions	Paper Cons.(m ²)	Savings wrt Years	Change to 2017
2017	10,000,000	203.2mm * 82.55mm	167,742	-	-
2018	8,000,000	101.6mm * 82.55mm	67,097	60.00%	60.00%
2019	8,000,000	101.6mm * 82.55mm	67,097	0.00%	60.00%
2020	7,000,000	101.6mm * 82.55mm	58,710	12.50%	65.00%
2021	5,000,000	101.6mm * 82.55mm	41,935	28.57%	75.00%

5.2. Environment and Waste Management

5.2.1. Protocols and Conventions

Goal 8. Decent work and economic growth
Goal 9. Industry, innovation and infrastructure

Goal 11. Sustainable cities and communities

Goal 17. Partnerships for the goals



5.2.1.1. In accordance with The Regulations for Receiving Waste from Ships and Waste Control

A protocol was signed with the Istanbul Metropolitan Municipality for waste collection as of 17 October 2005, it was rearranged as the 'Port Waste Reception Protocol' on 16 January 2006, and with the latest update in accordance with the conditions of the day, on 25 May 2012, 'Waste Receiving Protocol of Ports Docked by Ships Making Scheduled Voyages to Take Passengers' was signed. The protocol is continuously renewed for a period of 1 (one) year if no notification is made by the parties 30 (thirty) days before the expiry of its term.

On 1 January 2020, a 'Waste Receipt Protocol' was signed with İZAYDAŞ, a subsidiary of Kocaeli Metropolitan Municipality, for bilge and waste oils originating from ships operating on the Eskihişar-Topçular line. The protocol is continuously renewed for a period of 1 (one) year if no notification is made by the parties 30 (thirty) days before the end of its term. Both protocols are valid for 2021 due to their conditions.

5.2.1.2. Akfen Water – Environment and Waste Management Agreement

A 3-year contract was signed with Akfen Environment and Water Investment Construction Operations Inc. in 2020 to ensure the disposal and recycling of hazardous and non-hazardous wastes originating from all our marine vessels and land facilities, and is valid until 12 December 2022.

With the protocols signed with İSTAÇ, a subsidiary of Istanbul Metropolitan Municipality, and İZAYDAŞ, a subsidiary of Kocaeli Metropolitan Municipality, it is ensured that our wastes originating from ships are disposed of in accordance with our legal obligations. Our licensed vehicle and waste collection vessels belonging to İSTAÇ and İZAYDAŞ are used in the transport of ship-sourced waste oils and bilges to the facilities belonging to İSTAÇ and İZAYDAŞ.

5.2.1.3. Transportation of Dangerous Goods by Road and Sea and Emergency Response Service Procurement Contract

Waste oils and bilges originating from ships are transported under a license with the land tanker of İDO in order to avoid operational disruptions. In order to transport waste on the road, in accordance with the "Regulation on Transport of Dangerous Goods by Road" dated 24 April 2019 and numbered 30754, the "Dangerous Goods Activity Certificate" dated 18 December 2014 and numbered IST.U-Net.TMFB.34.12557 was first obtained from the Ministry of Transport and Infrastructure on behalf of our company and the certification period was extended for another 5 years on 13 November 2019. In accordance with the "Notice on Dangerous Goods Safety Consultancy dated 22 May 2014 and numbered 29007", as of 01 January 2018, it has become mandatory for businesses with Dangerous Goods Activity Certificate to receive Dangerous Goods Safety Consultancy service. In this context, Yenikapı Dangerous Goods Safety Consultancy service is received.

"Coastal Facility Dangerous Goods Compliance Certificate", valid for the duration of the pier operation permit, was obtained within the scope of the "Regulation on the Transport of Dangerous Goods by Sea" dated 03 March 2015 and numbered 29284, due to the activities of loading and transporting the vehicles carrying dangerous goods on the Sirkeci, Harem and Maltepe piers, "IMDG - Dangerous Goods Safety Consultancy Service" is taken.

At the Maltepe terminal, in accordance with Article 23 titled "Coastal Facility Emergency Response Plan" specified in the scope of "The Regulation for the Implementation of the Law on the Principles of Emergency Intervention and Compensation of Damages in the Pollution of the Marine Environment with Oil and Other Harmful Substances" dated 21 October 2006 and numbered 26326, a "Risk Evaluation and Emergency Intervention Plan" has been prepared. In this context, a 1-year Emergency Response Service procurement contract was signed with the company, which was given the authority to intervene by the Ministry of Transport and Infrastructure on 18 April 2020, for the supply of additional equipment that should be on the pier and for intervention and support in emergency situations.

5.2.2. Waste Oil Category Determination Analysis

Three samples taken from the Suhulet car ferry, Sarıcabey sea bus and Orhangazi-1 ferry on 29 January 2013 were analyzed in a laboratory authorized by the Ministry of Environment and Urbanization and accredited by TÜRKAK and determined to be in the 1st Category Waste Oil category.

1st Class Waste Oils are recovered by regeneration and refining.

Although the type and supplier of the oils have not changed, 4 samples taken from Karamürsel Bey Sea Bus, Sultanahmet car ferry, Kanuni Sultan Süleyman and Adnan Menderes fast ferries on 8 December 2017 were analyzed in a laboratory authorized by the Ministry of Environment and Urbanization and accredited by TÜRKAK for control purposes, and determined to be in the 1st Category Waste Oil category.

Amount of Waste Generated Within the Organization of İDO in 2020

Bilge	1,824.050 m ³
Waste Oil	177.350 m ³
Metal	40.663 tons
Oily Metal	3.712 tons
Contaminated Waste	23.823 tons
Contaminated Packaging	17.693 tons
Empty Pressure Vessels	0.653 tons
End-of-life Tire	30.143 tons
Car Battery	6.024 tons
E-Waste	7.959 tons
Fluorescent	0.196 tons
Waste Paint	1.882 tons
Toner-Cartridge	0.203 tons
Oily Filter	2.993 tons
Waste Battery	0.065 tons
Other Hazardous Wastes	0.686 tons
Non-Hazardous Waste (Plastic, Wood, Textile etc.)	36.431 tons
Packaging Waste	19.240 tons

5.2.3. "Emergency" Equipment

Goal 8. Decent work and economic growth

Goal 14. Life Below Water

At our Yenikapı, Sirkeci, Harem, Bostancı, Maltepe, Pendik, Eskihisar and Topçular terminals, fuel barriers with a total length of 1,385 meters are kept ready for a possible fuel spill/spill emergency.

Oil Spill Kits are available at all terminals in order to be prepared for possible accidents. The Oil Spill Kits used are made of natural cotton fiber material, do not require the use of additional protective equipment other than standard personal protective materials and have more suction power than their counterparts in the market. In this way, more debris can be collected with less Oil Spill Kit material.



5.2.4. Speed Optimization

Goal 8. Decent work and economic growth

Goal 14. Life Below Water

In order to save fuel and reduce gas emissions in the ferry fleet, except for the summer season, speed optimization is used based on cruising conditions.

Except for the summer season, the maximum cruising speed is 24 knots on city routes and 27 knots on national routes.



5.2.5. Fuel Economy Endeavors

Goal 13. Climate Action

For the purpose of fuel economy in the ferry fleet the following has been done;

- Periodic docking and hull cleaning,
- Out-of-period docking as a result of monitoring the ship's hull conditions,
- Hull paint application with hydrogel silicone effect and biocide activity,
- Speed optimization application,
- Planned machine maintenance,

With the use of ships with low fuel consumption in additional voyages;

▪ In 2020, a total of 1,947,674 liters of fuel was saved. Thus, carbon dioxide emissions were reduced by 5,162 tons.



Environmental impact chart drawn from the system with the number of papers printed, water consumption and other measures taken in 2020



5.2.6. Projects on Environment and Fuel Consumption

Goal 9. Industry, innovation and infrastructure

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 17. Partnerships for the goals



For the Topçular terminal, there is a Ship Sourced Biological Domestic Wastewater Treatment Plant with a capacity of 150 m³/day. In order to treat the domestic wastewater originating from the ships operating on the Eskihisar-Topçular line and this terminal, with the discharge permit obtained from the Taşköprü Municipality, the wastewater treatment plant effluent is discharged to the sewer line. In order to keep the sewage transfer records of the ships operating on the Eskihisar - Topçular line, an application was made to the Yalova Provincial Directorate of Environment and Urbanization on 19 November 2020 and access to the Maritime Waste Application (DAU) was obtained. In this context, as of 27 November 2020, the wastewater data given to our Topçular Wastewater Biological Treatment Facility started to be recorded on behalf of the ship through the system.

5.2.7. Legal Permits- Efforts Made in the Scope of Environmental Awareness

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 17. Partnerships for the goals



Within the scope of Waste Management Practices, there are Temporary Waste Storage Areas at our Yenikapı, Sirkeci, Bostancı, Eskihisar and Topçular piers built in accordance with the Environmental Law No. 2872 and the Waste Management Regulation, which was published in the Official Gazette dated 02 April 2015 and numbered 29314. "Temporary Waste Storage Permit" and "Integrated Waste Management Plan Approvals" were obtained from the Provincial Directorates of Urban Planning.

Within the scope of Waste Management activities within our company, there are triple waste bins in offices, terminals and ships. Packaging wastes are collected separately and included in the Packaging Waste Collection system of local Municipalities. Within the scope of the Zero Waste Regulation, which came into force after being published in the Official Gazette dated 12 July 2019 and numbered 30829, a training on Zero Waste was prepared in addition to the separate accumulation at the source we have already implemented, and presented to all our employees through İDO Academy. Additionally, an informative video referring to the Zero Waste and Zero Waste Mavi projects was prepared and started to be broadcast on İDO TV on 16 October 2019. Within the scope of Zero Waste Project awareness, posters were pre-

pared to inform both personnel and passengers, and were hung in our offices, workshops, ships and terminals. "Zero Waste Certificate" application was made on 04 November 2020.

In order to clean the sea surface, on 19 September 2018, a floating garbage bin called Seabin was installed as a pilot project in cooperation with Wartsila Enpa at our Yenikapı Pier. The working performance of Seabin, which is designed for a still water environment, is monitored, its problems are observed and studies are carried out to increase its performance.

For the purpose of preventing natural resource consumption, printing is limited by giving personal passwords for printer usage. As of 2020, Hybrid vehicles have been selected for manager positions in the new car rental process, aiming to save fuel and reduce emissions. Additionally, water, electricity, natural gas consumption, number of printed papers, fuel consumption, etc. is monitored on a monthly basis, training and information are provided to all personnel to reduce consumption with annual targets, and required actions are determined.

Our environmental impact table drawn from the system with the number of papers printed, water consumption and other measures taken in 2020

5.3. Number of Complaints

The number of complaints received in 2019 was 11,591. With system development and improvement studies based on complaint predictions, this number was reduced to 7,877.



Goal 8. Decent work and economic growth

5.4. HR Studies

In 2020, the Zero Waste Project E-Training was completed with 965 people. Women were employed, mainly on a seasonal basis, for the Headquarters and as terminal staff. In particular, a woman oiler was employed in the engine room of the ships on the Eskihisar-Topçular line.



Goal 8. Decent work and economic growth

5.5. Prominent Corporate Social Responsibility Projects

5.5.1. Toy joy for earthquake survivors in Elazığ

Goal 3. Good health and well-being

As İDO, we delivered all the toys we collected or bought to the Elazığ Provincial Directorate of Family, Labor and Social Services as a part of the toy campaign we started to contribute to the recovery of earthquake-affected children in Elazığ. The toys were distributed with the same meticulousness to children under care and protection in affiliated institutions and to earthquake victims who benefited from service models in cooperation with the Provincial Child Rights Coordinator.



5.5.4. Free travel to Avşar for handicapped passengers with TSD cooperation

Goal 10. Reduced inequalities

In cooperation with the Turkish Association for the Handicapped (TSD), İDO conducted a free trip to Avşar for disabled citizens who are included in the "Avşar Accessible Summer Camp" program of the association. İDO supported the travels of our disabled citizens within the framework of its corporate social responsibility approach so that they can meet the sea and be rehabilitated with an unhindered summer vacation.



5.5.2. Sleeping bag and food aid for earthquake survivors in Izmir

Goal 3. Good health and well-being

As İDO, within the scope of our social responsibility approach to our citizens of Izmir, who were shaken by the earthquake on 30 October 2020, under the leadership of AFAD and in cooperation with Izmir Metropolitan Municipality, we provided sleeping bags and blankets, which our citizens needed most at the time. We also provided food aid and the Red Crescent provided food distribution to earthquake victims with the food we sent.



5.5.5. Awareness with LÖSEV, Kızılay and Darüşşafaka Posters

Goal 3. Good health and well-being

Goal 10. Reduced inequalities

As İDO, within the framework of our corporate social responsibility approach, LÖSEV, KIZILAY and Darüşşafaka posters were placed on İDO ferries and terminals, thus increasing sensitivity and awareness on leukemia (blood cancer), healthy living, the importance of blood donation and equal opportunity in education.



5.5.3. Collaboration with UNICEF

Goal 1. No Poverty

Goal 3. Good health and well-being

As in previous years, we helped UNICEF meet İDO guests at İDO terminals throughout 2020. Accordingly, we helped UNICEF gain 500 new supporters. This support contributed to helping 375 disadvantaged children.



5.5.6. İDO Memorial Forest

Goal 13. Climate Action **Goal 15. Life On Land**

İDO, within the framework of corporate social responsibility and environmental awareness, brought together its employees and families in January 2020 to create a new memorial forest. 2000 saplings were planted in Arnavutköy for the second Memorial Forest to commemorate the 10th anniversary of the first memorial forest created in Arnavutköy Fenertepe in 2009.



6. Akfen REIT

Goal 5. Gender Equality
Goal 17. Partnerships for the goals



Akfen Real Estate Investment Trust Inc., with its portfolio consisting of 20 hotels (generally consisting of three and four star hotels in Turkey, Russia and the Turkish Republic of Northern Cyprus) and 1 office building, has signed long-term rent contracts with Accor for the hotels whose construction process has been completed. Akfen REIT generated regular and predictable rental income with this business model.

The company pays utmost attention to be sensitive to its social responsibilities in its activities and supports organizations related to its sector. In this context, Sertac Karaağaoğlu, General Manager of Akfen REIT, is a Board Member of GYODER (REIT Association).

In 2020, Akfen REIT donated 15,000 TL to the Social Market Foundation. Akfen REIT has the highest rate of female employees in Akfen Group with 53%.



7. Akfen Environment and Water

Goal 11. Sustainable cities and communities
Goal 12. Responsible consumption and production
Goal 13. Climate Action
Goal 14. Life Below Water
Goal 15. Life On Land



Akfen Environment and Water is a company that primarily aims to recover the great economic losses in Turkey's existing water, waste management and infrastructure sectors and to bring the people together with continuous, reliable, healthy and sustainable environmental management systems.

For a sustainable development, using appropriate recycling and disposal technologies to earn water, waste water and wastes back to nature and production will reduce the consumption of resources. With this awareness, our company, in line with its founding philosophy, has also contributed to sustainable development in 2020.

7.1. Güllük District Projects

Goal 11. Sustainable cities and communities

Goal 12. Responsible consumption and production

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 15. Life On Land



Our company, which operates in the business of collection and treatment of the wastewater of the Güllük District and the distribution of drinking and utility water to the subscribers, houses another important facility in the sustainable development process in terms of its field of activity.

Collecting the wastewater of the region especially with the sewage system and treating it in the wastewater treatment plant constitutes a part of sustainable environmental management. Since September 2008, when our Güllük facility was put into operation, 6.300.000 m³ of wastewater has been treated and recycled to nature, and in 2020, the amount of treated water has been 780.000 m³.

7.2. Waste Management Services

Goal 11. Sustainable cities and communities

Goal 12. Responsible consumption and production

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 15. Life On Land



In the field of waste management services, integrated waste management services for medical waste, hazardous waste, packaging waste and domestic waste were continued to be provided to City Hospitals and Industrial Facilities in 2020, and 9,175 tons of waste in all waste types was handled. Approximately 675 tons of the waste suitable for recycling was collected separately at its source and earned back to the economy, and 3,000 tons of medical waste was collected and disposed of without harming the environment and human health. In this way, the sustainable development of our country has been supported with the awareness that waste is a resource waiting to be reused, in accordance with contemporary sustainable waste management principles and zero waste philosophy. Accordingly, our responsibilities and obligations are fulfilled within the scope of the “Zero Waste” project in our service projects.

After the serious leap in waste management services, Akfen Environment and Water was accepted as a member of TAYÇED (Waste and Environment Management Association), and it continues to play an active role in the association in 2020.

7.3. Corporate Social Responsibility Projects

Goal 6. Clean Water and Sanitation

Goal 11. Sustainable cities and communities



The steps taken by Akfen Environment and Water and its subsidiaries in terms of corporate social responsibility in 2020 are listed below.

- In the Güllük project, schools and hospitals continued to be supported in terms of emergency water and infrastructure work, in coordination with the Municipality and related institutions. Within the scope of the support, operations such as vacuum trucks, trenching, water line repair/pipe installation are being carried out free of charge. Additionally, renovation works are supported in the public areas on the route where our transmission lines pass. For example, we provided support for the renovation of the Çamovalı Village Headman’s Office.

8. Acacia Mining Operations Inc.

Acacia Mining operates the Gökirmak Copper Mine within the borders of Hanönü District of Kastamonu Province.

Acacia Mining, whose investments are entirely made with domestic capital, has been working with people and companies prominent in their fields in international markets, together with its employees who are experts in their fields since its establishment. Acacia Mining Operations continuously strengthens its infrastructure with the aim of using the natural resources of our country with maximum efficiency, and continues to work in accordance with internationally accepted standards with its sustainable mining vision that respects ethical values.

Acacia Mining, which always cares about human-oriented investment and acts with the principle of "people first", aims to bring our country's underground resources to the country's economy with new technologies and in the most economical way.

Our company started to produce Copper Concentrate in the first quarter of 2019 by carrying out exploration, construction and pre-operation mining activities in accordance with international standards. It is aimed to produce the determined amount of ore within 10 years and to increase the life of the mine to over 20 years by increasing the amount of resources within the boundaries of the mining licenses in the region by focusing on exploration studies. Within the scope of the project, 700 people are employed directly, 300 people indirectly, a total of 1000 people are employed.

8.1. Purpose

Goal 8. Decent work and economic growth

Goal 12. Responsible consumption and production

Acacia Mining Operations Inc. aims not to ignore sustainable approaches while producing in accordance with both International Environmental and Social Performance Standards and Sustainable Development Goals, and to carry out its works with devotion for a cleaner, more beautiful world.

In line with the Sustainable Development Goals and International Performance Requirements, the works we carried out in 2020 with the understanding of 'Sustainable Mining Compatible with Nature' are listed under the following headings.



8.2. Environmental Management

Goal 6. Clean Water and Sanitation

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 15. Life On Land

The Occupational Health, Safety and Environment Department, established within Acacia Mining, carries out environmental studies in the operation area, monitors developments and reports these studies. Environmental measurement and observation studies have been continuing since the beginning of the construction activities. The main objectives are to create an environmentally conscious culture by adhering to the current regulations and legislation, to adopt the principle of efficient production with a social responsibility and transparent management approach, and to continue sustainable mining activities. With this mindset, Acacia Mining is moving forward with the aim of being an exemplary mining company for our country and the world in environmental management. It continues to work in this direction by developing environmental policy and plans in line with Good International Industry Practices (GIIP) Principles, in line with IFC Standards and therefore European Union (EU) standards and regulations.





8.2.1. Environmental Policy

Acacia Mining, in line with the principle of **‘Environmentally Conscious, Responsible Mining’**, while contributing to the Turkish economy as an important copper producer in accordance with international standards, also applies the highest environmental standards available in Turkey and in the world. It undertakes to carry out all its activities in an environmentally responsible manner by evaluating all exploration and operation activities in the regions where it is located, economic development, social benefit and protection of cultural assets and environmental measures as a whole.

While Acacia Mining carries out these activities it aims to,

- Comply with the changes made in the legislation by adhering to the environmental laws and regulations,
- Continuously develop and improve the Environmental Management Systems and the objectives and targets of the Environmental Policy,
- Spread the principle of protecting the environment to the region, country and the world,
- Raise awareness of company employees, contractors and suppliers to comply with the Environmental Policy and to provide the necessary training for this,
- Establish and implement an environmental management system that identifies, evaluates and effectively controls environmental factors and risks,
- Carry out studies to reintroduce the lands to the nature during and after mining activities,
- Implement effective practices by making the necessary plans to reduce our carbon footprint,
- Work on the reduction, reuse and recycling of wastes.

8.2.2. Air, Water and Soil Quality Monitoring Plan

Since the beginning of the construction activity, Acacia Mining Operations Inc. determines the impact areas for the purpose of taking the necessary measures, by evaluating the environmental measures as a whole in all areas where exploration and operation activities are located, and makes regular measurements every month within the scope of the water, soil and air quality monitoring plan in accordance with Environmental Legislation and IFC Standards.

8.2.3. Biodiversity Monitoring Plan

The biodiversity monitoring plan forms an important basis for our environmental management system. During these assessments, our potential impact on water, soil, air, biodiversity and natural resources are identified. Monitoring studies are carried out in all our fields of activity, especially in regions rich in biodiversity and cultural importance, in accordance with Environmental Legislation and IFC Standards, therefore European Union (EU) Standards.

8.2.4. Environmental Training

Acacia Mining Operations Inc. environmental department plans to continuously improve the aims and objectives of the Environmental Policy, and organizes training sessions periodically throughout the year in order to raise awareness of company employees and contractor companies on their compliance with environmental policies.

8.2.5. Zero Waste Project Monitoring Plan

As Acacia Mining, within the Responsible Mining Principle, we ensure the management of waste with an approach integrated to the "Zero Waste" principle, in order to control our waste within the framework of Sustainable Development Principles and to leave a clean, developed Turkey and a livable world to future generations.

With "Zero Waste", we continue our work with a waste management philosophy that covers the prevention of waste, the more efficient use of resources, the prevention or reduction of waste generation by reviewing its causes, and the collection of waste separately at its source and ensuring its recovery.

Thanks to the environmental studies we have been carrying out in this direction, we have received the "Zero Waste Certificate" issued by the Ministry of Environment and Urbanization on 30 December 2020.

8.2.6. Greenhouse Gas Reduction Studies

In line with Sustainable Development Goals and International Performance Standards, Acacia Mining Operations Inc. carries out greenhouse gas monitoring, planning and reporting of mitigation measures every year in order to protect the environment and combat climate change.

Acacia Mining aims to create a basis for on-site minimization studies by keeping greenhouse gas emissions under control with the calculations made. Our company renews its emission measurements every year in order to follow the sensitivity and progress it has shown in the monitoring of greenhouse gases.

Acacia Mining Operations carries out this study in order to

- Evaluate the impact of its activities on climate change,
- Report greenhouse gas emissions in accordance with ISO 14064-1 Standard,
- Contribute to the management of emissions according to the "Greenhouse Gas Monitoring Procedures" created by the Institution,
- Raise awareness of employees on climate change, sustainability and energy efficiency.

8.3. Social Management / Public Relations

Goal 8. Decent work and economic growth

Goal 9. Industry, innovation and infrastructure



Apart from its business objectives, Acacia Mining, by dealing with the social problems of the region in which it operates, develops effective projects to support the people of the region economically as well as socially.

8.3.1. Public Relations Policy

Acacia Mining sees it as a priority that environmental, social and economic interactions create positive value in the areas where it operates.

In order to ensure that all business processes are carried out in a consistent, fair, transparent and participatory manner in accordance with the understanding of "Responsible Mining", we implement as priority targets the following:

- Communicating transparently and continuously with our stakeholders,
- Creating and supporting local sustainable development opportunities,
- Creating a permanent value on the quality of life and
- Establishing relationships based on trust with our stakeholders and providing accurate information,
- Supporting and increasing local employment, local workforce and local supply capacity,
- Ensuring the protection of environmental, cultural and social values,
- Creating new employment areas for local people,
- Supporting the improvement of the quality of life in the region and the improvement of social life,
- Providing a safe social environment during mining activities,
- Planning/ carrying out sustainable social responsibility projects (especially in the fields of education, development, infrastructure)
- Respecting and protecting the rights of employees and local people,
- Contributing to environmental, economic and social development in the settlements in the project impact area.

8.3.2. Corporate Social Responsibility

Acacia Mining Operations has implemented the 'Corporate Social Responsibility Policy' it has prepared since its establishment. With its Corporate Social Responsibility approach, Acacia regularly shares its social management plans, policies and programs with its stakeholders in transparency, and it tries to implement these effectively in the region where it operates.

By adopting an approach that will make the maximum contribution to economic and social development, we take care to provide the necessary social support to our stakeholders living in the region where the Gökırmak Copper Mine is located.

Basic principles;

- Strengthening regional education,
- Development of the health system,
- Supporting the infrastructure and superstructure works in the region,
- Supporting non-governmental organizations,
- Development of sportive and cultural activities,
- Structuring livelihoods,
- Improving existing pasture areas, developing new pasture areas in the region,
- Supporting efficient agriculture and animal husbandry,
- Protection and improvement of water resources,
- Ensuring public health and safety,
- Development and implementation of Employment Projects,
- Supporting local people in innovative initiatives.

8.4. Social Responsibility Projects

Goal 11. Sustainable cities and communities
Goal 12. Responsible consumption and production

Goal 13. Climate Action
Goal 14. Life Below Water
Goal 15. Life On Land

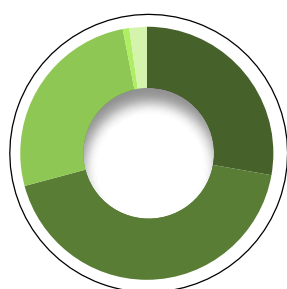


8.4.1. Social Development Plan – Social Assistance

In 2020, a series of procedures have been established to determine the scope and implementation methods of the activities carried out within the scope of the Social Development Plan.

Procedures established in this direction:

- Demand Management - Donation and Aid Policy
 - Scholarship Procedure
 - Acacia Community Development Program Procedure
- Social Responsibility Projects and aids continued during 2020, and the main items of social assistance are classified below.



Social Aids

Sponsorship	28%
Livelihoods Restructuring Plan	43%
Donation	26%
Complaint Man.	1%
Education	2%

8.4.2. Livelihood Structuring – Agriculture & Livestock Support P.

Dereköy Agricultural Irrigation Water Project

Within the scope of the Dereköy Irrigation Project, the 1st phase works were completed with the laying of a 1,450-meter irrigation water pipeline and the installation of the irrigation engine. Agricultural irrigation water was given to the main line. In order to implement the correct agricultural practices and to serve the spray irrigation systems, the scope for the 2nd phase studies of the project has been determined and it is aimed to complete the irrigation project in the first quarter of 2021 by carrying out detailed engineering studies.

When the project is completed, irrigation water will be supplied to the main line for 147 parcels, 360,000 m2 (360 decares) of agricultural land in total, correct agricultural practices will be implemented, and water will be saved.

Irrigation Canal Project

Within the scope of the project, the existing irrigation canal was repaired, the areas that were soil canals were turned into concrete canals, and a completely new concrete canal was built at the points determined on the irrigation line, and the 2,450-meter irrigation water canal project was completed. With this project, 450,000 m2 of agricultural land consisting of 212 parcels has been made completely irrigable.

Yılanlı Irrigation Canal Project

Within the scope of the project, the construction of a 1,100 m concrete irrigation water canal started in December and the construction work is still in progress. The project is expected to be completed in January 2021.

With the completion of the project, approximately 310,000 m² (310 decares) of agricultural land, which is a total of 141 parcels, will be able to use the irrigation water coming from this channel for agricultural activities. They will have prevented water losses by having a concrete irrigation canal instead of the previously existing soil canal.

Bağdere Land Improvement

The improvement/rehabilitation works of a total of 15,830 m² of agricultural land in the Hanönü District Bağdere locality have been completed. Unproductive agricultural lands have been made productive with the studies carried out.

Yılanlı District - Fertilizer Supplement

A total of 1,000 kg of fertilizer was provided for the agricultural lands in the Yılanlı-Karayaprak District of Hanönü to support the livelihoods of the landowners/users.

Dereköy Alternative Pasture Land Creation and Improvement Project:

Within the framework of the protocol signed with the Forestry Operations Directorate, a new pasture area was arranged. In this context

- Fertilization and seeding was carried out by laying topsoil on 20,000 m² of unproductive rocky land as recommended by the Agricultural Specialist.
- Planting of 750 fruit saplings on the 2,500 m² forest land adjacent to the new pasture area will be completed in January 2021.

- Fertilization and seeding were carried out in order to increase the efficiency of the pasture area of 22.000 m², which was donated to Dereköy before.
- With the work done, an average of 45,000 m² of pasture land will be available to the households in Dereköy who make a living from animal husbandry.

Afforestation Projects – Biodiversity Conservation Projects

Rehabilitation, planting and afforestation works of WSF-1 and Facility Non-Economical Rock Storage areas have been completed within the scope of cooperation protocols signed with the Forestry Operations Directorate. In this context, a total of 6,000 pistachio tree saplings were planted in areas used and abandoned during mining activities.

- 3,500 nut pine saplings were planted in the WSF-1 excavation surplus area.
- 2,500 nut pine saplings were planted in the excess excavation area of the facility.

The officials of the Forestry Operations Directorate were informed about the “AMO Biodiversity Action Plan” and the endemic plant species in the region, and the endemic plants that remained within the road construction works carried out by the Regional Directorate of Highways in a part of the forest land were taken under protection by the Regional Directorate of Forestry.

Infrastructure - Asphalted Project of Geymene Road

The 1,100-meter section of the Hanönü District Vakıfgeymene District Geymene Clusterhouses road was built by Acacia Mining Operations Inc. With this road, a new and high quality road was provided for the use of the people of the region.

8.5. Vocational & Employment Projects

- Goal 1. No Poverty
Goal 2. No Hunger
Goal 3. Good health and well-being
Goal 5. Gender Equality



8.5.1. Local Employment

Within the scope of the local employment policy, efforts were made to provide employment by providing the necessary trainings in cooperation with the Public Education Center, and as a result of these trainings, many participants found job opportunities.

47% of our employees come from the settlements in the project impact area, and 7% of our total number of employees are women.

Social Progress Report for Nov.'20-
Number of AMO employees



Total Employees

670



Total Local Employees

320



Total Female Employees

46

8.5.2. Vocational Training-Social Development Training Program

Within the scope of the Acacia Social Development Program, organized to support employment in the Project Affected Settlements and to increase the competitiveness of people in the job market, the Ore Preparation Facility Operator Training exam and interview process was carried out and 8 candidates were allowed to start the training. Within the scope of the training, the candidates are provided with theoretical and practical knowledge about ore preparation in the presence of expert field personnel, thus contributing to their professional development. It is planned to start the social development training program in different departments as well.

8.6. Educational Support Projects

Goal 4. Quality Education



8.6.1. Hanönü Multi-Program High School - Mining Technologies Department

In line with the cooperation protocol signed between the District Directorate of National Education and Acacia Mining under the authority of the Ministry of National Education, a total of 23 students receive education in the "Mining Technologies" department in the 2019-2020 academic year, which was opened in the Multi-Program Anatolian High School in the Hanönü District of Kastamonu.

Seminar programs have been planned by the personnel of Acacia Mining Operations in order to contribute to the professional development of the students, and the program will be started with the transition to face-to-face training.

8.6.2. Social Development - Local Economy Support Projects

In addition to its contribution to the country's economy, Acacia Mining has developed a "Local Procurement" policy in order to contribute to the economy of the region where the project is located and to increase social development, and has developed a series of projects to provide various job opportunities to the local people.

In this context,

- Acacia Mining Operations was instrumental in the establishment of the Women Entrepreneurs Association, which was established in 2016, and continued to sponsor the activities of the association in 2020, as it does every year. Thanks to the activities of the association, women who sell the products they make at home with their own means have been given the opportunity to contribute to the home economy.
- Acacia Mining Inc., while providing catering services from the region with the consortium formed by the catering companies in the district, increased the employment potential in the region with the consortium established.
- Under the leadership of Acacia Mining Operations, Hanönü Transporters Cooperative was established to transport concentrates to Samsun Port, contributing to both the regional economy and local employment with a total of 12 trucks and 26 personnel.

8.7. Sports Support Projects

Sponsorship support was provided to Hanönü Sports Club and Kastamonu Sports Club.



Goal 3. Good health and well-being

8.8. Human Resources Management

Goal 8. Decent work and economic growth



Acacia Mining has a set of plans and procedures prepared in accordance with international standards. Human Resources carries out its activities with the principle of equal opportunity in recruitment.

Acacia Mining Operations Inc. Human Resources Policy

- Working by adding value to people, with the awareness that the basic value is human,
- To create a happy and committed human resource that creates added value,
- To support transparent communication in parallel with sincere and honest relations,
- To support our innovative and solution-generating employees,
- To make a difference with our fast, result-oriented and flexible approach,
- To encourage employees who constantly improve themselves in order to achieve our goals and create a sustainable working environment,
- To protect the environment and natural resources with an environmentally sensitive approach and to spread this awareness among all employees.

8.8.1. Gender Equality

Acacia Mining Operations Inc. has a management policy on gender equality and actively encourages women to join our company and the sector in areas such as facility operations and engineering by moving away from the traditional mining understanding. In line with the policies determined and the studies carried out, we increased the participation of women in the workforce from 12% to 16% in two years in our company.

8.8.2. Professional Certification

We enable employees to certify their professions at national and international levels, and ensure that they receive Vocational Competence certificates.

8.8.3. Preventing Waste of Resources

We have a project to digitize personnel processes such as leave, overtime, payroll, and thus to prevent waste of time and paper.

8.9. Occupational Health and Safety Management

Goal 8. Decent work and economic growth



Acacia Mining attaches utmost importance to the personal health and safety of its employees, contractors and visitors in all its operations. It believes that accidents can be prevented by adopting an effective Occupational Health and Safety system.

The main purpose of Acacia Mining in terms of Occupational Health and Safety is to minimize accidents in line with the "Zero Damage" target. It is aimed to achieve this goal by providing active participation at all levels within the subsidiary.

As conscious employees – conscious employer, in order to reduce the risks of accidents in their relevant activities, regular systematic and effective personnel training, safe work practices in accordance with the profession and technique, active and reliable project and personal protection equipment, operation and maintenance instructions and safety manuals in accordance with legislation and standards are provided to employees and contractors.

Relevant personnel and contractors are responsible for complying with the necessary health and safety standards and current legislation, for the complete implementation of health and safety plans, for the control and inspection of work areas, and for cooperating with the management during accident and incident investigations.

General Policy for Occupational Health and Safety

Acacia Mining Operations Inc. is a mining operation determined to carry out all aspects of its activities with a safe responsibility, and looks after the health and well-being of its employees and the communities in which it operates.

While carrying out our activities as Acacia Mining Operations Inc. we :

- Provide a permanently healthy and safe workplace for our employees, subcontractors and all visitors,
- Fulfill our responsibilities to protect the health, safety and peace of our employees and other people who may be affected by our activities,
- Comply with the legislation on occupational health and safety and the operating standards determined by the management,
- Implement continuous developments regarding the occupational health and safety management system and review the necessary policies to maintain appropriate business standards,
- Support a culture in which occupational health and safety risks are evaluated and managed at all levels,
- Procure all necessary equipment and systems and train employees in order to create healthy and safe working conditions in which employees act in a sense of responsibility and cooperation,
- Develop and implement effective preparedness and response systems for emergencies,
- Ensure continuity of sensitive, responsible and respectful work in our business.

The following Training Presentations were prepared in 2020, and as of January 2021, training was given to all Acacia Mining employees.

- Acacia WHS Recruitment Training
- Working at High Elevation Training
- Hazard Communication and Accident Notification
- Emergency Protocols
- Chemical Risk Factors
- Physical Risk Factors
- Hazard Assessment and Risk Analysis
- Lifting Work Training
- Works in Closed Areas
- Environmental Safety and Waste Management
- Manual Handling and Lifting Training
- Health and Safety Signs
- Display Tools
- Occupational Health and Safety Legislation (General Issues)
- Occupational Health and Safety Legislation (Health Issues)

In 2020, a total of 25 Safety Bulletins / Lessons Learned / WHS Alerts were published on Occupational Health and Safety to increase employee awareness.

The titles of the published documents are as follows:

- Energy Insulation Lockout Tagout
- Material Drop
- Unsafe Movements, Hands in Pockets
- Covid-19 Information Notice
- Safety in Material Removal Operations
- Driving Safety in Snowy Weather Conditions
- Energy Insulation Lockout Tagout-2
- Traffic Accident and Seat Belts
- Notification of Incidents and Importance of Communication
- How Dangerous Can a Lighter Be?
- Escape Routes and Fire Equipment-1
- The Importance of Perfect Fit of the Mask on the Face
- Finger Jamming
- Line of Fire - Equipment and Material Overturn
- About Mask Usage-2
- Safe Operation on Hand Ladders
- Isolation Hierarchy
- Occupational Safety in Hand Tools
- Enclosure Clearance
- Covid-19 Measures
- Lessons Learned- Lost Time Accident dated 02.09.2020
- WHS Alarm-Hazardous Situations Regarding Compressed Gas Cylinders
- WHS Hazard Alert - Near-Miss Event on 19 Nov. '20
- In 2020, 2915 man*hours of training was given on legislation, specific and On-the-Job Talks/OHS Bulletins etc. to Acacia Mining Inc. employees..
- In 2020, 1828 man*hours of training was given to subcontractor company employees by Acacia Mining
- In 2020, subcontractors provided 6978.5 man/ hours of training to their own employees.
- In 2020, 231 employment examinations and 176 periodic examinations were carried out by our Acacia Health Unit.

Occupational Health and Safety Digital Transformation
In addition to the work we have done on Occupational Health and Safety in 2020, the Acacia OHS Portal has been put into service in order to advance the requirements of the digital age with an active OHS process.

With this application, all employees can make dangerous status notifications, perform inspections, and obtain work permits either on their mobile phones or on the computer.

8.10. Public Health and Safety

Goal 8. Decent work and economic growth



Acacia Mining Operations Inc. attaches importance to the safety and health of the community living in the region and Acacia stakeholders, as well as the personnel working within its body and its contractors. In this direction, It carries out many activities to eliminate or minimize the risks that may occur during the project.

As Acacia Mining Operations Inc., many studies have been carried out to minimize the risk of contamination and manage the pandemic by taking all necessary measures to ensure both Occupational Health and Safety and Community Health and Safety since the day the Covid 19 epidemic started in the world and in our country.

These studies, which are carried out meticulously against the coronavirus, have been fully harmonized with the standards of the Turkish Standards Institute.

As a result of the field inspection carried out by the experts of the Turkish Standards Institute (TSE) in January 2021, our company was entitled to receive the "TSE Covid-19 Safe Production Certificate".

- The most important of these works is redesigning the accommodations of mine workers and making them compatible with the Turkish Standards Institute regarding CoronaVirus.
- In all areas, taps and soap dispensers were replaced with contactless taps and soap dispensers with sensors, and electrical buttons were replaced with photocells, thus saving water and energy, and preventing waste of resources.
- An agreement has been made with a laboratory licensed by the Ministry of Health to perform PCR tests. Antigen and PCR tests are performed by the laboratory technician under the control of our workplace doctor, at regular intervals and when necessary, in accordance with the "Pandemic Period Visitor Acceptance Procedure" with document number ACACIA-1004-00-INS-0043-01.
- In 2020, 1,448 antigen tests and 3,579 PCR tests were performed in our company.
- Service vehicles are being disinfected.
- Ultraviolet Air Sterilization Devices have been installed in common areas.
- An apparatus has been installed so that the doors can be opened without contact.
- A separator with Covid 19 notifications and warnings has been placed in the middle of the tables in the cafeteria. With the improvement work, the level of precautions has been increased and the risk of contamination has been reduced.
- Contact has been reduced in common areas. Existing taps and soap dispensers have been replaced with touchless taps and soap dispensers.
- Disposable prayer rugs are placed inside the masjid.
- A sufficient number of touchless hand disinfectant stands have been placed in the facility.
- Disinfectant is sprayed to all vehicles and work machines with the ULV device every day in our open pit mining area.

8.11. Technical Work

Acacia Mining Operations Inc. carries out a series of studies and projects aimed at reducing energy and water consumption in offices and working areas.

Goal 9.
Industry,
innovation and
infrastructure



8.11.1. Active Technical Work

Capacity Increase with the Use of Alternative Flocculant Chemicals

Problems were experienced in the precipitation process in the dewatering thickeners at the end of the production flow chart. This created a bottleneck in production capacity. Different types of alternative flocculant trials were conducted for the flocculant chemical used in the precipitation process. First of all, field-scale tests were carried out with the flocculant type that provided the best performance in the laboratory studies. As a result of these tests, it was determined that the new flocculant type contributed positively to the settling performance. After this change, the bottleneck experienced in this region of production was eliminated and an increase of 25% was achieved in the production capacity of the facility. This means a 20% contribution to the energy efficiency of the facility.

Mill Grit Recovery

In the ball mill where the grinding process is carried out in the production facility, there are stone chips that leave the system without being ground. The stone chips that came out of the system without being ground were stacked in the crusher stock area for a long time. These chips, whose disposal is limited by environmental regulations, occupied a large volume in the stock area and created a bottleneck. The outputs obtained from the cooperation studies with Hacettepe University indicated that these chips can be processed in the grinding unit if certain conditions are met. Accordingly, a total of 28.6 tons of Cu metal was obtained by processing 3,468 tons of crushed stone with a total Cu content of 1.18%. It is planned to process the mill waste gravel accumulated in the following periods with special campaigns on the specified days. Thus, an average of 3 per thousand is contributed to the annual Cu metal production of the facility.

Grinder Ball Type Change

In order to increase the flotation efficiency, a number of studies were carried out with Hacettepe University. As a result of these researches, it has been determined that the Fe ions included in the system due to the wear of the steel balls used in the ball mill have a negative effect on the flotation efficiency. It has been determined that the grinding ball type used in the ball mill should be chrome ball in order to prevent the negative effect of this ion release on efficiency. In addition to the contribution of the chrome balls to the flotation efficiency, the wear values are also better than the forged steel balls, which has also been confirmed by test studies. According to these studies, it was decided to change the grinding ball type used in the ball mill. After this change, it is predicted that the grinding ball consumption cost will decrease by 4.5%.

ProFlote Technology

The many leaks in the flotation circuit, especially in fine grain sizes, have a negative effect on the efficiency of the plant. Proflote technology is a solution method used to minimize this effect, and has examples in the world. This technology ensures that the fine particles interact with each other with the magnetic field effect created with the help of a magnet in the flotation circuit and behave like coarser particles suitable for flotation performance. Laboratory-scale tests were conducted to understand the applicability of this technology in the field. As a result of these tests and analyses, it was anticipated that this technology could make a positive contribution of at least 0.5% to the plant efficiency, and a field-scale trial plan was made for 2021.

Alternative Flotation Chemical Trials

The effect of the chemicals used in the flotation circuit, where the main enrichment is provided in the ore preparation plant, on the yield is of great importance. Depending on the mineralogy of the ore processed in the facility, the properties of the chemicals used in the facility may vary. For this reason, laboratory and field-scale alternative chemical trials are carried out. After these trials, optimization processes are carried out at many points, from chemical dosing amounts to changing the chemical type. After these studies, 10% savings were achieved in chemical consumption.

Reducing Return Loads in Flotation Cleaning Circuit

Due to the high return loads in the flotation cleaning circuit, the efficiency of the cleaning circuit was lost. These losses caused the final efficiency of the plant to decrease. With the piping revision operations carried out in this region, the efficiency of the cleaning circuit has been increased by reducing the return loads. This contributed positively to the final efficiency of the plant by 0.5%.

Extending the Life of the Waste Storage Facility

The life of the WSF, where the waste from the ore processing plant is stored, is critical for the sustainability of production. For this, the capacity of WSF is followed very closely. Alternative solutions that will contribute to the prolongation of the life of WSF are being studied. In this context, it is very important to reduce the consumption of fresh water used in the ore preparation plant. For this reason, with the arrangements made at the facility, the fresh water usage points in the facility were reduced and the water returned from the WSF started to be used. In this context, the use of fresh water at the facility was reduced by 60%. In order not to decrease the capacity of the water returned from WSF due to the formation of spalling in the pipes, antiscalant chemicals are being tested. In order to maximize the use of return water and to end the use of freshwater, it was decided to build a water treatment plant that will purify the return water from WSF. For this, preliminary tests and analyses have been made and the facility will be commissioned in 2021. It will be fully completed when a water treatment plant is built in 2021, with the goal of recycling 95% of groundwater used.

8.11.2. Qualified Trainings Conducted to Increase Technical Efficiency

Hacettepe University Technical Trainings

Technical trainings are organized by Hacettepe University Mining Engineering Department lecturers for white-collar and blue-collar employees working at the facility. The trainings, which continue regularly every month, are carried out in separate sessions according to the levels of white-collar and blue-collar employees. In these trainings, practical information that employees can use directly in the field is shared rather than theoretical information. This training took a total of 30 man-hours for white-collar employees and 141 man-hours for blue-collar employees.

6 Sigma Trainings

Within the scope of the studies carried out to improve the facility operation, 6 Sigma training was started for facility engineers. This training consists of a total of 296 man-hours. The projects defined for 4 plant engineers are as follows. These projects aim to prevent events that may hinder the operation of the facility and to improve current performance. The targets are:

- Extending WSF life
- Investigation of the effect of WSF return water quality on flotation efficiency
- Increasing HIG mill energy efficiency
- Reducing the efficiency loss in fine grain size in the flotation circuit

9. IBS

IBS Insurance and Reinsurance Brokerage Services Inc. is the largest domestic capital insurance and reinsurance brokerage company in Turkey.

9.1. Green Office

Goal 11. Sustainable cities and communities



IBS is the only insurance broker that has been certified by the World Wildlife Fund (WWF) as a Green Office since 2014. In 2020, it continued to support the campaigns organized by WWF.

Employees are directed to reduce the use of electricity, water and energy in their offices under the supervision of WWF, and calls are made both on employees and on social media to turn off computers at the end of the working day, and turning off the lights during Earth Hour to support the climate struggle.

With the content of social media posts featured every week about individually combating climate change, it is aimed to create social awareness for recycling, water and energy saving, and a sustainable environment.

With the green office rules, all furnishing units such as furniture and flooring used in the office were produced with recyclable materials, measures were taken to reduce water consumption in the toilets, and paper and other wastes are recycled with the recycling boxes in the office.

In the selection of gifts to be given to all stakeholders throughout the year, e-certificates for the campaigns organized by WWF were preferred or donations were made to institutions such as TSEV and AÇEV on special occasions.

9.2. Other Environmental Activities

Goal 13. Climate Action

Goal 14. Life Below Water

Goal 15. Life On Land



- Regular donations are made to foundations such as the TEMA foundation, and cleaning materials are purchased from organizations such as TURMEPA, which provides environmentally friendly materials.
- Digital HR applications were put into use to save paper and time, and an online training platform is used for the development of employees.
- In order to reduce paper waste, printers use papers on both sides, and care is taken not to receive printed documents. Additionally, by switching to the card system, efforts are made to get fewer printouts, energy and paper savings are ensured by preventing wrong printing.

9.3. Female Employment Activities

Goal 5. Gender Equality

60% of employees and 57% of managers are women, and we support women's employment by providing positive discrimination to women in our recruitment policy.



Senior executives are members of PWN (Professional Women's Network), a voluntary organization that supports women's sustainable existence and advancement in business life.

10. Travelex

Goal 5. Gender Equality
Goal 10. Reduced inequalities



Considering the 2020 global conjuncture, current practices and policies have been continued as much as possible. By minimizing domestic and international travels, the contribution to the reduction of carbon emissions was the item that increased the most. When normal working conditions return, the determination to keep travel to a minimum level will be maintained by replacing travel with online training and meetings.

- As every year, policies and awareness raising activities were carried out on D&I and Wellbeing.
- The company is a WEP signatory within the UN and continues to follow strategic directions.
- It continues the sensitive travel approval procedure and this year, within the framework of global trends, minimum flight and vehicle usage has been ensured - working from home and online meetings have been brought to the fore, these applications are continued during the normalization process.
- Recycling practices continue within the framework of the Istanbul Municipality Zero Waste Project in the office sections.
- Items S.5 and S.10 continue to be our priority.

Akfen Infrastructure Holding

General Information

General Information

Account period:

This report is for the accounting period 01.01.2020-31.12.2020.

Company registration and contact information:

Title: Akfen Altyapı Holding A.Ş.

Tax Office: Cumhuriyet Vergi Dairesi

Tax Number: 023 030 3984

Trade Registry Number: 249432

Head Office: Koza Caddesi No:22 GOP Ankara

Phone Number: 312 408 10 00

Fax Number: 312 441 07 82

Under the prohibition of competition and transactions:

In 2020, the Board of Directors and senior executives did not engage in any activities with the company on their own behalf or on behalf of others, and did not engage in any activities within the scope of the non-compete clause.

Rights granted to board members and senior executives:

In 2020, no payment was made to the members of the Board of Directors under the name of salary, bonus, attendance fee or any other name.

Total short term benefits provided to top management of Akfen Infrastructure Holding and its subsidiaries for the period ended 31.12.2020 is 14,03 million TL (31.12.2019: TL 13,75 million).

Research and development activities of the company:

Information about the projects that our Company is developing for the future is given in the "Group Companies" section of this report.

The company's activities and important developments related to the activities:

Information on the company's activities is presented in the Group Companies section of this report, and information on investments and financial developments is presented in the Financial Results section.

Information about the company's internal control system and internal audit:

In order to establish an operating system, internal control system, reporting system, risk management system, and to meet these activities, the company conducts studies to establish an information systems department, an internal audit department, and a budget reporting and risk department.

With the establishment of these departments, the mentioned systems, processes and reporting will be made systematic and regular.

Information on the company's own shares acquired:

The Company does not have its own shares.

Information on private and public audits carried out during the accounting period:

In 2020, there was ordinary public audit at Akfen Altyapı Holding. Special audits are Ernst & Young

(financials), KPMG (tax), and other audits conducted under the Commercial Code.

Information on lawsuits filed against the company that may affect the financial position and activities of the company and their possible consequences:

There is no lawsuit filed against the Company.

Explanations on administrative or judicial sanctions imposed on the company and the members of the Board of Directors due to practices contrary to the provisions of the legislation:

There are no administrative or judicial sanctions imposed on the Company and its executives.

Information and assessment on whether the targets set in the previous periods have been achieved and whether the resolutions of the General Assembly have been fulfilled:

The company's management has achieved its targets in 2020 and the decisions taken at the General Assembly have been complied with.

Information on the Extraordinary General Assembly, including the date of the General Assembly, the decisions taken, and the related transactions:

In 2020, the Extraordinary General Assembly wasn't held.

Information on donations and aids given by the company during the year and expenses incurred within the framework of social responsibility projects:

The amount of aid Akfen Construction Holding gave

to various associations and foundations in 2020 was 51,5 million TL.

Determinations and assessments of whether the capital of the company remains unrequited or not in debt:

The company's capital is 580 million TL and the shareholders' equity is 6,643.9 million TL. In other words, the company maintained its capital.

Information on dividend distribution policy:

The company determines the profit distribution decisions in accordance with the Turkish Commercial Code, tax legislation, other relevant legislation and the company's articles of association. There is no privilege between dividend groups in dividend distribution.

Long-term Holding strategies, capital requirements of the group companies, investment and financing policies, profitability and cash position are taken into consideration in the profit distribution decision.

The manner and time of distribution of the profit to be distributed shall be decided by the General Assembly upon the proposal of the Board of Directors.

Assessment of risks and governing body:

Necessary measures are taken against the risks predicted in the sectors in which the company operates and developments in related sectors are monitored. The developments in the sectors the company operates in are summarized in the "Group Companies" section of this report.

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

To the Akfen Infrastructure Holding Inc. General Assembly

1) Opinion

We have audited the annual report of Akfen Infrastructure Holding Inc. ("Company") and its subsidiaries ("Group") for the accounting period 1/1/2020-31/12/2020.

In our opinion, the consolidated financial information included in the annual report of the Board of Directors and the analysis of the Board of Directors about the Group's situation are consistent with the audited full set of consolidated financial statements and the information we obtained during the independent audit, in all material respects, and reflect the truth.

2) Basis for Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards (IAS), which is a part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority (POA). Our responsibilities under these Standards are explained in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Annual Report of our report. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by POA and the ethical provisions in the legislation on independent auditing. Other ethical responsibilities within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3) Our Auditor's Opinion on the Full Set of Consolidated Financial Statements

We have expressed an affirmative opinion on the Group's full set of consolidated financial statements for the accounting period 1/1/2020-31/12/2020 in our auditor's report dated 7 May 2021.

4) Responsibility of the Board of Directors for the Annual Report

In accordance with the articles 514 and 516 of the Turkish Commercial Code (TCC) numbered 6102, regarding the annual report, the Group management is responsible for the following:

- a) It prepares the annual activity report within the first three months following the balance sheet date and submits it to the general assembly.
- b) Prepares the annual report of the company in a way that reflects the flow of the group's activities for that year and its financial situation in all aspects in an accurate, complete, straightforward, truthful and honest manner. In this report, the financial situation is evaluated according to the consolidated financial statements. The report also clearly indicates the company's development of the group and the possible risks it may face. The evaluation of the board of directors regarding these issues is also included in the report.

c) The annual report also includes the following:

- Events of special importance that occur in the group after the end of the operating year,
- Research and development activities of the group,
- Financial benefits such as wages, premiums, bonuses, allowances, travel, accommodation and representation expenses, cash and non-cash benefits, insurances and similar guarantees paid to the members of the board of directors and senior executives

While preparing the annual report, the board of directors also takes into account the secondary legislations made by the Ministry of Commerce and related institutions.

5) Independent Auditor's Responsibility for the Independent Audit of the Annual Report

Our aim is to express an opinion on whether the consolidated financial information included in the annual report and the examinations made by the Board of Directors, in accordance with the provisions of the TCC, are consistent with the audited consolidated financial statements of the Group and the information we obtained during the independent audit, and whether they reflect the truth, and to prepare a report containing our opinion.

Our independent audit was carried out in accordance with IAS. These standards require that ethical provisions are complied with and that the independent audit is planned and conducted in order to obtain reasonable assurance whether the consolidated financial information in the annual report and the analysis made by the Board of Directors are consistent with the consolidated financial statements and the information obtained during the audit, and whether they reflect the truth.

The auditor responsible, who conducted and concluded this independent audit is Mehmet Can Altıntaş.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

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Partner

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Ankara, Turkey

CHAPTER 6

AKFEN INFRASTRUCTURE HOLDING ANONIM ŞİRKETİ AND ITS SUBSIDIARIES

*Consolidated financial
statements as of and for the
period ended December 31, 2020
and auditors' report*

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

- *Independent Auditor's Report*
- *Consolidated Financial Statement For the
Year Ended on 31 December 2020*
- *Consolidated statement of profit or loss and
other comprehensive income*
- *Consolidated statement of cash flows*
- *Footnotes for Consolidated Financial State-
ments*
- *Abbreviations*

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Akfen Altyapı Holding Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Akfen Altyapı Holding Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

3) Key Audit Matters

According to our professional judgment, the key audit matters are of the utmost importance in the independent audit of the financial statements for the current period. Key audit issues have been addressed in the context of independent audit of financial statements as a whole and in the formation of our opinion on the financial statements, and we do not express a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter is Addressed in the Audit
<p>IFRS Comment 12 - Service Concession Agreements</p>	
<p>Taking into account the terms of the service concession agreement with the government, the Group applied IFRS Comment 12 financial asset model and defined a financial asset in its financial statements.</p> <p>The Group considers the service concession agreements as hybrid contracts that contain the main products in the nature of financial assets. Related contracts contain more than one embedded derivative product and vary with contractual cash flows, a certain inflation rate and exchange rate changes.</p> <p>The Group recognizes financial assets arising from service concession agreements at their amortized cost for ongoing projects, which is calculated by discounting the cash flows of the contractual cash flows with the effective interest rate, at the fair value of the projects that started to operate.</p> <p>The service concession agreements are considered as a key subject by us since the amount of financial asset balance is significant portion of the financial statements and requires management judgment.</p> <p>Explanations on service concession agreements are disclosed in Note 9.</p>	<ul style="list-style-type: none"> - The service concession agreement was obtained, and the terms of the agreement were examined. - Assumptions and estimates used in the calculation of amortized costs calculated by discounting the contractual cash flows with effective interest rate in projects under investment are tested - The end-of-period financial asset figure generated in the service concession model is mutually confirmed by the end-of-year financial statements - In addition, within the scope of the above-mentioned special accounting, we questioned the appropriateness of the information contained in the financial statements and the explanatory footnotes and the adequacy of the information disclosed for the readers of the financial statements.

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Key Audit Matter	How the Key Audit Matter is Addressed in the Audit
<p>Valuation of financial assets</p>	
<p>The Group has classified the shares of Mersin Uluslararası Liman İşletmeciliği A.Ş. ("MIP"), Travelex Döviz Ticaret A.Ş. ("Travelex") and Tepe Reformer ("TAR") as financial investments and recognized at fair value in the accompanying consolidated financial statements.</p> <p>As a result of the fair valuation as of 31 December 2020, the Company carried shares of MIP amounting to KTL 2.065.188, Travelex amounting to KTL 10.530 and TAR amounting to KTL 47.824 at fair value in the accompanying consolidated financial statements.</p> <p>In our audit work, we have focused on this issue for the following reasons:</p> <ul style="list-style-type: none"> - MIP, Travelex and TAR has carried from fair value is significant for the accompanying consolidated financial statements and valuation requires to expertise. - The market approach method has been used in the fair value calculation of MIP and has been determined the Company Value / Earnings before interest tax, depreciation and amortization ("BITD") multipliers of peer group companies that could be used in the valuation of MIP. As of December 31, 2020 fair value was calculated by applying peer group companies EBITDA multipliers to the company's 12 month backward EBITDA. - The use of forward-looking significant management estimates (discount rate and growth rate) in the valuation and the fact that these forward-looking forecasts contain uncertainties regarding the realization of these estimates. <p>Depending on the importance of the financial statements and the importance of the reasoning used in calculating the fair value, we have considered a key audit subject by us.</p> <p>Explanations on financial assets are disclosed in Note 21.</p>	<p>The following audit procedures have been applied while auditing the fair value calculation of financial assets;</p> <ul style="list-style-type: none"> -We included experts from another entity that is a part of same audit network to our audit team to examine the fair value calculations. -The compliance of the valuation calculations with the financial statements and the mathematical appropriateness of the calculations are checked. -The valuation methods and the technical data used were evaluated by the expert and the Group management with the support of our experts. -The expertise of the appraisers was evaluated in accordance with TDS 500. -Data obtained from external sources such as "peer group companies EBITDA multipliers" and "current transaction" used in valuation have been checked with relevant independent data sources. - The appropriateness of forward-looking significant management estimates (discount rate and growth rate) used in discounted cash flow models were evaluated with our experts and the sensitivity analyses were checked. -In addition, TFRS compliance with the explanations in the financial statements were also evaluated

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Key Audit Matter	How the Key Audit Matter is Addressed in the Audit
<p>Deferred tax assets recognized from investment incentive certificates</p>	
<p>The Group received an investment incentive certificate within the scope of “the Council of Ministers Decision on State Aids in Investments”, which regulates investment incentives. As of December 31, 2020, investment expenditures amounting to TRY 4.340.879.646 have been made within the scope of these incentive certificates. The Group limits the investment incentive advantage to the amount of tax advantage that it foresees that it can use within the year it has determined as a foreseeable future. As of December 31, 2020, deferred tax assets amounting to TRY 983.900 have been accounted for related investment incentives.</p> <p>Since the extent to which these assets are accounted for depends on the Group management’s significant estimates and assumptions, deferred tax assets recognized under investment incentive certificates are considered as a key audit issue by us.</p> <p>Explanations on deferred tax assets are disclosed in Note 30.</p>	<ul style="list-style-type: none"> - In the audit of deferred tax assets accounted for under investment incentive certificates, the support of tax experts of another organization included in the same audit network was obtained. The measurement of the related deferred tax assets is presented for the examination and evaluation of the tax experts - Taxable profit estimates based on future annual business plans approved by management have been questioned in terms of recoverability of related deferred tax asset. - In the scope of our audit, the key assumptions used by the Group management in the related business plans were examined and their suitability was evaluated. - The amount of investment expenditure during the period which is the basis of the deferred tax asset calculations is confirmed by the accounting records. - In addition, the conformity of the disclosures in the notes to the financial statements in accordance with TAS 12 has been evaluated.

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

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

As part of an audit in accordance with InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Report on Other Legal and Regulatory Requirement

1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2020 and financial statements are not in compliance with law and provisions of the Company's articles of association in relation to financial reporting.

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

The name of the engagement partner who supervised and concluded this audit is Mehmet Can Altıntaş

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Mehmet Can Altıntaş, SMMM
Partner

7 May 2021
Ankara, Turkey

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Akfen Altyapı Holding Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at December 31, 2020

(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

		Audited	Audited
	References	December 31, 2020	December 31, 2019
Assets			
Current assets			
Cash and cash equivalents	4	1,626,879	2,085,358
Financial investments	21	474,591	19,638
Trade receivables		75,000	73,898
- Trade receivables from related parties	6-31	21,521	24,775
- Trade receivables from third parties	6	53,479	49,123
Inventories	15	43,205	71,028
Other receivables		58,348	91,150
- Due from related parties	7	173	105
- Due from third parties	7	58,175	91,045
Financial assets related to concession agreements	9	861,978	422,851
Receivables from ongoing construction and service contracts	9	-	76,912
Prepaid expenses	8	27,640	158,169
Current income tax assets	30	55,002	18,895
Other current assets	22	90,463	47,416
Subtotal		3,313,106	3,065,315
Assets reclassified as held for sale		14,922	2,890
Total current assets		3,328,028	3,068,205
Financial investments	21	2,619,605	2,414,637
Trade receivables		12,264	14,673
- Trade receivables from third parties	6	12,264	14,673
Other receivables		752,437	534,511
- Due from related parties	7-31	742,603	525,869
- Due from third parties	7	9,834	8,642
Receivables from ongoing construction and service contracts	9	-	706,831
Financial assets related to concession agreements	9	6,513,592	4,361,126
Investments accounted using the equity method	19	2,188,084	1,368,198
Investment property	10	1,133,028	875,196
Right of use assets	12	10,486	8,391
Property, plant and equipment	13	358,023	110,357
Intangible assets	14	105,873	97,935
Assets arising from customer contracts	8	25,726	14,339
Prepaid expenses	8	3,355	-
Deferred tax assets	30	913,824	627,297
Other non-current assets	22	26,707	40,533
Total non-current assets		14,663,004	11,174,024
Total assets		17,991,032	14,242,229

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

Akfen Altyapı Holding Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at December 31, 2020

(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

		Audited	Audited
	References	December 31,	December 31,
Liabilities		2020	2019
Current liabilities			
Short term borrowings	5	333,958	113,722
Short term portion of long-term borrowings	5	2,838,527	1,092,222
Trade payables		1,087,646	1,260,800
- Due to related parties	6-31	895,171	1,132,906
- Due to third parties	6	192,475	127,894
Employee benefit obligations		960	1,121
Other payables		48,058	57,265
- Due to related parties	7-31	11,948	10,117
- Due to third parties	7	36,110	47,148
Deferred revenue	16	10,586	6,944
Income tax payable	30	18,841	4,815
Current provisions		41,302	16,672
- Provision for employee benefits	17	7,222	8,356
- Other short-term provisions	17	34,080	8,316
Other current liabilities	22	51,950	9,163
Total current liabilities		4,431,828	2,562,724
Long term borrowings	5	5,777,097	5,832,694
Other payables		563,651	439,008
- Due to related parties	7-31	554,885	429,636
- Due to third parties	7	8,766	9,372
Derivative financial liabilities	11	266,190	141,290
Obligations arising from customer contracts	16	67,124	41,327
Non-current provisions		6,119	26,561
- Provision for employee benefits	17	6,119	6,417
- Other long-term provisions	17	-	20,144
Deferred tax liabilities	30	235,104	157,133
Other non-current liabilities	22	3	3
Total non-current liabilities		6,915,288	6,638,016
Total liabilities		11,347,116	9,200,740
Equity		6,643,916	5,041,489
Equity attributable to equity holders of the parent		6,665,458	5,066,136
Issued capital	23	580,000	580,000
Share premiums		2,376	2,376
Effect of business combinations under common control		(2,331,753)	(2,331,753)
Other accumulated comprehensive income that will not be reclassified to profit or loss		2,512,500	800,934
- (Losses) on remeasurement of defined benefit plans		(5,230)	(4,177)
- Increases on revaluation of property, plant and equipment	23	1,279,681	-
- Other gains on revaluation and remeasurement	23	1,238,049	805,111
Other accumulated comprehensive income that will be reclassified to profit or loss		99,689	256,298
- Currency translation difference	23	281,403	256,298
- Hedge reserve fund	23	(181,714)	-
Restricted reserves appropriated from profits	23	2,812,069	2,789,693
Retained earnings		2,946,212	2,279,065
Net profit for the period		44,365	689,523
Non-controlling interests	23	(21,542)	(24,647)
Total liabilities and equity		17,991,032	14,242,229

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

Akfen Altyapı Holding Anonim Şirketi and Its Subsidiaries

Consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2020

(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

		Audited	Audited
	References	January 1, December 31, 2020	January 1, December 31, 2019
Revenue	24	1,183,531	834,884
Cost of sales (-)	24	(1,037,416)	(646,750)
Gross profit		146,115	188,134
General administrative expenses (-)	25	(80,272)	(92,913)
Marketing expenses (-)	26	(3,980)	(4,893)
Other income from operating activities	27	1,734,241	1,281,748
Other expenses from operating activities (-)	27	(50,864)	(251,740)
Share of profit from investments accounted using the equity method	19	(465,989)	(219,771)
Operating profit from operating activities		1,279,251	900,565
Income from investment activities	29	213,210	483,197
Expense from investment activities (-)	29	(19,054)	(7,606)
Profit before finance income/(expense)		1,473,407	1,376,156
Finance income	28	1,183,712	831,990
Finance expenses (-)	28	(2,835,442)	(1,560,909)
(Loss)/profit before tax from continuing operations		(178,323)	647,237
Tax income		225,793	19,429
- Current period tax expense	30	(33,038)	(52,749)
- Deferred tax income	30	258,831	72,178
Profit for the period		47,470	666,666
Attributable to			
Non-controlling interests		3,105	(22,857)
Equity holders of the parent		44,365	689,523
Statement of other comprehensive income			
That will not be reclassified to profit or loss		1,711,566	540,303
- Losses on remeasurement of defined benefit plans		(1,053)	(151)
- Financial asset value increase fund		455,724	574,767
- Financial asset value increase fund, tax effect		(22,786)	(28,738)
- Increases on revaluation of property, plant and equipment		1,307,159	(6,969)
- Increases on revaluation of property, plant and equipment, tax effect		(27,478)	1,394
That will be reclassified to profit or loss		(156,609)	(143,345)
- Currency translation difference		25,105	(143,345)
- Other comprehensive expense related to cash flow hedges		(181,714)	-
Other comprehensive income		1,554,957	396,958
Total comprehensive income		1,602,427	1,063,624
Distribution of total comprehensive income			
Non-controlling interests		3,105	(14,687)
Equity holders of the parent		1,599,322	1,078,311

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

Akfen Altyapı Holding Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at December 31, 2020

(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

	Other comprehensive income and expenses will be reclassified in profit or loss				Other accumulated comprehensive income and expenses that will not be reclassified in profit or loss			Retained earnings			Total equity				
	Issued capital premiums	Share holders	Additional capital contributions of share holders	Treasury shares	Effect of business combinations under common control	Currency translation differences	Hedge reserve fund	Increases on revaluation of property, plant and equipment	Other gains on revaluation and re-remeasurement of defined benefit plans	(Losses) On re-remeasurement of defined benefit plans		Restricted reserves appropriated from profits	Net profit for the period	Total	Non-controlling interests
Balances as of															
January 1, 2019	580,000	2,376	20,764	(1,289)	(1,964,597)	401,195	5,962	5,217	259,082	(4,026)	2,782,348	1,062,210	4,241,203	58,214	4,299,417
Transfers	-	-	-	-	-	-	(5,962)	358	-	-	7,347	1,060,468	-	-	-
Total comprehensive (expense) / income	-	-	-	-	-	(151,515)	-	(5,575)	546,029	(151)	-	689,523	1,078,311	(14,687)	1,063,624
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	689,523	689,523	(22,857)	666,666
Other comprehensive income/(expense)	-	-	-	-	-	(151,515)	-	(5,575)	546,029	(151)	-	-	-	8,170	396,958
Effects of business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-	825	-	825
(Decrease)/increase through changes in ownership interests in subsidiaries that result in loss of control	-	-	(20,764)	1,289	(113,665)	6,618	-	-	-	-	(2)	126,636	112	(322,490)	(322,378)
Balances as of															
December 31, 2019	580,000	2,376	-	-	(2,331,753)	256,298	-	-	805,111	(4,177)	2,789,693	689,523	5,066,136	(24,647)	5,041,489
Balances as of															
January 1, 2020	580,000	2,376	-	-	(2,331,753)	256,298	-	-	805,111	(4,177)	2,789,693	689,523	5,066,136	(24,647)	5,041,489
Transfers	-	-	-	-	-	-	-	-	-	-	22,376	667,147	-	-	-
Total comprehensive income/(expense)	-	-	-	-	-	25,105	(181,714)	1,279,681	432,938	(1,053)	-	44,365	1,599,322	3,105	1,602,427
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	44,365	44,365	3,105	47,470
Other comprehensive income/(expense)	-	-	-	-	-	25,105	(181,714)	1,279,681	432,938	(1,053)	-	-	1,554,957	-	1,554,957
Balances as of															
December 31, 2020	580,000	2,376	-	-	(2,331,753)	281,403	(181,714)	1,279,681	1,238,049	(5,230)	2,812,069	44,365	6,665,458	(21,542)	6,643,916

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

Akfen Altyapı Holding Anonim Şirketi and Its Subsidiaries

Consolidated statement of cash flows for the years ended December 31, 2020

(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

	References	Audited January 1,- December 31, 2020	Audited January 1,- geçmiş 2019
A. Cash Flows from Operating Activities		457,845	(10,496)
Profit for the period		47,470	666,666
Adjustments to reconcile profit		419,829	(290,418)
Adjustments for depreciation and amortization	24-25	10,700	8,427
Adjustments for provisions related with employee benefits		(996)	1,993
Adjustments for gain on sale of property, plant and equipment		-	(578)
Adjustments for dividend income	29	(8,211)	(54,717)
Adjustments for participation fee and income from other financial instruments	29	(8,235)	(28,900)
Adjustments for fair value gain		(1,742,034)	(1,174,435)
<i>Adjustment for fair value gain of financial assets</i>	27-29	(1,608,058)	(1,230,879)
<i>Adjustment for fair value gain of investment properties</i>	27	(258,876)	(57,515)
<i>Adjustments for the fair value losses of derivative financial instruments</i>	28	124,900	113,959
Adjustments for impairment / (reversal)		28,044	(170,002)
<i>Adjustment for impairment on receivables</i>	27	9,844	1,078
<i>Adjustment for impairment / (reversal) on receivables from ongoing construction and service contracts</i>	27	-	(180,958)
<i>The value of tangible fixed assets and intangible assets corrections for miscarriage</i>	27	18,200	2,272
<i>Adjustments for other impairments</i>	27-28	-	7,606
Adjustments for provisions		15,886	63,997
<i>Adjustments for other provisions</i>	27	15,886	63,997
Adjustments for the undistributed of losses investments accounted using the equity method	19	465,989	219,771
Adjustments for unrealized foreign exchange		1,614,150	631,778
Adjustments regarding gains related to changes in share or disposal of associates, joint ventures, and financial investments	29	(26,306)	(40,922)
Regarding gains arising from the disposal of subsidiaries corrections	29	(26,774)	(139,434)
Adjustments for interest income and expenses	27-28	298,337	407,830
Adjustments for tax expenses	30	(225,793)	(19,429)
Cash flows from investing or financing activities adjustments for other items that cause		19,055	-
Other adjustment for profit/loss reconciliation	28	6,017	4,203
Changes in working capital		(129,189)	(444,869)
Adjustments for increases in trade receivables		(9,723)	(47,680)
Adjustments for decreases/(increases) in other receivables related with operations		97,181	(14,810)
Adjustments for increase in receivables from ongoing construction and service contracts	9	(739,225)	(388,295)
Adjustments for decrease in financial assets related to concession agreements	9	558,087	431,325
Adjustments for decreases/(increases) in inventories	15	5,904	(33,242)
Other adjustments for other (decrease)/increase in working capital		(29,224)	88,413
Adjustments for increases/(decreases) in trade payables		71,613	(568,699)
Adjustments for increases in other payables from operations		119,330	235,078
Cash flows from/ (used in) operations		(83,397)	(88,834)
Tax payments		(73,436)	(54,067)
Payments for other provisions		(9,079)	(33,562)
Payments related with provisions for employee benefits		(882)	(1.205)

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

Akfen Altyapı Holding Anonim Şirketi and Its Subsidiaries*Consolidated statement of cash flows for the years ended December 31, 2020**(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)**(Convenience translation of a report and consolidated financial statements originally issued in Turkish)*

	References	Audited January 1,- December 31, 2020	Audited January 1,- geçmiş 2019
B. Cash Flows (used in)/from Investment Operations		(432,352)	103,061
Interest received		46,345	102,229
Dividends received		9,183	64,352
Cash outflow of property, plant, equipment and intangible assets	13-14	(42,479)	(12,907)
Proceeds from sales of property, plant, equipment and intangible assets	13-14-29	7,565	1,029"
Cash outflow from the purchase of investment property	10	(91,010)	(84,914)
Cash inflows caused by share sales or capital decrease of associates and / or joint ventures		82,000	196,650
Cash outflows due to share purchase or capital increase of associates and / or joint ventures		(156,901)	(299,176)
Cash (outflow)/inflow from participation fee and other financial instruments		(287,055)	135,798
C. Cash Flows from/ (used in) Financing Activities		(407,690)	(122,336)
Proceeds from borrowings	5	1,261,877	1,277,870
Repayments of borrowings	5	(1,241,295)	(922,826)
Interests paid	5	(498,878)	(472,178)
Cash outflows from loan payments arising from lease agreements		(477)	(965)
Decrease in other payables to related parties		816	176,369
Other cash flow increases/(decreases)		70,267	(180,606)
Net decrease in cash and cash equivalents		(382,197)	(29,771)
Cash and cash equivalents at the beginning of the period	4	2,002,483	2,032,254
Cash and cash equivalents at the end of the period	4	1,620,286	2,002,483

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

1. Organization and nature of the operations

Akfen Altyapı Holding Anonim Şirketi ("Akfen Altyapı" or the "Company") was incorporated in 2008 to provide Altyapı investment services. Akfen Altyapı is one of the leading companies in Turkey with diversified activities in, construction, ports, and real estate sectors. The consolidated financial statements as at and for year ended December 31, 2020 comprise the Company, its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

As of May 24, 2018, trade title of the Company has been changed as Akfen Altyapı Holding A.Ş. while it was Akfen Altyapı Danışmanlık A.Ş.

The company's address is Gaziosmanpaşa district, Koza Sk, No: 22, 06700, Çankaya, Ankara, Turkey.

As of December 31, 2020, the number of employees of the Company and its business partners is 6 (31 December 2019: 7) and 4,992 (December 31, 2019: 6,509), respectively.

As of December 31, 2020 and 2019, the shareholder structure is as follows:

	December 31, 2020	December 31, 2019
	Share Ratio (%)	Share Ratio (%)
Pelin Akın Özalp	50	50
Selim Akın	50	50
	100	100

The main activities in which Akfen Altyapı operates through its subsidiaries are summarized below:

Akfen İnşaat Turizm ve Ticaret A.Ş. ("Akfen Construction")

Akfen Construction, one of the oldest companies of the Akfen Group, was initially established to perform the feasibility and engineering services of industrial facilities, and then expanded its range of services with the manufacture, installation and installation of industrial facilities. To date, the company has built a wide range of Altyapı such as airport terminals and associated Altyapı constructions, natural gas pipelines / distribution systems, hospitals, schools, student dormitories, residential housing projects, industrial power plants, hydroelectric power plants, water distribution, sewage systems and wastewater treatment plants.

Currently, Akfen Construction's field of activity includes HEPP construction projects, hospital Public Private Partnership projects (currently Isparta and Eskişehir hospitals are in operation, only Tekirdağ hospital project is under construction), various dormitory and real estate (housing / hotel) projects.

As of the registration of Akfen İnşaat's capital increase on May 30, 2018, Akfen Holding has acquired a 48.81% stake in Akfen İnşaat. The remaining shares of Akfen Construction are owned by Akfen Altyapı.

Akfen Holding A.Ş. ("Akfen Holding")

Akfen Holding was established in 1999 in Turkey. Akfen Holding's core business is to invest in and manage its subsidiaries and affiliates operating in industry branches such as airports management and operations, construction, port management, maritime transport, water distribution and wastewater services, energy and real estate.

As of March 6, 2019, after the acquisition of 9.87% share by Akfen Holding, Akfen Altyapı Holding's share in Akfen Holding decreased to 89.49%.

2. Basis of presentation of financial statements

i. Basis of presentation

These financial statements are prepared from the Company's legal financial statements and presented in TL with the necessary corrections and classifications in order to make the right presentation in accordance with TFRS.

The Group maintains and prepares its accounting records and legal financial statements in Turkish Liras (TL) in accordance with the accounting and reporting principles and standards published by the Ministry of Finance's Tax Legislation and Uniform Chart of Accounts.

Approval of consolidated financial statements

The Group's consolidated financial statements has been approved by the Company's Board of Directors on May 7, 2021. General Assembly has the authority to change the consolidated financial statements.

Foreign currency

Foreign currency transactions

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

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

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

End-of-period exchange rates as of December 31, 2020 and 2019 and average exchange rates for the years ended December 31, are as follows:

	Average Exchange Rate		Exchange Rate at Period End	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
US Dollar	7.0034	5.6712	7.3405	5.9402
Euro	8.0140	6.3481	9.0079	6.6506

Foreign operations

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

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

ii. Going concern

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

2. Basis of presentation of financial statements (cont'd)

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

The accompanying consolidated financial statements are prepared comparatively with the prior period in order to determine the financial position, performance and cash flow trends of the Group. Consolidated financial statements and the accompanying notes to the consolidated financial statements as of December 31, 2020 profit or loss and other comprehensive income, cash flow and equity changes for the period ended December 31, 2020 are presented comparatively.

iv. Amendments to the Turkish Financial Reporting Standards

New standards, amendments and interpretations effective from January 1, 2020:

- Definition of a Business (Amendments to TFRS 3)
- Amendments to TFRS 9, TAS 39 and TFRS 7- Interest Rate Benchmark Reform
- Definition of Material (Amendments to TAS 1 and TAS 8)
- Amendments to TFRS 16 – Covid-19 Rent Related Concessions

These amendments did not have a significant impact on the financial position and performance of the Group.

Standards, changes and improvements that have been published but not yet effective and not early implemented:

- TFRS 10 and TAS 28 - Asset Sales or Contributions to an Associate or Joint Venture – (Amendments)
- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 3 – Reference to the Conceptual Framework
- Amendments to TAS 16 – Proceeds before intended use
- Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16
- Annual Improvements - 2018-2020 Period

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

v. Summary of Significant Accounting Policies and assessment methods

Principles of consolidation

Business combinations

The Group recognizes business combinations when the control is transferred to the Group using the purchase method. Consolidation transferred in the acquisition is generally measured at fair value, such as identifiable net assets purchased. Any goodwill that arises is tested for impairment each year. Any gain from a bargain purchase is recognized in profit or loss. Measurement and liquidation are accounted in equity. Otherwise, other contingent consolidation amounts are remeasured at fair value at each reporting date and any changes in subsequent conditional consolidated financial statements are accounted for in profit or loss.

A business combination under common control is a combination in which all merging entities or entities are ultimately controlled by the same party or parties before and after the merger and this control is not temporary. Assets and liabilities subject to business combinations under common control are considered in the consolidated financial statements starting from the beginning of the year in which the transaction takes place. Retained earnings of the subsidiary purchased are accounted under equity under the influence of "Business combinations under common control".

Akfen Altyapı Holding Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements as at and for the years ended December 31, 2020

(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

2. Basis of presentation of financial statements (cont'd)

v. Summary of Significant Accounting Policies and assessment methods (cont'd):

Principles of consolidation (cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls the asset if it is entitled to, or is subject to, variable returns on account of its involvement in the asset, and it may affect it with control over the asset. The financial statements of the subsidiaries are included in the financial statements of the Group from the beginning of the control power to the date when the control power ceases. As of December 31, 2020, and 2019 the direct and indirect ownership and voting right ratios of the principal subsidiaries included in the consolidated financial statements are as follows:

	December 31, 2020		December 31, 2019	
	Ownership ratio (%)	Voting right	Ownership ratio (%)	Voting right
Direct subsidiaries				
Akfen Holding ⁽¹⁾	100	100	100	100
Akfen İnşaat	100	100	100	100
Akınısı Makina Sanayi ve Ticaret A.Ş. ("Akınısı") ⁽²⁾	99.99	99.99	99.99	99.99
Akfen Danışmanlık ve Proje Geliştirme A.Ş. ("Akfen Danışmanlık") ⁽²⁾	100	100	100	100
Akfen Turizm Yatırım ve İşletme A.Ş. ("Akfen Turizm") ⁽²⁾	99.99	99.99	99.99	99.99
Akfen Gayrimenkul Portföy Yönetimi A.Ş. ("Akfen GPYŞ") ⁽²⁾	100	100	100	100
Akfen Merter Gayrimenkul Turizm ve İnşaat A.Ş. ("Akfen Merter") ⁽³⁾	91.52	75	91.52	75
BISS Savunma Sanayi A.Ş. ("BISS Savunma") ⁽²⁾	86	100	86	100
Masanda Turizm Yatırımları A.Ş. ("Masanda") ⁽²⁾	100	100	100	100
Indirect subsidiaries				
Isparta Şehir Hastanesi Yatırım İşletme A.Ş. ("Isparta Şehir Hastanesi") ⁽³⁾	99.88	99.88	99.88	99.88
Eskişehir Şehir Hastanesi Yatırım İşletme A.Ş. ("Eskişehir Şehir Hastanesi") ⁽³⁾	100	100	100	100
Tekirdağ Şehir Hastanesi Yatırım İşletme A.Ş. ("Tekirdağ Şehir Hastanesi") ⁽³⁾	100	100	100	100
Isparta Yurt Yatırımları A.Ş. ("Isparta Yurt") ⁽³⁾	100	100	100	100
Ayrı Gayrimenkul Yatırım A.Ş. ("Ayrı Gayrimenkul") ⁽³⁾	100	100	100	100
Hacettepe Teknokent Eği. ve Kli. Ar. Mer. Sağ. Ar-Ge Dan. Pro. San. Tic. A.Ş. ("Hacettepe Teknokent") ⁽¹⁾⁽³⁾	70	70	45	66
Akfen Enerji Üretim ve Ticaret A.Ş. ("Akfen Enerji Üretim") ⁽⁴⁾	99.25	99.25	99.25	99.25
Zeki Enerji Elektrik Üretim Dağ. Paz. San. ve Tic. A.Ş. ("Zeki Enerji") ⁽²⁾	100	100	100	100

(1) The share of Akfen Altyapı Holding is 89.49% and the ownership rate is 99.36%, with the indirect shares added due to the fact that 9.87% of the shares were bought back from Akfen Altyapı Holding on March 6, 2019. Since the remaining shares belong to the subsidiaries of Akfen Altyapı, the ownership rate is shown as 100%.

(2) It is a subsidiary of Akfen Altyapı Holding.

(3) It is a subsidiary of Akfen Construction.

(4) It is a subsidiary of Akfen Holding.

(*) The Group controls the company by retaining the majority of voting rights.

Joint Agreements / Financial Investments

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

2. Basis of presentation of financial statements (cont'd)

v. Summary of Significant Accounting Policies and assessment methods (cont'd):

Principles of consolidation (cont'd)

Joint Agreements / Financial Investments

In the equity method, the joint venture investment is initially recognized via the acquisition cost. Following the date of acquisition, the share of the investor in the profits or losses of the invested enterprise is reflected in the financial statements by increasing or decreasing the carrying amount of the investment. The share the investor will get from the profits or losses of the invested enterprise is recognized as the profit or loss of the investor. Any distributions (of dividend, etc.) received from an invested enterprise reduce the carrying amount of the investment. The carrying amount of the invested enterprise needs to be adjusted in a way to correspond to the share the investor gets from the changes in the other comprehensive income of the enterprise. The details of the Company's direct joint ventures As of December 31, 2020 and 2019 are as follows.

	December 31, 2020		December 31, 2019	
	Ownership ratio (%)	Voting right ratio (%)	Ownership ratio (%)	Voting right ratio (%)
Direct financial investments				
Travelex Doviz Ticaret A.Ş. ("Travelex")	10.00	10.00	10.00	10.00
Tepe Reformer ⁽¹⁾	26.00	26.00	26.00	26.00
Indirect financial investments				
Mersin Uluslararası Liman İşletmeciliği A.Ş. ("MIP") ⁽¹⁾	10.00	10.00	10.00	10.00
Indirect subsidiaries				
TAV Yatırım Holding A.Ş. ("TAV Investment") ^{(**)(2)}	21.68	21.68	21.68	21.68
PSA Akfen Liman İşletmeciliği ve Yönetim Danışmanlığı A.Ş. ("PSA Port") ⁽²⁾	50.00	50.00	50.00	50.00
Akfen Çevre ve Su Yatırım Yapım İşl. A.Ş. ("Akfen Water") ⁽²⁾	50.00	50.00	50.00	50.00
Akfen Yenilenebilir Enerji A.Ş. ("Akfen Renewable") ^{(**)(2)}	66.91	66.91	66.13	66.13
İstanbul Deniz Otobüsleri Sanayi ve Ticaret A.Ş. ("İDO") ⁽²⁾	50.00	50.00	30.00	30.00
Acacia Maden İşletmeleri A.Ş. ("Acacia Mine") ⁽²⁾	30.00	30.00	30.00	30.00
İBS Sigorta ve Reasürans Sigorta Brokerliği A.Ş. ("İBS Insurance") ^{(****)(2)}	20.00	20.00	20.00	20.00
Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. ("Akfen GYO") ^{(****)(2)}	56.88	56.88	56.88	56.88

⁽¹⁾ It is considered as a financial investment since it does not have a significant impact on the company in question.

^(**) TAV Investment has transferred and delivered the shares to Gazelle Yatçılık on 29 May 2019 based on the contract dated 10 May 2019, and the share transfer was notified to the company on 12 June 2019 for the transfer to be recorded in the share register. As of 31 December 2020 and 31 December 2019, since the transfer transaction has not been recorded in the share ledger of TAV Investment, TAV Investment is among the assets of the Group and has been accounted for in the "Fixed assets classified for sale" account in the consolidated financial statements.

^(***) The ownership rate of Akfen Holding in Akfen Renewable decreased from 68.04% to 66.13% as of 31 December 2019 and increased to 66.91% as of 31 December 2020, and the corrections related to this change are reflected in the consolidated financial statements.

^(****) Akfen Holding transferred its 17% share in İBS Insurance for TRY 34mn, and Akfen Holding's share in İBS Insurance decreased to 20%.

^(*****) Due to the change in Akfen REIT's Board of Directors at the 2018 Ordinary General Assembly meeting of Akfen GYO held on April 16, 2019 after the transfer of Akfen REIT's privileged shares to Hamdi Akin, the aforementioned situation caused a loss of control by Akfen Holding and it has been evaluated as a transaction resulting in loss of control by Akfen Holding. Akfen REIT has been accounted in the consolidated financial statements of the Group as an investments accounted using the equity method, since the Company is considered as a joint venture after March 31, 2019, which is the closest reporting date to the general assembly date. Until March 31, 2019, Akfen REIT's profit or loss and other comprehensive income or expenses have been accounted in full consolidation method in the consolidated financial statements of the Group. After March 31, 2019, it is accounted for in the consolidated financial statements as an investments accounted using the equity method.

⁽¹⁾ Akfen Holding's financial investments.

⁽²⁾ Akfen Holding's joint agreements.

2. Basis of presentation of financial statements (cont'd)

v. Summary of Significant Accounting Policies and assessment methods (cont'd):

Non-controlling interests

Non-controlling interests are measured in the proportional shares of the net assets of the purchaser on the date of purchase. Changes in subsidiary shares without losing the control power of the Group are accounted for as equity transactions. Accordingly, in the purchase of additional shares from non-controlling shares, the difference between the acquisition cost and the registered value of the net assets at the rate of the purchased share of the partnership is accounted in equities. In share sales to non-controlling shares, losses or gains resulting from the difference between the sales price and the registered value of the net assets at the rate of the sold share of the partnership are also accounted for in equity.

Transactions eliminated in consolidation

Intercompany balances and transactions and unrealized income and expenses arising from intra-group transactions are eliminated. Unrealized gains on transactions with equity are eliminated to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same manner as unrealized gains if there is no impairment.

Loss of control

When the Group loses control of a subsidiary, the entity derecognizes the assets and liabilities of the subsidiary, non-controlling interests and other components. Gains or losses are recognized in profit or loss. In cases where control is lost, interest amounts held in previous subsidiaries are measured at their fair values.

Shares in associates and joint ventures

The Group's shares in associates, valued by equity method, consist of shares in associates and a joint venture. Associates are those assets that have significant influence on the Group's financial and operating policies but do not have control or joint control. These are entities in which the Group generally holds between 20% and 50% of the voting rights, or in which the Group has significant influence, but not control, over the operations of the company, even if it has more than 50% of the voting rights.

Shares in associates and joint ventures are accounted for using the equity method. Initially, it is recorded with the cost, including transaction costs. After initial recognition, the consolidated financial statements include the Group's profit or loss and other comprehensive income from the investments valued by equity method until the date when significant influence ceases.

Business combinations under common control

Business combinations that result from the transfer of shares of the companies controlled by the controlling stakeholder are recognized at the beginning of the earliest comparative period presented, and subsequently recognized at the date of joint control. For this purpose, comparative periods are restated. Acquired assets and liabilities are recorded at the book value previously recorded in the consolidated financial statements of the Group's controlled stakeholders. The equity items of the acquired companies are added to the same items in the Group's equity, except for the capital, and the resulting profit or loss is recognized in the equity.

Financial Assets

Classification

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

2. Basis of presentation of financial statements (cont'd)

v.Summary of Significant Accounting Policies and assessment methods (cont'd):

Financial Assets (cont'd):

Recognition and Measurement

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

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

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

Financial assets at fair value through profit or loss

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

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

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

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

Derecognition

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

2. Basis of presentation of financial statements (cont'd)

v. Summary of Significant Accounting Policies and assessment methods (cont'd):

Financial Assets (cont'd):

Impairment

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

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

Trade receivables

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

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

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

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

2. Basis of presentation of financial statements (cont'd)

v. Summary of Significant Accounting Policies and assessment methods (cont'd):

Financial liabilities

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

Financial liabilities are classified as equity instruments and other financial liabilities.

Trade payables

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

Effects of exchange rate changes

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates prevailing at the reporting date and the foreign exchange gains or losses arising are recognized in the statement of comprehensive income. Non-monetary items that are measured in terms of cost and denominated in foreign currencies are converted to the functional currency using the exchange rates at the date of the first transaction. Non-monetary items that are denominated in foreign currencies that are measured at fair value are re-converted to the functional currency at the exchange rates prevailing at the date that the fair value was determined.

Conversion to presentation currency

Transactions in foreign currencies during the period have been converted at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities at the date of the financial statements have been converted into TL from the Republic of Turkey Central Bank buying rate.

Monetary assets and liabilities denominated in foreign currencies have been converted into the functional currency at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities that are measured in terms of actual cost in foreign currency are converted using the exchange rate at the date of the transaction. Exchange differences arising on conversion are recognized in the consolidated statement of comprehensive income.

Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the statements of comprehensive income. Foreign exchange gains / losses arising from trade receivables and payables related to the principal activity are recorded in the operating income / expenses item and the other items are included in the financial income / expenses account.

2. Basis of presentation of financial statements (cont'd)

v.Summary of Significant Accounting Policies and assessment methods (cont'd):

Related parties

Is the person or entity that is associated with the entity that prepares its financial statements (to be used as "the reporting entity" in this Standard).

(a) A person or a member of that person's immediate family is considered to be related party with the reporting entity if:

Related person,

- (i) has control or joint control over the reporting entity,
- (ii) have significant impact on the reporting entity,
- (iii) the reporting entity or a parent of the reporting entity is a member of key management personnel.

(b) If any of the following conditions exist, the entity is related party with the reporting entity:

- (i) Where the entity and the reporting entity are members of the same group (each parent, subsidiary and other subsidiary is related party with others).
- (ii) If the entity is an associate or joint venture of another entity (or a member of a group of which the other entity is a member).
- (iii) If both entities are joint ventures of the same third party.
- (iv) If one of the entities is a joint venture of a third entity and the other entity is an associate of that third entity.
- (v) The entity has post-employment benefit plans for employees of the reporting entity or of an entity that is associated with the reporting entity. If the reporting entity itself has such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in paragraph (i) of article (a) has significant influence on the entity or is a member of the key management personnel of that entity (or its parent).

A transaction with a related party is the transfer of resources, services or liabilities between a reporting entity and a related party, regardless of whether there is a consideration.

The Company's senior management is designated as board members, general manager and assistant general managers.

2. Basis of presentation of financial statements (cont'd)

v.Summary of Significant Accounting Policies and assessment methods (cont'd):

Current tax expense and deferred tax

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

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

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

Furthermore, provisional corporate taxes are paid at 20% (will be applied as 22% for 2019 and 2020 tax periods) over profits declared for interim periods in order to be deducted from the final corporate tax.

As of December 31, 2020 and 2019, income tax provisions have been accrued in accordance with the prevailing tax legislation.

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

Since the applicable tax rate has been changed to 22% for the 3 years beginning from January 1, 2018, 22% tax rate is used in the deferred tax calculation of December 31, 2020 and 2019 for the temporary differences expected to be realized/closed within 3 years (for the years 2019 and 2020). However, since the corporate tax rate after 2020 is 20%, 20% tax rate is used for the temporary differences expected to be realized/closed after 2020.

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

Deferred tax assets and liabilities are mutually offset if there is a legally enforceable right to offset current tax assets from current tax liabilities, subject to the tax legislation of the same country.

Transfer pricing

Transfer pricing are stated in article 13 of the CTL headed "distribution of concealed gains via transfer pricing".

Communique of November 18, 2007 on the distribution of concealed gains via transfer pricing regulates practical details.

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

2. Basis of presentation of financial statements (cont'd)

v.Summary of Significant Accounting Policies and assessment methods (cont'd):

Government Grants

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

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

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

Inventories

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

Tangible assets

Recognition and measurement

Property, plant and equipment other than land, land and buildings are carried at cost less accumulated depreciation and impairment losses. Land, land and buildings; at the fair value at the revaluation date is measured at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Land, buildings and buildings are accounted according to net method with revaluation model. Unless there is a significant economic change that will affect the value of these properties, a revaluation is routinely carried out every three years. In this context, a revaluation has been made in order to reflect the financial statements as of December 31, 2019.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss in the current period.

2. Basis of presentation of financial statements (cont'd)

v.Summary of Significant Accounting Policies and assessment methods (cont'd):

Subsequent expenditures

Maintenance and repair expenses incurred for a tangible asset are recognized as expense. Investment expenditures, which increase the capacity of the tangible asset and increase the future benefit from it, are added to the cost of the tangible asset and depreciated over the estimated useful life of the tangible asset.

Depreciation

Depreciation is calculated using the straight-line method over the estimated useful lives of the cost of property, plant and equipment and is recognized in the income statement. Assets acquired under finance leases are depreciated over the periods between the lease term and their useful lives, unless the Group does not permit the acquisition of property by the end of the lease term. Land is not depreciated.

The estimated useful lives of tangible assets are as follows for the current and comparative periods:

Type of tangible asset	Useful life
Building	50 year
Machinery and equipment	4-15 year
Motor vehicles	5 year
Furniture and fixtures	3-10 year
Special costs	10 year
Other tangible assets	4-5 year

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

Leasing Transactions

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

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

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

2. Basis of presentation of financial statements (cont'd)

v.Summary of Significant Accounting Policies and assessment methods (cont'd):

Right to use assets

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

The cost of the right-of-use asset includes:

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

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

Right of use assets are subject to impairment assessment.

Intangible assets

Accounting and measurement

Intangible assets held by the Group in a limited economic period are carried at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditures

Subsequent expenditure is capitalized only if it increases the future economic benefits of the specific asset. All other expenditures are recognized in the income statement as incurred including the brand and goodwill expenses produced..

Amortization

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of the intangible assets. Amortization is not allocated to goodwill.

The estimated useful lives of the current and previous periods are as follows:

Intangible assets	Useful life
Rights	3-49 year
Other intangible assets	3 year

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

2. Basis of presentation of financial statements (cont'd)

v.Summary of Significant Accounting Policies and assessment methods (cont'd):

Investment properties

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

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

Income and expenses

The accrual basis is applied in the determination of income and expense items. Accordingly, revenue, income and profits are accounted for in comparison with the costs, expenses and losses of the same period.

Interest income is accrued by calculating the effective interest rate. In case of unpaid interest accrual before the acquisition of interest-bearing securities; the interest collected subsequently is divided into pre-acquisition and post-acquisition periods and only post-acquisition portion is recognized as income in the consolidated financial statements.

2. Basis of presentation of financial statements (cont'd)

v. Summary of Significant Accounting Policies and assessment methods (cont'd):

Revenue from customer contracts

The Group started to use the following five-stage model in the recognition of revenue in line with the TFRS 15 "Revenue from Customer Contracts Standard", which entered into force as of 1 January 2018.

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

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

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

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

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

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

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

Sale of goods

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

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

2. Basis of presentation of financial statements (cont'd)

v.Summary of Significant Accounting Policies and assessment methods (cont'd):

Revenue from customer contracts (cont'd)

Construction contracts

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

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

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

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

Service concession agreements

TFRS Interpretation 12 provides an overview of the infrastructure investments made by companies (operators) that have acquired the right to operate for a certain period by signing a concession agreement with the public and how the services they provide during the operation should be accounted for. It requires the operators to account for the investments made in the scope of TFRS Comment 12 as financial assets and / or intangible assets in accordance with the terms of the agreement instead of accounting for the investments as buildings, fixed assets and fixtures. The Company recognizes the amount calculated as per the construction model based on the service concession agreement as a financial asset, as it is a guaranteed income in the contract made with the Ministry of Health. The accounting policy for the measurement and classification of financial assets is included in 2. Note "Classification and Measurement - Financial Assets" (Isparta City Hospital, Eskisehir City Hospital and Tekirdağ City Hospital for the year of 2020).

Receivables from ongoing service contracts

Company financial assets in the financial statements covered by the Republic of Turkey Health Ministry signed City Hospital, which was prepared in accordance with the Agreement Tekirdag City Hospital construction model compatible with the right to demand fees associated with the use of the concession infrastructure are accounted for. Related assets The Company takes financial assets arising from service concession agreements as ongoing receivables from service concession agreements to the financial statements in the projects under construction. Financial assets received as provision for construction or remediation services in a concession agreement are measured at amortized cost on the initial recognition date. The estimated useful life of a financial asset arising from a concession agreement is the period during which the Company may collect from the public sector until the end of the concession period to use the infrastructure. (Tekirdağ City Hospital for the year of 2019).

-The Company management makes assumptions for inflation and foreign exchange rates during the contract period in order to calculate receivables from concession agreements. In addition, IFRIC 12 interest income is calculated using the internal rate of return foreseen future cash inflows.

The Group recognizes financial assets arising from service concession agreements as receivables from service concession agreements at amortized cost in the projects under construction.

2. Basis of presentation of financial statements (cont'd)

v. Summary of Significant Accounting Policies and assessment methods (cont'd):

Employee benefits

In accordance with current social legislation, the Group is required to pay accumulated compensation to each employee who has completed a one-year service with the Group and whose employment is terminated for retirement or for reasons other than resignation and misconduct.

Pursuant to Turkish law and trade union agreements, retirement or unintentional payments are made to employees who leave the Group. Such payments are considered to be a part of defined retirement benefit plan under No. 19, "Accounting Standard for Turkey (revised) Employee Benefits" ("TAS 19") under.

In the accompanying consolidated financial statements, the Group has provided a reserve for "employee termination benefits" in accordance with TAS 19- (revised) "employee benefits" by discounting the current market returns of government bonds on the balance sheet date.

The main assumptions used as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Interest rate %	13.00	15.00
Inflation rate %	8.50	9.50
Turnover rate for retirement probability estimation %	100.00	96.83

TAS 19 ("Employee Benefits") has been restated for the accounting periods starting after January 1, 2017. In accordance with the revised standard, actuarial gains / losses on employee benefits are recognized in the statement of comprehensive income.

As of 1 January 2017, the Group has calculated actuarial gain / (loss) related to severance pay in the income statement in order to evaluate the effect. Since the effect of the change in accounting policy on the consolidated financial statements is not significant, the Group management does not measure the actual gain / (loss) value in the comprehensive income statement.

In accordance with existing social legislation in Turkey, leaving due to retirement or resignation and the end of the job for reasons other than misconduct staff is obliged to pay a certain amount of severance pay. These compensations are calculated over the 30-day wage for each year (based on the wages at the date of termination or dismissal) (the maximum of the severance pay payments as of December 31, 2020 and 2019 is TRY 7,117 / year and TRY 6,380 / year respectively).

The basic assumption is that the ceiling for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TRY 7,639 effective from January 1, 2021 has been taken into consideration in calculating the reserve for employment termination benefit of the Group. (As of December 31, 2019 the ceiling for employee termination benefits is TRY 6,730).

In the normal workflow, in activities abroad, it contributes to the relevant governmental body for the retirement plan of the employees in the country where they work. Mandatory contributions to the state pension plan are recognized as an expense when incurred.

2. Basis of presentation of financial statements (cont'd)

v. Summary of Significant Accounting Policies and assessment methods (cont'd):

Financing revenues and financing costs

The Group's financing income and financing costs include:

- interest income,
- interest expense,
- dividend income,
- foreign exchange gains and losses on financial assets and financial liabilities

Interest income is shown to the maturity date using effective interest rate and effective interest rate is taken into consideration. Interest income is included in the statement of profit or loss and in the statement of comprehensive income.

Subsequent events

The Group adjusts the amounts recognized in its financial statements to reflect the adjusting events after the reporting date and if there are non-adjusting events after the reporting date, they are disclosed in the related period.

Contingent assets and liabilities

Liabilities and assets that can be confirmed by the occurrence or occurrence of one or more uncertain events in the future that are not fully controlled by the entity are considered as contingent assets and liabilities.

Provisions

Provisions are accounted for when there is a legal or structural obligation arising from the past, the possibility of the outflow of resources providing economic benefits to settle the obligation and a reliable estimate can be made about the amount of the obligation.

Cash flow statement

In the statement of cash flows, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows generated from the Group's commitment and land development, tourism and energy activities.

Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible investments and financial investments).

Cash flows related to financing activities represent the cash flows from the Group's financing activities and the repayment of these funds.

Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, demand deposits and other short-term investments with a maturity of 3 months or less, easily convertible into cash and without the risk of significant value changes (Note 4). Bank deposits with a maturity of more than 3 months and less than 1 year are classified under short-term financial investments.

2. Basis of presentation of financial statements (cont'd)

Determination of fair values

The Group's various accounting policies and disclosures require the determination of fair value in both financial and non-financial assets and liabilities. Fair values are determined by the following methods for valuation and / or disclosure purposes. If applicable, the assumptions used in determining the fair values are presented as additional information in the notes to the asset or liability.

Valuation methods according to levels are defined as follows:

Level 1: For identical assets or liabilities in active markets (unadjusted) prices;

Level 2: 1st place other than quoted prices and asset or liability, either directly (as prices) or indirectly (i.e. derived from prices) observable data;

Level 3: Asset or liability is not based on observable market data in relation to the data (non-observable data).

While the fair value of the receivables or payables arising from the transactions made for interest rate swap transactions is within the scope of level 2 according to the method of income reduction approach from valuation method techniques; the fair value of receivables arising from service concession agreements, financial assets related to concession agreements and investment properties are evaluated within the scope of level 3. The movement table of changes in fair values is given in Note 32.

Significant accounting evaluation, estimation and assumptions

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

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

Financial assets related to concession agreements and receivables from ongoing service contracts

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

As of December 31, 2020, the discount rate used in the fair value calculation is 10% (Euro) for Eskişehir and Tekirdağ City Hospitals and 11.5% (USD) for Isparta City Hospital. For inflation and exchange rate estimates, fair value calculations are made with different scenarios and the average value is accepted as the final result. The inflation values used in fair value calculations are in parallel with the medium and long term inflation rates announced by the CBRT.

2. Basis of presentation of financial statements (cont'd)

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

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 9). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Determining the fair value of equity instruments

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

Deferred taxes

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

Derivative instruments

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

3. Business combinations and sale of equity shares

Sale of shares of subsidiaries

Akfen International

The transfer of all Akfen International shares owned by Akfen Holding to Hamdi Akın has been realized on February 7, 2019. The positive difference between the related sale price and the net asset derecognized is recognized as income from investment activities in the consolidated statement of profit or loss and other comprehensive income.

Sales amount	870,000
Net asset derecognized	(889,248)
Share reclassified from other comprehensive income to profit for the period	158,682
Gains from disposal of subsidiaries (Note 29)	139,434

Sale of joint venture's shareholdings

IBS Insurance

On March 10, 2020, Akfen Holding signed a "Share Sales Agreement" to transfer its 123,250 shares (17% of the capital) in IBS Sigorta to DASSAV Yönetim ve Danışmanlık A.Ş. for a price of TRY 34,000. After the completion of the transaction, Akfen Holding's share in IBS Insurance decreased to 20%. The positive difference between the mentioned sales price and the net asset removed from the records has been recorded as income from investment activities in the consolidated statement of profit or loss and other comprehensive income.

	On sale date net asset
Total assets	384,632
Total liabilities	342,126
Net assets	42,506
IBS Sigorta's share of shares sold	%17
IBS Insurance's net asset amount sold (Note 19) (A)	7,226
Sales price (B)	34,000
Earnings arising from the disposal of subsidiaries (Note 29) (B-A)	26,774

Akfen Renewable Energy

On December 5, 2019, the capital of Akfen Renewable Energy was increased to TRY 959,410 with a premium, within this scope, a total of USD 12,078,804 was transferred to Akfen Renewable Energy by the EBRD and the IFC, thus increasing the shares of EBRD and IFC to 16.993%, Akfen Holding's share was 66.134%. The effect of the change in the net assets of Akfen Renewable as a result of these transactions amounting to TRY 40,922 has been recognized in the income from investment activities account in the consolidated financial statements of the Group (Note 25).

On 17 February 2020, Akfen Renewable Energy's capital was increased to TL 1,016,032 at a premium, within this scope, USD 5,100,000 was transferred from the EBRD to Akfen Renewable Energy, thus Akfen Holding's share was 66.91%, and EBRD's share 17.10% and IFC's share was 15.99%. The effect of the change in the net assets of Akfen Renewable due to this transaction amounting to TL 26.306 has been recognized in the Group's consolidated financial statements in the income from investment activities (Note 29).

3. Business combinations and sale of equity shares (cont'd)

Sale of shares of subsidiaries (cont'd)

Changes in the scope of consolidation

Akfen REIT

On August 6, 2018, Akfen REIT's 1000 Group A and 1000 Group D shares of Akfen Holding were transferred to Hamdi Akin, who is the indirect owner of the management control of these shares. In order for the investor to have a power over the business that invested in, the investor must have the rights that already provided with the opportunity to manage relevant activities. Following the transfer of the privileged shares of Akfen REIT to Hamdi Akin on April 16, 2019, at the 2018 Ordinary General Assembly meeting of Akfen REIT, the said situation caused a loss of control by Akfen Holding due to the change in the Board of Directors and the Company's shares in Akfen REIT are recognized at fair value. The fair value of Akfen REIT is calculated from the equity of Akfen REIT in the consolidated statement of financial position at the aforesaid date.

Akfen REIT has been accounted in the Group's consolidated financial statements as an investment accounted using equity method since it is considered as a joint venture after March 31, 2019, which is the reporting date closest to the date of the Ordinary General Meeting. Until March 31, 2019, Akfen REIT's profit or loss and other comprehensive income or expenses are accounted for in full consolidation in the Group's consolidated financial statements.

Akfen Altyapı Holding Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements as at and for the years ended December 31, 2020

(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

3. Business combinations and sale of equity shares (cont'd)**Changes in the scope of consolidation (cont'd)****Akfen REIT (cont'd)**

	Akfen REIT March 31, 2019
ASSETS	
Current Assets	
Cash and cash equivalents	93,970
Inventories	284,159
Other current assets	61,629
TOTAL CURRENT ASSETS	439,758
Non-current Assets	
Investment properties	2,172,510
Operating investment properties	2,122,004
Land leases	50,506
Tangible assets	60
Intangible assets	42
Deferred tax assets	4,893
Other non-current assets	167,873
TOTAL NON-CURRENT ASSETS	2,345,378
TOTAL ASSETS	2,785,136
TOTAL LIABILITIES AND EQUITY	
Current Liabilities	
Short term portion of long-term borrowings	141,109
Deferred revenue	381,488
Other current liabilities	37,129
TOTAL CURRENT LIABILITIES	559,726
Non-Current Liabilities	
Long term borrowings	1,292,608
Deferred tax liabilities	133,621
Other non-current liabilities	45,424
TOTAL NON-CURRENT LIABILITIES	1,471,653
TOTAL LIABILITIES	2,031,379
EQUITY	
Equity attributable to equity holders of the parent	735,004
Non-controlling interests	18,753
TOTAL LIABILITIES AND EQUITY	2,785,136
Net assets	735,004
Shareholding ratio	56.88%
Joint venture accounted for at fair value	418,070
Adjustments for non-controlling interests	(5,556)
Non-controlling interests derecognized	322,490

4. Cash and cash equivalents

As of December 31, 2020 and 2019 cash and cash equivalents are as follows:

	December 31, 2020	December 31, 2019
Cash on hand	992	804
Banks	908,881	1,118,342
- Demand deposits	47,078	157,158
- Time deposits	861,803	961,184
Other cash and cash equivalents ^(*)	717,019	966,221
Impairment	(13)	(9)
Cash and cash equivalents	1,626,879	2,085,358
Restricted bank balance (-)	(6,606)	(82,884)
Impairment	13	9
Cash and cash equivalents in the cash flow statement	1,620,286	2,002,483

^(*) As of December 31, 2020 and December 31, 2019 all of the other cash and cash equivalents consist of Akfen Holding's overnight repos and investment funds whose duration is less than 3 months.

As of December 31, 2020, TRY 5,354 of the bank's restricted bank balance has been blocked for loan payments, and the blockage disappears when credit payments are made (December 31, 2019: TRY 82,191). As of December 31, 2020, the Group has restricted bank balances amounting to TRY 1,252 and the relevant balances for insurance payments are blocked and the blockage are cancelled during the insurance payments (December 31, 2019: TRY 693).

Demand deposits

As of December 31, 2020 and 2019 the TL equivalent of demand deposits in currency terms is as follows:

	December 31, 2020	December 31, 2019
US Dollar	27,028	4,967
EUR	15,388	143,136
TRY	4,542	9,047
Other	120	8
Total	47,078	157,158

Time deposits

As of December 31, 2020 and 2019, the TL equivalent of time deposits in currency terms is as follows:

		Interest rate		Interest rate		
	Maturity	(%)	December 31, 2020	Maturity	(%)	December 31, 2019
US Dollar	January 2021	0.01-0.65	647,012	January 2020	0.17-1.95	587,541
EUR	January 2021	0.01-0.75	188,316	January 2020	0.01-1.00	176,242
TRY	January 2021	5.00-16.00	26,475	January 2020	3-12.05	197,401
Total			861,803			961,184

Other cash and cash equivalents

As of December 31, 2020 and 2019, the distribution of cash and cash equivalents of the Group in foreign currency and Turkish lira is as follows:

	December 31, 2020	December 31, 2019
US Dollar	716,857	899,330
TRY	163	66,891
Total	717,020	966,221

The currency and interest rate risks and sensitivity analyses pertaining to the financial assets and liabilities of the Group are provided in Note 32 as of December 31, 2020 and 2019.

5. Financial borrowings

As of December 31, 2020 and 2019 financial borrowings are as follows:

	December 31, 2020	December 31, 2019
Short-term financial borrowings	3,172,485	1,205,944
Short-term secured bank loans	333,958	113,722
Current portion of long-term secured bank loans	2,583,242	703,736
Current portion of long-term bonds	228,182	384,243
Current portion of long-term financial lease borrowings	22,653	-
Current portion of long-term lease liabilities	4,450	4,243
Long-term financial liabilities	5,777,097	5,832,694
Secured bank loans	5,612,533	5,646,335
Bonds issued	134,966	174,108
Long-term financial lease borrowings	15,486	-
Long-term lease liabilities	14,112	12,251
Total	8,949,582	7,038,638

The details for financial borrowings as of December 31, 2020 and 2019 are as follows:

December 31, 2020	Currency	Nominal interest rate %	Maturity	Nominal interest rate %	Book value
Collateralized bank loan	TRY	10.69-18.50	2020-2023	450,699	454,926
Collateralized bank loan	TRY	10.00	2022-2023	3,000	2,437
Financial lease borrowings	TRY	10.70	2021-2022	37,373	38,139
Collateralized project bank loan	Euro	3M Euribor +5.50 ^(*)	2035	1,612,938	1,623,195
Collateralized project bank loan	Euro	3M Euribor +4.75	2034	1,363,504	1,357,620
Collateralized project bank loan	Euro	3M Euribor+6.10	2034	1,363,504	1,359,038
Collateralized bank loan	Euro	3M Euribor+5.05	2029	754,021	763,008
Collateralized bank loan	Euro	3M Euribor +6.00	2029	100,139	101,557
Collateralized bank loan	Euro	Euribor +6.55	2022	130,164	130,411
Collateralized project bank loan	US Dollar	Euribor +0.60	2021	40,536	40,568
Collateralized project bank loan	US Dollar	0.7	2022	52,246	52,313
Collateralized project bank loan	US Dollar	3M Euribor +5.15	2029	682,283	694,729
Collateralized bank loan	US Dollar	6M Libor+4.90	2027	133,740	133,797
Collateralized bank loan	US Dollar	3M Euribor +6.20	2029	90,264	92,134
Collateralized bank loan	US Dollar	3.55	2021	513,835	514,894
Collateralized bank loan	US Dollar	3.7	2021	367,025	369,816
Collateralized bank loan	TRY	US Dollar Libor + 0.6	2021	400,057	396,832
Collateralized bank loan	TRY	3.47	2021	440,430	442,458
Bond	TRY	TRYREF Index + 2	2022	150,000	154,120
Bond	TRY	3MTRYLIBOR+2.50	2021	200,000	209,028
				8,885,758	8,931,020

5. Financial borrowings (cont'd)

December 31, 2019	Currency	Nominal interest rate %	Maturity	Nominal interest rate %	Book value
Collateralized bank loan	TRY	10.69-18.50	2020-2021	317,595	318,622
Collateralized project bank loan	Euro	3M Euribor +4.75	2034	1,094,398	1,089,163
Collateralized project bank loan	Euro	3M Euribor+6.10	2034	1,094,398	1,090,420
Collateralized project bank loan	Euro	3M Euribor+5.75 ^(*)	2035	909,470	911,511
Collateralized project bank loan	Euro	3M Euribor +5.05	2029	598,340	604,291
Collateralized project bank loan	Euro	3M Euribor +6.00	2029	82,326	83,298
Collateralized bank loan	Euro	Euribor+6.55	2022	96,101	96,302
Collateralized bank loan	Euro	0.07	2022	38,573	38,624
Collateralized bank loan	Euro	Euribor+0.60	2021	29,928	29,952
Collateralized project bank loan	US Dollar	3M Euribor+5.15	2029	593,106	602,130
Collateralized project bank loan	US Dollar	6M Libor+4.90	2027	119,204	119,316
Collateralized project bank loan	US Dollar	3M Euribor+6.20	2029	81,319	82,724
Collateralized bank loan	US Dollar	3.55	2021	415,814	416,671
Collateralized bank loan	US Dollar	3.47	2021	356,412	358,058
Collateralized bank loan	US Dollar	USD Libor + 0.6	2021	323,741	323,386
Collateralized bank loan	US Dollar	3.47	2021	297,010	299,325
Bond	TRY	GDDS ^(**) + 4.50	2020	252,570	262,881
Bond	TRY	GDDS ^(**) + 4.50	2020	92,013	91,919
Bond	TRY	3MTRYLIBOR+2.50	2021	200,000	203,551
				6,992,318	7,022,144

^(*) Tekirdağ City Hospital has been put into operation as of November 30, 2020 and according to the loan agreement, the interest rate, which was 3MEuribor +5.75 during the investment period, changed to 3MEuribor + 5.50 as of November 30, 2020.

^(**)The "Benchmark Interest" rate of Government Domestic Debt Securities ("GDDS") bonds that sets the basis for annual compound rate of return is calculated as the weighted arithmetic mean of weighted average annual compound interest rates arising in BİAŞ Outright Purchases and Sales Market for Bonds and Securities within the last three working days for the discounted benchmark government bond that is issued by the Republic of Turkey Undersecretariat of Treasury ("Treasury") and has the highest number of days to maturity.

Secured project bank loans are secured by the following instruments:

- Assignment of receivables.
- Assignment of consecutive receivables.
- Pledge of accounts.
- Mortgage of rights of construction.
- Share pledge.
- In addition, these loans have Akfen Construction completion guarantee.

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

As of December 31, 2020 and 2019 the breakdown of short- and long-term financial borrowings according to their maturities is as follows:

	December 31, 2020	December 31, 2019
Within 1 year	3,168,035	1,201,701
Between 1 – 2 year	1,004,992	2,034,041
Between 2 – 3 year	644,648	572,691
Between 3 – 4 year	612,205	435,207
Over 5 year	3,501,140	2,778,504
Total	8,931,020	7,022,144

5. Financial borrowings (cont'd)

The movements in financial borrowings for the periods ended December 31, 2020 and 2019 are as follows:

	2020	2019
Financial liabilities at the beginning of the year	7,022,144	7,447,443
<i>Proceeds from borrowings</i>	1,261,877	1,277,870
<i>Repayments of borrowings</i>	(1,241,295)	(922,826)
<i>Interest paid</i>	(498,878)	(472,178)
<i>Accrual</i>	514,010	452,062
<i>Foreign exchange difference</i>	1,873,162	629,530
<i>Currency translation differences</i>	-	43,960
<i>Change in consolidation (Note 3)</i>	-	(1,433,717)
Financial liabilities at the end of the year	8,931,020	7,022,144

Operation lease liabilities

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

The details of operating lease liabilities are as follows:

	December 31, 2020	December 31, 2019
Less than 1 year	4,450	4,243
1 – 5 years	13,029	12,248
5 years and over	60,297	63,834
Less: Financial expense for future periods	(59,214)	(63,831)
Total operational lease liabilities	18,562	16,494

The movements of the lease liabilities in the period of December 31, 2020 and December 31, 2019 are as follows:

	December 31, 2020	December 31, 2019
January 1	16,494	14,700
<i>Addition</i>	244	
<i>Finance expense</i>	2,887	2,758
<i>Payments</i>	(1,063)	(964)
December 31	18,562	16,494

6. Trade receivables and payables

The short-term trade receivables of the Group as of December 31, 2020 and December 31, 2019 are as follows:

	December 31, 2020	December 31, 2019
Trade receivables due from related parties (Note 31)	21,521	24,775
Trade receivables due from third parties	53,479	49,123
- <i>Receivables from the Ministry of Health (*)</i>	39,669	34,737
- <i>Notes receivables (**)</i>	1,098	9,233
- <i>Other trade receivables</i>	12,712	5,153
Total	75,000	73,898

6. Trade receivables and payables (cont'd)

The long-term trade receivables of the Group as of December 31, 2020 and December 31, 2019 are as follows:

	December 31, 2020	December 31, 2019
Trade receivables from third parties	12,264	14,673
- Notes receivables (**)	12,264	14,673
Total	12,264	14,673

(*) As at December 31, 2020 and 2019, trade receivables from the Ministry of Health consist of the trade receivables from the agreements signed with the Ministry of Health.

(**) As of December 31, 2020 and 2019, notes receivable consists of notes receivable from Incek-Loft and Bulvar-Loft sales.

The short-term trade payables of the Group as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Trade payables due to related parties (Note 31)	895,171	1,132,906
Trade payables due to third parties	192,475	127,894
- Trade payables from construction contracts	174,779	106,632
- Other trade payables	9,161	9,369
- Other expense accruals	8,535	11,893
Total	1,087,646	1,260,800

7. Other receivables and payables

The short-term other receivable of the Group as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Other receivables due from related parties	173	105
Other receivables due from related parties	58,175	91,045
- Receivables from tax office	56,776	90,506
- Deposits and guarantees given	156	214
- Other receivables	1,243	325
Total	58,348	91,150

The long-term other receivables of the Group as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Other receivables due from related parties (Note 31)	742,603	525,869
Other receivables due from related parties	9,834	8,642
- Deposits and guarantees given	250	225
- Other long-term receivables	9,584	8,417
Total	752,437	534,511

7. Other receivables and payables (cont'd)

The short-term other payables of the Group as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Other payables to related parties (Note 31)	11,948	10,117
Other payables to third parties	36,110	47,148
- Deposit and guarantees received	23,682	40,790
- Taxes and funds payable	12,235	5,919
- Other payables	193	439
Total	48,058	57,265

The long-term other payables of the Group as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Other payables to related parties (Note 31)	554,885	429,636
Other payables to third parties	8,766	9,372
- Deposit and guarantees received	8	11
- Other payables	8,758	9,361
Total	563,651	439,008

8. Prepaid expenses

As of December 31, 2020 and 2019 short-term prepaid expenses are stated as follows:

	December 31, 2020	December 31, 2019
Advance given ^(*)	17,172	152,718
Prepaid expenses	10,020	4,902
Other	448	549
Total	27,640	158,169

(*) It consists of the advances given for the Tekirdağ City hospital project as of December 31, 2020 and 2019.

Long-term prepaid expenses as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Advance given	3,355	-
Total	3,355	-

Long-term assets arising from customer contracts as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Assets arising from customer contracts ^(*)	25,726	14,339
Total	25,726	14,339

(*) The Group has evaluated the service contract submitted to the Ministry of Health within the scope of TFRS 15 and financial statements, As of December 31, 2020 and 2019, the expenses for the following years a significant portion of the amount is paid in advance for the extraordinary maintenance and repair service expenses to be provided to the Ministry of Health. A significant portion of the remaining balance consists of prepaid expenses related to insurance policies.

9. Financial assets related to concession agreements / Receivables from ongoing service contracts

As of December 31, 2020 and 2019 financial assets related to short and long term concession agreements and receivables from ongoing service contracts are as follows:

	December 31, 2020	December 31, 2019
Isparta City Hospital		
Short-term financial assets related to concession agreements ^(*)	254,774	164,468
Long-term financial assets related to concession agreements ^(*)	1,761,087	1,612,850
	2,015,861	1,777,318
Eskişehir City Hospital		
Short-term financial assets related to concession agreements ^(*)	407,937	258,383
Long-term financial assets related to concession agreements ^(*)	3,257,162	2,748,276
	3,665,099	3,006,659
Tekirdağ City Hospital		
Short-term financial assets related to concession agreements ^(*)	199,267	-
Short-term receivables from ongoing service contracts ^(*)	-	76,912
Long-term financial assets related to concession agreements ^(*)	1,495,343	-
Long-term receivables from ongoing service contracts ^(*)	-	706,831
	1,694,610	783,743
Total City Hospital		
Short-term financial assets related to concession agreements ^(*)	861,978	422,851
Short-term receivables from ongoing service contracts ^(*)	-	76,912
Long-term financial assets related to concession agreements ^(*)	6,513,592	4,361,126
Long-term receivables from ongoing service contracts ^(*)	-	706,831
Total	7,375,570	5,567,720

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

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

For the years ended December 31, 2020 and 2019, financial asset / receivables movements are as follows:

	2020	2019
Balance as of January 1, beginning of the period	5,567,720	4,345,634
Increase in value arising from the calculation of fair value of Service Concession Agreements (Note 24)	1,464,390	1,012,233
Reversal of impairment of receivables from ongoing service contracts (Note 27)	-	180,958
IFRIC 12 interest income (Note 28)	162,322	71,925
Additions to financial assets / receivables from ongoing service contracts	739,225	388,295
Collections	(558,087)	(431,325)
December 31	7,375,570	5,567,720

10. Investment properties

As of December 31, 2020, and 2019 the movement of investment property is as follows:

	December 31, 2020	December 31, 2019
Investment properties	1,129,189	869,187
Land leases	3,839	6,009
	1,133,028	875,196

As of December 31, 2020 pledge on property, plant and equipment and investment property is TRY 1,335,940 (December 31, 2019: TRY 1,101,927).

As of December 31, 2020 and 2019, the types of investment properties are as follows:

	December 31, 2020	December 31, 2019
Building	607,571	520,128
Land	516,747	344,865
Hotel	4,871	4,194
Land leases	3,839	6,009
	1,133,028	875,196

For the periods ended at December 31, 2020 and 2019, the movement table of the operating and ongoing investment properties is as follows:

	2020	2019
January 1	869,187	2,763,676
Transfer to tangible fixed assets (Note 13) ^(*)	(158,065)	-
Transfer from tangible fixed assets (Note 13) ^(**)	46,262	-
Additions	91,010	84,914
Transfer from inventories (Note 15)	21,919	9,458
Foreign currency translation difference	-	75,628
Fair value increase (Note 27)	258,876	57,515
Changes in the scope of consolidation (Note 3)	-	(2,122,004)
December 31	1,129,189	869,187

^(*) The Group management decided to operate the Bodrum Loft project, which is planned to be leased to a third party company that is not included in the scope of consolidation as of December 31, 2019, by Akfen Turizm with a contract signed in June 2020. For this reason, the value of the mentioned project, which was recognized as investment property as of December 31, 2019, was reclassified to tangible fixed assets as of December 31, 2020.

^(**) The production license of the Mersin Natural Gas Combined Cycle Power Plant project owned by the Group was terminated with the Board decision of EMRA dated 30 December 2020, numbered 9943-9, after the positive evaluation of the application made to EMRA. With the revocation of the license, the land amount recognized under the investments in progress under tangible fixed assets was classified into investment properties and accounted with its fair value as of December 31, 2020.

Land leases

The Group classifies its rights on land leased to develop investment properties as investment property. In such a case, the right to the relevant land is accounted for as it was in the lease, and in addition, the fair value method is used for the land in question. Since the fair value determinations of the investment properties of the Group developed on the leased lands are made by deducting the rental prices to be paid for these lands from the estimated cash flows, the reduced values of the rental prices to be paid related to the relevant lands are accounted in the investment property account. As of December 31, 2019, TRY 3,591 of the relevant amount comes from Akfen Construction and the remaining TRY 2,418 from the Masanda company. With the decision of the Group management to operate the Bodrum Loft project by Akfen Tourism with the contract signed in June 2020, the relevant balance due to the transfer of the said project, which is accounted as investment property, to right-of-use assets as of 31 December 2020, it remained 3.839 TL.

10. Investment properties (cont'd)

As of December 31, 2020 and 2019 the fair value classifications of investment properties are as follows:

December 31, 2020	Fair value level		
	1. Level TRY	2. Level TRY	3. Level TRY
Investment properties – Hotel	-	-	4,871
Investment properties – Building	-	-	607,571
Investment properties – Land	-	516,747	-
Investment properties – Land leases	-	-	3,839

December 31, 2019	Fair value level		
	1. Level TRY	2. Level TRY	3. Level TRY
Investment properties – Hotel	-	-	4,194
Investment properties – Building	-	-	520,128
Investment properties – Land	-	344,865	-
Investment properties – Land leases	-	-	6,009

11. Derivative instruments

As of December 31, 2020 and 2019, assets and liabilities from derivative instruments are as follows:

	December 31, 2020	December 31, 2019
Liabilities from derivative instruments	(266,190)	(141,290)
Total	(266,190)	(141,290)

	December 31, 2020			
	Currency	Original contract value	Asset	Liability
Derivative liabilities	US Dollar	118.778.271	-	(23.619)
Derivative liabilities	Euro	313.923.438	-	(242.571)
Total			-	(266.190)

	December 31, 2019			
	Currency	Original contract value	Asset	Liability
Derivative liabilities	US Dollar	120,460,647	-	(11,872)
Derivative liabilities	Euro	272,502,883	-	(129,418)
Total			-	(141,290)

12. Right of use assets

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

As of December 31, 2020 and 2019, right of use assets are as follows:

	December 31, 2020	December 31, 2019
Right of use assets (*)	10,486	8,391
Total	10,486	8,391

(*) It consists of right-of-use assets that have been accounted with respect to the rents of the lands leased by Akfen Merter and Masanda Turizm and on which the project development/construction phase.

For the years ended at December 31, 2020, the movement table of right of use assets is as follows:

	December 31, 2020	December 31, 2019
January 1	8,391	8,691
Transfer from investment properties (Note 10) (*)	2,418	-
Amortization expense	(323)	(300)
December 31	10,486	8,391

(*) The Group management decided to operate the Bodrum Loft project, which is planned to be leased to a third party company that is not included in the scope of consolidation as of December 31, 2019, by Akfen Turizm with the agreement signed in June 2020. For this reason, the value of the project in question, which was recognized as investment property as of December 31, 2019, was reclassified to tangible fixed assets as of December 31, 2020. For this reason, the land rents for the project in question, which were accounted for under investment property as of December 31, 2019, were reclassified to right usage assets as of December 31, 2020.

13. Tangible assets

The movements of tangible assets as of December 31 are as follows:

Cost	Land and Buildings	Machinery & Equipment	Vehicles	Furnitures & fixtures	Ongoing investments	Special costs	Other	Total
Balance as of January 1, 2019	26,324	10,572	2,981	15,369	80,259	2,766	62	138,333
Additions	695	4	4,034	476	1,304	5,424	-	11,937
Changes in the scope of consolidation (Note 3) ^(*)	-	(5)	(68)	(402)	-	-	-	(475)
Disposals	(77)	(427)	(52)	(179)	-	-	-	(735)
Impairment (Note 23) (Note 27)	(9,241)	-	-	-	-	-	-	(9,241)
Balance as of December 31, 2019	17,701	10,144	6,895	15,264	81,563	8,190	62	139,819
Balance as of January 1, 2020	17,701	10,144	6,895	15,264	81,563	8,190	62	139,819
Additions	-	2,907	28	12,416	836	13,958	-	30,145
Transfer from investment properties (Note 10) ^(**)	158,065	-	-	-	-	-	-	158,065
Transfer to investment properties (Note 10)	-	-	-	-	(46,262)	-	-	(46,262)
Disposals	(7,584)	(462)	-	-	-	-	-	(8,046)
Value increase / (decrease) (Note 23) (Note 27)	137,361	-	-	-	(18,097)	-	-	119,264
Balance as of December 31, 2020	305,543	12,589	6,923	27,680	18,040	22,148	62	392,985
Accumulated depreciation								
Balance as of January 1, 2019	2,684	8,324	2,337	12,529	-	1,048	62	26,984
Current period depreciation	566	255	338	923	-	1,095	-	3,177
Changes in the scope of consolidation (Note 3) ^(*)	-	(4)	(69)	(342)	-	-	-	(415)
Disposals	(8)	(46)	(51)	(179)	-	-	-	(284)
Balance as of December 31, 2019	3,242	8,529	2,555	12,931	-	2,143	62	29,462
Balance as of January 1, 2020	3,242	8,529	2,555	12,931	-	2,143	62	29,462
Current period depreciation	545	778	1,070	1,353	-	2,235	-	5,981
Disposals	-	(461)	-	(20)	-	-	-	(481)
Balance as of December 31, 2020	3,787	8,846	3,625	14,264	-	4,378	62	34,962
Net book value as of December 31, 2019	14,459	1,615	4,340	2,333	81,563	6,047	-	110,357
Net book value as of December 31, 2020	301,756	3,743	3,298	13,416	18,040	17,770	-	358,023

^(*) As at December 31, 2020, Akfen REIT is accounted for using the equity method in the consolidated financial statements and the movements in Akfen REIT are included in the movement table until March 31, 2019, the date when the scope of consolidation changes.

^(**) The Group management decided to operate the Bodrum Loft project, which is planned to be leased to a third-party company that is not included in the scope of consolidation as of December 31, 2019, by Akfen Turizm with a contract signed in June 2020. Therefore, the value of the project in question, which was recognized as investment property as of December 31, 2019, was reclassified to tangible fixed assets as of December 31, 2020.

As of December 31, 2020, mortgages and pledges on property, plant and equipment and investment properties amount to TRY 1,335,940 (December 31, 2019: TRY 1,101,927).

14. Intangible assets

The movements of intangible assets as of December 31, are as follows:

Cost	Rights	Other	Total
Balance as of January 1, 2019	132,033	3,012	135,045
Additions	717	253	970
Changes in the scope of consolidation (Note 3) (*)	-	(107)	(107)
Balance as of December 31, 2019	132,750	3,158	135,908
Balance as of January 1, 2020	132,750	3,158	135,908
Additions	1,451	10,986	12,437
Decrease in value (Note 27)	(103)	-	(103)
Balance as of December 31, 2020	134,098	14,144	148,242
Accumulated amortization	Rights	Other	Total
Balance as of January 1, 2019	30,694	2,395	33,089
Current period amortization	4,725	224	4,949
Changes in the scope of consolidation (Note 3) (*)	(65)	-	(65)
Balance as of December 31, 2019	35,354	2,619	37,973
Balance as of January 1, 2020	35,354	2,619	37,973
Additions	4,065	331	4,396
Balance as of December 31, 2020	39,419	2,950	42,369
Net book value			
Balance as of December 31, 2019	97,396	539	97,935
Balance as of December 31, 2020	94,679	11,194	105,873

(*) As at December 31, 2020, Akfen REIT is accounted for using the equity method in the consolidated financial statements and the movements in Akfen REIT are included in the movement table until March 31, 2019, the date when the scope of consolidation changes.

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15. Inventories

As of December 31, 2020, and 2019, inventories are as follows:

	December 31, 2020	December 31, 2019
Finished goods	41,987	70,537
Food and beverage stocks	1,218	491
Total	43,205	71,028

As of December 31, 2020 and 2019, the products consist of the existing apartments for sale in Incek and Gölbaşı related to the social housing project.

As of December 31, 2020 and 2019, the movement of inventories is as follows:

	2020	2019
January 1	71,028	331,403
Additions	8,238	142,722
Disposals	(14,142)	(109,480)
Transfers to investment properties (Note 10)	(21,919)	(9,458)
Changes in the scope of consolidation (Note 3) ^(*)	-	(284,159)
December 31	43,205	71,028

^(*) As at December 31, 2019, Akfen REIT is accounted for using the equity method in the consolidated financial statements and the movements in Akfen REIT are included in the movement table until March 31, 2019, the date when the method of consolidation changes.

16. Deferred revenues / Obligations arising from customer contracts

As of December 31, 2020, and 2019, short-term deferred revenue is as follows:

	December 31, 2020	December 31, 2019
Lease revenues ^(*)	8,654	-
Advances received ^(**)	934	5,869
Other	998	1,075
Total	10,586	6,944

^(*) Bodrum Loft Hotel started operations as of July 1, 2020 and the Group started to earn accommodation income. The said income consists of rent collected in advance for the months after the reporting period.

^(**) As of December 31, 2020, the majority of the advances received are related to the Incek Loft and Bodrum Loft projects (December 31, 2019: Incek Loft, Bulvar Loft and Bodrum Loft).

Long-term liabilities arising from customer contracts as of December 31, 2020 and 2019 are as follows:

Long term obligations arising from customer contracts	December 31, 2020	December 31, 2019
Long term obligations arising from customer contracts ^(*)	67,124	41,327
Total	67,124	41,327

^(*) Group evaluated the service contract submitted to the Ministry of Health within the scope of TFRS 15 and carried its effect to its consolidated financial statements as of December 31, 2020 and 2019. As of December 31, 2020 and 2019, deferred revenues consist of the revenue amounts obtained in advance for the extraordinary maintenance and repair service fee to be provided to the Ministry of Health.

17. Provisions

As of December 31, 2020 and 2019, short term provisions are as follows:

	December 31, 2020	December 31, 2019
Unused vacation provision	7,222	8,356
Other provisions ^(*)	34,080	8,316
Total	41,302	16,672

As of December 31, 2020 and 2019, long term provisions are as follows:

	December 31, 2020	December 31, 2019
Retirement pay provision	6,119	6,417
Other provisions ^(*)	-	20,144
Total	6,119	26,561

^(*) It refers to the expected amount to be paid by Akfen Holding in accordance with the share transfer agreement of previous shareholders of Akfen REIT's HEPP project companies.

18. Government incentives and grants

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

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

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

For HEPP investments, the Group has investment incentives in the form of VAT exemption and customs duty exemption that it has obtained by submitting various documents.

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

Acacia Mine has received an investment incentive certificate from the Ministry of Economy under the "Large Scale Investment" plan for the mining facility in Kastamonu on April 27, 2014. Under this incentive, 40% of the total investment amount is based on tax exemption and 80% of the future tax amount of the company will not be paid within the scope of incentive until reaching the base for tax exemption. In addition, Acacia Mine benefits from SSK employer fee support.

Akfen Construction's hospital projects are subject to corporate tax at reduced rates, effective from the financial year in which the investment is partially or fully operational until the investment reaches the contribution amount. In this context, the Group recognizes the tax advantage that it expects to benefit from investment incentive companies as deferred tax asset in the financial statements.

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19. Investments accounted using the equity method

The carrying amounts of investments accounted using the equity method of the Group as of December 31, 2020 and December 31, 2019 are as follows:

	Shareholding Rates (%)	December 31, 2020	Shareholding Rates (%)	December 31, 2019
Akfen Renewable ^(*)	66.91	1,607,499	66.13	694,323
Akfen REIT ^(**)	56.88	394,817	56.88	534,087
Acacia Mine	30.00	254,338	30.00	222,197
Akfen Water	50.00	23,186	50.00	21,037
IBS Insurance ^(***)	20.00	--	37.00	12,361
İDO ^(****)	50.00	(91,756)	30.00	(115,807)
		2,188,084		1,368,198

^(*) Due to the capital increase that took place on December 5, 2019 and details are given in Note 3, the ownership rate of Akfen Renewable decreased from 68.04% to 66.13%. During the accounting period of Akfen Renewable, which ended on December 31, 2019, the profit or loss items were consolidated at the rate of 68.04% before the capital increase until December 31, 2019, which is the closest reporting period to the date of capital increase. In addition, due to the capital increase realized on February 17, 2020, the ownership rate of Akfen Renewable rose from 66.13% to 66.91%. In the accounting period of Akfen Renewable, which ended on December 31, 2020, the profit or loss items were consolidated at the rate of 66.13% before the capital increase until March 31, 2020, which is the closest reporting period to the capital increase date.

^(**) Akfen REIT is the closest reporting date to the date of the general meeting due to the change in Akfen REIT's Board of Directors at the 2018 Ordinary General Meeting of Akfen REIT, which took place on April 16, 2019, after the transfer of the privileged shares of Akfen REIT to Hamdi Akin. As of 31 March 2019, it has been accounted in the consolidated financial statements of the Group within the scope of the investment, which is valued by the equity method, as it is considered as an affiliate of Akfen Holding. Until March 31, 2019, Akfen REIT's profit or loss and other comprehensive income or expenses have been accounted for in the consolidated financial statements of the Group within the scope of full consolidation.

^(***) On March 10, 2020, Akfen Holding sold its 123,250 shares (17% of the capital) in IBS Insurance and after the completion of the transaction, Akfen Holding's share in IBS Insurance decreased to 20%. Advance collection has been made for the sale of the remaining 20% of the shares for TRY 48mn, and as of December 31, 2020, IBS Insurance has been accounted for in the consolidated financial statements as non-current assets classified as held for sale.

^(****) Akfen Holding's share was 50% after the share transfers made as of October 14, 2020 within the scope of the restructuring of the project finance at the stage of completion of İDO.

The Group's shares in the profits of its investments accounted using the equity method in the profit or loss statement for periods ended on December 31 are as follows:

	2020	2019
IBS Insurance	7,848	7,551
Akfen Water	2,094	19,463
Acacia Mine	641	(124,297)
İDO	(117,317)	(36,895)
Akfen REIT ^(*)	(136,754)	107,965
Akfen Renewable	(222,501)	(193,558)
	(465,989)	(219,771)

^(*) Until 31 March 2019, Akfen REIT's profit or loss and other comprehensive income or expenses are accounted in the consolidated financial statements of the Group within the scope of full consolidation and after that date, in the shares in the profits of its investments accounted using the equity method.

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19. Investments accounted using the equity method (cont'd)

As of December 31, 2020, and 2019, the movements in investments accounted using the equity method are as follows:

	January 1 2020	Period profit/ (loss)	Other equity movements	Liability cap adjustment ^(*)	Earnings due to change in partnership shares ^(*)	Other adjustments related to profit or loss in consolidation ^(**)	Net assets recorded as a result of the sale of joint venture shares ^(*)	Transfer to fixed assets classified for sale	December 31, 2020
Akfen Renewable	694,323	(198,649)	1,109,371	--	26,306	(23,852)	--	--	1,607,499
Akfen REIT	534,087	(136,754)	(2,516)	--	--	--	--	--	394,817
Acacia Mine	222,197	4,332	31,500	--	--	(3,691)	--	--	254,338
Akfen Water	21,037	2,094	55	--	--	--	--	--	23,186
IBS Insurance	12,361	7,848	(952)	--	--	--	(7,226)	(12,031)	--
İDO	(115,807)	(211,471)	141,368	94,154	--	--	--	--	(91,756)
	1,368,198	(532,600)	1,278,826	94,154	26,306	(27,543)	(7,226)	(12,031)	2,188,084
	January 1 2019	Earnings arising from the change in joint venture shares ^(*)	True to life with value recorded business partnership ^(*)	Period profit/ (loss)	Other equity movements	Liability cap adjustment ^(*)	Other adjustments related to profit or loss in consolidation ^(**)	Transfer to fixed assets classified for sale ^(***)	December 31, 2019
Akfen Renewable	847,134	40,922	-	(169,771)	(175)	-	(23,787)	-	694,323
Akfen REIT	-	-	4,18,070	107,965	8,052	-	-	-	534,087
Acacia Mine	253,700	-	-	(120,606)	92,794	-	(3,691)	-	222,197
Akfen Water	21,492	-	-	19,463	(19,918)	-	-	-	21,037
IBS Insurance	14,200	-	-	7,551	(9,390)	-	-	-	12,361
TAV Investment	10,496	-	-	-	-	-	(7,606)	(2,890)	-
İDO	(78,912)	-	-	(178,666)	-	141,771	-	-	(115,807)
	1,068,110	40,922	418,070	(334,064)	71,363	141,771	(35,084)	(2,890)	1,368,198

^(*) According to guarantee and equity contribution agreement between İDO and Company, sponsor contributions and guarantee payments would not exceed USD 12,500,000 annually as of December 31, 2020 (December 31, 2019: USD 7,500,000).

^(**) Note 3.

^(***) Acacia Maden's net assets include assets related to mineral reserves and goodwill. Depreciation expense of TRY 4,612 (December 31, 2019: TRY 4,612) and deferred tax income amounting to TRY 923 (December 31, 2019: TRY 923) related to mineral reserves has been accounted under "Share of income/(loss) from investments accounted using the equity method" in the consolidated statement of profit or loss.

The goodwill amount of Akfen Renewable carried at Group level, which was provisionally reflected in the consolidated financial statements as of January 1, 2017, was distributed to the relevant financial statement items as of December 31, 2020 and 2019 as a result of the valuation study prepared according to the date of sale in 2017, and the resulting tangible and intangible As of December 31, 2020. TRY 29,815 (December 31, 2019: TRY 29,734) depreciation expense and TRY 5,963 (December 31, 2019: TRY 5,947) deferred tax income on fixed assets as of December 31, 2020 has been accounted under "of income/(loss) from investments accounted using the equity method" in the consolidated statement of profit or loss.

^(****) As of December 31, 2018, the profit margin of Akfen İnşaat, the contractor of the Bulvar Loft project shown in the consolidated financial statements of the Group, recognized as income in the financial statement for the said construction works, the shares of the investments valued by the equity method, taking into account the ownership rate in Akfen İnşaat and stocks are eliminated from the account. As of December 31, 2019, the profit margin amount that was eliminated from the stocks account in the previous periods was canceled due to the fact that Akfen REIT was accounted as an investment valued by the equity method in the consolidated financial statements.

^(*****) Akfen Holding has transferred and handed over its 21.68% share in TAV Investment Holding to Gazelle Yachting on May 29, 2019 for USD 500,000, based on the contract dated May 10, 2019, and the transfer of shares will be recorded on June 12, 2019. It was notified to the company on. As of December 31, 2020, the transfer transaction has not been recorded in the share ledger of TAV Investment yet. TAV Investment is among the assets of the Group and has been accounted for in the "Fixed assets classified for sale" account in the consolidated financial statements. TRY 7,606, which is the difference between TRY 10,492, which is the net asset amount falling to the Group on the date of sale of TAV Investment, and TRY 2,890, which is the TRY equivalent of the agreed sales price at the relevant date, has been accounted for in the profit or loss statement under the expenses from investment activities as impairment. The amount of TRY 2,890, which is the sales price, has been recognized in the consolidated financial statements as non-current assets classified for sale.

^(*****) As of December 31, 2020, Akfen Renewable has chosen the revaluation method as its accounting policy for the land, ground improvements, buildings, machinery and equipment of its power plants, among the application methods specified within the scope of TAS 16. Other movements related to equity consist of tangible fixed asset value increases realized within the scope of the said accounting policy.

19. Investments accounted using the equity method (cont'd)

Akfen Renewable Energy:

Summary financial information on Akfen Renewable Energy is provided below:

	December 31, 2020	December 31, 2019
Assets Total	8,430,104	3,963,643
Liabilities Total	5,664,920	3,649,836
Net Assets	2,765,184	313,807
Group's share in Akfen Renewable Energy's net Assets	1,850,102	207,533
Fair value increase of tangible assets ^(*)	--	398,267
Fair value increase of intangible assets ^(*)	--	572,224
Deferred tax liabilities ^(*)	--	(194,098)
Change in the share of partnership ^(**)	(242,603)	(289,603)
Carrying value	1,607,499	694,323

	January 1- December 31, 2020	January 1- December 31, 2019
Revenue	1,023,255	502,228
Gross profit	604,497	270,113
General administrative expenses	(25,302)	(31,941)
Other operating expense, (net)	(51,677)	(8,615)
Operating profit	527,518	229,557
Loss before tax	(372,590)	(299,265)
Loss after tax	(304,048)	(251,690)
Loss for the year from parent company shares	(301,610)	(249,531)
Group's share in Akfen Renewable's loss for the year before purchase price allocation	(198,649)	(169,771)
Group's share in Akfen Renewable's loss for the year after purchase price allocation ^(*)	(222,501)	(193,558)
Depreciation and amortization expenses	204,151	125,488

^(*) The amount of goodwill carried at the Group level, which was provisionally reflected in the consolidated financial statements as of January 1, 2017, has been distributed to the relevant financial statement items as of December 31, 2020 and 2019, as a result of the valuation prepared according to the sales date in 2017. As of December 31, 2020 and 2019, a deferred tax income of TRY 29,815 was recognized based on the depreciation and depreciation of TRY 29,815 over the tangible and intangible fixed assets generated as of December 31, 2020 and 2019 (December 31, 2019: TRY 29,734 and TRY 5,947).

As of December 31, 2020, Akfen Renewable has chosen the revaluation method as the accounting policy for the land, ground improvements, buildings, machinery and equipment of its power plants as the accounting policy specified in TAS 16 and the related value increases in the Akfen Renewable consolidated financial statement are under equity as other comprehensive income. As of

31 December 2020, the increase in value is not reflected in the consolidated financial statements of the Group.

^(*) The ownership rate of Akfen Holding in Akfen Renewable decreased from 68.04% to 66.13% as of December 31, 2019, and due to the capital increase realized on February 17, 2020, the ownership rate of Akfen Renewables increased from 66.13% to 66.91%, and the adjustments regarding this change are reflected in the consolidated financial statements. The profit or loss items of Akfen Renewable are 66.13%, which is the ownership rate before the capital increase until March 31, 2020, which is the closest accounting period to the capital increase date, and the ownership rate after the capital increase from March 31, 2020 to December 31, 2020 it has been subjected to consolidation at a rate of 66.91%. As of December 31, 2020, Akfen Renewable has chosen the revaluation method as its accounting policy for the land, ground improvements, buildings, machinery and equipment of its power plants, among the application methods specified within the scope of TAS 16. Within the scope of this accounting policy, the Group recognized an increase in tangible fixed assets amounting to TRY 1,169,792 in the other comprehensive income statement for the year ending on December 31, 2020. (December 31, 2019: None). In addition, Akfen Renewable has started to apply hedge accounting (hedging in cash flow risk) as an accounting policy, one of the application methods specified within the scope of TAS 39 as of July 1, 2020, and the Group has been able to hedge against financial risk amounting to TRY 181,714 in the other comprehensive income statement for the year ending on December 31, 2020. has accounted for the losses (December 31, 2019: None).

19. Investments accounted using the equity method (cont'd)

Akfen REIT:

The summary financial information of Akfen REIT as of December 31, 2020 is as follows:

	December 31, 2020	December 31, 2019
Total Assets	2,903,965	2,662,936
Total Liabilities	2,209,843	1,723,965
Net Assets	694,122	938,971
Group's share in Akfen REIT's net asset	394,817	534,087

	Total Profit/ Loss Items	Toplam Total Profit/ Loss Items (*)	Profit / Loss Items Subject to Full Consolidation (**)	Shares in the Profits of Investments Accounted Using the Equity Method (***)
	January 1- December 31, 2020	January 1- Dec. 31, 2019	January 1- March 31, 2019	April 1- Dec.31, 2019
Revenue	65,089	481,931	22,752	459,179
Gross profit	56,006	160,915	16,915	144,000
General administrative expenses	(8,712)	(12,401)	(2,210)	(10,191)
Other operating income, (net)	265,990	193,901	379	193,522
Operating profit	313,284	342,415	15,084	327,331
(Loss)/profit before tax	(210,896)	203,295	(18,578)	221,873
(Loss)/profit after tax	(240,296)	171,314	(24,542)	195,856
(Loss)/profit for the period from parent company shares	(240,425)	165,355	(24,457)	189,812
Group's share in Akfen REIT's (loss)/profit for the period	(136,754)	83,508	(24,457)	107,965
Depreciation and amortization expenses	49	18	12	6

(*) All income and expense figures pertaining to Akfen GYO for the year ended December 31, 2019.

(**) The amount of income and expense until March 31, 2019, which is the date of Akfen REIT's loss of control.

(***) It is the income and expense amounts that occur after Akfen REIT's loss of control, which is the basis of the shares in the profits of investments accounted using the equity method belonging to Akfen REIT.

On August 6, 2018, Akfen REIT's 1000 Group A and 1000 Group D shares of Akfen Holding were transferred to Hamdi Akin, who is the indirect owner of the management control of these shares. In order for the investor to have a power over the business that invested in, the investor must have the rights that already provided with the opportunity to manage relevant activities. At the 2018 Ordinary General Assembly meeting of Akfen REIT held on April 16, 2019, after the transfer of Akfen REIT's preferred shares to Hamdi Akin, due to the change in Akfen REIT's Board of Directors, this situation was evaluated by Akfen Holding as the sale of subsidiary shares that caused loss of control and the Company's shares in Akfen REIT are recorded at fair value. The fair value of Akfen REIT has been calculated from the equity amount of the parent company in Akfen REIT's consolidated statement of financial position on that date.

Akfen REIT has been accounted in the Group's consolidated financial statements as an investment accounted using equity method since it is considered as a joint venture after March 31, 2019, which is the reporting date closest to the date of the Ordinary General Meeting. Until March 31, 2019, Akfen REIT's profit or loss and other comprehensive income or expenses are accounted for in full consolidation in the Group's consolidated financial statements.

19. Investments accounted using the equity method (cont'd)**İDO:**

The summary financial information of İDO as of December 31, 2020 and 2019 is as follows:

	December 31, 2020	December 31, 2019
Assets Total	2,277,660	1,876,285
Liabilities Total	4,055,772	3,687,436
Net Assets	(1,778,112)	(1,811,151)
Group's share in İDO's net asset	(889,056)	(543,345)
Group's share recognized in the net assets of İDO (*)	(91,756)	(115,807)
	January 1- December 31, 2020	January 1- December 31, 2019
Revenue	574,760	714,319
Gross profit	135,095	166,578
General administrative expenses	(75,788)	(62,789)
Other operating income, (net)	(32,901)	(91,799)
Share of profit/(loss) from investments accounted using the equity method	907	(530)
Operating profit	27,313	11,460
Loss before tax	(743,375)	(595,554)
Loss after tax	(743,375)	(595,554)
Loss for the period from parent company shares	(743,375)	(595,554)
Group's share in İDO's loss for the period (*)	(211,471)	(178,666)
Group share of İDO recognized as loss for the period (**)	(117,317)	(36,895)
Depreciation and amortization expenses	112,263	114,481

(*) Akfen Holding's share was 50% after the share transfers made as of October 14, 2020 within the scope of the restructuring of the project finance at the stage of completion of İDO. The profit or loss items of İDO have been consolidated at the rate of 30% before the share increase until September 30, 2020, which is the closest accounting period to the share increase date, and 50%, which is the new ownership rate after September 30, 2020.

(**) According to the guarantee and equity contribution agreement between İDO and the Company, sponsorship contributions and guarantee payments, It will not exceed the annual obligation of USD 12,500,000 as of December 31, 2020 (December 31, 2019: USD 7,500,000). Therefore, the part of the İDO that will not pass the said liability, but not the whole of the group share in the net period loss and other comprehensive income or expenses, are included in the consolidated statement of profit or loss.

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19. Investments accounted using the equity method (cont'd)

Akfen Water:

The summary financial information of Akfen Water as of December 31, 2020 and 2019 is as follows:

	December 31, 2020	December 31, 2019
Assets Total	60,394	66,166
Liabilities Total	14,022	24,092
Net Assets	46,372	42,074
Group's share in the net assets of Akfen Water	23,186	21,037

	January 1- December 31, 2020	January 1- December 31, 2019
Revenue	33,431	34,223
Gross profit	1,964	742
General administrative expenses	(4,497)	(9,314)
Other operating income, (net)	5	48,809
Operating (loss)/profit	(2,528)	40,237
Profit before tax	6,344	40,381
Profit after tax	4,188	39,141
Profit for the period from parent company shares	4,188	38,926
Group's share in Akfen Water's profit for the period	2,094	19,463
Depreciation and amortization expenses	643	640

19. Investments accounted using the equity method (cont'd)**Acacia Mining:**

The summary financial information of Acacia Mining as of December 31, 2020 and 2019 is as follows:

	December 31, 2020	December 31, 2019
Assets Total	2,910,233	2,269,193
Liabilities Total	2,203,844	1,682,244
Net Assets	706,389	586,949
Group's share in the net assets of Acacia Mining	211,917	176,085
Mining property reserves ^(*)	38,751	42,442
Goodwill carried at Group level ^(*)	3,670	3,670
Carrying value	254,338	222,197

	January 1- December 31, 2020	January 1- December 31, 2019
Revenue	951,417	278,983
Gross profit	522,347	56,198
General administrative and marketing selling expenses	(108,209)	(46,789)
Other operating income, (net)	1,279	24,913
Operating profit	415,417	34,322
Profit/(loss) before tax	94,068	(56,656)
Profit/(loss) after tax	14,439	(402,021)
Profit/(loss) for the period from parent company shares	14,439	(402,021)
Group's share in Acacia Mining's profit/(loss) for the period before purchase price allocation	4,332	(120,606)
Group's share in Acacia Mining's profit/(loss) for the period after purchase price allocation ^(*)	641	(124,297)
Depreciation and amortization expenses	191,987	113,532

^(*) Net assets of Acacia Mine include mining property reserves and goodwill. Regarding the recognized the mining property reserves, amortization expense amounted to TRY 4,612 (December 31, 2019: TRY 4,612) and deferred tax assets amounted to TRY 923 (December 31, 2019: TRY 923) have been recognized under "Share in profits/ (losses) on investments accounted for using the equity method "in the consolidated financial statements.

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

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19. Investments accounted using the equity method (cont'd)

IBS Insurance:

The summary financial information of IBS Insurance as of December 31, 2020 and 2019 is as follows:

	December 31, 2020	December 31, 2019
Assets Total	324,421	329,206
Liabilities Total	264,265	295,797
Net Assets	60,156	33,409
Group's share in the net assets of IBS Insurance	12,031	12,361
Transfer to fixed assets classified for sale	(12,031)	-
Group share in the net assets of IBS Insurance after the classifications	-	12,361

	January 1- December 31, 2020	January 1- December 31, 2019
Revenue	73,133	53,021
Gross profit	50,441	31,983
General administrative and marketing selling expenses	(12,535)	(10,080)
Other operating income, (net)	3,249	5,218
Operating profit	41,155	27,121
Profit before tax	40,394	26,238
Profit after tax	31,501	20,407
Profit for the period from parent company shares	31,501	20,407
Group's share in Akfen Water's profit for the period ^(*)	7,848	7,551
Depreciation and amortization expenses	1,920	1,983

^(*) Ownership rate of IBS Sigorta decreased from 37% to 20% due to the sale of shares that took place on March 10, 2020 and details of which are given in Note 2. The profit or loss items of IBS Sigorta has been subject to consolidation at the rate of 37%, which is the pre-sale ownership rate of shares until 31 March 2020, which is the closest accounting period to the share sale date, and 20%, which is the share after sale ownership rate from 31 March 2020 to 31 December 2020.

20. Commitments

Letters of guarantee, pledges and mortgages given

As of December 31, 2020 and 2019, the Group's statements on its position related to letters of guarantee/pledges/mortgages are as follows:

GPM given by the Group	December 31, 2020	December 31, 2019
A. Total Amount of GPM Given on Behalf of Own Legal Entity	14,862,313	11,346,744
B. Total Amount of GPM Given in Favor of Partnerships which are Fully Consolidated	216,394	385,497
C. Total Amount of GPM Given for Assurance of Third Parties Debts -in Order to Conduct Usual Business Activities		
D. Total Amount of Other GPM Given	4,476,553	3,147,913
i. Total Amount of GPM Given in Favor of the Parent Company		
ii. Total Amount of GPM Given in Favor of Other Group Companies which B and C do not comprise	4,036,123	2,761,501
iii. Total Amount of GPM Given in Favor of Third Parties which C does not comprise	440,430	386,412
Total	19,555,260	14,880,154

As of December 31, 2020, the ratio of other GPM given by the Company to equity is 67% (December 31, 2019: 62%).

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

	December 31, 2020^(*)			December 31, 2019^(*)		
	TRY	Euro	US Dollar	TRY	Euro	US Dollar
GPM given on behalf of the Group's own legal entity	472,337	9,243,417	5,146,559	387,905	6,835,138	4,123,701
GPM given in favor of companies under full consolidation	86,230	130,164	-	289,396	96,101	-
Total of other GPMs given	305,791	338,240	3,832,522	59,043	99,183	2,989,687
	864,358	9,711,821	8,979,081	736,344	7,030,422	7,113,388

^(*) All amounts are expressed in TRY equivalent.

21. Financial investments

Short-term financial investments

The details for short-term financial investments as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Financial assets at fair value through profit or loss	474,591	19,638
Total short-term financial investments	474,591	19,638

Long-term financial investments

The details for long-term financial investments as of December 31, 2020, and 2019 are as follows:

	December 31, 2020	December 31, 2019
Financial assets at fair value through profit or loss	495,670	519,893
Financial assets at amortized cost	-	226,533
Financial assets at fair value through other comprehensive income	2,123,935	1,668,211
Total long-term financial investments	2,619,605	2,414,637

Financial assets at fair value through profit or loss

As of December 31, 2020 and 2019, all of the financial assets whose short and long term fair value differences are reflected to profit / loss consist of the Group's bonds and investment funds with a maturity of more than 3 months, and all of these assets are in US currency.

As of December 31, 2020, fair value loss amount of TRY 143,668 related to the mentioned assets is accounted in consolidated income or expense (Note 29) (December 31, 2019: Fair value gain amount is TRY 218,646).

Financial assets at amortized cost

As of 31 December 2019, the Group's financial investments to be held to maturity, which is a long-term financial investment, amounting to TRY 226,533. Akfen Holding's balance of financial investments issued by Akfen GYO on 17 January 2018 with a nominal value of TRY 170,000, details of which are given in the note "Note 7 It consists of the cost value of the convertible bond, which is amortized using the 17% interest rate determined as the current market interest rate. The entire said bond, together with all its rights, principal and legal interest, was transferred to Hamdi Akın for a price of TRY 215,718 as of April 14, 2020. For this reason, as of December 31, 2020, the Group does not have a long-term financial investment balance to be held until maturity.

The decrease amounting to TRY 8,235, which is the change in the fair value of the aforementioned bond from 31 December 2019 until the bond sale date, is accounted under the "Expenses from investment activities" item in the Group's statement of profit or loss and other comprehensive income and expense (31 December 2019: TRY 28,900) (Note 29). TRY 19,050, which is the negative difference between the sales price of the said bond and the redeemed value of the bond at the date of sale, TRY 234,768, is accounted under the "Expenses from investment activities" item in the Group's profit or loss and other comprehensive income and expense statement (31 December 2019: None).

Financial assets at fair value through other comprehensive income

	2020	2019
January 1	1,668,211	1,093,444
Revaluation increases accounted for as other comprehensive income	455,724	574,767
December 31	2,123,935	1,668,211

As of December 31, 2020, the Group's other financial assets consists of MIP amounting to TRY 2,065,188, Travelex amounting to TRY 10,530 and Tepe Reformer TAR amounting to TRY 47,824 (December 31, 2019 : MIP; TRY 1,619,334, Travelex ; TRY 10,530, Tepe Akfen Reformer TAR ; TRY 37,953) (Note 32).

22. Other current assets/non-current assets and current/non-current liabilities

As of December 31, 2020 and 2019, other current assets are stated as follows:

	December 31, 2020	December 31, 2019
VAT carryforward	90,463	46,300
Other	-	1,116
Total	90,463	47,416

As of December 31, 2020 and 2019, other non-current assets are stated as follows:

	December 31, 2020	December 31, 2019
VAT carryforward	26,207	17,095
Prepaid taxes and funds	-	22,938
Other	500	500
Total	26,707	40,533

Other current and non-current liabilities

As of December 31, 2020 and 2019, other current liabilities are stated as follows:

	December 31, 2020	December 31, 2019
Advances given ⁽¹⁾	50,890	2,970
Other ⁽²⁾	1,060	6,193
	51,950	9,163

⁽¹⁾ As of December 31, 2020, TRY 48,000 of the advances received are the advances received by the Group for the sale of 20% shares in IBS Sigorta, and the remaining amount consists of the advances received by TAV Investment for the sale of shares (December 31, 2019: It consists of advances received by TAV Investment regarding the sale of shares).

⁽²⁾ As of December 31, 2020, all other short-term liabilities include liabilities arising from the purchase of 30% of the shares of Acacia Maden, which was realized in 2016, from Ilbak Holding.

23. Equity

Issued Capital

As of December 31, 2020 and December 31, 2019, the Company's capital distribution is as follows:

Name of shareholder	December 31, 2020		December 31, 2019	
	Share ratio (%)	Share amount	Share ratio (%)	Share Amount
Pelin Akın Özalp	50	290,000	50	290,000
Selim Akın	50	290,000	50	290,000
Nominal	100	580,000	100	580,000
Total issued capital	100	580,000	100	580,000

Restricted reserves appropriated from profits

In accordance with Article 520 of the Law no. 6102, reserve fund is allocated for the shares repurchased.

As of December 31, 2020, legal reserves in the financial statements is TRY 2,812,069 (December 31, 2019: TRY 2,789,693).

Foreign currency translation differences

As of December 31, 2020 the translation reserve amounting to TRY 281,403 recognized in the equity is comprised of foreign exchange difference arising from the translation of the financial statements of Akfen REIT, TAV Investment, Acacia Mine and Akfen Construction from their functional currency of USD and Euro to the presentation currency TRY (December 31, 2019: TRY 256,298 - Akfen REIT, TAV Investment, Acacia Mine and Akfen Construction). Currency translation differences recognized in the consolidated profit or loss and other comprehensive income statement as of December 31, 2020 is TRY 25,105 (December 31, 2019: TRY (143,345)).

Tangible asset revaluation increases:

As of December 31, 2020, the amount of tangible fixed asset valuation increase fund under equity in the consolidated financial statements of the Group is TRY 1,279,681 (TRY 1,169,792 from the power plant valuation of Akfen Renewable (Note 19), TRY 6,072 from Akfen Construction's TRY 103,817 is also composed of the valuations of the buildings owned by Masanda Turizm (December 31, 2019: None.). As of December 31, 2020, the value increase in the buildings item under tangible fixed assets amounting to TRY 1,279,681, TRY 1,307,159 (TRY 1,279,681 including deferred tax income) excluding the effect of deferred tax income is recognized under the other comprehensive income statement. (December 31, 2019: TRY 6,969 excluding deferred tax effect, TRY 5,575 material fixed asset revaluation decrease is accounted for under other comprehensive income).

23. Equity (cont'd)

Effect of business combinations under common control

Based on the decision of the Board of Directors of Akfen Holding dated 5 January 2018; the merger of Akfen Engineering, which has the same partnership with the Company, was completed on February 28, 2018, with no liquidation and participation in the Company as a whole. The purchase transactions on March 17, 2018 of IBS Insurance and on May 30, 2018 of Akfen Construction were evaluated as "Effect of transactions under common control" and accounted "Pooling of Interest" method. The "Effects of business combinations under common control" account is used under equity to offset the inconsistency of assets and liabilities arising under common control effects.

Non-controlling interests

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

As of December 31, 2020, the amount classified under non-controlling interests in the balance sheet is TRY (21,542) (December 31, 2019: TRY (24,647)). The net profit / (loss) of the subsidiaries that are not directly and / or indirectly controlled by the parent company is classified under the olmayan Non-controlling interest "in the consolidated statement of comprehensive income. For the periods ended at December 31, 2020 and 2019, non-controlling interests are TRY 3,105 and TRY (22,857), respectively.

Other revaluation and measurement gains

The fair value of MIP, Travelex Group Investment and Tepe Akfen Reformer TAR, which are recognized as financial investments in the Group's financial statements, as of December 31, 2020. It was evaluated within the scope of TFRS 9 standard and occurred in the value of financial investment. TRY 455,724 of the change of TRY 432,938, net of deferred tax, is recognized as revaluation and measurement gains in the Group's consolidated financial statements under accumulated other comprehensive income that will not be reclassified to profit or loss. (December 31, 2019: TRY 574,767 net of the change in the value of the financial investment amounting to TRY 546,029 of deferred tax). As of December 31, 2020, other revaluation and measurement gains accounted in the consolidated statement of financial position are TRY 1,238,049 (31 December 2019: TRY 805,111).

Reserve hedge fund

As of July 1, 2020, Akfen Renewable has started to apply hedge accounting (hedging in cash flow risk) as an accounting policy, one of the application methods specified within the scope of TAS 39, and the Group has been able to hedge against cash flow risk amounting to TRY 181,714 in the other comprehensive income statement for the year ending on December 31, 2020. (31 December 2019: None).

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Notes to the consolidated financial statements as at and for the years ended December 31, 2020

(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

24. Sales and cost of sales

The breakdown of revenue for the years ended December 31 is as follows:

	January 1 - December 31, 2020	January 1 - December 31, 2019
Construction revenues		
Tekirdağ City Hospital project revenues	739,225	376,970
Eskişehir City Hospital project revenues	-	11,325
Revenues from service concession projects (Note 9)	739,225	388,295
HEPP project construction revenues	-	28,049
Bulvar Loft project construction revenues	-	14,691
	-	42,740
Operational revenues		
Hospital service revenues ^(*)	362,182	329,691
Incek Loft apartment sales revenues	25,555	29,125
Investment properties lease revenues	-	21,115
Sales returns (-)	(7,375)	(16,376)
Dormitory revenues	33,308	21,283
Accommodation income ^(**)	12,829	-
Commercial area revenues	9,225	10,801
Other	8,582	8,210
	444,306	403,849
	1,183,531	834,884

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

^(**) Bodrum Loft Hotel started operations as of July 1, 2020 and the Group started to earn accommodation income. Accommodation income also includes other income such as food, beverage, etc.

As of December 31, 2020 and 2019, sales revenue is geographically grouped based on customer's position as revenue:

	January 1 - December 31, 2020	January 1 - December 31, 2019
Turkey	1,183,531	823,916
Russia	-	3,578
TRNC	-	7,390
	1,183,531	834,884

For the years ended December 31, details of cost of sales are as follows:

	January 1 - December 31, 2020	January 1 - December 31, 2019
Construction costs	688,930	328,637
Hospital service expenses ^(*)	291,673	269,578
Personnel expenses	19,345	23,437
Food and beverage expenses	6,282	4,800
Operational lease expenses	4,985	1,830
Depreciation and amortization expenses	4,030	2,678
Energy expenses	2,117	696
Dormitory services revenues	759	801
Tax and duties expenses	531	4,494
Insurance expenses	295	484
Other	18,469	9,315
	1,037,416	646,750

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

25. General administrative expenses

General administrative expenses for the years ended December 31, are as follows:

	January 1-Dec. 31, 2020	January 1- Dec. 31, 2019
Personnel expenses	33,645	39,338
Consultancy expenses	12,168	6,760
Rent expenses	6,957	7,496
Depreciation expenses	6,670	5,749
Taxes, duties and fees	4,042	2,335
Office expenses	3,605	2,955
Travel and hosting expenses	3,107	15,710
Donations	1,991	5,526
Insurance expenses	1,212	1,115
Advertising expenses	16	834
Other	6,859	5,095
	80,272	92,913

26. Selling and marketing expenses

Selling and marketing expenses for the years ended December 31, are as follows:

	January 1-Dec. 31, 2020	January 1- Dec. 31, 2019
Dues expenses	2,303	3,446
Advertising expenses	1,000	1,360
Other	677	87
	3,980	4,893

27. Other incomes and expenses from operating activities

Other incomes from operating activities for the years ended December 31, are as follows:

	January 1-Dec. 31, 2020	January 1- Dec. 31, 2019
Increase in value due to Service Concession Agreements (Note 9)	1,464,390	1,012,233
Increase in value of investment properties, net (Note 10)	258,876	57,515
Rent revenue	5,746	4,395
Value of receivables from service concession agreements cancellation (Note 9)	-	180,958
Exchange difference income	-	13
Other	5,229	26,634
	1,734,241	1,281,748

Other expenses from operating activities for the years ended December 31, are as follows:

	January 1-Dec. 31, 2020	January 1- Dec. 31, 2019
Decrease in value of tangible fixed assets (Note 23)	18,200	2,272
Transfer fee expenses ^(*)	14,700	62,022
Impairment of receivables	9,844	1,078
Rediscount interest expense (Note 31)	5,951	170,105
Provision for doubtful receivables	1,186	1,975
Exchange difference expense	717	63
Other	266	14,225
	50,864	251,740

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

^(**) It is the impairment caused by the termination of the generation license of the Mersin Natural Gas Combined Cycle Power Plant project on December 30, 2020 for the year 2020. TRY 18,097 of the said impairment was recognized under tangible fixed assets and TRY 102 TL under intangible fixed assets.

28. Finance incomes and expenses

Finance incomes for the years ended December 31, are as follows:

	January 1-Dec. 31, 2020	January 1- Dec. 31, 2019
Exchange difference income	945,039	616,779
IFRIC 12 interest income (Note 9)	162,322	71,925
Interest income	46,344	102,230
Rediscount interest income (Note 31)	30,007	41,056
	1,183,712	831,990

Finance expenses for the years ended December 31, are as follows:

	January 1-Dec. 31, 2020	January 1- Dec. 31, 2019
Exchange difference expense	2,173,466	989,811
Interest expense	531,059	452,936
Fair value decreases of derivative instruments	124,900	113,959
Commission expenses	-	330
Other	6,017	3,873
	2,835,442	1,560,909

29. Incomes and expenses from investment activities

Incomes from investment activities:

The breakdown of incomes from investment activities for the years ended December 31, is as follows:

	January 1-Dec. 31, 2020	January 1- Dec. 31, 2019
Gains due to the sale in the share of subsidiaries (Note 3)	26,774	139,434
Gains due to the changes in the share of subsidiaries (Note 3)	26,306	40,922
Total of the gains arising from the disposal of subsidiaries, joint ventures and financial investments or changes in shares	53,080	180,356
Fair value gains of financial assets (Note 21)	143,668	218,646
Dividend income (*)	8,211	54,717
Income from other financial instruments (Note 21)	8,235	28,900
Other	16	578
	213,210	483,197

(*) As of December 31, 2020 and 2019, dividend income is composed of dividends obtained from MIP and Travelex.

Incomes from investment activities:

The breakdown of expenses from investment activities for the years ended December 31, is as follows:

	January 1-Dec. 31, 2020	January 1- Dec. 31, 2019
Impairment (*)	-	7,606
Other (**)	19,054	-
	19,054	7,606

(*) TAV Investment's net assets amount to the Group on the date of sale is TRY 7,606, which is the difference between TRY 10,496 and TRY 2,890 of the agreed sales price at the relevant date. are recognized in the statement of profit or loss under expenses from investment activities as impairment.

(**) As of December 31, 2020, TRY 19,050 of the balance has been disclosed in Note 21.

30. Tax assets and liabilities

a) Current and deferred income tax

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

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

In the Turkish taxation system, financial losses can be offset against the financial profits of the subsequent five years and no (retrospective) deduction from previous years' earnings is possible.

Furthermore, provisional corporate taxes are paid at 20% (will be applied as 22% for 2019 and 2020 tax periods) over profits declared for interim periods in order to be deducted from the final corporate tax.

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

Since the applicable tax rate has been changed to 22% for the 3 years beginning from January 1, 2018, 22% tax rate is used in the deferred tax calculation of December 31, 2020 and December 31, 2019 for the temporary differences expected to be realized/closed within 3 years (for the years 2019 and 2020). However, since the corporate tax rate after 2020 is 20%, 20% tax rate is used for the temporary differences expected to be realized/closed after 2020.

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

b) Corporate tax

In Turkey, the corporate tax rate is 20%. However, in accordance with the addition of temporary 10th article to the Corporate Tax Law, 20% corporate tax rate will be applied to the profits of the entities related to their 2019 and 2020 tax periods (for the entities with special accounting period, tax periods commenced in the related year) rather than 22%. This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid by the end of the fourth month.

The tax legislation provides for a temporary tax of 20% (will be applied as 22% for 2019 and 2020 tax periods) to be calculated based on earnings generated for each quarter and temporary tax is declared by the 14th day of the second month following each quarter and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

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

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

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

30. Tax assets and liabilities (cont'd)

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

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

c) Transfer pricing arrangements

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

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

Tax income/(expense)

The details of tax income/(expense) for the years ended December 31, are as follows:

	January 1-Dec. 31, 2020	January 1- Dec. 31, 2019
Current corporate tax expense	(33,038)	(52,749)
Deferred tax income	258,831	72,178
Total tax income	225,793	19,429
	December 31, 2020	December 31, 2019
Profit before (loss)/tax	(178,323)	647,237
Local tax rate	%22	%22
Tax income/(expense) calculated over tax rate	39,231	(142,392)
Non-deductible expenses	(6,011)	(75,980)
Tax exemptions and exceptions ^(*)	13,585	98,947
Deferred tax on investment incentives	288,546	217,329
The effect of the shares in the profits of the investments accounted in equity method	(102,518)	(48,350)
Previous period tax expense	(11,603)	-
Use of previous year losses	1,283	1,355
Previous period losses not subject to deferred tax income	-	(6,417)
Temporary differences not subject to deferred tax income	5,809	1,580
Effect of tax rate differences	(2,498)	11,708
Other	(31)	(38,351)
Total tax income	225,793	19,429
	December 31, 2020	December 31, 2019
Deferred tax income	258,831	72,178
Current period tax expense	(33,038)	(52,749)
Tax deductible	69,199	59,618
Effect of subsidiary disposal ^(**)	-	7,211
Current income tax (liabilities)/assets, net	36,161	14,080

^(*) As of December 31, 2020, and 2019, tax exemptions and exceptions are the effect of the Company's emission premium earnings, associate earnings and exemptions arising from capital increase in cash, deductions and exemptions, and the fact that Akfen REIT is not subject to Corporate Tax.

^(**) Although the exit effect of Akfen International, which was sold on February 7, 2019, is shown in the profit or loss statement, it is the amount related to the tax expense that is not included in the consolidated statement of financial position with the sale transaction.

30. Tax assets and liabilities (cont'd)

Deferred tax assets and liabilities

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

As of December 31, 2020 and 2019, the Group's deferred tax assets are as follows:

	December 31, 2020	December 31, 2019
Investment incentives	983,900	715,146
Accumulated losses	275,149	98,960
Service concession agreements	(348,140)	(197,750)
Amendments to TAS 11	(99,269)	(113,390)
Investment properties and fixed assets	(48,616)	21,730
Discount on debts	(33,969)	(30,524)
Other	(50,335)	(24,008)
Deferred tax assets /(liabilities)	678,720	470,164

Deferred tax asset movements for the years ended at December 31, 2020 and 2019 are as follows:

	2020	2019
Deferred tax asset as of January 1	470,164	299,611
Recognized in the statement of profit or loss	258,831	72,178
Changes in the scope of consolidation (Note 3)	-	128,728
Recognized in the statement of other comprehensive income	(50,275)	(30,353)
Deferred tax asset as of December 31	678,720	470,164

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31. Related party disclosures

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

As of December 31, 2020 and 2019, the Group's short-term trade receivables from related parties are as follows:

	December 31, 2020	December 31, 2019
Akfen İnşaat Turizm ve Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. Adi Ortaklığı ("Adi Ortaklık")	16,784	20,303
Akfen Renewable	3,529	3,229
Kurtal Elektrik Üretim A.Ş. ("Kurtal")	-	880
Other	1,208	363
	21,521	24,775

As of December 31, 2020 and 2019, the Group's short-term trade payables to related parties are as follows:

	December 31, 2020	December 31, 2019
Company's Founder (*)	882,016	1,126,781
IBS Insurance	10,640	4,151
Akfen Water	2,260	1,679
Other	255	295
	895,171	1,132,906

(*) It is the commercial debt amount resulting from the transfer of Akfen Holding shares to Akfen Altyapı, details of which are given in Note 1. The related debt amount has been accounted for by discounting.

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

As of December 31, 2020 and 2019, the Group's long-term other receivables from related parties are as follows:

	December 31, 2020	December 31, 2019
Acacia Mine (*)	369,217	123,573
Akfen Renewable Energy (*)	233,559	199,399
İzbir Mine	107,952	81,875
Akfen Water	31,304	-
İDO (*)	-	115,807
Other	571	5,215
	742,603	525,869

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

As of December 31, 2020, and 2019, the Group's short-term other payables to related parties are as follows:

	December 31, 2020	December 31, 2019
İlbak Madencilik San. Ve Tic. A.Ş.	7,439	6,084
Company's Main Shareholder	3,000	3,000
MIP	1,313	813
Other	196	220
	11,948	10,117

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31. Related party disclosures (cont'd)

As of December 31, 2020 and 2019, the Group's long-term other payables to related parties are as follows:

	December 31, 2020	December 31, 2019
Akfen International BV (*)	290,675	229,083
MIP (**)	112,744	73,179
Company's Founder	46,193	85,972
Akfen Water	8,026	5,500
Tav Investment (***)	-	23,188
Company's Main Shareholder	54,022	4,814
Other	43,225	7,900
	554,885	429,636

(*) The Company's founder shareholder consists of debts with interest rates under market conditions.

(**) The Company is the financial investment of the shareholder and is accounted at discounted amount since the aforesaid payable has a certain maturity.

(***) These companies are shareholders of the Company and the related balances consist of debts with interest rates under market conditions.

The main transactions with related parties for the years ended December 31, are as follows:

		January 1,- December 31, 2020	January 1,- December 31, 2019
Company founding partner	Sales of convertible bonds	215,718	-
Company founding partner	Subsidiary share sales	-	870,000
MIP	Rediscount interest income	30,007	41,056
Akfen Renewable Energy	Interest Income	27,247	39,170
Acacia	Interest Income	18,676	46,893
Izbir	Interest Income	5,508	2,253
IDO	Interest Income	462	8,679
Company main partner	Interest Income	844	843
Other	Interest Income	127	68
Akfen Water	Interest Income	-	1,599
Travelex	Dividend Income	1,936	5,827
Kurtal	Construction Income	-	14,691
Akfen Renewable Energy	Other	2,878	2,739
Company founding partner	Rediscount interest expense (*)	(5,951)	(170,105)
TAV Investment	Interest Expense	(843)	(5,171)
MIP	Interest Expense	(84)	(74)
Other	Interest Expense	(2,141)	(5,598)
Company founding partner	Interest Expense	(1,009)	(655)
Company main partner	Interest Expense	(1,442)	(687)
IBS Insurance	Insurance Expense	(602)	(423)
Other	Other	154	1,772

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

32. Nature and level of risks from financial instruments

i. Credit risk

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

	Receivables					
	Trade Receivables			Other Receivables		
	Related Party	Third Party	Related Party	Receivables from On-going Service - Contracts	Third Party	Financial assets related to concession agreements
December 31, 2020						
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	21,521	65,743	742,776	-	68,009	2,596,148
- Portion of the maximum risk that is guaranteed with a collateral, etc,	-	-	-	-	-	-
A. Net book value of financial assets that are not overdue or not impaired	21,521	65,743	742,776	-	68,009	2,596,162
B. Book value of financial assets, the terms of which are re-negotiated, and which will otherwise be considered to be overdue or impaired	-	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	-	-	-	-	-
- Portion guaranteed with a collateral, etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	(14)
- Vadesi geçmiş (brüt defter değeri)	-	15,516	-	-	-	-
- Impairment (-)	-	(15,516)	-	-	-	-
- Not overdue (gross book value)	-	5,876	-	-	-	-
- Impairment (-)	-	(5,876)	-	-	-	(14)
E. Elements including off-balance-sheet financing	-	-	-	-	-	-
December 31, 2020						
0-3 months overdue	-	-	-	-	-	-
3-12 months overdue	-	-	-	-	-	-
1-5 years overdue	15,516	-	-	-	-	-
More than 5 years overdue	-	-	-	-	-	-
Total receivables overdue	-	-	-	-	-	-
Total provisions reserved	-	-	-	-	-	-
Portion guaranteed with a collateral, etc.	-	-	-	-	-	-

(*) As of December 31, 2020, investment funds of Akfen Holding amounting to TRY 717,020 and other short-term and long-term investment funds and deposits amounting to TRY 757,964 are included in the bank deposits.

32. Finansal araçlardan kaynaklanan risklerin niteliği ve düzeyi

	Receivables					
	Trade Receivables			Other Receivables		
	Related Party	Third Party	Related Party	Receivables from On-going Service Contracts	Third Party	Financial assets related to concession agreements
December 31, 2019	24,775	63,796	525,974	783,743	99,687	4,783,977
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	-	-	-	-	-	-
- Portion of the maximum risk that is guaranteed with a collateral, etc.						
A. Net book value of financial assets that are not overdue or not impaired	24,775	63,796	525,974	783,743	99,687	4,783,977
B. Book value of financial assets, the terms of which re-negotiated, and which will otherwise be considered to be overdue or impaired	-	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	-	-	-	-	-
- Portion guaranteed with a collateral, etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	14,330	-	-	-	-
- Overdue (gross book value)	-	(14,330)	-	-	-	-
- Impairment (-)	-	3,600	-	-	-	-
- Not overdue (gross book value)	-	(3,600)	-	-	-	-
- Impairment (-)	-	-	-	-	-	(9)
E. Elements including off-balance-sheet financing	-	-	-	-	-	-
	Receivables					
	Trade Receivables	Other Receivables				
December 31, 2019	-	-	-	-	-	-
0-3 months overdue	-	-	-	-	-	-
3-12 months overdue	-	-	-	-	-	-
1-5 years overdue	14,330	-	-	-	-	-
More than 5 years overdue	-	-	-	-	-	-
Total receivables overdue	-	-	-	-	-	-
Total provisions reserved	-	-	-	-	-	-
Portion guaranteed with a collateral, etc.	-	-	-	-	-	-
	Bank Deposits (*)	Other (**)				
	2,624,085	226,533				
	-	-				
	2,624,094	226,533				

(*) As of December 31, 2019, investment funds of Akfen Holding amounting to TRY 966,222 and other short-term and long-term investment funds and deposits amounting to TRY 539,531 are included in the bank deposits.

(**) As of December 31, 2019, shares issued by Akfen REIT, details of which are disclosed in Note 21, relate to the fair value of the convertible bond amounting to TRY 226,533.

32. Nature and level of risks from financial instruments (cont'd)

ii. Liquidity risk

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

December 31, 2020

Maturities under contract	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 Months	1-5 years	More than 5 years
		(I+II+III+IV+V)	(I)	(II)	(III)	(IV)
Non-derivative financial liabilities						
Bank loans	8,949,582	(9,561,912)	(402,443)	(2,840,627)	(2,939,982)	(3,378,860)
Trade payables to third parties	192,475	(192,475)	(192,475)	-	-	-
Due to related parties	1,462,004	(1,570,722)	(895,171)	(11,948)	(465,410)	(198,193)
Other payables ^(*)	164,051	(164,051)	(55,911)	(59,172)	(48,968)	-
Total	10,768,112	(11,489,160)	(1,546,000)	(2,911,747)	(3,454,360)	(3,577,053)

December 31, 2019

Maturities under contract	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 Months	1-5 years	More than 5 years
		(I+II+III+IV+V)	(I)	(II)	(III)	(IV)
Non-derivative financial liabilities						
Bank loans	7,038,638	(9,224,953)	(570,428)	(682,727)	(3,947,334)	(4,024,464)
Trade payables to third parties	127,894	(127,894)	(127,894)	-	-	-
Due to related parties	1,572,659	(1,723,903)	(1,132,906)	(10,117)	(420,495)	(160,385)
Other payables ^(*)	114,855	(106,539)	(53,084)	(17,519)	(35,936)	-
Total	8.854.046	(11.183.289)	(1.884.312)	(710.363)	(4.403.765)	(4.184.849)

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

32. Nature and level of risks from financial instruments (cont'd)

iii. Interest risk

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

	December 31, 2020	December 31, 2019
Fixed-Interest financial instruments	(1,013,194)	(243,592)
Financial assets	861,789	1,187,708
Financial liabilities	(1,874,983)	(1,431,300)
Floating-Interest financial instruments	(5,368,757)	(3,352,794)
Financial assets	1,687,280	1,470,801
Receivables from on-going service contracts	-	783,743
Financial liabilities	(7,056,037)	(5,607,338)

As of December 31, 2020 and 2019, if interest rates increase by 1 basis point, the consolidated comprehensive income statement would be affected as follows. While performing the analysis, it is assumed that all other variables, chiefly the foreign exchange rates, remained fixed.

		Interest Position Statement	
		December 31, 2020	December 31, 2019
Fixed-Interest Financial Instruments		(10,132)	(2,436)
Financial assets	Assets at fair value through profit or loss	8,618	11,877
Financial liabilities	(18,750)	(14,313)	
Floating-Interest Financial Instruments		(53,687)	(33,528)
Financial assets		16,873	14,708
Receivables from on-going service contracts		-	7,837
Financial liabilities		(70,560)	(56,073)

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

iv. Foreign currency risk

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

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32. Nature and level of risks from financial instruments (cont'd)

As of December 31, 2020, assets and liabilities denominated in foreign currencies are as follows:

	December 31, 2020			
	TRY Equivalent	US Dollar	Euro	Other ^(*)
1. Trade receivables	2,922	53	152	1,164
2a. Monetary Financial Assets (including safe and bank accounts)	2,161,121	266,699	22,564	163
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	585,420	34,712	36,703	-
4. Current Assets (1+2+3)	2,749,463	301,464	59,419	1,327
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	403,861	55,018	-	-
6b. Non-Monetary Financial Assets	2,065,191	281,342	-	-
7. Other	5,207,581	254,761	370,509	-
8. Non-Current Assets (5+6+7)	7,676,633	591,121	370,509	-
9. Total Assets (4+8)	10,426,096	892,585	429,928	1,327
10. Trade Payables	120,171	3,579	10,383	370
11. Financial Liabilities	2,474,570	252,036	69,328	-
12a. Other Monetary Liabilities	63,914	6,254	1,999	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	2,658,655	261,869	81,710	370
14. Trade Payables	-	-	-	-
15. Financial Liabilities	5,597,808	108,248	533,222	-
16a. Other Monetary Liabilities	679,166	47,440	36,738	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	6,276,974	155,688	569,960	-
18. Total Liabilities (13+17)	8,935,629	417,557	651,670	370
19. Net Foreign Currency Asset/(Liability) Position (9-18)	1,490,467	475,028	(221,742)	957
20. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(6,367,725)	(95,787)	(628,954)	957
21. Export	-	-	-	-
22. Import	-	-	-	-

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

As of December 31, 2020, the Company's currency risk analysis is as follows (TRY):

Exchange Rate Sensitivity Analysis Statement				
December 31, 2020				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In the event that USD appreciates/depreciates by 20% against TRY				
1- US Dollar net asset/liability	697,257	(697,257)	-	-
2- Portion hedged for USD (-)	-	-	-	-
3- USD Net Impact (1+2)	697,257	(697,257)	-	-
In the event that EUR appreciates/depreciates by 20% against TRY				
4- Net asset/liability in Euro	(399,355)	399,355	-	-
5- Portion hedged for EUR (-)	-	-	-	-
6- Euro Net Impact (4+5)	(399,355)	399,355	-	-
In the event that other foreign currencies appreciate/depreciate by 20% against TRY				
7- Other foreign currency net asset/liability	191	(191)	-	-
8- Portion hedged for other foreign currency (-)	-	-	-	-
9- Other Foreign Currency Assets Net Impact (7+8)	191	(191)	-	-
TOTAL (3+6+9)	298,093	(298,093)	-	-

32. Nature and level of risks from financial instruments (cont'd)

As of December 31, 2019, assets and liabilities denominated in foreign currencies are as follows:

	December 31, 2019			
	TRY Equivalent	US Dollar	Euro	Other (*)
1. Trade receivables	315	53	-	-
2a. Monetary Financial Assets (including safe and bank accounts)	1,929,149	270,965	48,044	41
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	426,756	28,179	38,999	-
4. Current Assets (1+2+3)	2,356,220	299,197	87,043	41
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	422,039	71,048	-	-
6b. Non-Monetary Financial Assets	1,619,334	272,606	-	37,953
7. Other	4,626,502	306,768	421,652	-
8. Non-Current Assets (5+6+7)	6,667,875	650,422	421,652	-
9. Total Assets (4+8)	9,024,095	949,619	508,695	37,994
10. Trade Payables	22,099	2,768	809	276
11. Financial Liabilities	500,074	24,590	53,229	-
12a. Other Monetary Liabilities	25,937	2,847	1,357	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	548,110	30,205	55,395	276
14. Trade Payables	-	-	-	-
15. Financial Liabilities	5,645,097	346,039	539,734	-
16a. Other Monetary Liabilities	528,243	50,414	34,399	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	6,173,340	396,453	574,133	-
18. Total Liabilities (13+17)	6,721,450	426,658	629,528	276
19. Net Foreign Currency Asset/(Liability) Position (9-18)	2,302,645	522,961	(120,833)	37,718
20. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(4,369,947)	(84,592)	(581,484)	(235)
21. Export	-	-	-	-
22. Import	-	-	-	-

As of December 31, 2019, the Company's currency risk analysis is as follows (TRY):

Exchange Rate Sensitivity Analysis Statement				
December 31, 2019				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In the event that USD appreciates/depreciates by 20% against TRY				
1- US Dollar net asset/liability	621,299	(621,299)	-	-
2- Portion hedged for USD (-)	-	-	-	-
3- USD Net Impact (1+2)	621,299	(621,299)	-	-
In the event that EUR appreciates/depreciates by 20% against TRY				
4- Net asset/liability in Euro	(160,722)	160,722	-	-
5- Portion hedged for EUR (-)	-	-	-	-
6- Euro Net Impact (4+5)	(160,722)	160,722	-	-
In the event that other foreign currencies appreciate/depreciate by 20% against TRY				
7- Other foreign currency net asset/liability	7,543	(7,543)	-	-
8- Portion hedged for other foreign currency (-)	-	-	-	-
9- Other Foreign Currency Assets Net Impact (7+8)	7,543	(7,543)	-	-
TOTAL (3+6+9)	468,120	(468,120)	-	-

32. Nature and level of risks from financial instruments (cont'd)

v. Capital Risk Management

The Group's objectives in capital management are;

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

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

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

As of December 31, 2020 and December 31, 2019, the ratio of total capital to net liabilities is as follows:

	December 31, 2020	December 31, 2019
Total financial liability	8,949,582	7,038,638
Less: cash and cash equivalents (*)	(2,597,140)	(2,624,889)
Net debt	6,352,442	4,413,749
Equity	6,643,916	5,041,489
Net financial debt / equity ratio	0.96	0.88

(*) Cash and bank deposits as of December 31, 2020; short-term and long-term financial investments of the Group amounting to TRY 757,964, excluding cash and cash equivalents, in the form of deposits and investment funds, (December 31, 2019: TRY 539,531).

32. Nature and level of risks from financial instruments (cont'd)

Fair value disclosures

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

Financial instruments

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

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

Financial assets

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

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

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

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

Financial liabilities

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

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

Financial Instrument classifications and fair values

December 31, 2020	Amortized cost	Fair value difference reflected to profit / loss	Fair value difference reflected in other income and expense	Book value	Fair value	Note
Financial assets						
Cash and cash equivalents ^(*)	1,626,879	-	-	1,626,879	1,626,879	4
Trade receivables from third parties	65,743	-	-	65,743	65,743	6
Trade receivables from related parties	21,521	-	-	21,521	21,521	6-31
Other receivables from third parties	68,009	-	-	68,009	68,009	7
Other receivables from related parties	742,776	-	-	742,776	742,776	7-31
Financial assets related to concession agreements	-	7,375,570	-	7,375,570	7,375,570	9
Financial investments whose fair value difference is reflected in profit / loss	-	970,261	-	70,261	970,261	21
Financial investments whose fair value difference is reflected in other com-prehensive income	-	-	2,123,935	2,123,935	2,123,935	-
Financial liabilities						
Financial borrowings	8,949,582	-	-	8,949,582	8,949,582	5
Trade payables to third parties	192,475	-	-	192,475	192,475	6
Trade payables to related parties	895,171	-	-	895,171	895,171	6-31
Other payables to third parties	44,876	-	-	44,876	44,876	7
Other payables to related parties	566,833	-	-	566,833	566,833	7-31

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32. Nature and level of risks from financial instruments (cont'd)

December 31, 2019	Amortized cost	Fair value difference reflected to profit / loss	Fair value difference reflected in other income and expense	Book value	Fair value	Note
Financial assets						
Cash and cash equivalents ^(*)	2,085,358	-	-	2,085,358	2,085,358	4
Trade receivables from third parties	63,796	-	-	63,796	63,796	6
Trade receivables from related parties	24,775	-	-	24,775	24,775	6-31
Other receivables from third parties	99,687	-	-	99,687	99,687	7
Other receivables from related parties	525,974	-	-	525,974	525,974	7-31
Receivables from service concession agreements / Financial assets related to concession agreements	783,743	4,783,977	-	5,567,720	5,567,720	9
Financial investments whose fair value difference is reflected in profit / loss	-	539,531	-	539,531	539,531	21
Financial investments shown from amortized value	226,533	-	-	226,533	226,533	21
Financial investments whose fair value difference is reflected in other comprehensive income	-	-	1,668,211	1,668,211	1,668,211	21
Financial liabilities						
Financial borrowings	7,038,638	-	-	7,038,638	7,038,638	5
Trade payables to third parties	127,894	-	-	127,894	127,894	6
Trade payables to related parties	1,132,906	-	-	1,132,906	1,132,906	6-31
Other payables to third parties	56,520	-	-	56,520	56,520	7
Other payables to related parties	439,753	-	-	439,753	439,753	7-31

^(*) As of December 31, 2020, the cash and cash equivalents include short-term and long-term financial investments amounting to TRY 810,797 (December 31, 2019: TRY 588,408).

32. Nature and level of risks from financial instruments (cont'd)

As of December 31, 2020, and 2019, the fair value classifications of financial assets and financial liabilities measured at fair value are as follows:

December 31, 2020	Fair Value Level		
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Short term financial investments			
Financial assets at fair value through profit or loss (Note 21)	474,591	-	
Long term financial investments			
Financial assets at fair value through profit or loss	495,670	-	
Other financial investments (Note 21)	-	-	2,123,935
Interest rate swap transactions (Note 11)	-	(266,190)	
Receivables from service concession agreements / Financial assets related to concession agreements (Note 9)	-	-	7,375,570
December 31, 2019			
December 31, 2019	Fair Value Level		
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Short term financial investments			
Financial assets at fair value through profit or loss (Note 21)	19,638	-	
Long term financial investments			
Financial assets held to maturity (Note 21)	226,533	-	
Financial assets at fair value through profit or loss (Note 21)	519,893	-	
Other financial investments (Note 21)	-	-	1,668,211
Interest rate swap transactions (Note 11)	-	(141,290)	
Receivables from service concession agreements / Financial assets related to concession agreements (Note 9)	-	-	5,567,720

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

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

32. Nature and level of risks from financial instruments (cont'd)

Discounted Cash Flows

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

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

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

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

As of December 31, 2020, the sensitivity analysis of the important assumptions used in the fair value calculation of the financial asset regarding the concession agreements are as follows:

December 31, 2020	Discount rate change ^(*)	
	%1 decrease	%1 increase
Sensitivity level		
Fair value change	534,761,200	(479,972,924)

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

However, the sensitivity analysis of the important assumptions used in the fair value calculation of buildings under investment properties as of December 31, 2020 are as follows:

December 31, 2020	Inflation expectation ^(*)		Foreign Exchange rate expectation ^(*)	
	%0,5 decrease	%0,5 increase	%5 decrease	%5 increase
Sensitivity level				
Fair value change	(12,098)	12,523	38,944	(33,778)

^(*) Refers to the change in inflation and exchange rate expectations for each year of the first 10 years of the contract period. In addition, this calculation was calculated for Isparta Hospital and Eskişehir Hospital.

Akfen Altyapı Holding Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements as at and for the years ended December 31, 2020

(All amounts are expressed in thousand Turkish Liras ("TRY 000") unless otherwise specified.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

33. Explanations on shares in other businesses

As of December 31, 2020 and 2019, information on the Group's major subsidiaries in which non-controlling interests are as follows:

December 31, 2020				
	Akfen REIT ^(*) (1)	Hacettepe Klinik ^(*)	Akfen Merter ^(*)	Isparta Hospital ^(*)
Non-controlling interest ratio	-	0,55	0,0848	0,0012
Equity – Non-controlling interest	-	(33,059)	4,428	981
Non-controlling interest	-	(33,059)	4,428	981
(Loss)/profit for the period -				
Non-controlling interest	-	3,193	(155)	30

December 31, 2019				
	Akfen REIT ^(*) (1)	Hacettepe Klinik ^(*)	Akfen Merter ^(*)	Isparta Hospital ^(*)
Non-controlling interest ratio	-	0,55	0,0848	0,0012
Equity – Non-controlling interest	-	(36,252)	4,601	839
Non-controlling interest	-	(36,252)	4,601	839
(Loss)/profit for the period -				
Non-controlling interest	(2,462)	(13,117)	(139)	404

^(*) Information about the non-controlling interest of Akfen Holding and Akfen Construction, which is a 100% subsidiary of the Company.

⁽¹⁾ As of 31 December 2019, as a result of the acquisition of Akfen Holding shares, Akfen REIT's non-controlling interests were accounted for under the control of the business combination subject to joint control as the acquisition is considered as a jointly controlled business combination. However, as of December 31, 2020, Akfen REIT is accounted for using the equity method in the consolidated financial statements and the non-controlling interests are eliminated due to the related consolidation change.

34. Subsequent events

With Article 11 of the Law No. 7316 on the Procedure for Collection of Public Claims and Amending Certain Laws, which was published in the Official Gazette dated April 22, 2021 and numbered 31462 and with the temporary article 13 added to the Corporate Tax Law No. 5520, the corporate tax rate will be applied as 25% for the corporate earnings of the 2021 taxation period and 23% for the corporate earnings of the 2022 taxation period.

Changes in the current tax rates or tax laws after the reporting period are an event that does not require correction after the reporting period. The Group has measured its deferred tax assets and liabilities according to the current Corporate Tax rate of 20% as of the balance sheet date.

The effects of the aforementioned law on the financial status and performance of the Group are evaluated for the upcoming reporting periods.

Akfen Holding

Akfen Holding has taken over the remaining 0.75% shares of Akfen Energy Production, which Akfen Turizm, Akfen Construction and Akınısı, in which it owns 99.25% shares, on 18 January 2021, thus becoming 100% owner of the company. The merger with Akfen Energy Production, a 100% subsidiary of Akfen Holding, has been initiated. With the completion of the registration process as of March 5, 2021, the merger of Akfen Holding with Akfen Energy Production was completed.

Akfen Holding signed a sales agreement on December 28, 2020 to sell its remaining 20% share in IBS to Güçsav Yönetim ve Danışmanlık A.Ş. As of January 28, 2021, the sale transaction was completed.

34. Subsequent events (cont'd)

Akfen Construction

On February 9, 2021, Akfen Construction, sold all the shares of Isparta Yurt Yatırımları A.Ş. (Isparta Dormitory), of which the shares are fully owned, to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., one of its related parties, for TRY 215,000,000.

Masanda Tourism

On February 9, 2021, Masanda Turizm Yatırımları A.Ş., sold all the shares of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., of which the shares are fully owned, to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., one of its related parties, for TRY 235,000,.

Akfen REIT

Within the scope of the conversion of Akfen REIT's convertible bonds into shares, the shares with a nominal value of TRY 59,066, which will be issued due to the increase in the issued capital of 184 million TRY to 243,066. It was sold to Hamdi Akın on a private basis through Ünlü Menkul Değerler, within the scope of wholesale purchases, on January 12, 2021, at a price of TRY 4.04 for a share with a nominal value of TRY 1. After the completion of the sale, 43.06% of Akfen GYO shares were transferred to Akfen Holding and 38.51% to Mr. Hamdi Akın, the remaining 18.44% belongs to other shareholders.

Akfen REIT provided a fund of TRY 450,000 by increasing its nominal capital to TRY 344,646 in order to achieve a more sustainable structure that will reduce the impact of the epidemic with its regular and continuous income-generating asset contribution. Isparta Yurt, which has two dormitories with a total of 7,232 beds, has been rented for 13 years from Akfen Altyapı Holding A.Ş. to the General Directorate of Loans and Dormitories for TRY 235,000. from Akfen İnşaat Turizm ve Ticaret A.Ş.

After the capital increases realized as a result of the transactions mentioned above, the shareholding structure of Akfen GYO was as follows:

Shareholder	Before capital increases		After capital increases	
	Balance	%	Balance	%
Akfen Holding	104,655	56.88	104,655	30.37
Hamdi Akın	34,527	18.76	194,777	56.51
Other	44,818	24.36	45,214	13.12
Total	184,000	100.00	344,646	100.00

In addition, the lease agreements with Accor Group, which operates 19 hotels, 15 of which are in Turkey and 4 in Russia, in Akfen REIT's portfolio have been revised.

35. Other matters that significantly affect the consolidated financial statements or that must be disclosed in order to make the financial statements clear, interpretable and understandable

The necessary actions have been taken by the Group management to minimize the possible effects of COVID-19, which affects the entire world, on the Group's activities and financial status. Meanwhile, actions were taken by the Group to minimize investment expenditures, operational expenses and the cash management strategy was reviewed in order to strengthen its liquidity position. No significant impact was observed on the financial position and performance of the Group due to the epidemic.

The Group evaluated the possible effects of the COVID-19 epidemic on the consolidated financial statements while preparing its year ended consolidated financial statements dated December 31, 2020 and reviewed the estimates and assumptions used in the preparation of the consolidated financial statements. In this context, possible value changes in financial assets, tangible assets and investment properties in the consolidated financial statements as of December 31, 2020 were analyzed and the necessary adjustments were reflected in the consolidated financial statements.

Abbreviations

Acacia Mining	Acacia Mining Operations Inc
Accor	ACCOR S.A.
Adana İpekyolu	Adana İpekyolu Energy
Akfen Infrastructure Holding / Company	Akfen Infrastructure Holding
Akfen Thermal	Akfen Thermal Energy Investment
Akfen Energy Generation	Akfen Enerji Generation and Trade Co. Inc.
Akfen REIT	Akfen Real Estate Investment Trust Inc.
Akfen Holding / Akfen Group	Akfen Holding A.Ş.
Akfen Construction	Akfen Construction, Tourism and Trade Co.
Akfen Water	Akfen Environment & Water Investment, Construction, Operation Co.
Akfen Water Dilovası	Akfensu Arbiogaz Dilovası Waste Water Treatment Facilities Construction and Operation Co.
Akfen Water Güllük	Akfen Güllük Environment and Water Investment Construction and Operation Co.
Akfen Tourism	Akfen Tourism Investment Management Co. Inc..
Akfen Renewable	Energy Akfen Renewable Energy Co.
Akınısı	Akinisi Machinery Industry and Trade Co. Inc.
Aquila	Aquila Capital Wasserkraft Invest GmbH ve Aquila HydropowerINVEST Investitions GmbH & Co. KG
ADR	Average Daily Rate
BOT	Build-Operate-Transfer
CAGR	Annual Compound Growth Rate
DEİK	Foreign Economic Relations Board
ENR	Engineering News Record
EMH	East Mediterranean Hub
EBRD	European Bank for Reconstruction and Development
EPDK	Energy Market Regulatory Authority
E-RTG	Elektrikli Rubber-tyred Gantry Crane
EBITDA	Earning Before Income Tax Depreciation and Amortization
FITT	Feed in Tariff
GDP	Gross Domestic Product
GWh	Giga Watt hour
Hacettepe Teknokent	Hacettepe Technokent, Inc.
HEPP	Hydro Electric Power Plant
IBS / IBS Insurance	IBS Insurance and Reinsurance Brokerage-UIB Turkey
İzmir Madencilik	İzmir Mining Inc.
ICSG	International Copper Study Group
IFC	International Finance Corporation
İDO	İstanbul Sea Buses
KAP	Public Disclosure Platform

Abbreviations

Karine	Karine Energy Generation and Industry Co.
KYK	Institution of Student Loans and Dormitories
kWh	Kilo Watt hour
Masanda / Masanda Tourism	Masanda Tourism Investment Co. Inc.
Mersin CNGPP	Mersin Combined Cycle Natural Gas Power Plant
MIGEM (MAPEG)	General Directorate Mining and Oil Affairs
MIP	Mersin Uluslararası Liman İşletmeciliği A.Ş.
MW	Mega Watt
OECD	Organisation for Economic Cooperation and Development
OIZ	Organised Industrial Zone
Pak	Pak Energy
PMUM	Market Financial Reconciliation Center
Pak	Pak Enerji Üretimi Sanayi ve Ticaret A.Ş.
PSA	PSA International PTE Ltd.
SPP	Solar Power Plant
TAV Airports	TAV Airports Holding Co.
TAV Construction	TAV Tepe-Akfen Investment, Construction & Operations
TAV Investment	TAV Investment Holding Co.
TAYÇED	All Types of Waste and Environmental Management Association
T.C.	Republic of Turkey
Tepe	Tepe Construction
TDI	Turkey Maritime Organization
TEİAŞ	Turkish Electricity Transmission Corporation
TEU	Twenty Feet Equivalent Unit
TIKAV	Turkish Human Resources in Health and Education Foundation
TRNC	Turkish Republic of Northern Cyprus
TSKB	Industrial Development Bank of Turkey
TUVTÜRK	TuvTurk Vehicle Inspection Stations Construction & Operation Inc.
TÜSİAD	Turkish Industry & Business Association
TurkStat	Turkish Statistical Institute
TURKLİM	Port Operators Association of Turkey
TTK	6102 Turkish Commercial Code
UIB	United Insurance Brokers
YEKDEM	Support mechanism for renewable energy resource

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