



ANEL  
ELEKTRIK  
ANNUAL  
REPORT  
2020



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## **PROFILE and KEY INDICATORS**





## MESSAGE FROM THE CHAIRMAN OF THE BOARD

Dear Business Associates,

We have left behind 2020 during which we had faced an unexpected fact worldwide. As is known to all, our world is currently getting through a tough time. This will be written in the history books, and the next generation will understand and interpret what we had experienced. And we are the ones who are experiencing this process. There is a fact that is told by everyone: "Nothing will remain the same."

We at Anel Group are aware of that it is not possible to change the pandemic or the negative consequences thereof. However, it is up to us to keep ourselves improved... And we continue to make efforts focusing on what we are capable of instead of the facts that we are not able to change.

I would like to mention these efforts briefly. Since the very beginning, Anel Group has achieved to complete more than 200 projects in an area of more than 13 million square meters in 14 countries throughout 3 continents. Currently, in addition to the electric and mechanical contracting business operations carried out in Turkey, Qatar, the United Arab Emirates (Abu Dhabi and Dubai), the UK, the Netherlands and Azerbaijan, we are continuing to offer services in the fields of business, maintenance, low voltage panel production, as well as the defense industry, ship and electronic systems and recycling in which we have added 4 new projects this year, 2 in Turkey and 2 in Pakistan. We are continuing to touch the lives of more people and create values by means of our education oriented efforts that we carry out through Çelikel Educational Foundation, the environmentally focused activities and our supports for archeology and art.

We are now more aware of the concepts of cost and productivity and, have come a long way in the field of digitalization as we had promised last year. Thanks to the ERP infrastructure, the communication infrastructure, the BIM infrastructure and, in particular, use of the BIM 360 in the areas we at Anel Group operate, we are progressing in line with the target of institutionalizing the concepts of knowledge and experience resulting in an increase of efficiency in all aspects of our operations. By this means, it becomes possible for us to get the return on investment in a shorter period of time and, manage more projects with the same teams. In brief, we will be able to manage our projects with an approach that is more technologic, cost oriented, productive, profitable and environmentally friendly within the new process.

In 2021, we will continue to make efforts to be able to successfully complete our ongoing projects, strengthen our position in the regions we operate and, carry out new projects we are proud of as a Turkish brand by means of leaving behind our competitors in different countries throughout the world.

Rıdvan Çelikel  
Chairman of the Board





## INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

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

### 1. Opinion

We have audited the annual report of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2020 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

### 2. Basis for the Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that a part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

### 3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 11 March 2021 on the full set consolidated financial statements for the 1 January - 31 December 2020 period.

### 4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial I No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- To prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- To prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.



c) To include the matters below in the annual report:

- Events of particular importance that occurred in the Company after the operating year,
- The Group's research and development activities,
- Financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

### 5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of the TCC and Communiqué provisions regarding whether or not the financial information and the analysis made the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our independent audit was conducted in accordance with the Independent Standards on Auditing. These standards require that in compliance with the ethical requirements, the independent audit is to be planned and carried out in order to provide a reasonable level of assurance that the financial information contained in the annual report and, the information provided in the audited financial statements of the Board of Directors are consistent with the consolidated financial statements and the information obtained as a result of the audit and, provides the accurate details thereon.

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

Burak Özpoyraz, SMMM  
Cap Auditor

Istanbul, March 11, 2021

## ANEL ELEKTRİK AT A GLANCE

Engineering experience over **35**Operations in **14** countries on 3 continentsExperience derived from **11**Employees from **20** different nations**805**\* employees**8** affiliates**4** overseas branchesRanked **29<sup>th</sup>** among 44 Turkish companies on ENR's 2020 Top 250 International ContractorsMore than **200+** projects completedExperience in **16** different types of projectsExperience of **121** million employees per hour in an area of more than 13 million m<sup>2</sup>

(\*Number of employees as of 31.12.2020. There is no collective bargaining practice in Anel Elektrik and, the employees are provided with all the respective rights and benefits in accordance with the Labor Law.)

## AFFILIATES/SUBSIDIARIES AND BRANCHES

Affiliated Companies	Country	Area of Operations	Shareholding (%)
ANEL EMIRATES GENERAL CONTRACTING LIMITED LLC	UAE	Electric and Mechanical Contracting Business	49
ANEL YAPI GAYRİMENKUL A.Ş.	Republic of Turkey	Purchase and Sale of Real Estate Properties	52.5
ANEL MARİN GEMİ ELEKTRİK ELEKTRONİK SİSTEMLERİ TİC. VE SAN. A.Ş.	Republic of Turkey	Ship Electric & Electronic Systems	93
ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SAN. VE TİC. A.Ş.	Republic of Turkey	Telecommunication and Electronics	96.61
ANEMEP MAINTENANCE & OPERATIONS LLC	Qatar	Design, Contracting and Maintenance	49
TASFIYE HALİNDE ANEL ENERJİ ELEKTRİK ÜRETİM SAN. VE TİC. A.Ş.	Republic of Turkey	Solar Energy	70.5
ANEL ENGINEERING & CONTRACTING LTD	UK	Electric and Mechanical Systems	100
ANEL DAR LIBYA CONSTRUCTING & SERVICES LLC	Libya	Electric Contracting	65
Branches	Country	Area of Operations	
Doha	Qatar	Electric and Mechanical Contracting Business	
Moscow	Russia	Electric and Mechanical Contracting Business	
Baku	Azerbaijan	Electric and Mechanical Contracting Business	
Amsterdam	Netherlands	Electric and Mechanical Contracting Business	

## ABOUT ANEL ELEKTRİK

### Our objective



*Creating change in the world by doing our job in the best way possible, continuously improving upon our engineering techniques, respecting the environment we work in and supporting the works that provide local and social benefit.*



### 35 years of experience

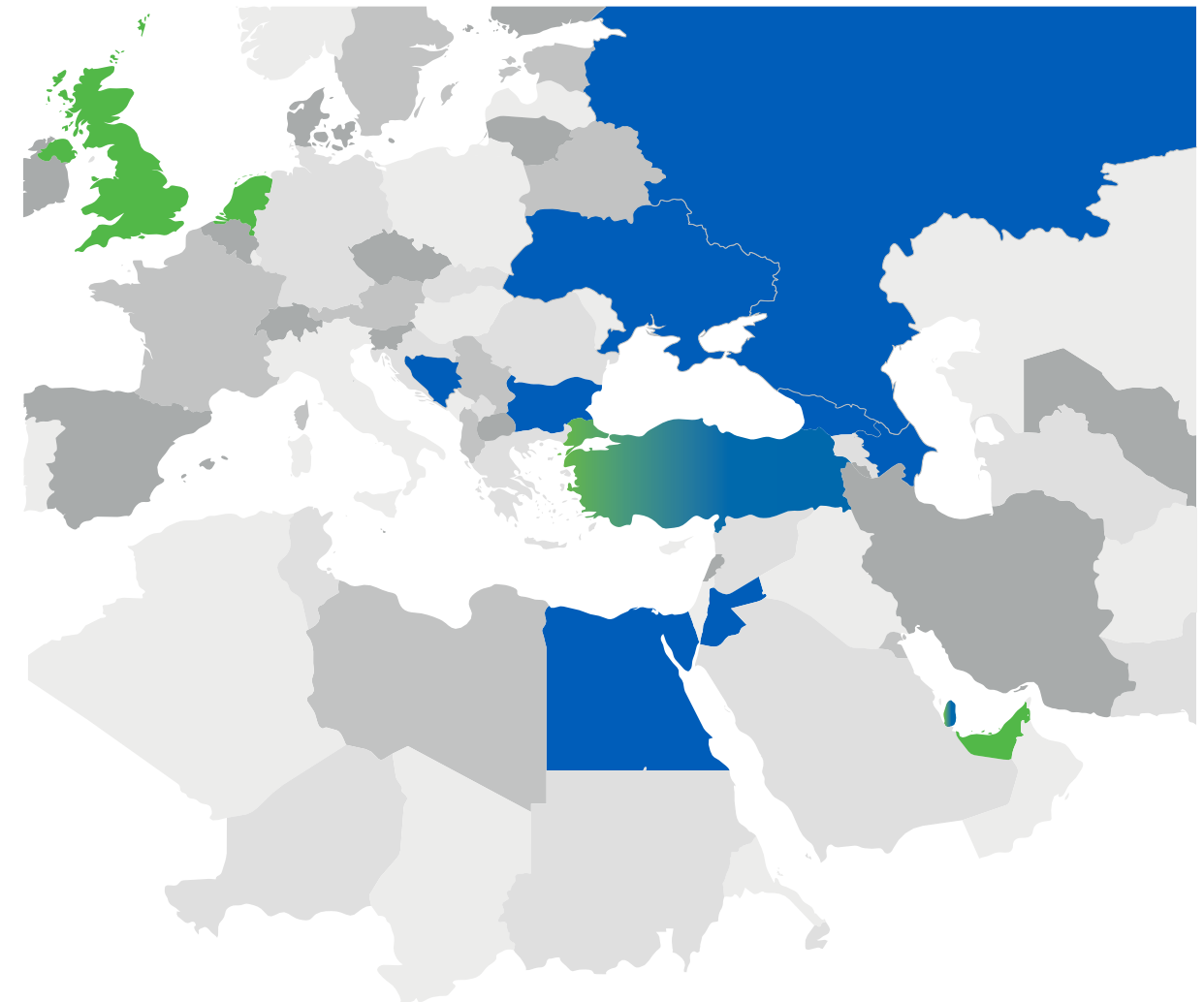
Anel Group’s foundation was laid by Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. established in 1986. While electrical and mechanical contracting is its primary business segment, the Anel Group also offers solutions in the fields of electromechanical operation & maintenance, recycling, ship electrical and electronic systems (defense industry), and production of low voltage panels.

With its experience accumulated over 35 years, Anel Elektrik has served a variety of projects, including airports, stadiums, rail systems, data centers, hospitals, hotels, business centers, and shopping centers in Turkey and the rest of the world, as part of its electrical and mechanical contracting business. Anel has successfully completed more than 200 projects of different types on an area larger than 13 million square meters.

### Operations in 14 countries on 3 continents

Anel Elektrik is a Turkish firm capable of participating international contracts on its own thanks to its ability to provide electrical and mechanical contracting services concurrently. Having conducted operations in 14 countries on 3 continents so far, Anel Elektrik is now conducting its business in Turkey, Azerbaijan, the Netherlands, the United Kingdom, Qatar, and the United Arab Emirates.

## OPERATIONS MAP



### Ongoing Projects

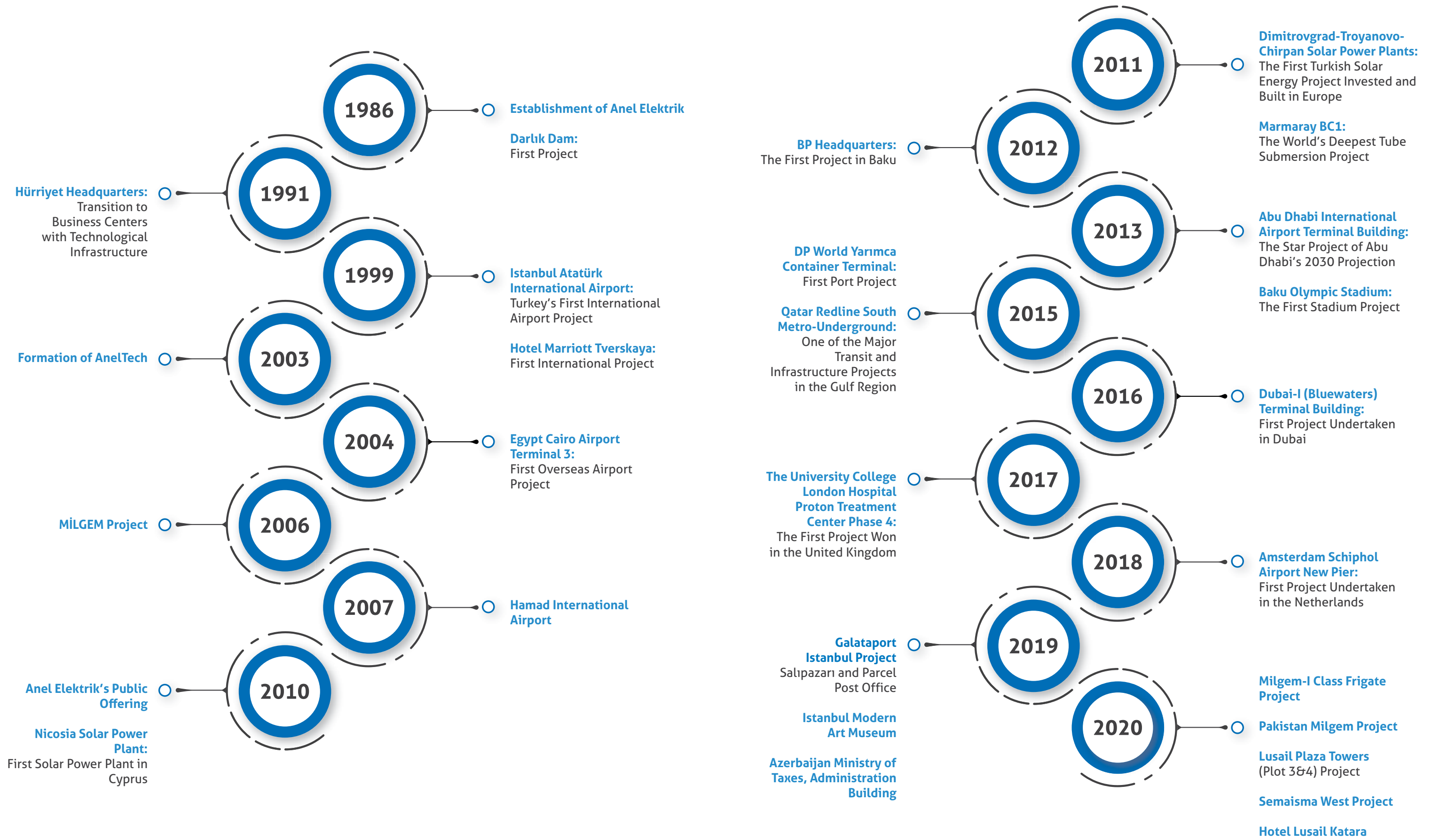
- The Netherlands
- Turkey
- United Arab Emirates
  - Abu Dabi
  - Dubai
- Qatar
- The United Kingdom
- Azerbaijan

### Completed Projects

- Turkey
- Bulgaria
- Georgia
- Egypt
- Russia
- Ukraine
- Jordan
- Qatar
- Bosnia Herzegovina



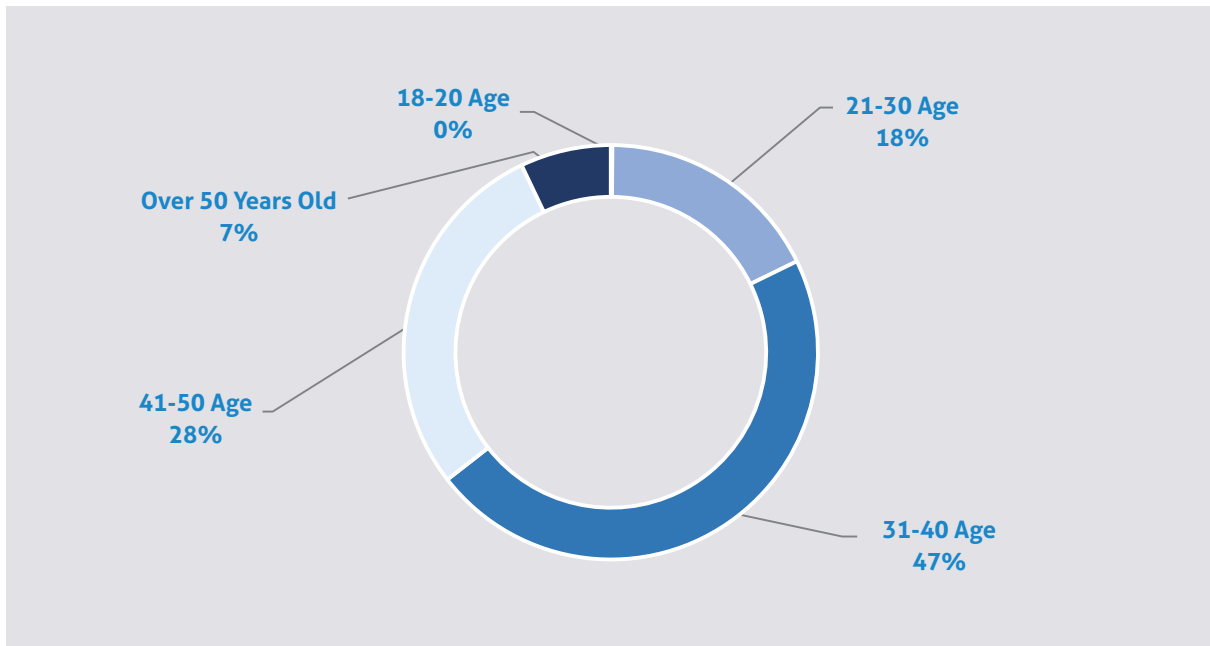
HIGHLIGHTS



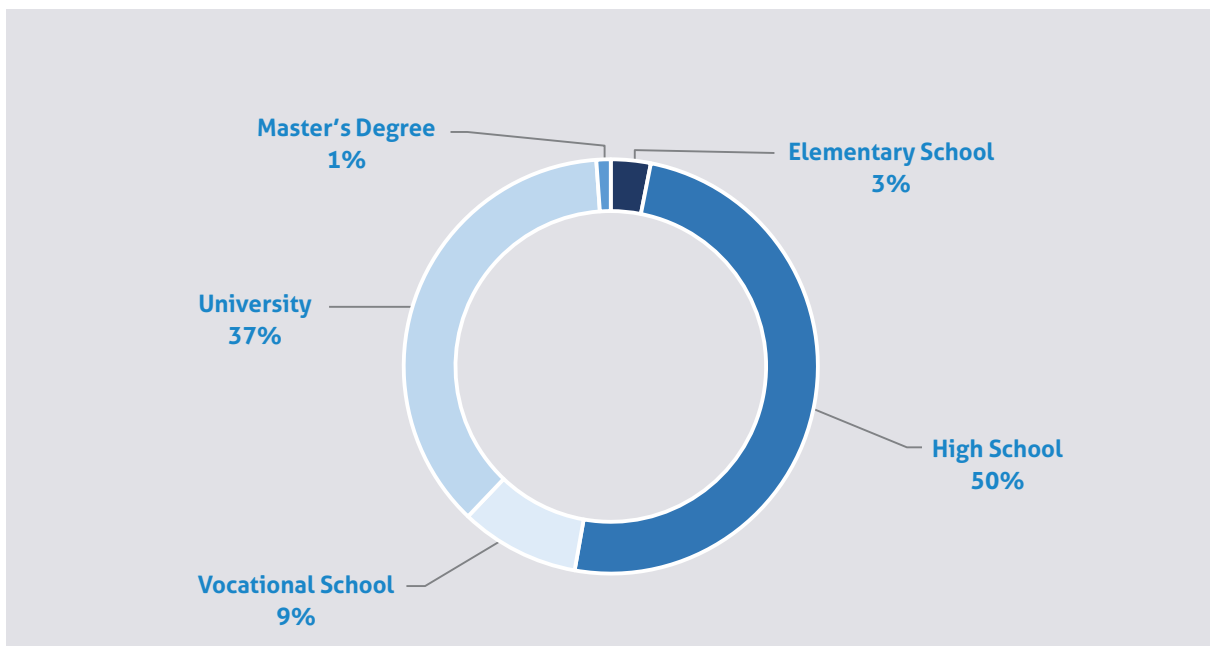
OUR TEAM

“  
*805 people employed in total during 2020.*  
 ”

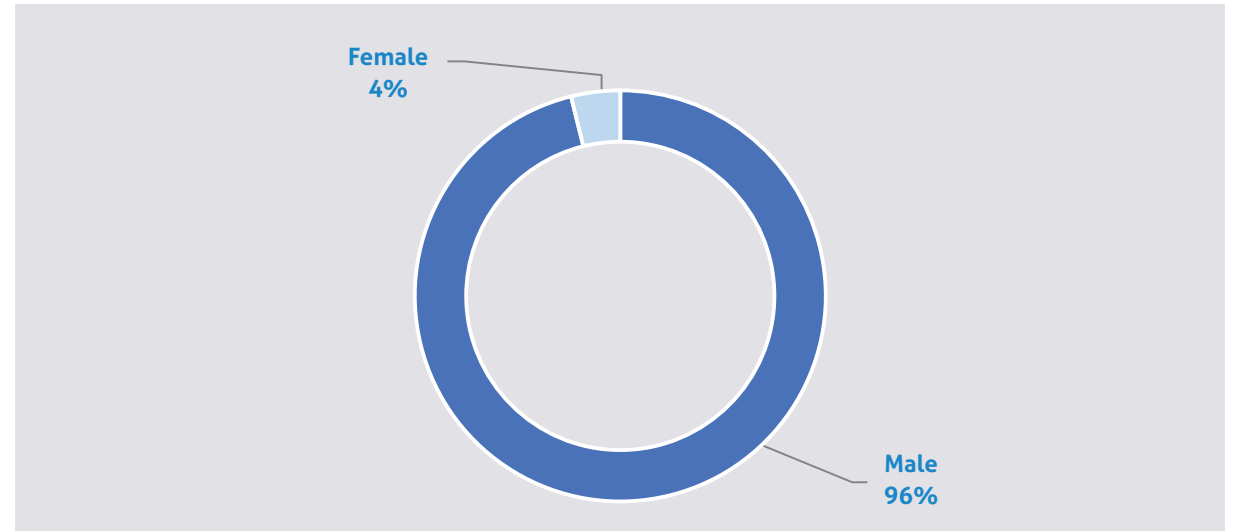
Distribution by Ages



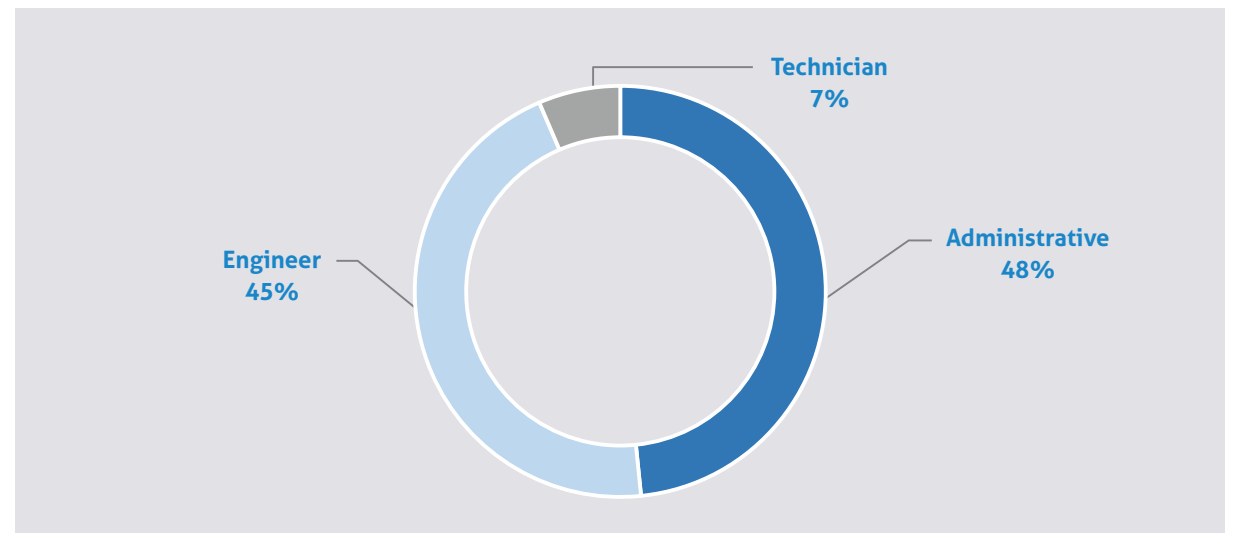
Educational Background



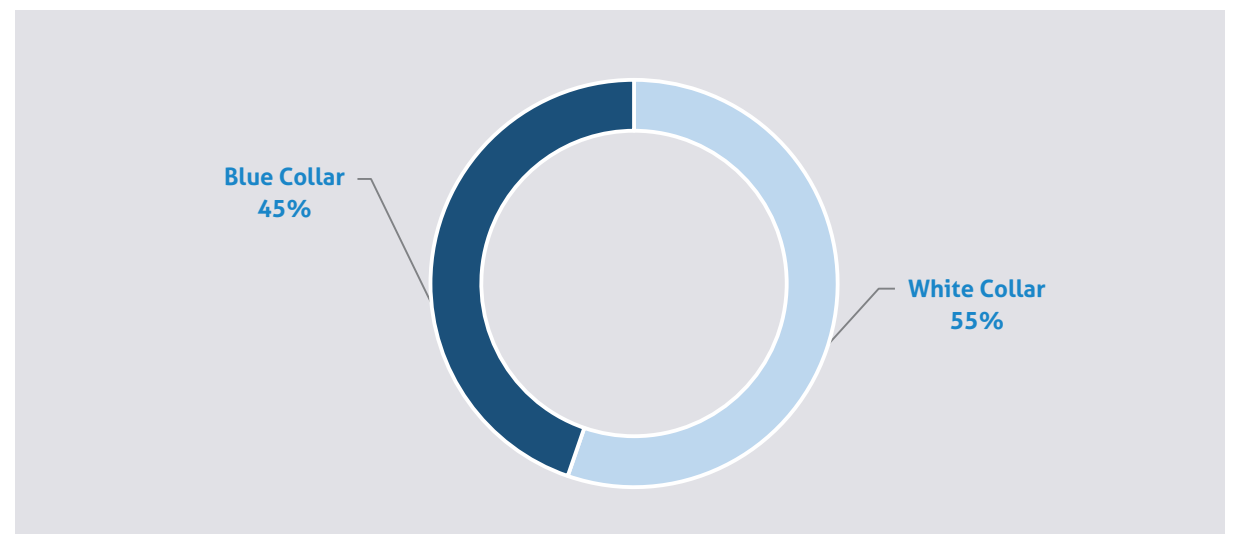
Distribution by Genders



Distribution by Female Employees



Distribution by Blue/White Collar



## DEVELOPMENT & DIGITALIZATION

*We have undertaken works in line with our Digitalization Road Map which we have drawn in order to improve our engineering capabilities and business processes.*

We continued achieving our targets of working in a more productive, and more cooperative manner at full speed through the software we developed and designed for our sector at our Anel Digital platform. Besides, we also continued our infrastructure and technological improvements and, moved our SAP Server systems to the Cloud Platform. With this project, we ranked third in the Turkey Cloud Projects Assessments for 2020. As the technology improves, we have put into use many new services in the field of Cyber Security, in particular, Multi Factor Authentication (MFA).

### Anel Digital Platform

**Design - Issue Management:** A module used by the design team to record possible issues / requested faced during the implementation of a project. This module was supplemented by some new fields, on which a user could troubleshoot a problem and, enter the details of this issue in the respective drawings. It is actively used in the projects carried out in the Netherlands and Qatar.

**Design - Time Log:** A module used to manage the working hours of the design team, the status of the drawings and the respective revisions. This module was supplemented in 2020 by some new features, through which drawings could be assigned to certain designers, who could add reports on the new dashboards on Power BI. It is actively used in the projects carried out in Turkey, Azerbaijan and Qatar.

**Contract - Issue Management:** A module, on which the right claims on a project are managed in a detailed manner, the users could send information e-mail messages to check the dates in each process, facilitating the management through dashboards and reports on a single screen. It has been put into use, in particular, for the projects carried out in Qatar.

**Human Resources - Objective Performance System:** A module, through which the target data collected to follow the courses and statuses of the projects and, visualize the results thereof with the help of dashboards and reports. It was updated in 2020 to include new targets, identify new dimensions and, calculate the respective points.

**Procurement - Supplier Management / Supplier Portal:** A module, on which the suppliers could be managed in a single field, where the users could manage the tenders in an advanced manner. A page was designed where the supplier could log in, and it is now in the test phase.

**AnelCV :** A CV project developed in cooperation with the HR department, which allows those submitting a job application to create their own CV, upload it in a file that is sent to the system after giving their consent as per the PDPL requirements. The data are then transferred to the application called CorporateCV. It is actively used by the HR department.

### SAP ERP Activities

We have moved the SAP Servers to the cloud system. With this project, we have ranked third in the Turkey Cloud Technologies Awards IDC 2020. As a result of these efforts, the SAP Systems have been moved to the Cloud Platform at a datacenter located in Turkey.

### e-Transition

In line with the e-Transition Regulations published in 2020, our e-dispatch note project started to operate within 9 companies of the group in real time as of August, 2020. After this project started to be used in the respective companies, the dispatch notes issued for all the transactions concerning materials started to monitored on the Revenue Management Systems.

## BRIEF FINANCIAL DATA and FINANCIAL PERFORMANCE ASSESSMENT

Condensed Income Statement - TL	31.12.2020	31.12.2019
Sales Revenue	739.213.003	1.030.180.634
Gross Profit (Loss)	(64.809.029)	52.272.690
Operating Profit (Loss)	(86.349.274)	30.904.504
Net Period Profit (Loss)	(142.173.131)	3.543.334

Condensed Balance Sheet - TL	31.12.2020	31.12.2019	% Change
Current Assets	1.275.969.640	1.056.120.784	21%
Non-Current Assets	342.016.658	383.020.709	-11%
<b>Total Assets</b>	<b>1.617.986.298</b>	<b>1.439.141.493</b>	<b>12%</b>
Short Term Liabilities	1.034.189.723	768.425.086	35%
Long Term Liabilities	141.345.563	163.186.710	-13%
Total Liabilities	1.175.535.286	931.611.796	26%
Equities	442.451.012	507.529.697	-13%
<b>Total Assets</b>	<b>1.617.986.298</b>	<b>1.439.141.493</b>	<b>12%</b>

The item Liquid Assets increased by 21% within the accounting period of 01.01.2020 - 31.12.2020. The item Trade Receivables decreased by 5% and, the item Other Receivables decreased by 82%. With the increase in the account Deferred VAT, the account Other Liquid Assets increased by 79%. The item Contract Assets from Ongoing Construction and Contracting Business increased by 52%.

The fixed assets reduced by 11% in the period 01.01.2020 - 31.12.2020. As a result of the sale of EKB (Energinia Compania) in 2020 within the accounting period of 31.12.2019, the value of the item Investments Valued at Equity Method became zero. In spite of an increase of TL 4,051,012 in the value of the investment real estate properties, as a result of the sale of the housing Muğla Kaplankaya shown in the financial statements with a value of TL 6,650,000, no significant change occurred in the respective account.

The long term credits reduced by 16% while the sum of the short term bank credits reduced by 135% compared to the previous year. The item Trade Payables reduced by 12%. The advanced received concerning the construction agreements increased by 72% compared to the previous year. In parallel with the reduction in the number of employees, a decrease of 26% occurred in the account long Term Provisions concerning the benefits granted to the employees.

Changes in the balance sheet items may be affected by the changes in exchange rates. The amount of the paid capital increased by 81.818% (TL 90 Million), which was met by the internal resources (retained profits) by means of a capital increase through bonus issues, reached an amount of TL 200 Million.

Consolidated	12A2020	12A2019	% Change
Revenue	739.213.003	1.030.180.634	-28%
Gross Profit / (Loss)	(64.809.029)	52.272.690	-224%
<b>Operating Profit / (Loss)</b>	<b>(86.349.274)</b>	<b>30.904.504</b>	<b>-379%</b>
EBITDA	(79.410.641)	39.722.676	-300%
Operating Profit / (Loss) before Tax	(138.441.613)	294.177	-47161%
Net Period Profit / (Loss)	(142.173.131)	3.543.334	-4112%
Gross Profit Margin	-8,8%	5,1%	
Operating Profit Margin	-11,7%	3,0%	
EBITDA Margin	-10,7%	3,9%	
Net Period Profit / (Loss) Margin	-19,2%	0,3%	



A decrease of 28% occurred in the revenue compared to the same period in 2019 particularly due to the fact that the project in Abu Dhabi comes to an end, and because of the COVID-19 pandemic. In parallel with the revenue, the costs reduced by 18%.

The pandemic COVID-19 that affects nearly all the sectors worldwide has also affected the Gulf Region, where we mainly operate. The construction sector in this region had been in a tough position due to the construction sector costs that had increased before the COVID-19 pandemic because of the regional competition and political conflicts among the countries, delays in the projects and, reduced labor potential.

In addition to the current situation, the sector faced additional problems such as social distancing practices, additional safety and health practices on construction sites and labor camps, lack of workers, equipment and materials, travel restrictions and quarantine rules that resulted in delays and interruptions in the projects due to the COVID-19 pandemic.

The impacts of the COVID-19 in the European countries, where we had recently started to undertake projects, were nearly the same as those in the Gulf Region due to the restrictions implemented, reduced working hours, limited number of personnel allowed to be on construction sites etc., resulting in delays and interruptions as well as additional costs.

Such delays and interruptions because of these situations negatively affected the ongoing projects carried out by the Group. A committee has been formed in order to monitor and coordinate the measures taken by the Group to assess these situations and minimize the impacts thereof, and efforts have been made to minimize the effects on the operations by means of taking precautions intended to safeguard the employees and maintain the process of the projects.

Efforts have been made to ensure that technological tools and remote-working software programs are commonly used so that our operations are less affected by the COVID-19 pandemic and, our employees work in a secure and safe working environments. A rapid adaptation with the new working conditions after the commencement of the pandemic proves that the Group was well prepared support the use of high technology tools and innovative solutions accordingly.

Besides the problems due to the COVID-19 pandemic, the payments delayed by the employers and, the right claims and change orders that are not yet commonly structured in the Gulf Region may negatively affect the cash flows and profit margins of the Group. The Group makes efforts and will make efforts to minimize these effects.

The impact of the above-mentioned conditions on the ongoing projects is summarized below:

**Concerning the University College London Hospital Proton Beam Therapy Unit (UCLHPBT4)**, the construction site operations have not been completely stopped, but the number of personnel allowed to be present at the site at a given time is limited which indispensably resulted in a delay on the project completion date. The project is now about to be completed, and the negotiations with the respective main contractor are in progress in respect of the additional costs due to the delays and, the minimization thereof.

**The progress at the Abu Dhabi International Airport Midfield Terminal Building Project**, is currently slowing down during this period due to the delayed payments and, the change orders not resolved yet in addition to the problems arising from the COVID-19 pandemic. Currently, the operations have started to be performed thanks to the attempts of the employer to speed up the project.

**Ain Dubai (Bluewaters) Project** tamamlanmaya yaklaşmaktayken COVID-19 salgını etkisi nedeni ile ilave bir süre uzatımı ihtiyacı ortaya çıkmış olup, öngörülen ilave maliyetler ile ilgili olarak anayüklenici ile yapılan görüşmeler devam etmektedir.

The project for the **Azerbaijan Ministry of Taxes, Administration Building** are in progress in accordance with the schedule, and the negotiations with the main contractor are in progress in respect of the additional costs due to the precautions taken concerning the COVID-19 pandemic.

There was a temporary interruption concerning the **Galataport Project** the negotiations concerning the time extension and additional costs are continuing in a positive manner and, the negotiations with the employer are in progress to reach a mutual understanding.

The projects **Istanbul Modern Art Museum and Schiphol Airport Pier A Airside Expansion** have not been ceased to carry out, but temporary precautions have been taken by means of home office working practices.

With the positive effect from the sales of Muğla Kaplankaya housing recognized as an investment real property investment and of the companies Dag-08 Ood and Golden Sun Ood, the affiliates of the Company, and EKB, a subsidiary within the group, the account Incomes from Investment Activities significantly increased resulting positively in the operating results before the financing incomes&expenses. Nonetheless, the increased exchange rates forced the company to increase the indirect financing expenses by 37% due to the long-term loans in foreign currency, resulting in a loss of TL 138 million before tax.



# **PROJECTS IN 2020**

## DOMESTIC PROJECTS



### Galataport Istanbul Project - Salıpaazarı and Parcel Post Office (Istanbul, Turkey)

<b>Project Type</b>	: Port
<b>Project Scope</b>	: Electric and Mechanical
<b>Total Area</b>	: 338.166 m <sup>2</sup>
<b>Project Commencement</b>	
<b>-Completion</b>	: 2019 - 2021
<b>Employer</b>	: Galataport İstanbul Liman İşletmeciliği ve Yatırımlar A.Ş.



### Istanbul Modern Art Museum (Istanbul, Turkey)

<b>Project Type</b>	: Education and Culture Buildings
<b>Project Scope</b>	: Electric
<b>Total Area</b>	: 21.240 m <sup>2</sup>
<b>Project Commencement</b>	
<b>-Completion</b>	: 2019 - 2021
<b>Main Contractor</b>	: Yapı Merkezi İnşaat ve Sanayi A.Ş.
<b>Employer</b>	: Galataport İstanbul Liman İşletmeciliği ve Yatırımlar A.Ş. Istanbul Modern Art Foundation (İMSAV)

### Milgem-I Class Frigate

<b>Project Type</b>	: Ship Project
<b>Project Scope</b>	: Electric System Design and Production
<b>Total Number of Ships</b>	: 1
<b>Project Commencement</b>	
<b>-Completion</b>	: 2020- 2024
<b>Employer</b>	: STM Savunma Teknolojileri Mühendislik ve Ticaret A.Ş.



## INTERNATIONAL PROJECTS



### Abu Dhabi International Airport Terminal Building (Abu Dhabi, UAE)

<b>Project Type</b>	: Airport
<b>Project Scope</b>	: Electric
<b>Total Area</b>	: 730.000 m <sup>2</sup>
<b>Project Commencement</b>	
<b>-Completion</b>	: 2012 - 2021
<b>Main Contractor</b>	: TCA JV (TAV/CCC/Arabtec Joint Venture)
<b>Employer</b>	: ADAC



### Amsterdam Schiphol Airport New Pier (Amsterdam, the Netherlands)

<b>Project Type</b>	: Airport
<b>Project Scope</b>	: Electric and Mechanical
<b>Total Area</b>	: 55.000 m <sup>2</sup>
<b>Project Commencement</b>	
<b>-Completion</b>	: 2018 - 2022
<b>Main Contractor</b>	: Ballast Nedam-TAV Joint Venture (BN-TAV JV)
<b>MEP Contractor</b>	: Anel-Ballast Nedam-TAV JV (ABT MEP VOF)
<b>Employer</b>	: Schiphol Nederland BV



### Dubai-I (Bluewaters) Terminal Building (Dubai, BAE)

<b>Project Type</b>	: Commercial Building
<b>Project Scope</b>	: Electric and Mechanical
<b>Total Area</b>	: 10.000 m <sup>2</sup>
<b>Project Commencement</b>	
<b>-Completion</b>	: 2016 - 2021
<b>Main Contractor</b>	: Hyundai Engineering and Construction
<b>Employer</b>	: MERAAS Development



INTERNATIONAL PROJECTS



**Hotel Katara (Doha, Qatar)**

**Project Type** : Hotels  
**Project Scope** : Electric and Mechanical  
**Total Area** : 48.000 m<sup>2</sup>  
**Project Commencement**  
**-Completion** : 2020 - 2021  
**Employer** : Katara Hospitality



**Lusail Plaza Towers (Plot 3&4) Project (Lusail, Qatar)**

**Project Type** : Plaza  
**Project Scope** : Electric and Mechanical  
**Total Area** : 590.288 m<sup>2</sup>  
**Project Commencement**  
**-Completion** : 2020 - 2022  
**Main Contractor** : Hyundai Engineering & Construction Co. Ltd  
**Employer** : Lusail Real Estate Development Company



**Semaisma Project (Al Daayen, Qatar)**

**Project Type** : Infrastructure  
**Project Scope** : Mechanical  
**Total Area** : 30 km  
**Project Commencement**  
**-Completion** : 2020 - 2021  
**Main Contractor** : IRIS Construction and Industrial Tourism and Trading WLL  
**Employer** : Public Works Authority

INTERNATIONAL PROJECTS



**The University College London Hospital Proton Treatment Center Phase 4 (London, the United Kingdom)**

**Project Type** : Health Facility  
**Project Scope** : Electric and Mechanical  
**Total Area** : 33.270 m<sup>2</sup>  
**Project Commencement**  
**-Completion** : 2018 - 2021  
**Main Contractor** : BOUYGUES UK  
**Employer** : University College London Hospitals NHS Foundation Trust



**Ministry of Taxes, Administration Building (Baku, Azerbaijan)**

**Project Type** : Commercial Building  
**Project Scope** : Electric and Mechanical  
**Total Area** : 44.000 m<sup>2</sup>  
**Project Commencement**  
**-Completion** : 2019 - 2021  
**Employer** : Tekfen İnşaat ve Tesisat A.Ş



**Pakistan Milgem**

**Project Type** : Ship Project  
**Project Scope** : Electric System Design and Production  
**Total Number of Ships** : 4  
**Project Commencement**  
**-Completion** : 2020 - 2027  
**Main Contractor** : ASFAT Askeri Fabrika ve Tersane İşletme A.Ş.  
**Employer** : SSB





# **SUSTAINABILITY**

## FOR OUR WORLD

Today, each organization is required to assume responsibility in respect of the protection of natural resources and biological diversity. We are making great efforts to safeguard the natural resources and, minimize the possible negative impacts on the environment during the performance of our operations. We act in compliance with all the applicable laws and regulations in this respect.

Our Environmental Policy applicable to all the processes intended to protect and improve the environment is implemented and inspected under the responsibility of the senior management. Our Health, Safety and Environment Committee regularly reports its activities and operations to the senior management.

With the respect to and the responsibility for nature and environment during the process to create values, we make efforts to minimize the possible negative impacts on the environment and, operate and act within the scope of our Environmental Policy and in accordance with the applicable laws and regulations.

### Environmental Policy

- We comply with all the applicable laws and regulations and, implement such programs and procedures to that end.
- We intend to abide by and exceed the respective legal requirements during the process intended to set forth the environmental quality standards.
- We create clean working environments for our employees and, minimize the risk of environmental pollution, making use of advanced technologies.
- We set forth plans and policies intended to take measures against environmental disasters and create improvements in case of emergency.
- We aim to minimize the possible negative effect on the environment by means of reducing the amount of waste we produce and, the amount of energy and water we consume.
- We make use of the opportunities to continuously review and improve the environmental policies.
- We ensure that our employees, suppliers, customers and investor partners are aware of the respective developments, ask them to contribute to the progress intended to attain the targets and, help them achieve their objectives.
- We measure and improve our performance and, share the results thereof with the business partners and investors on an annual basis.
- We undertake to work and operate in accordance with the best practices recognized globally and worldwide.
- We aim to increase the use of environmentally friendly products during the performance of all the operations and activities
- We are committed to reduce the greenhouse gas emissions and, maximize the level of energy efficiency in proportion to our operations and activities
- We consider and continuously review the environmental performances of our stakeholders.

## Recycling

Our priority target is to minimize the amount of waste we produce and, recycling them as much as possible. We ensure that the waste collected with the help of waste collection bins and waste collection areas at our head offices and construction sites is subject to a recycling progress in a controlled manner.

*We Have Been Separating the Waste at Source with the practice "Office with No Waste Bin" under the scope of the Zero Waste Initiative since 2019...*

*We Have Not Purchasing Plastic Cups since 2019...*

*We have planted 40,637 trees and allocated a budget of TL 312,546 within the scope of the forestation activities between 2014 and 2020.*

Disposal of waste batteries in environment or burning them causes environmental pollution due to the chemicals that they contain. There are waste battery collection boxes placed at head offices to collect waste batteries and minimize the impact thereof on the environment.

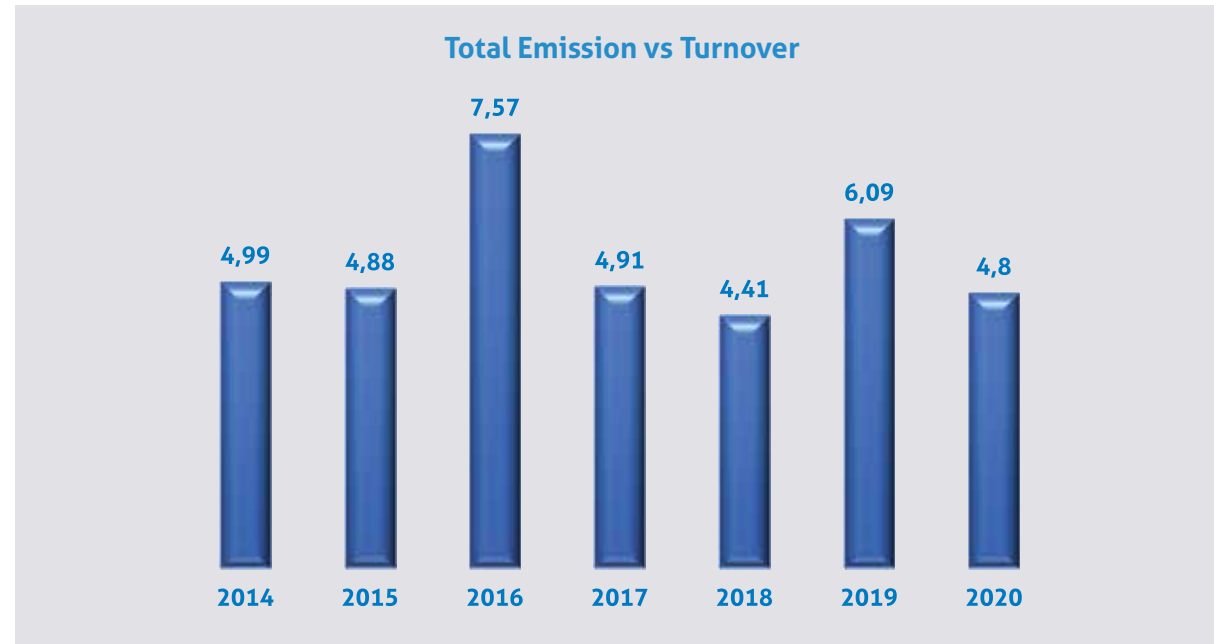
“  
We have recycled 35,720 kg of waste in 2020.  
”

Waste Type	Quantity
Paper-Glass-Plastic-Metal	33.720 kg
Hazardous Waste	702 kg
Battery	30 kg
Medical Waste	4 kg
Waste Oil	261 Lt

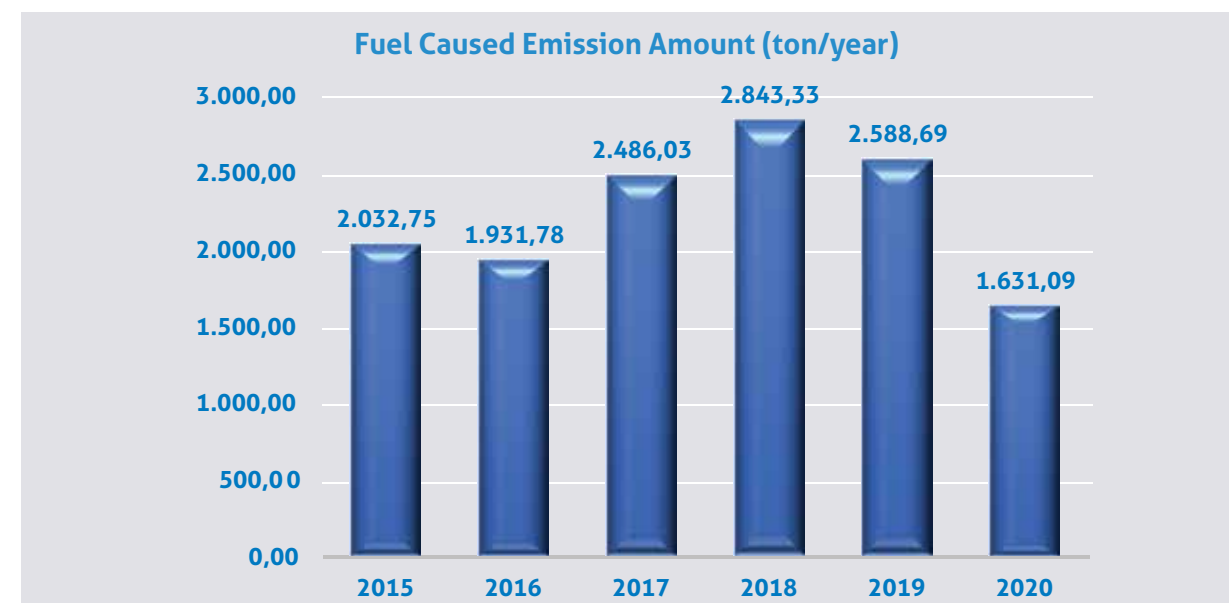
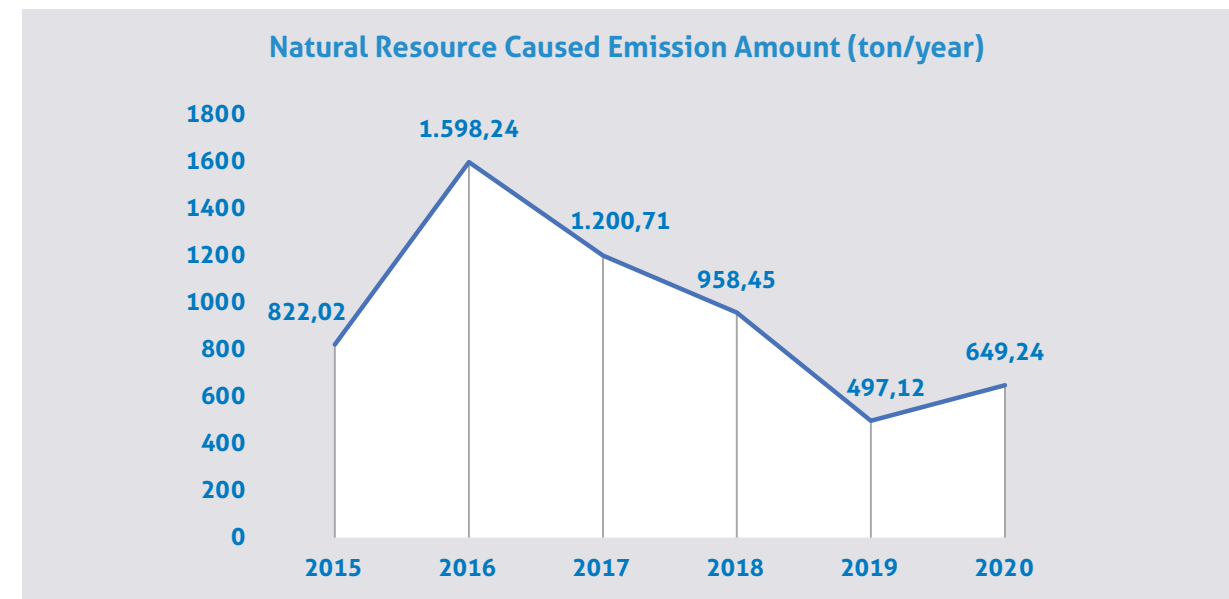
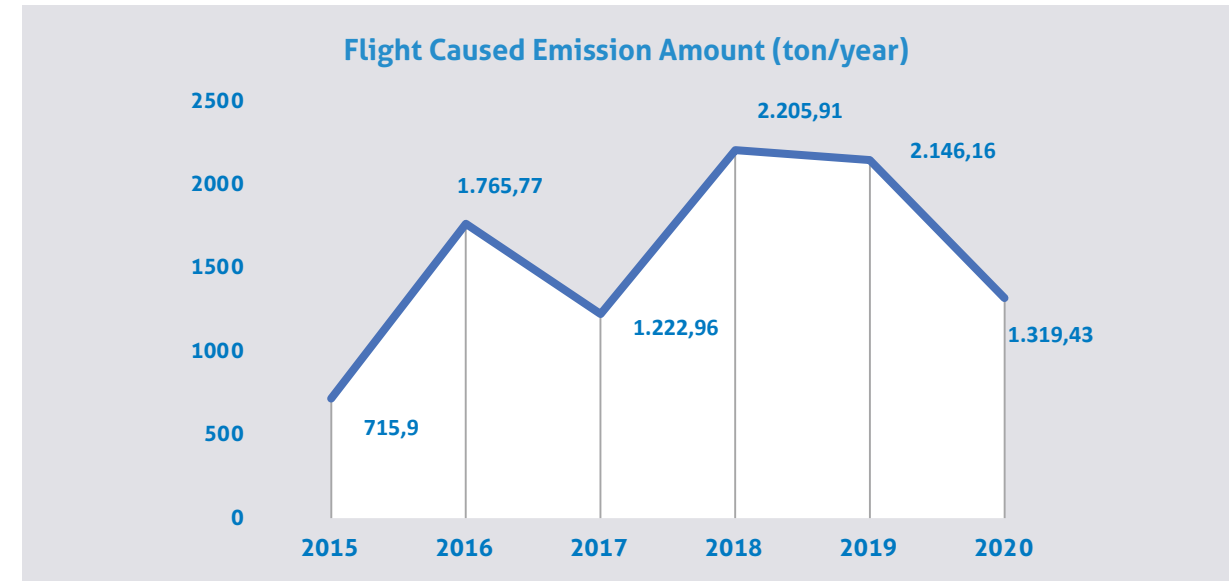
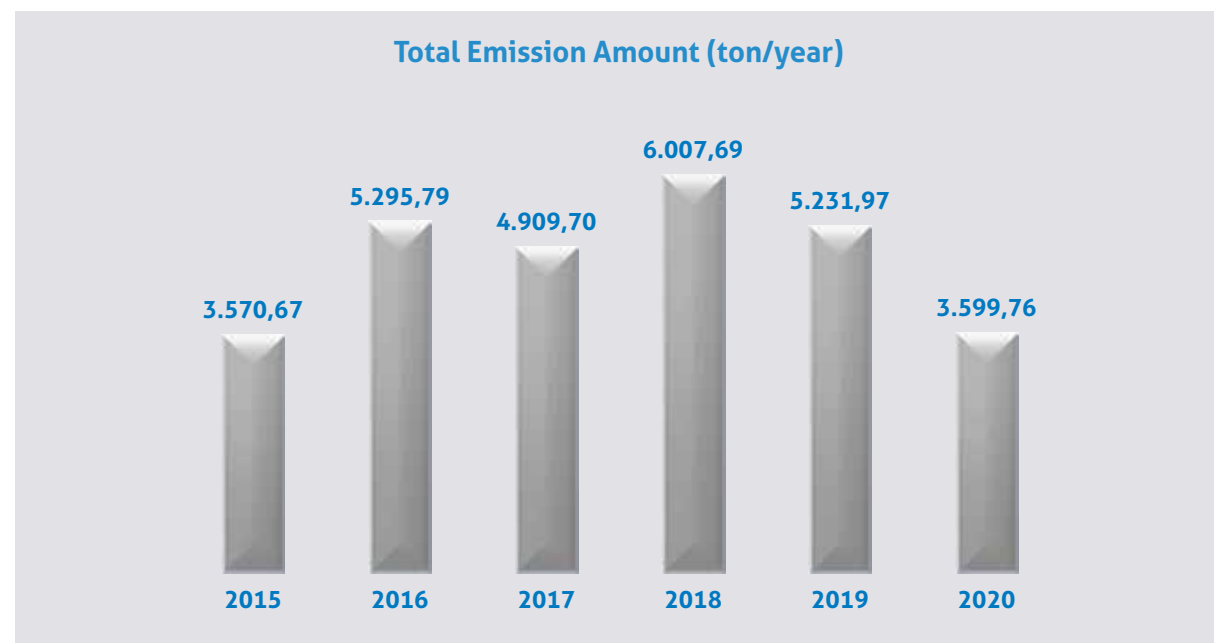
**Carbon Footprint**

We calculate our carbon emission amount according to the volatility values, natural resource consumptions and fuel consumptions.

We follow the carbon emission values on a yearly basis as a significant indication on the strategic plan by means of considering the share thereof on the annual turnover. To compensate the carbon emission we calculate, we have created memorial forests in Balıkesir, Çanakkale and Gaziantep in cooperation with TEMA.

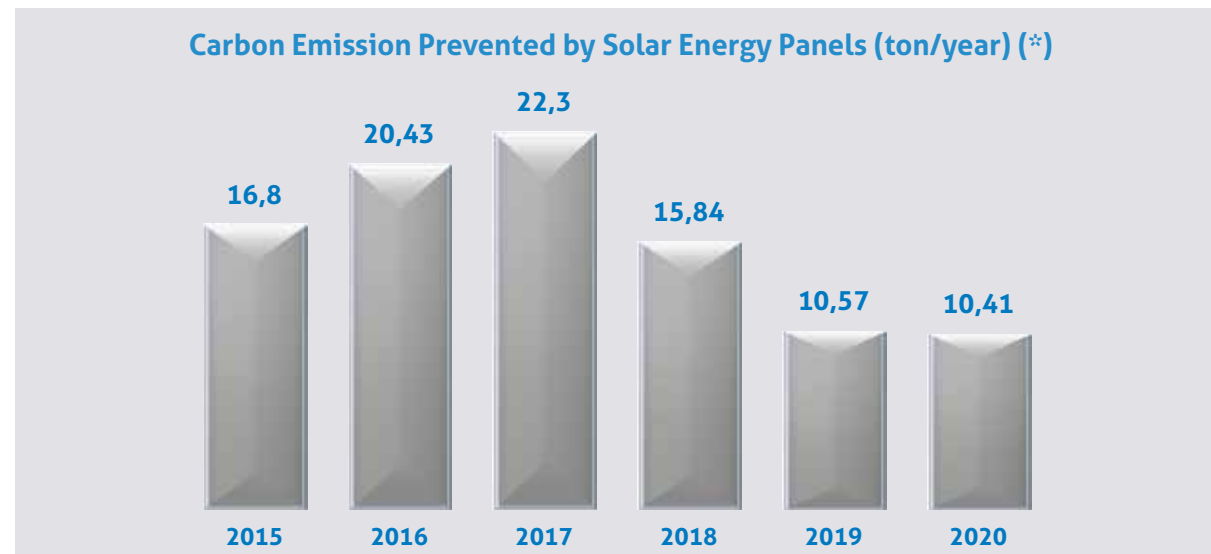


*In 2020, we have reduced our carbon emission by about 31% compared to 2019...*



### Use of Renewable Energy Sources

Global warming, environmental pollution and sustainability problems due to conventional energy resources to meet the increasing demand for energy resulting in attempts intended to find and use alternative energy sources in the world. Our country has a great potential for all types of renewable energy sources, in particular, the solar energy. By making use of this potential, we minimize the level of our electricity consumption by means of converting the solar energy, which is an environmentally-friendly, reliable and sustainable source, into electric energy. We get about 1/3 of the energy need and internal lighting at our head office building from the solar energy by means of the panels installed on the roof and terrace of the building. In addition, we have a system that automatically turns off the lightings during the lunch time and outside the working hours to provide energy efficiency.



(\*) Data on Solar Panels installed at the Anel Head Office

### Our Environmental Targets and the Results thereof for 2020

Target Name	Measurement Method	Measurement Period	Target	2019	2020
Environmental Incidents	Environmental Incidents during the Year	Annual	0	0,00	0,00
Environmental Complaints	Environmental Complaints Received during the Year	Annual	0	0,00	0,00
Increase of Awareness of Savings for Natural Sources Consumption	A decrease of 1% in the amount of water and electricity consumed per person=30% Yammer posts during the year to increase Awareness (06 posts)=30% Surveys/exams conducted to create awareness=40%	Annual	60%	-	65%
Reduction of Carbon Footprint compared to the Previous Year	Comparison of Rate of the Carbon Emissions in 2020 (ton CO2) to the Turnover with that in 2019	Annual	1%	6,09	4,8
Reduction of Carbon Footprint compared to the Previous Year	Comparison of Amount of the Carbon Emissions in 2020 to the Turnover with that in 2019	Annual	1%	5.232	3.599,76
Reduction of Flight Carbon Footprint compared to the Previous Year	Comparison of Rate of the Flight Carbon Emissions in 2020 (ton CO2) to the Turnover with that in 2019	Annual	1%	2,50	1,75
Establishment of the Zero Waste System and Certification Thereof by December 31, 2020	Formation of Office without Waste Bin System (December 31, 2019)=25% Provision of Training (September 30, 2020)=25% Application for the Certification (December 31, 2020)=50%	Annual	100%	25%	100%

### Green IT Activities

We reduce the energy consumptions by means of the Cloud Infrastructure Processes put into use in 2016. We achieved savings of paper by means of the personnel ID card system used on the printers.

We reduced the paper consumption by means of transition to the E-invoice system. We contribute to the productivity and sustainability by means of replacing the traditional desktop computers that consume more energy with the new generation devices. We remove from the inventory the electronic devices with economic life expiring and considered waste and, recycle them accordingly. This allows us to recycle them without the emission of heavy metals such as copper, aluminum and lead.

### FOR OUR COLLEAGUES

Based on an understanding according priority to respecting people and the nature, it is our goal to create a safer and healthier working environment for our all employees, customers, and suppliers and reach the goal of "0 work accidents."

To meet the expectations, we pledge that we will carry out all the operations and activities by means of offering a safe work system and minimizing the vocational incidents and healthcare dangers towards our employees, contractors and society with the aim of achieving the target for zero damage. To that end,

We;

- Comply with all the applicable laws and regulations and, implement such programs and procedures to that end.
- Intend to abide by and exceed the respective legal requirements during the process intended to set forth the quality standards concerning occupational health and safety.
- Minimize the occupational accidents, occupational diseases and the near-miss risks by means of creating secure working conditions making use of advanced technologies.
- Set forth plans and policies intended to take measures against disasters and create improvements in case of emergency.
- Make use of the opportunities to continuously improve the Occupational Health and Safety policies.
- Ensure that our employees, suppliers, customers and investor partners are aware of the respective developments, ask them to contribute to the progress intended to attain the targets and, help them achieve their objectives.
- Measure and improve our performance and, share the results thereof with the business partners and investors on.

**"We consider the concept of Occupational Health and Safety (OHS) not as a requirement but a culture"**

Total working times (hours)	Number of occupational accidents	Number of lost days	Accidents involving death	Accident weight ratio	Accident frequency ratio
4.215.642 as	1	1 days	0	0,0002	0,2372



We have conducted risk assessments for all offices, operational maintenance, and construction sites and ensured the formation of living risk assessments based on assessments of current risks. We checked if occupational health and safety practices laid down in the procedures were followed in buildings and construction sites where we were providing operational maintenance services through internal occupational safety inspections.

Our occupational safety experts drew up weekly reports on OHS and perimeter inspection reports at construction sites. We evaluated subcontractors carrying out works at construction sites with regard to occupational safety practices via Anel'IN, our portal.

We held monthly routine meetings of Occupational Safety Committee at Anel Business Center and implemented our decisions.

We also conducted environmental drills in order to enhance our respect for and sensitivity to the environment. Our operational maintenance teams joined the drills organized by the employer.

We appointed occupational safety experts and workplace physicians through OHS-Clerk for periods specified in the laws based on the number of employees at all offices, operational maintenance departments, and construction sites depending on hazard classes and followed up on them. We made sure that this procedure was also followed by all subcontractors.

***The efforts intended to organize our working conditions during the pandemic are as follows:***

- Transition to the telecommuting system resulting in decrease the number of people present at the office.
- Masks, gloves and disinfectants placed throughout the office areas.
- 14 rules appearing on the computer opening screens about what to do for the protection against COVID-19.
- Online informative training organizations.
- Meetings held online.
- HES Code required to enter the office.
- PCR Tests in case of suspicion about infection.

We have developed an annual training program for occupational health and safety to be implemented at our head office, buildings where we are providing operating and maintenance services, and construction sites in Turkey in 2020 and provided training in occupational safety and issued certificates to our colleagues who attended the training program.

We organized our training programs in the form of classroom training, distance training, and outsourced training. Outsourced training programs were organized regarding various occupational safety issues while our occupational safety experts and workplace physicians. In addition to those training programs, we shared informational texts about occupational safety and health with our colleagues via Yammer, one of our internal communication platforms, on a monthly basis and we carried out works aimed at raising awareness.

Subject Matter of Training	Number of Participants
Basic Training in Occupational Safety	224
Basic Training in Occupational Health	271
Training in Risk Analysis	181
Training in Hygiene and Ergonomics	271
Training in Occupational Safety for Electrical Works	227
Training in Occupational Diseases	271
Training in Occupational Safety for Working at Height	225
Basic Training in First Aid	271
Training for Emergency Teams	11
Training of employee representatives	4
Training for OHS Committee	4
Emergency Training	194
COVID-19 Training	300
Earthquake and Emergency Training	90
On-the-job Training	127

## FOR OUR SOCIETY

### We Set Our Hearts on Education

Our Chairman Rıdvan Çelikel established the Çelikel Educational Foundation in 2007 as an attempt to increase the education quality.

The Çelikel Educational Foundation intends to contribute to the process to ensure that our country is a country, where the most of people serve for the development based on human rights, who are self-confident and aware of their limits, and who are recognized internationally for their successful careers. To that end, we develop and implement such sustainable programs intended to increase the quality of education revived by young people of between 14 and 24 ages.

Our associates voluntarily contribute to the programs carried out by the Çelikel Educational Foundation we as a company support.

### Our Contributions to the Cultural Heritage

Having a significant part of the world's cultural heritage is not only something one should be proud of but also a responsibility to protect what we have and, transfer them to the next generations. The Foundation of Those Loving Archeology Museums established with this approach aims not only to introduce our archeological values but also provide sources to Archeology Museums accordingly. Our Chairman Rıdvan Çelikel also serves as the Chairman at the Foundation of Those Loving Archeology Museums

### So That Children Could Live...

Measles is the reason of the death of more than 600 children per day throughout the world. Based on the principle "For a Healthy Future", we provide supports the efforts intended to safeguard children from measles by means of donating to UNICEF for each newborn child of our associates to prevent the loss of these lives and so that our children could continue their lives as healthy individuals.



# **CORPORATE GOVERNANCE**

## SECTION I: STATEMENT ON COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES

Our company aims to ensure corporate governance fully dominates the company's management and hence to provide value for the company's shareholders, employees, stakeholders, the environment and the public at large.

Based on this understanding, it is our objective to provide maximum benefits to both our Company and stakeholders regarding relations with shareholders in line with our principles of transparency, reliability, accountability and integrity.

Issues pertaining to standards numbered (1.3.1.), (1.3.5.), (1.3.6.), (1.3.9.), (4.2.6.), (4.3.1.), (4.3.2.), (4.3.3.), (4.3.4.), (4.3.5.), (4.3.6.), (4.3.7.), (4.3.8.), (4.5.1.), (4.5.2.), (4.5.3.), (4.5.4.), (4.5.9.), (4.5.10.), (4.5.11.), (4.5.12.), (4.5.13.), (4.6.2.) and (4.6.3.) in the Corporate Governance Principles issued by the Capital Markets Board, which the management of our company is required to apply are specified in the report.

Anel Elektrik applied mandatory standards referred to above in our company's operating period 01.01.2020 - 31.12.2020 and the majority of non-mandatory standards have been largely adopted and being applied by Anel Elektrik as they coincide with the cautious management philosophy that has taken root within Anel over years as mentioned above.

There is no conflict of interest stemming from issues summarized below.

- As per article 4.2.6 of "Corporate Governance Principles", Anel Holding A.Ş., represented by Rıdvan Çelikel, is the Chairman of Board of our company. Rıdvan Çelikel is the top executive.
- The company's articles of association does not include a special provision regarding minority rights pursuant to article 1.5.2 of "Corporate Governance Principles." Provisions of applicable legislation are followed in that regard.
- We are observing provisions of applicable legislation pertaining to a documented compensation policy for employees, which needs to be established pursuant to article 3.1.2 of "Corporate Governance Principles."
- As regards the requirement that the Corporate Governance Committee or Supervisory Committee be informed of any transaction carried out by the company and stakeholders, which are not in conformity with applicable legislation and are unethical, as stipulated in article 3.1.4 of "Corporate Governance Principles."
- As regards principle 4.4.7, the members of the board of directors can assume roles outside of the company.
- Article 4.5.5 of the "Corporate Governance Principles" cannot be applied as the number of independent members in the Board of Directors does not allow the appointment of a single independent member to all committees.
- As regards principle 4.6.1, a special performance assessment has not been done for the Board of Directors.

- As regards principle 4.6.5, payments to the members of the board of directors and executives with administrative roles are made public at the regular shareholders meeting and in the footnotes of our financial statements in parallel with the general practices.

- As regards principle 4.3.9, the percentage of female members of the board of directors is 28.57%. There is, however, no policy or goal regarding the ratio of female members.

- As regards principle 3.2.1, job descriptions have been established for each employee and the involvement of employees who are assigned functions in management or operations are detailed in their job descriptions.

- As regards principle 3.2.2, provisions of applicable legislation and Anel's internal processes are taken into consideration with regard to key decisions that will affect stakeholders.

As regards principle 1.4.2, privileges granted to Category A shareholders are as follows:

- All members of the Board of Directors, except for its independent members are elected from among Category A shareholders or candidates nominated by them.
- At shareholders meetings, Category A shareholders are entitled to cast (2) votes for each share while Category B shareholders can cast (1) vote for each share.

## SECTION II: SHAREHOLDERS

### 2.1 Investor Relations

Anel Elektrik's shares are being traded at BIST since 06.16.2010. The company's issued capital is TL 200,000,000 and each share has a par value of TL 1. The capital consists of 200,000,000 shares. Listed with code "ANELE" in BIST, our company's market value is TL 634,000,000 as at 31.12.2020.

Our company aims to ensure corporate governance fully dominates the company's management and hence to provide value for the company's shareholders, employees, stakeholders, the environment and the public at large.

Share Code	2020 Closing Price (TL)	2020 Maximum Price (TL)	2020 Minimum Price (TL)
ANELE	3,17	3,18	3,07

We have an Investor Relations Department, which has been active since our company was listed. Reporting to the Fiscal Affairs and Finance Director and the Corporate Governance Committee, this department submits a report containing information about its activities under tasks set forth in the Corporate Governance Communique to the annual meeting of the Corporate Governance Committee held during the year. Relevant information is also communicated to the Board of Directors by means of a minutes of the committee's decisions. Information about the Investor Relations Department is provided below.

**Aynur Zorer**  
**Investor Relations Director**

Holds a SPF Level 3 License and a Corporate Governance Rating License.



**Zeynep Yıldırım****Accounting Supervisor - Assigned Member of Investor Relations Department**

Does not hold any license.

**Phone** : +90 216 636 22 30

**E-mail** : investor.relations@anelgroup.com

**Address** : Anel İş Merkezi, Saray Mahallesi, Site Yolu Caddesi No:5/4 Ümraniye / İstanbul

Main functions performed by the department are listed below:

- a) To ensure that correspondence between investors and the company and records pertaining to other information and documents are kept in a reliable and safe manner.
- b) To respond to written requests for information about shareholding received from the company's shareholders.
- c) To draw up documents related to shareholders meetings, which are required to be made available to shareholders for their perusal, and to take actions to ensure that a shareholders meeting is held in accordance with applicable legislation, articles of incorporation and other internal regulations of the company.
- ç) To oversee and follow up on the fulfillment of obligations, including those related to corporate governance and enlightening the public, arising from the capital market legislation.

Questions directed to the Investor Relations Department are answered in accordance with Anel's Information Policy.

## 2.2 Information on Shareholders Meetings

The Regular Shareholders Meeting for 2019 was held on 29.05.2020 at the company's head office where 55.82% of the company's capital totaling TL 110,000,000 was represented (3.25% by shareholders, and 52.57% by proxies). No other shareholders meeting was held within the year. Notices for our regular shareholders meeting was published in the Trade Registry Gazette of Turkey, Hürses and Yenigün dailies published throughout Turkey, Public Disclosure Platform as well as on the Central Registration Agency's Electronic Shareholders Assembly System and our company's website within the statutory period prior to the date of the meeting and no media representative attended the meeting.

Care was taken to advertise notices about the shareholders meeting as early as possible and through various channels in order to facilitate the attendance of shareholders in the shareholders meeting and to avoid unequal treatment among shareholders. An informational document containing information about items on the agenda of the shareholders meeting, form of proxy, suggestion for distribution of earnings are made public via the Public Disclosure Platform prior to the shareholders meeting and they were also put at the disposal of shareholders at the company's head office, e-Shareholders Meeting system of the Central Registration Agency and our company's website.

All shares representing our company's issued capital are bearer shares and they have been completely dematerialized. In that context, the invitation to the meeting, accompanied by a form of proxy and agenda, was published in the Trade Registry Gazette of Turkey within the statutory period in accordance with the provisions of the law and the Articles of Incorporation.

When the agenda of the shareholders' meeting is drawn up, care is taken to ensure that each motion is provided under a separate heading and the headings of items on the agenda are clearly expressed without causing different interpretations.

Care is taken to ensure that terms such as "other" and "various" are not used in the agenda and information to be provided prior to a shareholders meeting is supplied with references to the related items in the agenda.

The chairperson of the meeting makes preparations and gets necessary information for holding the shareholders meeting in accordance with the Turkish Commercial Code, laws, and applicable legislation.

Issues laid down in the agenda of a shareholders' meeting were shared in an impartial and detailed manner by using a clear and understandable method and shareholders were offered the opportunity to express their opinions and to put questions on an equal basis and questions put at the meeting were answered by our company's executives attending the meeting. The shareholders did not table any motion about the agenda.

No shareholder of the company has communicated to the Investor Relations Department any written request for adding an item to the agenda. Any request received prior to the announcement of the shareholders meeting is assessed.

Shareholders meetings and quorum required for passing resolutions at those meetings are subject to the provisions of the Turkish Commercial Code. Our company's shares have been divided into Category A and Category B. Category A shares are privileged. Each shareholder in the Group "A" or their proxies attending an Ordinary or Extraordinary General Assembly Meeting has 2 (votes) per share and, each of the other shareholders or their proxies has 1 (one) vote per share.

Shareholders attending a meeting are informed about transactions, if any, carried out by controlling shareholders, members of the Board of Directors, executives with administrative roles and their spouses and relatives by blood or marriage up to second level in accordance with a permission that they have obtained in order to conduct business falling within the company's line of business under articles 395 and 396 of the Turkish Commercial Code and regulations issued by the Capital Markets Board. The members of the Board of Directors, other persons concerned, people who were responsible for drafting the financial statements, and auditors attended the shareholders meeting in order to provide necessary information about issues specified in the agenda and to reply questions.

The shareholders were briefed about the amount of donations and financial aid provided by our company for public benefit associations and foundations within the year during deliberations on a specific item on the agenda.

Shareholders and all stakeholders can access the minutes of the shareholders meeting and other documents on our company's website, Public Disclosure Platform as well as on the Central Registration Agency's Electronic Shareholders Assembly System.

## SECTION III - BOARD OF DIRECTORS

### Rıdvan Çelikel (representing Anel Holding A.Ş.)

*Chairman of the Board*

After earning his undergraduate degree from the Electrical Engineering Department of Yıldız Polytechnic University, Rıdvan Çelikel started his professional career at Öneren Engineering in 1975. He was a shareholder of Aktek Elektrik from 1983 to 1983-1985. Rıdvan Çelikel formed Anel Elektrik in 1986 and he is currently serving as the Chairman of Board of companies within the Anel Group. Rıdvan Çelikel is also the founding member of ETMD Electrical Installation Engineers' Association.

### Avniye Mukaddes Çelikel

*Vice-Chairperson of the Board*

Avniye Mukaddes Çelikel, a graduate from the Chemistry Engineering Department of the University of Istanbul, has been serving as a member of the board of directors in companies within the Anel Group since 1986. She is also the Head of Support Units Group and the President of Çelikel Education Foundation.

### Merve Şirin Çelikel Tombuloğlu

*Board Member*

Merve Şirin Çelikel Tombuloğlu earned her undergraduate degree from the Electricity and Electronics Department of Berlin Polytechnic University in 2008 and earned her master's degree in business administration from INSEAD University, which she attended as a scholarship student, in 2012. She began her professional career as a project engineer at Hexagon Global Enerji which is engaged in investments in alternative energy sources in November 2008. After working as a Senior Tender Engineering in the Wind Energy unit of Siemens Enerji from 2009 through 2011, Merve Şirin Çelikel Tombuloğlu was assigned to the tenders unit as Unit Projects Quality Manager in following years. After joining the Anel Group in 2011, Merve Şirin Çelikel Tombuloğlu is serving as a member of the boards of directors of companies within the Anel Group.

### Tolga Tutum

*Board Member*

Having received his bachelor's degree from the Department of Electric Engineering, Yıldız Technical University, Tolga Tutum attended a master's degree program at the same department at the same university. Mr. Tutum started his professional career as a Field Engineer for Cegeleg AEG in 1997. He worked as a Project Manager for Novatek Ltd. between 2000 and 2005. Tolga Tutum has held various positions in Anel Group, where he started to work in 2005, in various countries such as the positions of project manager, project director, country manager and assistant general manager, and he was appointed to the positions of Engineering and Construction Manager and Board Member as of June, 2020.

### Ahmet Bülent Batukan

*Board Member*

After graduating from the Mathematics Department of the Middle East Technical University in 1976, Ahmet Bülent Batukan earned his graduate degree from the Business Administration Department of Gazi University. He served as Deputy Manager for Sales at Ankara Regional Office of Koç Burroughs Computer Systems between 1976 and 1981; Head of Ankara Office and Manager of Istanbul Big Computers Department of Saniva (Sperry Univac) between 1981 and 1988; General Manager of Kavala Group's Teleteknik between 1988 and 1991; Founding Partner and General Manager of Setus between 1991 and 1998; and a member of the board of directors of Setkom between 1998 and 2005. He is serving as a member of the boards of directors of companies within the Anel Group.

### Oğuz Tezel

*Independent Member of the Board of Directors*

Oğuz Tezel was hired by Siemens AG in 1985 when he was attending the Business Administration Department of the University of Cologne in Germany. He assumed different roles and responsibilities at home and abroad during his career with Siemens that lasted 33.5 years. Oğuz Tezel has gained experience primarily in the field of power generation, distribution and transmission. His articles about these issues appeared in many media outlets and he lectured at conferences. Aside from his role as the Director of Energy Department of Siemens Turkey, he also served as the member of the Executive Board and the Board of Directors. Oğuz Tezel also served as a member of the board of directors of Gebze Industrial Park until May 2019. Oğuz Tezel meets the criteria applicable to independent members under SPK Corporate Governance Principles. Has no relationship with Anel Elektrik and its related parties.

### Emin Ümit Demirhan

*Independent Member of the Board of Directors*

After the completion of his higher education at the Department of Business Administration and Statistics, Faculty of Economics, Istanbul University, he held various positions such as accounting, marketing and sales in different companies, and served as Founding Partner and General Manager for Diacan Grafik ve Matbaacılık A.Ş. between 1992 and 2017. Acted as an editor for the Magazine issued by the Printing Professionals Associations between 2010 and 2019. Emin Ümit Demirhan fulfills the criteria set forth under the scope of the CMB's Corporate Governance Principles and, has no relation with Anel Elektrik and its related parties.

## EXECUTIVES

Name and Surname	Position	Experience
Tolga Tutum	Board Member - Director, Engineering and Construction	23 Years
Adnan Ek	Group Executive, Financial Affairs and Finance	32 Years
Kamil Serkan Kılıç	Manager, Quotations and Procurement	25 Years
Birgül Erol	Director, Corporate Functions	20 Years

## 3.1 Structure and Composition of the Board of Directors

The Board of Directors manages and represents the company by keeping the company's risk, growth, and revenue equilibrium at optimum level through its strategic decisions and safeguarding the company's long-term interests based on rational and cautious risk management.

The Board of Directors defines the company's strategic goals, identifies labor and financial resources that the company will need, and oversees the management's performance. The Board of Directors carries out its activities in a transparent, accountable, fair and responsible manner.

Our company's business and management are handled by a Board of Directors composed of 7 members elected at a shareholders meeting. Three members of the Board of Directors have executive roles while the remaining 4 members have non-executive roles. With two female members serving in our Board of Directors, the percentage of female members is 28.57%, which is above the target set in the Corporate Governance Principles and there are 2 independent members within the Board of Directors in accordance with article 6 of the Corporate Governance Communique.

Name and Surname	Position
Anel Holding A.Ş. (Represented by Rıdvan Çelikel)	Chairperson - (Executive)
Avniye Mukaddes Çelikel	Vice-Chairperson - (Executive)
Merve Şirin Çelikel Tombuloğlu	Board Member - (Executive)
Tolga Tutum	Board Member - (Non-executive)
Ahmet Bülent Batukan	Board Member - (Non-executive)
Oğuz Tezel	Independent Member
Emin Ümit Demirhan	Independent Member

As specified in our articles of incorporation, members of the Board of Directors other than the independent members are elected from among Category A shareholders or candidates designated by them at a shareholders meeting.

With the exception of the Independent Board Members and, Tolga Tutum as a Board Member, the other members of the Board of Directors also hold the position of Board Member in the other companies within the Anel Group.

According to a resolution passed at the annual Regular Shareholders Meeting of our company, the members of the Board of Directors will not be subject to prohibitions and restrictions set forth in articles 395 and 396 of the Turkish Commercial Code numbered 6102 in order to enable them to assume roles in the subsidiaries of our company. In that context, the members of the Board of Directors are not subject to any restriction regarding assumption of roles outside of the company within the period decided at a shareholders meeting.

Board of Directors	Other Entities Where He/She Assumed a Role
Rıdvan Çelikel	Chairman of Board and a member of the Board of the Directors in Anel Group companies
Avniye Mukaddes Çelikel	Vice Chairperson of Board and a member of the Board of Directors in Anel Group companies
Merve Şirin Çelikel Tombuloğlu	A member of the Board of Directors in Anel Group companies
Ahmet Bülent Batukan	A member of the Board of Directors in Anel Group companies
Tolga Tutum	A member of the Board of Directors in Anel Group companies
Oğuz Tezel	
Emin Ümit Demirhan	

## 3.2 Guidelines for Activities of the Board of Directors

As stipulated in the company's articles of association, the Board of Directors convenes when necessitated by the company's business and transactions. Notices for a meeting are communicated via telephone and electronic mail. The agenda of the meeting is determined through consultations with the Chairman of the Board of Directors in response to the request made by the member of the Board of Directors proposing to hold a meeting.

Issues related to the frequency of the meetings of our company's Board of Directors and quorum required for convening meetings and passing resolutions are laid down in our company's Articles of Incorporation.

The agenda of a meeting and documents related to the agenda are drawn up by the secretariat of the Board of Directors and delivered to the members in the form of a file so that they can review it and make assessments about the issue on the agenda prior to the meeting.

The Board of Directors held 36 meetings in 2020 and the rate of attendance to those meeting was 88%.

As all resolutions were unanimously passed at those meetings, there was no dissenting opinion entered in the minutes of the meetings. If such a situation occurs, all issues related to such opinions will be entered in the minutes.

The Board of Directors plays a leading role in providing effective communication between the company and the shareholders and elimination and resolution of potential disputes and works in close cooperation with the Corporate Governance Committee and the Investor Relations Department.

The Board of Directors will review the efficiency of the risk management and internal control systems at least once a year. Information about the functioning and effectiveness of the internal control system is provided in the annual report.

Powers granted to executives authorized to sign documents are clearly separated and documented in the list of authorized signatories. No one within the company has been vested with unlimited powers to make decisions. The Board of Directors will convene if the absolute majority of its members are present. Our Board of Directors convene in accordance with the procedures set forth in the Turkish Commercial Code and the company's articles of incorporation and adopts resolutions with the affirmative votes of the majority of members present.

The members of the company's Board of Directors take care to attend meetings held within the operating period and to express their opinions. If there is any member who could not attend the meeting but sent his or her opinions in writing, they will be notified to other members. Our company's Board of Directors passes resolutions and decisions on all kinds of transactions with the approval of the majority of the independent members in line with the Corporate Governance Principles. No member has voted against resolutions adopted by the Board of Directors at meetings held within the period.

No member has the casting vote and/or power to veto resolutions. Each member of the Board of Directors, including the Chairman of Board, is entitled to cast one vote and no member has a privileged vote.

Anel Holding A.Ş., represented by Rıdvan Çelikel, is the Chairman of Board of our company. Rıdvan Çelikel is the top executive.

The Board Members and executives of our Company are insured with an insurance for a coverage of USD 25 million until October 13, 2020 and for a coverage of USD 20 million within the period from October 13, 2020 to October 13, 2021 in case of any claim against them due to the possible faults and negligence attributable to them during the performance of their respective tasks and duties.

### 3.3 Financial Benefits

Remunerations of the members of the Board of Directors and senior managers are set forth in the "Guidelines for the Remunerations of the Members of the Board of Directors and Senior Managers," which was approved by the Board of Directors in 2012 and those guidelines aim at ensuring that practices related to remuneration are planned, applied, and managed in accordance with applicable legislation, the scope and structure of the company's operations, long-term goals and strategies, ethical values, and internal stability. Related guidelines are accessible in the company's website.

Dividend, share options or the company's performance-based compensation plans are not used for the remuneration of the independent members of the Board of Directors. All members of the Board of Directors receive a monthly per diem in an amount for the period decided at the shareholders' meeting. Such remuneration is at a level not affecting the independence of the independent members of the Board of Directors and is not determined according to the company's performance.

Payments to the company's senior staff consist of monthly remunerations. Remuneration to be paid to senior staff is determined by taking account of their positions and the nature of their work, qualifications, experience, performance and the company's financial condition.

A total of TL 1,715,474 was paid to the members of the Board of Directors in the form of remuneration and per diem in 2019 and all other benefits and compensation received by our senior staff in the same period totaled TL 7,964,107.

No loan is lent to any member of the Board of Directors or executives of our company, who are neither allowed to borrow personal loans through a third party or to have a guarantee such as a surety provided in their favor.

## SECTION IV - COMMITTEES

The Audit Committee, Corporate Governance Committee, Early Risk Detection Committee, and Nomination Committee and the Compensation Committee, which report to the Corporate Governance, continued their operations within our company in 2020. The main aspects of the activities and working procedures of the committees are shared with the public in the company's website.

The Audit Committee convenes five times a year, Corporate Governance Committee convenes twice a year, and the Early Risk Detection Committee convenes six times a year and the minutes of their meetings are communicated to our company's Board of Directors.

All types of sources and supports required for a committee to carry out its tasks are to be provided by the Board of Directors. A committee may at its own discretion invite a person to the committee meeting to receive their opinions.

A committee may make use of the opinions of independent experts in any issue that the committee may need concerning its operations. The remuneration of consultancy services that a committee may need will be covered by the Company. In such a case, however, the annual report will include information about the person / company providing the services and if that person / company has any relationship with the company.

In the current organization of the committees, a member of the Board of Directors may be involved in multiple committees. A breakdown of the members of our committees is provided below.

Corporate Governance Committee	Name and Surname	Status
Chairman	Oğuz Tezel	Independent Member
Board Member	Emin Ümit Demirhan	Independent Member
Board Member	Aynur Zorer	Director



Audit Committee	Name and Surname	Status
Chairman	Oğuz Tezel	Independent Member
Board Member	Emin Ümit Demirhan	Independent Member

Early Detection of Risk Committee	Name and Surname	Status
Chairman	Oğuz Tezel	Independent Member
Board Member	Emin Ümit Demirhan	Independent Member

#### 4.1 Audit Committee

The Audit Committee is composed of the two independent members of our Board of Directors and Oğuz Tezel is serving as the chairperson and Emin Ümit Demirhan is a member.

The Audit Committee oversees the functioning and effectiveness of the company's accounting system, disclosure of its financial data to the public, its independent audit, and the company's internal control and internal audit system. The audit committee supervises the selection of the independent audit firm, drafting of independent audit agreements and the commencement of the independent audit process and works undertaken by the independent audit firm at every phase. The independent audit firm which will provide services for the company and services to be purchased from the firm are determined by the Audit Committee and submitted to the Board of Directors for approval.

The Audit Committee also determines the methods and criteria to be used for examining and making decisions about complaints received by the company with regard to the company's accounting and internal control system as well as its independent audit and evaluating information provided by the company's employees regarding the company's accounting and independent audit based on the principle of anonymity.

The Audit Committee shares its assessments on the accuracy and conformity of the annual and intermediate financial statements to be made public with the company's accounting standards with the Board of Directors in writing alongside the opinions of the company's managers and the independent auditors.

#### 4.2 Corporate Governance Committee

In 2020, the Corporate Governance Committee was chaired by Oğuz Tezel, an independent member of our Board of Directors, and also included Emin Ümit Demirhan, another independent member of the Board of Directors, and Aynur Zorer, Investor Relations Director, as members of the committee.

It identifies if the Corporate Governance Principles are being applied within the company and, if not, its reason as well as resulting conflicts of interests and makes recommendations to the Board of Directors for improving corporate governance practices and oversees works undertaken by the Investor Relations Department.

#### 4.3 Early Detection of Risk Committee

When performing its functions, the Early Detection of Risk Committee, which reports to the Board of Directors, makes recommendations for formulating policies needed for monitoring potential risks and handling risk management processes.

Early Detection of Risk Committee,

- It has been set up in order to establish effective internal control systems to identify, assess, monitor, and manage risk elements that could impact on achievement of goals depending on impact and probability,
- To integrate risk management and internal control systems with the corporate organization and to monitor their effectiveness,

To ensure that risk elements are measured through risk management and internal control systems using appropriate controls and reported and used in decision-making mechanisms. The Early Detection of Risk Committee is composed of the two independent members of our Board of Directors and Oğuz Tezel is serving as the chairperson and Emin Ümit Demirhan is a member.

It is responsible for carrying out such analyses intended to detect such risks that may endanger the presence, growth and continuation of the company and, to take measures concerning such risks detected in this manner and, manage the risks and, it reviews the risk management systems at least once a year.

Independent members of the Board of Directors assume roles in multiple committees as there are 2 independent members in the Board of Directors.

## SECTION V - INTERNAL AUDIT

Audits conducted by Anel Group Audit Unit within Anel Elektrik focus on processes and issues mainly categorized as financial, operational, risk, process, legal compliance, business ethics and abuse following a proactive methodology based on International Internal Audit Standards and Anel Group Ethical Standards.

Once identified, audit topics are shared with the related units of the company and a risk-based annual audit plans are devised. Audit findings are regularly reviewed and improvements in operations are monitored.

Our company has established internal audit and risk control mechanisms in order to assess existing and potential risks and to take necessary actions and they were adopted by the Board of Directors and put into effect. According to the Internal Audit Regulation adopted by the Board of Directors, the objective of internal audit is to provide independent and impartial assurance and consulting services to audit, develop, and improve our company's operations as a whole and to add value to the group. The Board of Directors develops systematic approaches in order to assess and improve the effectiveness and efficiency of Risk Management and Internal Control and Management Processes in order to contribute to achievement of the company's objectives.

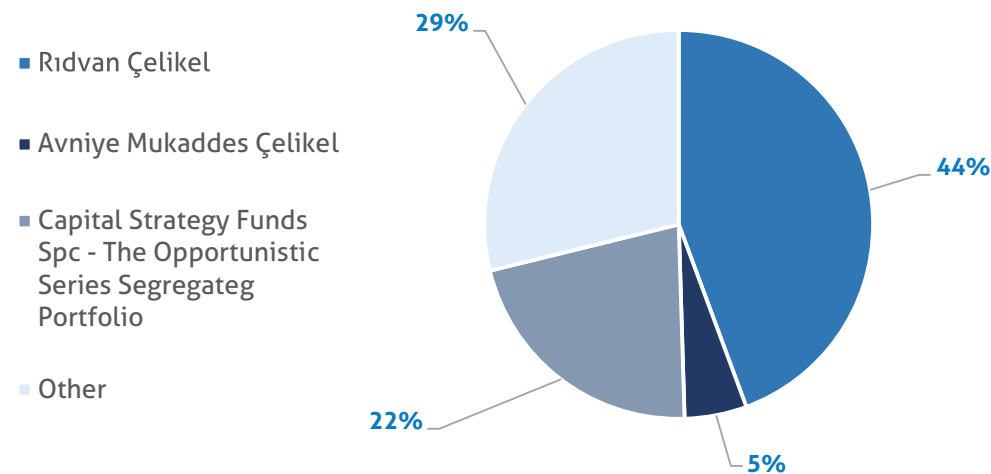


## SECTION VI - LEGAL STATEMENTS

## 6.1 Shareholding Structure

Shareholder's Full Name	Value of Shares (TL)	Percentage of Shareholding (%)
Rıdvan Çelikel	88.692.313,65	44,35
Avniye Mukaddes Çelikel	10.321.888,21	5,16
Capital Strategy Funds Spc-The Opportunistic Series Segregateg Portfolio	43.322.415,12	21,66
Other	57.663.383,02	28,83
Total	200.000.000	100

It has been compiled based on information provided on the Public Disclosure Platform on 18.01.2021.



*The company has been included in the authorized capital system and its authorized capital is TL 200.000.000*

Our company's shares have been divided into Category A and Category B. Category A shares are privileged. At shareholders meetings, the holder of a Category A is entitled to cast two (2) votes and the holder of a Category B is entitled to cast one (1) vote. Rıdvan Çelikel holds 53.69% of the shares, including 33.57% privileged shares and 20.12% non-privileged shares.

At shareholders' meetings, shareholders may be represented by another shareholder or a proxy who may not be a shareholder in accordance with the regulations of the Capital Markets Board regarding casting of votes through a proxy. Proxies who are the company's shareholders are entitled to cast their votes as well as the votes held by the shareholder whom they represent.

The company has no procedure that would make it difficult to exercise voting rights and each shareholder is offered the opportunity to exercise his or her right to vote in the easiest and most appropriate manner.

There is no mutual subsidiary relationship within our company. Care is taken to ensure that minority rights are exercised in accordance with applicable legislation and there is no restriction imposed in that regard.

## 6.2 Information about major actions instituted against the company and their potential outcome

There is no significant development concerning the legal action for damages initiated against our Company and the Board Members under the file no. 2019/15 E before the Istanbul Anatolian Commercial Court of First Instance No. 4 by the investors of our affiliate called Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. (Anel Telekom) and, the legal action is in progress.

There was no action that was brought against the company and could have a significant effect on the company's financial condition and operations. A list of all parties instituted by or against the company is included in the footnotes of the financial statements for the period.

## 6.3 Information about amendments to applicable legislation which may have a material effect on the company's operations

There was no amendment to the applicable legislation which may have a material effect on the company's operations.

## 6.4 Information about changes that may affect the operations of our company and its subsidiaries

A material disclosure of 25.12.2019 was issued to inform that a decision has been made that our affiliate called Anel Inzhenerno Tekhnologicheskaya Kompania Ltd. (Anel Engineering-Technological Company LLC) established to operate in Russia would be liquidated and cease to exist and, our offers for the possible projects in Russia would be submitted through a branch of Anel Elektrik in Moscow, Russia. The liquidation of Anel Inzhenerno Tekhnologicheskaya Kompania Ltd. (Anel Engineering-Technological Company LLC) has been completed as of June, 2020, and the said affiliate has ceased to exist.

Out of our affiliates, Dag-08 EOOD, Golden Sun EOOD and its subsidiary Energinia Kompania Bonev EOOD established to generate electricity from solar energy have been sold within the first quarter of 2020. As of the issue hereof, the sales price of the companies Dag-08 EOOD and Golden Sun EOOD and, the amount receivable from them have been collected and, the sales price of the company Energinia Kompania Bonev EOOD and, the amount receivable from them have been deposited to a joint account and, the share transfer will take place after the completion of the respective registration procedures. The parties who have taken the shares are not related to our Company or its affiliates.

### 6.5 Information about changes that may affect the shareholding structure and financial condition of our Company and its Subsidiaries

An application has been submitted to the Capital Market Board for the approval of the offer form for the acquisition of shares within the scope of the pertinent provisions of the Share Acquisition Offer Communique Serial No. II-26.1 for the collection of the 6,253,133.50 shares – other than the shares held by our affiliate Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. by means of a mandatory offer for a price of TL 1.39, and a bulletin no. 2020/17 issued by the said Board indicated that this application had been responded positively.

The share acquisition offer price has been determined as TL 1.45 for the Group A shares and, as TL 1.39 for the bearer shares in the Group B, and our application submitted to get information on whether it is approvable that the share transfer transaction by Anel Elektrik is considered among the conditions that there is no obligation to provide a share acquisition offer has been assessed and, it has been decided that there is an obligation to provide a share acquisition offer, and the one-month time from the Board Decision as of 16.01.2020 has expired and, the final share acquisition offer price with the interest calculated with an addition of 50% of the TRLIBOR ratio per year for each day after 15.02.2020 (starting from 16.02.2020 until the date when the share acquisition offer will start) has been determined as TL 1.47023 for the Group A shares and, as TL 1.40939 for the Group B shares.

The mandatory share acquisition offer took place between 20.03.2020 and 02.04.2020 and, the process concerning the mandatory share acquisition offer has been completed as of today. The mandatory share acquisition offer was participated by 138 investors with a share with the nominal value of TL 4,555,710.54. As a result of the shares acquired, the shareholding percentage of our company increased from 87.49% to 96.61%.

### 6.6 Information about organizational changes within the year

At the Ordinary General Assembly Meeting for 2019, the following persons have been elected as Board Member for a term of office of 3 years: Anel Holding A.Ş., Avniye Mukaddes Çelikel, Merve Şirin Çelikel Tombuloğlu, Tolga Tutum and Ahmet Bülent Batukan, and the following persons have been elected as Independent Board Members for a term of office of 3 years: Emin Ümit Demirhan and Oğuz Tezel.

At the meeting of the Board of Directors held on 03.06.2020, it has been decided that after the appointment of the Independent Board Members during the Ordinary General Assembly Meeting held on 29.05.2020, the following Board of Directors Committees would be formed pursuant to the Corporate Governance Communique issued by the Capital Market Board; Corporate Management Committee: Oğuz TEZEL (Chairman/Independent Board Member), Emin Ümit DEMİRHAN (Member/ Independent Board Member), Aynur ZORER (Member/ Investor Relations Director); Audit Committee: Oğuz TEZEL (Chairman/Independent Board Member), Emin Ümit DEMİRHAN (Member/ Independent Board Member); Early Detection of Risk Committee: Oğuz TEZEL (Chairman/Independent Board Member), Emin Ümit DEMİRHAN (Member/ Independent Board Member).

Mr. Cem Özşen resigned from the position of Financial Affairs and Finance Director as of 30.06.2020 and, Mr. Okan Turan has been appointed to that position as of 04.08.2020. Okan Turan has resigned from his position in the company as of 14.12.2020.

As per the decision adopted at the meeting of the Board of Directors held on 18.12.2020, Mr. Adnan Ek has been appointed as the Financial Affairs and Finance Group Director.

### 6.7 Other information regarding events within the reporting period

The amount of the donations and grants within the period of 01.01.2020- 31.12.2020 is TL 670,050.

Pursuant to the decision adopted at the meeting of the Board of Directors held on September 2, 2020, an application was submitted to the Capital Market Board on September 10, 2020, according to which, based on the power as set forth under the article 6 of the articles of association, the issued capital of TL 110,000,000 would be increased by 81.818% - an amount of TL 90,000,000 – to the amount of TL 200,000,000 within the upper limit of the registered capital of TL 200,000,000; that the increased portion of the capital would be met from the extraordinary reserves. The issued capital of the company increased by 81.818% from TL 110,000,000 to TL 200,000,000 by means of a capital increase through bonus issues which have been made from the internal resources.

The Capital Market Board and the Republic of Turkey Ministry of Trade have approved the draft amendment to the article 6 "Company's Capital" of the articles of association, which had indicated that the registered capital upper limit time would be extended to cover the years 2020-2024 and, since the registered capital upper limit of TL 200,000,000 (two hundred million Turkish Liras) concerning the issued capital of the company has been reached, the registered capital upper limit would increase from TL 200,000,000 (two hundred million Turkish Liras) to TL 400,000,000 (four hundred million Turkish Liras). The approved Draft Amendment to the Articles of Association will be submitted to the next General Assembly for approval.

The material disclosures of our company pursuant to the applicable legislations are made available at [www.kap.org.tr](http://www.kap.org.tr)

### 6.8 Developments after the report

Our offer of 11,731,511.28 Qatari Riyals (approximately USD 3,222,943) submitted by our affiliate ANEL MEP Maintenance and Operations LLC, Qatar for the infrastructure and pump station electro-mechanical works under the project Construction of Link Roads Adjacent to Al Khor Expressway (P60A) in Al Khor, Qatar, to the project subcontractor IRIS Construction and Industrial Tourism and Trading WLL (IRIS) has been approved, thus a Letter of Intent has been entered, and the negotiations for the contract has started. The project is estimated to be completed in 12 months as indicated in the project offer.

Avniye Mukaddes Çelikel, a board member, has transferred 10,321.000 shares held in Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. by means of an off-exchange transaction as of 02.02.2021. As a result of this transfer, her share in the capital of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. has reduced from 5.16% to 0.00044%. The amount obtained as a result of this sale will be used as a source for the company (Anel Elektrik) to carry out its business operations.

## SECTION VII – DIVIDEND DISTRIBUTION POLICY and OFFER FOR DIVIDEND DISTRIBUTION FOR 2019

The Dividend Distribution Policy of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. has been formulated in accordance with the provisions of the Turkish Commercial Code and articles of the Capital Market Legislation and other applicable legislation and our Articles of Incorporation concerning distribution of earnings and in line with ANEL's medium and long-term strategies and investment and financial plans and taking account of the state of the national economy and the sector while paying attention to the balance between shareholder expectations and ANEL's needs.

In distribution of earnings, a balanced and coherent policy is pursued in terms of the interests of shareholders and the company in line with the Corporate Governance Principles and the amount of earnings to be distributed is determined by taking account of our long-term company strategy, investment and financing policies, profitability, and cash situation. As a matter of principle and taking account of the factors specified above, if ANEL's Board of Directors is to decide on distribution of earnings, minimum 20% of the distributable period earning calculated in accordance with the Capital Market Regulations and other applicable legislation may be distributed in the form of cash and/or bonus shares.

While it has been decided to distribute dividends equally for all shares as soon as possible irrespective of the dates of issuance and acquisition, they will be distributed to the shareholders on the date set at a shareholders meeting following its approval within statutory periods fixed. The shareholders or the Board of Directors may decide to distribute dividends in installments in accordance with capital market regulations. It is not a policy of ANEL to distribute dividends in advance.

Shareholders may decide to transfer the net profit or any part of it to excess reserve fund. If ANEL's Board of Directors recommends not to distribute earnings at a shareholders meeting, the shareholders will be informed about its reasons and how the undistributed earnings will be used. Similarly, the same information will be made public through the annual report and the website.

The dividend distribution policy will be submitted for approval at a shareholders meeting. The policy is annually reviewed by the Board of Directors if there has been any adverse change in the national and global economy and depending on the state of current projects and funds. Any revision to the policy will be submitted for approval at the first shareholders meeting after the revision and made public on the website.

Pursuant to the decision no. 15 adopted by the Board of Directors on April 29, 2020, as a result of the operations carried out within 2019, a profit of TL 4,046,096.49 has been obtained as shown in the financial statements for 01.01.2019 – 31.12.2019 prepared as per the Tax Procedure Law and, a profit of TL 3,543,334 has been obtained as shown in the consolidated financial statements for 2019. Considering the letter sent by the Ministry of Trade on 31.03.2020 to the Turkish Union of Chambers and Exchange Commodities ("TOBB") and our profit distribution policy, the motion intended "to distribute to the shareholders an amount of TL 885,833.50 calculated at the percentage of 25% over the profit of TL 3,543,334 as shown in the consolidated financial statements for 2019 starting from 04.08.2020" was submitted to the Ordinary General Assembly for 2019 held on May 29, 2020 for approval, has been unanimously approved thereat and, the amount thereof as deposited to the shareholders on August 6, 2020.

## SECTION VIII - STRATEGIC GOALS

Our company has been taking steps in the interest of our future based on its commitment to add value to our world, society, and our business partners since 1986. Goals and critical performance indicators, which are parallel with that commitment and the company's objective for existence, are established within the scope of annual strategy plans. Those goals and critical performance indicators are approved by the Board of Directors at budget meetings held at the end of the preceding year. At its regular meetings, the Board of Directors reviews the results of operations by comparing them with the performance and target indicators of the preceding year.

## SECTION IX - FRAMEWORK OF COMPLIANCE WITH THE SUSTAINABILITY PRINCIPLES

(Prepared based on the Communique Serial No. II-14.1)

An amendment to the Corporate Governance Communique requires that the Annual Reports to be issued as from 2021 include the remarks within the scope of the Sustainability Principles Compliance Framework. What needs to be carried out concerning the compliance of our company with the Sustainability Principles and Reporting Thereof has been deliberated. This is made available at the Sustainability Principles Compliance Framework Table.

A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Objectives						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The Board of Directors has identified the priorities, risks and opportunities concerning the Environmental, Social and Corporate Governance (ESM).	X					The company associates have received training on the standard ISO 13000 and, then process-based risk analyses have been performed.
An ESM Policy has been created by the Board of Directors.		X				The ESM Policy is made available on the tab "Sustainability" at our website.
Internal directives, work procedures and other related documents have been formed as to ensure that EMS policies are enforced in an efficient manner.	X					Internal procedures have been created and maintained as to ensure that the Environmental Policy is enforced in an efficient manner. In addition, our Health, Safety and Environment Committee periodically reports to the Board of Directors on a regular basis concerning its activities. Internal and external audits are carried out as per the ISO 14001 standard.
A decision has been made and disclosed to the public by the Board of Directors for the EMS policies.		X				Our policies are made available on the tab "Sustainability" at our website.
A Partnership Strategy has been identified in line with the EMS policies, risks and opportunities.		X				The shareholder and stakeholder strategies have been formed in line with the Environmental Policies. Detailed efforts are in progress.
The short and long term objectives have been set in line with the partnership strategy and the EMS policies and, disclosed to the public.		X				The respective objectives are made available on the tab "Sustainability" at our website. Detailed efforts are in progress.



A2. Enforcement/Monitoring						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The committees and/or departments responsible for the enforcement of the EMS policies, and disclosed to the public.		X				There is a Health, Safety and Environment Committee. Detailed efforts are in progress.
The said committees and/or departments have reported to the Board of Directors their operations and activities carried out under the scope of the EMS policies once every year and within the maximum periods identified under the respective regulations of the Board of Directors for the disclosure of their annual activity reports to public.		X				Our Health, Safety and Environment Committee periodically reports to our management on a regular basis concerning its activities.
In line with the short and long term objectives, application and action plans have been created, and disclosed to the public.		X				The company continues to make efforts in this respect. Upon the completion thereof, it is intended to disclose it to public.
The EMS Key Performance Indicators (KPI) have been identified, and a comparative description concerning thereto has been provided.	X					The Key Performance Indicators have been identified, and the respective Key Performance Indicators have been assigned to each department and employee. The objectives are made available on the tab "Sustainability" at our website.
The Key Performance Indicators have been made available together with the comparisons by industry. (if there are verifiable data)			X			Efforts are made to get the statistical data concerning the respective industries. These efforts are in progress.
The innovation activities carried out concerning the business processes or the products and services as intended to improve the sustainability performance.		X				These efforts are in progress.

A3. Reporting						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The sustainability performance as well as the objectives and actions concerning thereto are reported at least once a year and, disclosed to the public. Information about the sustainability activities are made available under the scope of the annual report.		X				The sustainability performance indicators are measured and reported on an annual basis.
Information that is important for the stakeholders to understand the position, performance and development of the company has been shared with them in a direct and concise manner (the detailed information and data may also be made available at the website and, separate reports may be prepared to address the respective requirements of the different stakeholders).		X				Necessary explanations have been made and will continue to be made on the tab "Sustainability" at the website.
Utmost care has been taken in respect of transparency and reliability concerning the disclosures and reports. Any type of development concerning the issues of high priority has been objectively explained in the respective disclosures and reports.		X				These efforts are in progress.
Information has been provided on the affiliation of the activities with the which United National Sustainable Development Objectives.		X				Necessary explanations have been made and will continue to be made on the tab "Sustainability" at the website.
Disclosures have been made concerning the legal actions initiated/resulted against the company in respect of the EMS issues.					X	Our company has not been a party to any legal action in this respect.

A4. Verification						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The sustainability performance measurements have been disclosed to the public, if verifiable by the independent third parties (the independent sustainability assurance providers).			X			An independent has been carried out by the EIRIS in line with the information open to the public within the scope of the BIST 100 Sustainability Index, and we have been maintaining our position in the index since 2018 (available on the websites of the Anel Group and of the Istanbul Stock Exchange).

B. ENVIRONMENTAL PRINCIPLES						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The policies and practices, the action plans and environmental management systems (ISO 14001) and programs created within the scope of the environmental management have been disclosed.		X				We possess the certificate ISO 14001. All the policies, procedures and instructions have been prepared as required within the scope of the environmental management system. The environmental scope of our company has been shared on our website.
We have complied with the environmental requirements as well as the applicable laws and regulations, and the information on the efforts concerning thereto have been disclosed.		X				The legislations that need to be monitored on the Legal Compliance List have been identified and, we use a system that allows us to monitor legal changes on a daily basis. All the procedures and instructions are prepared based on the applicable legislations of the respective countries. Detailed efforts are in progress.
The report drafted within the scope of the Sustainability Principles contains the extent of the environmental report, as well as the restrictions on the reporting period, report date, data collection process and, reporting conditions.		X				Efforts intended to improve the process are in progress.

B. ENVIRONMENTAL PRINCIPLES						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The information on the highest level officer, the respective committees and the tasks thereof in connection with the environment and climate change has been disclosed.		X				The responsibilities and objectives in respect of the environmental management have been identified, and the efforts intended to improve the process are in progress.
The incentives provided to the employees within the scope of the management of the environmental issues including the attainment of the objectives have been disclosed.		X				The responsibilities and objectives in respect of the environmental management have been identified, and the efforts intended to improve the process are in progress.
The information on how the environmental issues have been integrated with the business objectives and strategies has been disclosed.		X				The environmental priorities and considerations take place in the business strategies, and the efforts intended to improve the process are in progress.
The sustainability performances concerning the business processes or the products and services as well as the actions taken to enhance these performances have been disclosed.		X				The performance criteria in connection with the energy consumption, the production performance monitoring and the waste management are identified and, the efforts intended to improve the process are in progress.
A disclosure has been made not only in respect of the business operations but also on how the environmental issues are managed throughout the partnership value chain and, how the mechanisms concerning the suppliers and customers have been integrated with the strategies.		X				The suppliers and sub-contractors are selected pursuant to the Supplier & Subcontractor Selection and Assessment Procedures and, the compliance is checked by means of the respective audits. A "Subcontractor / Supplier Environmental Sustainability Commitment" is signed under the scope of the agreements entered into with the suppliers and subcontractors. Efforts intended to improve the process are in progress.
A disclosure has been made on whether the environmental issues are included to the process to create policies (by industries, regions, locally and internationally), the cooperation with the associations, foundations and non-governmental organizations, of which our company is a member, in respect of the environment and, the tasks assumed and the activities supported accordingly.		X				The information on the supports we have provided and, the organizations of which we are a member has been disclosed on the tab "Sustainability" at the website.



B. ENVIRONMENTAL PRINCIPLES						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
In the light of the environmental indications (greenhouse emissions (Scope-1 (Direct), Scope-2 (Energy, Indirect), Scope-3 (Other, Indirect)), air quality, energy management, water and wastewater management, waste management, and biodiversity), a report has been issued in a way to periodically compare the information on the environmental impacts.		X				The data are collected and reported in connection with the Carbon Emission and waste management.
The details on the standards, protocols and methodologies used to collect and calculate the data have been disclosed.			X			To be disclosed on the respective documentations. These efforts are in progress.
A disclosure has been made about the status of the environmental indications (increase or decrease) for the reporting period in a way comparable with the previous years.		X				Graphs are provided to offer a brief explanation. Disclosed on the tab "Sustainability" at the website.
The short and long term objectives have been identified to minimize the environmental impacts and, these objectives (recommended that these objectives are identified in line with the scientific methods advised by the United Nations Climate Change Conference) have been disclosed. In case of improvements achieved within the reporting year compared to the previously set objectives, necessary information has been provided.		X				The targets have been identified, but there is no detailed explanation yet in this respect. Improvements are in progress.
The strategy and actions intended to fight the climate change have been disclosed.			X			The Environmental Policy address to the climate change, and the efforts to improve this process are in progress.

B. ENVIRONMENTAL PRINCIPLES						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The programs or procedures intended to prevent or minimize the potential negative impacts of the products and/or services we offer have been disclosed, and the actions taken to decrease the greenhouse emissions of the third parties have also been disclosed.		X				Our procedures and environmental impact assessment analyses take place before the commencement of the operations intended to minimize the environmental impacts and, the necessary actions are taken. Under the scope of our Environmental Policy, we are committed to reduce the greenhouse gas emissions and, maximize the level of energy efficiency in proportion to our operations and activities. The efforts intended to improve the process are in progress.
A disclosure has been made about the total number of the actions taken, the projects undertaken and, the incentives intended to minimize the environmental impacts and, the environmental benefits/gains and savings achieved accordingly.		X				The environmental investments are monitored and reported within the organization of the company. Disclosed on the tab "Sustainability" at the website.
The total energy consumption data (excluding raw materials) have been reported and, the energy consumptions have been mentioned on the report as the Scope-1 and the Scope-2.			X			The total energy consumption data are monitored on a monthly basis and reported within the organization of the company. The carbon emissions are reported on an annual basis.
Information has been provided concerning the electricity, heating, steam and cooling calculated during the reporting year.		X				Consumptions of electricity, natural gas and water are reported within the organization of the company on a monthly basis.
Efforts have been made to increase the use of renewable energy and, transit to zero or low carbon electricity and, these efforts have been disclosed.	X					Disclosed that the solar energy is used in this respect.
The data on the generation and usage of renewable energy have been disclosed.	X					The data concerning the solar energy have been disclosed accordingly.

B. ENVIRONMENTAL PRINCIPLES						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The energy efficient projects have been carried out and, the data on the energy consumed and the emission reduced thanks to these efforts have been disclosed.		X				The level of energy efficiency increased by means of the projects intended to follow and use the new technologies. Further, the data concerning the solar energy have been disclosed accordingly.
A report has been issued on the amount, sources and procedures concerning the water drawn from the underground or the aboveground, used, recycled and discharged (the total amount of the water drawn, the water sources affected thereby, the percentage and volume of the water recycled and reused).					X	No water is drawn from the underground or the aboveground.
A disclosure has been made on which carbon pricing systems the operations or activities are included into (Emission Trade System, Cap & Trade or Carbon Tax).					X	Not within the scope of the applicable legislations because of the nature of the business operations.
The details on the carbon credits accumulated or purchased during the reporting period have been disclosed.					X	Not within the scope of the applicable legislations because of the nature of the business operations.
If there is a carbon pricing method applied within the partnerships, the details concerning thereto have been disclosed.					X	Not within the scope of the applicable legislations because of the nature of the business operations.
A disclosure has been made concerning all the mandatory and voluntary platforms through which the environmental information is disclosed.	X					The fact that it is a party to the United Nations Global Compact (UNGC) and, the reports thereon are available on the website.

C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
A Corporate Human Rights and Employee Rights Policy has been created, through which the company commits that it would fully comply with the Universal Declaration of Human Rights, the ILO Agreements approved by Turkey, and the legal framework and legislations applicable in Turkey concerning the human rights and working life. The roles and responsibilities as to enforce the said policy and the other relevant policies have been disclosed to the public.		X				The relevant documents are made available on the tab "Sustainability" at the website.
Equal opportunities are offered during the recruitment processes.	X					Disclosed at the website.
Considering the impacts of the supply and value chain, the respective policies covers the following issues: fair labor, improvement of the working standards, women employment and engagement (no discrimination on women, men, religious beliefs, ethnic origin, age, disability, refugees etc.).	X					The relevant documents are made available on the tab "Sustainability" at the website.
Actions taken across the value chain in respect of the observation of the rights of those vulnerable to certain economic, environmental, and societal factors (low-income households, women etc.) or the rights of the minorities and equality in opportunity have been disclosed.	X					The Human Rights Policy is available at the website.
A report has been issued concerning the preventive and corrective actions concerning discrimination, inequality, violation of human rights, forced labor.					X	No application submitted to the ethical committee in this subject. Any possible application will be reported and made available on the web site.

C1. Human Rights and Employee Rights						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
Regulations intended to prevent child labor have been disclosed.					X	The relevant documents are made available on the tab "Sustainability" at the website. No child labor is used.
A disclosure has been made for the policies with respect to the investments (training, development policies), compensations, benefits, the right to join labor unions, business/life balance solutions and, talent management concerning the employees.	X					The relevant documents are made available on the tab "Sustainability" at the website.
Mechanisms have been created as to solve complaints and disputes concerning the employees and, the dispute settlement processes have been identified.	X					The relevant documents are made available on the tab "Sustainability" at the website.
The activities intended to ensure employee satisfaction are disclosed on a regular basis.	X					The relevant documents are made available on the tab "Sustainability" at the website.
The occupational health and safety policies have been created and, disclosed to the public.		X				The relevant documents are made available on the tab "Sustainability" at the website.
The actions taken to protect against occupational accidents and, safeguard health and, the accident statistics have been disclosed.	X					The relevant documents are made available on the tab "Sustainability" at the website.
The personal data protection and data security policies have been created and, disclosed to the public.		X				The necessary disclosures concerning the PDPL are made available on the tab "Sustainability" at the website.
An ethical policy (business, employment ethics, compliance processes, advertisement and marketing ethics, open disclosure principles etc.) has been created and, disclosed to the public.		X				The relevant documents are made available on the tab "Sustainability" at the website.

C1. Human Rights and Employee Rights						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The information on the efforts concerning the concepts of social investments, social responsibility, financial inclusion and access to financing has been disclosed.	X					The information on our Social Responsibility Activities is made available on the tab "Sustainability" at the website.
Information meetings and training programs have been organized for the employees in respect of the EMS policies and, the practices therein.	X					Training programs are organized for the employees.

C2. Stakeholders, International Standards and Initiatives						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The activities within the scope of Sustainability are carried out considering the requirements and priorities of all the stakeholders (employees, customers, suppliers and service providers, governmental organizations, shareholders, social and non-governmental organizations etc.).	X					The Sustainability Strategy of Anel is shaped in line with the requirements of all the stakeholders.
A customer satisfaction policy has been issued as to manage and solve the customer complaints and, disclosed to the public.		X				A customer satisfaction process has been defined. The Quality Policy is made available at the website.
The stakeholder communication is carried out in a continuous and transparent manner.	X					The communication with the internal customers is carried out through the internal communication interfaces of the Anel Group. Shared at the investor and external customer platforms in line with the requirements as set forth under the applicable legislations.
The details on which stakeholders have been contacted for what purposes in what subject and in which frequencies, and the developments within the scope of the sustainability activities have been disclosed.		X				These efforts are in progress.

C2. Stakeholders, International Standards and Initiatives						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The international reporting standards (the Carbon Transparency Project (CDP), the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC), the Sustainability Accounting Standards Board (SASB), the Task Force on Climate Related Financial Disclosures (TCFD) etc.) have been disclosed to the public.			X			Research is made about the respective issues, it is aimed to start the necessary efforts.
The international organizations or principles signed or adopted by the company (the Equator Principles, the United Nations Environmental Program Financial Initiative (UNEP-FI), the United Nations Global Compact (UNGC), the United Nations Principles for Responsible Investment (UNPRI) etc.) as well as the respective international principles (the International Capital Market Association (ICMA), the Green/Sustainable Bond Principles etc.) have been disclosed to the public.		X				A party to the United Nations Global Compact (UNGC). Made available at the website.
Efforts are made to take a position on the Istanbul Stock Exchange Sustainability Index and the international sustainability indexes (Dow Jones Sustainability Index, FTSE4Good, MSCI ÇSY Indexes etc.)	X					A working group has been formed, and the position on the Istanbul Stock Exchange Sustainability Index has been maintained for the last 3 periods.

D. CORPORATE GOVERNANCE PRINCIPLES						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
Utmost efforts are made to comply with all the Corporate Governance Principles in addition to the Corporate Governance Principles that need to be complied with pursuant to the Capital Market Board Corporate Governance Communique Serial No. II-17.1.	X					Detailed information has been provided on the annual report.
The concept of sustainability, the environmental impacts of the business operations and, the principles concerning thereto are considered during the identification of the corporate governance strategy.	X					The environmental impacts are evaluated and, the necessary measures are taken before the performance of the operations. It is aimed to minimize the environmental impacts during the identification of the strategies.
All the necessary measures are taken in order to comply with the principles concerning the stakeholders and strengthen the communication with them as described in the Corporate Governance Principles.	X					
The stakeholders are asked to provide their opinions about the identification of the measures and strategies in the field of sustainability.	X					The concept of sustainability is deliberated during the meetings held with the stakeholders.
Efforts are made as to increase the level of awareness concerning the concept of sustainability and the importance hereof by means of the social responsibility projects, events and training programs concerning awareness.	X					Information is provided at the website concerning the Social Responsibility activities.
Efforts are made to be a member of the standards and initiatives concerning the concept of sustainability and, contribute thereto.	X					A party to the United Nations Global Compact (UNGC)



D. CORPORATE GOVERNANCE PRINCIPLES						
Principles	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
The policies and programs in connection with the anti-bribe and anti-corruption and, the principle of honesty in respect of taxation.	X					The Anti-Corruption Policy is made available at the website. The Zero Tolerance Policy has been adopted.

## SECTION X - STATEMENTS OF INDEPENDENCE BY THE INDEPENDENT BOARD MEMBERS

### Statement of Independence

I hereby state that I intend to serve as an "Independent Member" of the Board of Directors of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. (Company) based on criteria laid down in the Corporate Governance Principles of the Capital Markets Board specified in the Communique on Corporate Governance (II-17.1), which was issued by the Capital Markets Board and promulgated in the 28871st issue of the Official Gazette on January 3, 2014 and the applicable legislation and the articles of incorporation. In that context, I hereby covenant that;

- There was no employment relationship with the Company and partnerships in which the company has management control as defined in Turkey Financial Reporting Standards 10 or has significant influence under Turkey Accounting Standards 28 and shareholders who control the company's management or have significant influence over the company and legal entities where such shareholders hold management control and myself, my spouse, and relatives by blood or marriage up to the second degree which involves employment at managerial position and that I did not own more than 5% of the capital or voting rights or privileged shares or had a material business relationship in the past five years,
- I did not assume key positions and responsibilities as an executive or acquired an interest (5% or more) and/or served as a member of the board of directors within any company from which the company purchased a significant amount of services or products, including the company's audit (including tax audit, statutory audit, and internal audit), rating, and consultancy under agreements concluded in the past five years,
- I have professional education, knowledge, and experience required for performing my duties in my capacity as an independent member of the Board of Directors,
- I have not worked / will not work for any public agency or institution on full time basis currently /after my election as a member except for working as a lecturer in a university provided that it is consistent with the applicable legislation,
- I am a resident of Turkey pursuant to the Income Tax Law numbered 193 and dated December 31, 1960,
- I have strong ethical standards, professional reputation, and experience for making positive contributions to the Company's operations and maintaining my impartiality regarding any conflict of interest between the company and shareholders and freely making decisions by taking account of the rights of stakeholders,
- I will spare time for performing representational functions on behalf of the company, which the Board of Directors may assign to me, as well as the company's affairs so that I will be able to monitor the company's operations and fully discharge the tasks that I have undertaken,
- I have not served as a member of the company's Board of Directors for more than six years in the past ten years,
- I have not served as an independent board member in more than three companies controlled by the company or its controlling shareholders or more than five companies listed in the stock exchange. I hereby inform the Board of Directors, shareholders, and all stakeholders accordingly.

Oğuz Tezel

Emin Ümit Demirhan



### STATEMENT OF RESPONSIBILITY

#### RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS FOR APPROVING THE FINANCIAL REPORT AND THE ANNUAL REPORT

RESOLUTION DATE : 11.03.2021

RESOLUTION NO : 08

OUR STATEMENT OF RESPONSIBILITY PURSUANT TO ARTICLE 9 OF THE SECOND PARTY OF COMMUNIQUE II-14.1 ISSUED BY THE CAPITAL MARKETS BOARD.

As per the provisions of SPK legislation, We hereby state that the consolidated financial statements, including footnotes, Annual Report and "Corporate Governance Compliance Report" and "Corporate Governance Information Form" which have been drawn up for the period between January 1, 2020 and December 31, 2020 pursuant to the "Communique on Standards for Financial Reporting in Capital Markets" ("Communique") numbered Series II-14.1, issued by the Capital Markets Board (SPK) and in accordance with Turkey Accounting Standards / Turkey Financial Reporting Standards ("TMS/TFRS") and formats specified by SPK;

- Have been reviewed by us,
- Based on information acquired in the field of roles and responsibilities within the company, the financial statements and the annual report does not include any untrue statement regarding an important issue or cause them to be misleading as at the date of the statement,
- based on information acquired in the field of roles and responsibilities within the company, the financial statements drawn up in accordance with applicable financial reporting standards truly and honestly reflect the assets, liabilities, financial condition, and profit and loss of the company, including those falling within the scope of consolidation and that the annual report truthfully reflects the growth and performance of the business and the state of the company, including those covered by the consolidation, and major risks and uncertainties faced,

We covenant that we will be liable for this statement.

Yours respectfully,



**Rıdvan ÇELİKEL**  
Chairman of the Board  
(Representing Anel Holding A.Ş.)



**Avniye Mukaddes ÇELİKEL**  
Vice-Chairperson of the Board







**INDEPENDENT AUDIT  
REPORT and CONSOLIDATED  
FINANCIAL STATEMENTS**



## INDEPENDENT AUDITORS' REPORT

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

### A. Independent Audit of the Consolidated Financial Statements

#### 1. Opinion

We have audited the consolidated financial statements of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. and the affiliated companies thereof (hereinafter collectively referred to as the "Group") consisting of the consolidated statement of financial position as of December 31, 2020 and, consolidated profit or loss statement, other comprehensive income statement, changes in equities statement, consolidated cash flow statement and the financial statement footnotes including a summary of the significant accounting policies for the accounting period ending on the same date.

We are of the opinion that the consolidated financial statements attached hereto represent fairly, in all material aspects, the financial position of the Group as of December 31, 2020 and, the financial performance and consolidated cash flows of the Group for the year ending on the same date in accordance with the requirements as set forth under the Turkish Financial Reporting Standards ("TFRS").

#### 2. Basis for the Opinion

The independent audit we have conducted has been carried out in accordance with the requirements as set forth under the Standards on Independent Auditing (the "SIA") are part of the Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the independent auditing evidence we have obtained during the performance of the independent audit constitutes a sufficient and appropriate basis for the formation of our positive opinion.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our independent audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
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### ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş AND ITS SUBSIDIARIES

### CONSOLIDATED FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT FOR THE ACCOUNTING PERIOD ENDING AS OF DECEMBER 31, 2020



3. Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matter
<p><b>The evaluations carried out to identify the fair values of the investment properties.</b></p> <p>The Group has the investment properties, offices and commercial units with the value of TL 281,506,054, which has a significant share within the total assets as of December 31, 2020.</p> <p>The accounting policy adopted by the Group Management for the recognition of the said investment real estate properties is the fair value method as detailed on the Notes 2 and 14, and the fair values of these assets are identified by the independent appraisal organizations accredited by the Capital Market Board and, the carrying amount as shown on the balance sheet is taken as a basis after the respective evaluations of the management of the Group. The precedent comparison method is used for the identification of the fair values of the investment real estate properties and, these methods include the inputs based on the significant assumptions that may cause changes during the identification of the fair values such as real discounts and inflation. The fair values are directly affected by the various factors such as the market conditions and, the features of each real estate property. The effects of the decreases in value that have occurred due to the market conditions and restrictions applied due to the Covid-19 pandemic have been taken into consideration for the identification of the fair values.</p> <p>The study carried out for the identification of the fair values of the investment real estate properties has been identified as a key audit subject since the fact that the investment real estate properties consists of a significant portion of the total assets of the Group and, it contains the unique nature of the appraisals, significant assumptions and judgments.</p>	<p>During the performance of our audit, the following audit procedures have been applied concerning the identification of the fair values of the investment real estate properties.</p> <ul style="list-style-type: none"> <li>• The procedures applied by the management of the Group for the identification of the reasonable values of the investment real estate properties have been evaluated.</li> <li>• We have carried out the following procedures concerning the specialized agency that had carried out the appraisal:                     <ul style="list-style-type: none"> <li>- The appraisal accreditation and license of the specialized agency concerning the appraisal of the fair values of the real estate properties have been checked.</li> <li>- The competency, skills and impartiality of the specialized agency have been evaluated.</li> </ul> </li> <li>• The title deeds and ownership percentages of each of the investment real estate property have been tested.</li> <li>• The inputs with a significant effect on the value of the real estate property appraised as described on the appraisal report have been compared with the observable market prices thereof and, a test has been conducted to see if the appraised values thereof are within an acceptable range.</li> <li>• The compliance of the fair values as indicated on the appraisal report with the footnotes has been checked and, an assessment has been made to see if the appraisal values indicated on the footnotes conform to the appraisal reports and, the footnotes are sufficient in respect of the TFRS.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<p><b>Recognition of the revenues concerning the construction agreements</b></p> <p>The consolidated revenue of the Group for the year ending as of December 31, 2020 is TL 739,213,003 and, a significant portion of the consolidated revenue has been recognized in line with the percentage of completion method as per the TFRS 15 Revenue from Customer Agreements (“TFRS 15”). The amounts recorded as revenue and costs pertaining to the ongoing projects within the scope of this method are based on the projections and assumptions included on the budgets of the respective projects.</p> <p>The projections and judgments of the management cover the recognition of the revenues, and the identification of the results of the construction projects with special conditions, as well as the estimation of the costs to complete the projects, the contract incomes being affected by the uncertainties depending on the consequences of the future events and, the recording of the amounts concerning the possible change orders for the projects.</p> <p>In addition, the said projections and assumptions mainly consist of the compliance with the conditions as set forth under the TFRS 15, the costs to complete the projects, the conclusion of the contracts and, the estimation of the completion percentage.</p>	<p>During the performance of our audit, the following audit procedures have been applied concerning the revenues from the construction contracts:</p> <ul style="list-style-type: none"> <li>• The processes intended to identify the accuracy and timing of the revenue recognized on the consolidated financial statements and, the inspections developed by the Group have been understood and evaluated.</li> <li>• We have focused on the methodologies used by the Group Management for the projections and assumptions concerning the construction projects, and the estimations concerning the revenue amounts recognized as a result of the respective project calculations.</li> <li>• Accordingly, the main project source documentations consisting of the approved budgets and the respective calculations have been provided by the Group Management.</li> <li>• The percentage of completion method used by the Group Management has been inspected and accordingly, we have recalculated and checked the existence and accuracy of the costs that had occurred, the additional costs to complete the projects, the accuracy of the calculation for the percentage of completion and, finally the respective calculations that had been made concerning thereto.</li> <li>• We have read the provisions and conditions of the significant construction contracts as to evaluate the estimations and projections used by the management and, identify whether the revenue has been recognized in the respective periods, and check to see if the respective contracts have been accurately reflected on the accounting records during the recognition thereof as per the requirements as set forth under the TFRS 15.</li> </ul>





#### 4. Responsibilities of the Management and Those in Charge of Senior Management for the Consolidated Financial Statements

The Group's management is responsible for the preparation of the financial statements as per the requirements as set forth under the TFRS; for the fair presentation thereof and; for the internal audit intended to ensure that the financial statements do not contain any significant error caused by fault or fraud.

During the preparation of the consolidated financial statements, the Group's management is responsible for the assessment of the ability of the Group to maintain its continuity; for the provisions of clarifications on the continuity when applicable and; for the maintenance of the business continuity unless it intends or is forced to liquidate or cease the business operations of the Group.

Those in charge of senior management are responsible for the supervision of the financial reporting process of the Group.

#### 5. Independent Auditors' Responsibilities for Independent Audit of Consolidated Financial Statements

During an independent audit, an independent auditor's responsibilities are as follows:

Our purpose is to provide a reasonable assurance that the financial statements as a whole do not contain any significant error caused by fault or fraud and, issue an independent auditor's report delivering our opinion in connection therewith. A reasonable assurance that is delivered as a result of an independent audit carried out in accordance with the Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA") is a high level of assurance, but it does not necessarily guarantee that all significant errors are always identifiable. Such errors may be caused by faults Or frauds. If these errors, whether individually or collectively, are reasonably expected to impact the economic decisions of the users of the consolidated financial statements based thereon, then these errors are considered significant..

As per an independent audit carried out in accordance with the Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"), we make use of our professional judgment and professional skepticism during the performance of an independent audit. Besides, we also:

- Identify and assess the risks of "significant errors" in the consolidated financial statements as caused by faults or frauds; design and implement such auditing procedures addressing to these risks and, obtain a sufficient and appropriate level of audit evident to deliver a basis for our opinion. Since the term of fraud may include collusion, fraudulence, willful negligence, misstatement or actual breaches of an internal inspection, the risk of failure to identify an significant error caused by fraud is higher than the risk of failure to identify a significant error caused by faults.



- The internal control process of the Group is assessed in respect of this audit not for the purpose of delivering an opinion about the efficiency thereof but for the purpose of designing appropriate auditing procedures.
- This audit is also intended to assess the suitability of the accounting policies used by the management and, whether the clarifications on the accounting estimations in connection therewith are reasonable.
- Based on the respective audit evidence, an opinion is obtained about whether there is a significant level of uncertainty concerning such events or conditions that may cause significant doubts on the ability of the Group to maintain its continuity and, the suitability of the use by the management of the concept of business continuity. In case we conclude that there is a significant level of uncertainty, we are required to draw attention to the respective clarifications on the financial statements or if these clarifications are not sufficient, then we need to deliver an opinion other than a positive opinion. Our conclusions are based on audit evidence obtained until the date of the independent auditor's report. However, the future events or conditions may cease the continuity of the Group.
- This audit is intended to assess whether the general presentation, structure and contents of the consolidated financial statements including the clarifications thereon reflect a fair presentation of the underlining transactions and events.
- In order to deliver opinion about the consolidated financial statements, sufficient and adequate audit evidence is obtained about the financial information concerning the businesses units and departments within the organization of the Group. We are responsible for directing, supervising and carrying out the audit of the Group. We are solely responsible for the audit opinion delivered hereunder.

Among others, we inform those in charge of senior management of the planned scope and timing of the independent audit as well as significant findings from the audit including the significant internal control deficiencies as found during the performance of the audit.

We have notified those in charge of senior management that we had complied with the ethical values in respect of independency. In addition, we have already informed those in charge of senior management of all persons and other issues that may be considered to have an impact on the concept independency as well as such measures taken in connection therewith, if any.

Out of such issues notified to those in charge of senior management, we identify the most important aspects during the independent audit of the financial statements for the current period, i.e. key audit matters. As an exceptional situation, where it is prohibited by the applicable legislations to disclose such matters to the public or when it is reasonably expected that the adverse results from the disclosure thereof to the public are higher than the benefits therefrom to the public, then we may decide to exclude the disclosure of such matters accordingly.



## B. Other Obligations from the Applicable Legislations

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2020 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 11 March 2021.

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

Burak Özpoyraz, SMMM  
Cap Auditor

Istanbul, March 11, 2021

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Audited Current Period 31.12.2020	Audited Current Period 31.12.2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	54,408,574	105,056,111
Financial Investments	6	10,521	3,634
Trade Receivables		232,375,958	221,059,677
- Trade Receivables from Related Parties	8.30	9,577,545	8,680,938
- Trade Receivables from Third Parties	8	222,798,413	212,378,739
Other Receivables		4,405,259	24,534,689
- Other Receivables from Related Parties	9.3	200,981	10,935,494
- Other Receivables from Third Parties	9	4,204,278	13,599,195
Due from customers Under Construction Contracts	12	823,182,676	540,734,004
Inventories	10	115,783,530	130,589,451
Prepaid Expenses	11	18,687,326	18,503,741
Current Income Tax Assets	28	37,951	529,367
Other Current Assets	20	27,077,845	15,110,110
<b>Non-Current Assets</b>			
Other Receivables		87,787	86,519
- Other Receivables from Third Parties	9	87,787	86,519
Investments Accounted with Equity Method	13	-	1,326,951
Investment Property	14	281,506,054	282,864,413
Property, Plant and Equipment	15	20,280,246	61,010,550
Intangible Fixed Assets	16	118,019	314,912
Prepaid Expenses	11	649,114	274,818
Deferred Tax Assets	28	33,145,622	35,106,549
Non-Current Assets Related with Current Period Tax	28	6,229,816	2,035,997
<b>TOTAL ASSETS</b>		<b>1,617,986,298</b>	<b>1,439,141,493</b>

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Audited Current Period 31.12.2020	Audited Prior Period 31.12.2019
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
Short-Term Borrowings	7	281,495,172	187,308,969
Short Term Portion of Long Term Financial Liabilities	7	47,255,638	25,630,072
Trade Payables		206,620,720	235,792,908
- Trade Payables to Related Parties	8.30	28,160,246	632,716
- Trade Payables to Third Parties	8	178,460,474	235,160,192
Employee Benefits	19	16,375,401	11,387,087
Other Payables		14,478,734	9,038,545
- Other Payables to Related Parties	9.30	1,285,181	109,463
- Other Payables to Third Parties	9	13,193,553	8,929,082
Due to customers Under Construction Contracts	12	18,562,232	9,734,857
Deferred Income	11	430,824,571	262,934,250
Income Tax Payable	28	2,520,172	1,114,583
Short-Term Provisions		16,057,083	25,483,815
- Short-Term Provisions for Employee Benefits	19	8,873,582	9,597,017
- Other Short-Term Provisions	18	7,183,501	15,886,798
<b>Long Term Liabilities</b>			
Long-Term Borrowings	7	90,841,004	108,712,938
Long-Term Provisions		14,848,250	20,047,227
- Long-Term Provisions for Employee Benefits	19	14,848,250	20,047,227
Deferred Tax Liabilities	28	35,656,309	34,426,545
<b>TOTAL LIABILITIES</b>		<b>1,175,535,286</b>	<b>931,611,796</b>
<b>EQUITY</b>			
<b>Equity Belongs to Parent Company</b>			
Share Capital	21	200,000,000	110,000,000
Share Premium	21	1,498,280	1,498,280
Effects of Business Combinations Under Common Control	21	(62,334,320)	(62,334,320)
Put Option Revaluation Fund Related with Non-controlling Interests	21	-	(8,691,856)
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(1,765,996)	(1,595,783)
Gains (Losses) on Revaluation and Remeasurement		(1,765,996)	(1,595,783)
- Decreases on Revaluation of Property, Plant and Equipment	21	(101,224)	(101,224)
- Actuarial Loss Arising From Defined Benefit Plans	21	(1,664,772)	(1,494,559)
Other Comprehensive Income/(Expense) to be Reclassified to Profit and Loss	21	278,170,476	201,605,115
- Foreign Currency Conversion Difference	21	278,170,476	201,605,115
Reserves on Retained Earnings	21	13,950,112	13,960,750
- Legal Reserves	21	13,950,112	13,960,750
Other Equity Shares	21	(13,842,938)	(13,842,938)
Other Reserves	21	5,851,513	5,851,513
Retained Earnings	21	168,857,068	256,199,568
Net Profit for the Period	29	(142,173,131)	3,543,334
<b>Non-controlling Shares</b>	<b>21</b>	<b>(5,760,052)</b>	<b>1,336,034</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,617,986,298</b>	<b>1,439,141,493</b>

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

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

**NOTES TO CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME AS AT AND  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	Notes	Audited Current Period 01.01.-31.12.2020	Audited Prior Period 01.01.-31.12.2019
<b>PROFIT OR LOSS</b>			
Revenue	22	739,213,003	1,030,180,634
Cost of Sales (-)	22	(804,022,032)	(977,907,944)
<b>GROSS PROFIT/LOSS</b>		<b>(64,809,029)</b>	<b>52,272,690</b>
General Administrative Expense (-)	23	(35,314,770)	(42,599,653)
Other Operating Income	25	87,838,044	112,166,381
Other Operating Expense (-)	25	(74,063,519)	(90,934,914)
<b>OPERATING PROFIT/LOSS</b>		<b>(86,349,274)</b>	<b>30,904,504</b>
Impairment (losses)/gains in accordance with TFRS 9, net		1,309,592	1,243,679
Income From Investing Activities	26	13,560,528	10,820,975
Expense From Investing Activities (-)	26	(289,085)	(121,157)
Shares from Income/(Loss) of Investments Valuated with Equity Method	13	-	270,891
<b>OPERATING PROFIT/LOSS BEFORE FINANCING INCOME AND EXPENSES</b>		<b>(71,768,239)</b>	<b>43,118,892</b>
Financial Income	27	17,259,431	18,602,050
Financing Expenses (-)	27	(83,932,805)	(61,426,765)
<b>PROFIT/LOSS BEFORE TAX FROM ONGOING ACTIVITIES</b>		<b>(138,441,613)</b>	<b>294,177</b>
<b>Continuing Operations Tax Incom/(Expenses)</b>		<b>(4,474,244)</b>	<b>2,898,143</b>
-Current Tax Expense	28	(1,713,760)	(1,264,402)
-Deferred Tax Income/(Expense)	28	(2,760,484)	4,162,545
<b>PERIOD PROFIT/(LOSS) FROM ONGOING ACTIVITIES</b>		<b>(142,915,857)</b>	<b>3,192,320</b>
<b>PROFIT/ (LOSS) FOR THE PERIOD</b>		<b>(142,915,857)</b>	<b>3,192,320</b>
<b>Attributable to</b>			
Non-controlling Shares	21	(742,726)	(351,014)
Parent Company Shares	29	(142,173,131)	3,543,334
<b>Earnings Per Share</b>			
-Earnings Per Share	29	(1.07)	0.03

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

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

**NOTES TO CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME AS AT AND  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	Notes	Audited Current Period 01.01.-31.12.2020	Audited Prior Period 01.01.-31.12.2019
<b>PROFIT/(LOSS) FOR THE PERIOD</b>			
		<b>(142,915,857)</b>	<b>3,192,320</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not to be reclassified to profit or loss :</b>			
Defined Benefit Plans Remeasurement Gains/(Losses)	19	(170,213)	(318,678)
Taxes Related to Other Comprehensive Income (expenses)		(212,766)	(398,348)
Items not to be Reclassified to Profit		42,553	79,670
Deferred Tax Income (Expenses)		42,553	79,670
<b>Items to be Reclassified to Profit or Loss:</b>		<b>76,565,361</b>	<b>27,824,596</b>
Gain/(Loss) from Foreign Currency Translation Differences		76,565,361	27,824,596
<b>OTHER COMPREHENSIVE INCOME/ EXPENSES</b>		<b>76,395,148</b>	<b>27,505,918</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(66,520,709)</b>	<b>30,698,238</b>
<b>Attributable to:</b>			
Non-Controlling Interests		(742,726)	(351,014)
Parent Company Share		(65,777,983)	31,049,252

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



ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

Notes	Share Capital	Premiums /Discounts Received on Issuance of Shares	The Merge Effect of Business Combinations Under Common Control	Sales option valuation for non-controlling shares	Increase/ (Decrease) from Revaluation of Tangible Assets	Comprehensive Income (Expense) Items not to be Reclassified to Profit (Loss)	Other Comprehensive Income (Expense) Items Reclassified to Profit (Loss)	Restricted Reserves	Other Share Capital	Other Reserves	Retained Earnings/(Losses)	Net Profit/(Loss) for the Period	Equity Attributable to Parent Company	Non-controlling Shares	Equity
01.01.2019	110,000,000	1,431,009	62,334,320	(8,691,856)	(101,444)	173,790,519	13,296,782	2,393,923	21,334,415	21,334,415	21,334,415	493,490,376	23,141,763	516,632,139	
Total Comprehensive Income/(Expense) Increase / Decrease in Subsidiaries Due to Changes in Share Rates That Do Not Result in Control Loss. Transactions with non controlling interest	-	67,271	-	(8,691,856)	-	27,834,596	663,908	3,457,590	(13,842,938)	-	-	3,543,334	(8,691,856)	(8,691,856)	
31.12.2019	110,000,000	1,498,280	62,334,320	(8,691,856)	(101,244)	201,605,115	13,960,750	5,851,513	(13,842,938)	5,851,513	256,199,568	506,193,663	13,316,034	507,509,697	
01.01.2020	110,000,000	1,498,280	62,334,320	(8,691,856)	(101,224)	201,605,115	13,960,750	5,851,513	(13,842,938)	5,851,513	256,199,568	506,193,663	13,316,034	507,509,697	
Total Comprehensive Income/(Expense) Capital Increase Merger / Splitting / Liquidation Effect Dividend Paid Increase / Decrease in Subsidiaries Due to Changes in Share Rates That Do Not Result in Control Loss. Transactions with non controlling interest	-	-	-	-	-	76,565,361	-	-	-	-	(90,000,000)	(142,173,131)	(742,726)	(66,520,709)	
31.12.2020	200,000,000	1,498,280	62,334,320	-	(101,224)	278,170,476	13,950,112	5,851,513	(13,842,938)	5,851,513	168,857,068	448,211,064	(6,353,360)	442,457,704	

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

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ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO STATEMENT OF CASH FLOW AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Audited Current Period 01.01.-31.12.2020	Restated Prior Period 01.01.-31.12.2019
<b>A. CASH FLOWS FROM BUSINESS OPERATIONS</b>	<b>(114,307,028)</b>	<b>(3,258,288)</b>
Profit/(Loss) for the period	(142,915,857)	3,192,320
<b>Adjustments to reconcile net profit to cash provided by operating activities</b>	<b>115,576,416</b>	<b>42,585,501</b>
Adjustments for Depreciation and Amortisation	15.16	6,938,633
Adjustments for Provisions		1,249,550
Adjustments for Provisions/(Reversals) of Employee Benefits	19	2,570,583
Adjustments for Provisions/(Reversals) of Litigation	18	(11,441)
Adjustments for Provisions/(Reversals)		(1,243,906)
Financial income/expense net		37,062,409
-Adjustments Regarding Interest income	27	(3,971,460)
-Adjustments Regarding Interest expense	27	41,033,869
Adjustments for Fair Value Gains/(Losses)		(4,051,012)
-Adjustments for Fair Value Gains/(Losses) of Investment Property	14	(4,051,012)
Undivided Profit of Investment Valuated with Equity Method		-
Adjustments for Undistributed Profits of Affiliates	13	-
Tax (Income)/(expenses)	28	4,474,244
-Adjustments for (Gains)/Losses from Disposal of Fixed Assets		(1,567,460)
-Adjustments for (Gains)/Losses from Disposal of Property, Plant and Equipment		(16,028)
-Adjustments for (Gains)/Losses from Investment Property		(1,551,432)
Adjustments for Losses (Gains) on Disposal of Subsidiaries or Joint Operations		(7,769,473)
Other adjustments for which cash effects are investing or financing cash flow		37,899,145
Adjustments for Unrealized Foreign Currency Exchange Losses		41,340,380
<b>Changes in Net Working Capital</b>	<b>(71,465,504)</b>	<b>(24,025,341)</b>
Adjustments for Increase/(Decreases) in Financial Investments	6	(6,887)
Adjustments (Gains)/Losses from Trade Receivables		(11,316,281)
-Increases/(Decreases) in Trade Receivables from Related Parties	8.30	(896,607)
-Increases/(Decreases) in Trade Receivables from Third Parties	8	(10,419,674)
Adjustments for (Gains)/Losses from Other Receivables		20,128,162
-Increases/(Decreases) in Other Receivables from Related Parties	9.30	10,734,513
-Increases/(Decreases) in Other Receivables from Third Parties	9	9,393,649
Increase/(Decrease) in Due from Customers Under Construction Contracts	12	(282,448,672)
Increase/(Decrease) in Inventories	10	14,805,921
Increase/(Decrease) in Prepaid Expenses	11	(557,881)
Adjustments for (Gains)/Losses from Trade Payables		(29,172,188)
-Increases/(Decreases) in Trade Payables to Related Parties	8.30	27,527,530
-Increases/(Decreases) in Trade Payables to Third Parties	8	(56,699,718)
Increase/(Decrease) in Employee Benefits	19	4,988,314
Increase/(Decrease) in Payables from Due to Customers Under Construction Contracts	12	8,827,375
Adjustments for (Gains)/Losses from Other Payables		5,440,189
-Increases/(Decreases) in Other Payables to Related Parties	9.30	1,175,718
-Increases/(Decreases) in Other Payables to Third Parties	9	4,264,471
Increase/(Decrease) in Deferred Income	11	167,890,321
Adjustments for (Gains)/Losses from Changes in Capitals		29,956,123
-Increases/(Decreases) in Other Assets		(15,670,138)
-Increases/(Decreases) in Other Liabilities		45,626,261
<b>Cash Flows from Operating Activities</b>	<b>(98,804,945)</b>	<b>21,752,480</b>
Payments in the coverage of benefits provided to employees	19	(14,349,549)
Tax Returns (Payments)	28	(1,152,534)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>438,339</b>	<b>(43,893,330)</b>
Cash Outflows from Purchase of Subsidiary Share		(6,420,773)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		-
-Cash Inflows from Sale of Tangible Asset	15	319,772
-Cash Outflows from Purchases of Intangible Assets	16	(5,110)
-Cash Inflows from Sale of Intangible Asset	16	2,242
-Cash Outflows from Purchase of Tangible Asset	15	(1,654,624)
-Cash Outflows from Purchase of Investment Property	14	(4,600)
-Cash Inflows from Purchase of Investment Property	14	8,201,432
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>61,245,906</b>	<b>98,730,645</b>
Proceeds from Borrowings		
Cash Inflows from Loans	7	342,574,576
Repayment of Borrowings		(243,380,427)
Cash Outflows on Credit Repayments	7	(243,380,427)
Dividends Paid	21	(885,834)
Interest Paid	27	(41,033,869)
Interest Received	27	3,971,460
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)</b>	<b>(52,622,783)</b>	<b>51,579,027</b>
<b>D. FOREIGN CURRENCY CONVERSION DIFFERENCES IMPACT ON CASH AND CASH EQUIVALENTS</b>	<b>1,975,246</b>	<b>1,075,354</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>	<b>(50,647,537)</b>	<b>52,654,381</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>105,056,111</b>	<b>52,401,730</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	<b>54,408,574</b>	<b>105,056,111</b>

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

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

#### 1. ORGANIZATION AND ACTIVITIES OF THE GROUP

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

#### Branch Adresses:

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

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

Russia Branch: 127422, Russian Federation, Moscow, Timiryazevskaya street, 1. Business Centre - Premier.

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

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

Project Construction - providing electricity and mechanic works according to project agreement,  
Ship Electricity and Electronics - Ship electrical and electronics systems design,  
Energy - Producing electrical energy,  
Land and Buildings - Land and Building buying and selling,  
Telecommunications - Telecommunications (There is no actual ongoing project in these areas in the current period).

The Company's shares were offered to public since 2010 and as at 11 March 2021, 26.79% of shares are traded in Istanbul Stock exchange, INC. (BIST) according to Central Registry Agency (CRA) records (31 December 2019 :31.82%) (Note :21).

As of 31 December 2020, 805 personnel have been employed within the Group (31 December 2019: 1,894 people).

The main shareholder of the Company is Çelikel Family. Details regarding the Group's subsidiaries are as follows:

Subsidiaries included to full consolidation are as follows:

<u>Name of company</u>	<u>Field of company</u>	<u>Activity type</u>	<u>Foundation of country</u>	<u>Foundation of year</u>
Tasfiye Halinde Anel Enerji Elektrik Üretim San. ve Tic. A.Ş.	Solar energy projects	Service	Turkey	2009
Anel Marin Gemi Elektrik Elektronik Sist.Tic. ve San. A.Ş.	Ship Electricity and Electronics	Service	Turkey	2005
Anel Dar Libya Constructing & Services LLC	Project Commitment	Service	Libya United Arab	2010
Anel Emirates General Contracting LLC	Project Commitment	Service	Emirates	2010
Anel BG Ltd.	Solar energy projects	Service	Bulgaria	2011
Anelmep Maintenance and Operations LLC	Project Commitment	Service	Qatar	2008
Anel Yapı Gayrimenkul A.Ş.	Land and Buildings	Service	Turkey	2007
Anel Engineering & Contracting Ltd.	Project Commitment	Service	England	2017
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	Telecommunications	Service	Turkey	2003

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

#### 1. ORGANIZATION AND ACTIVITIES OF THE GROUP (Continued)

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

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

#### 2. BASIC OF PRESENTATION FINANCIAL STATEMENTS

##### 2.1 Basic Standards of Presentation

##### Basic of presentation of the consolidated financial statements

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

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

##### *Preparation of financial statements*

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

The consolidated financial statements were approved by the Board of Directors on 11 March 2021. The General Assembly have the right to amend the financial statements. The relevant regulatory bodies may request changes in the financial statements of the Company.

##### *Basis of measurement*

Consolidated financial statements are prepared on the historical cost basis except for the revaluation of financial instruments, investment properties and buildings.

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

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

As of 31 December 2020, in order to ensure compatibility with the presentation of the current period financial statements, TRY 36,400,129, which had been classified under deferred tax assets for the period ending on December 31, 2019, was classified into deferred tax liabilities accounts. Profit of the Joint venture amounting to TRY 2,270,270, which was classified under income from investment activities in the income statement for the period ending on 31 December 2019, reclassified to foreign sales account under revenue.

##### Going concern

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

##### Offsetting

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

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**2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)**
**2.1 Basic Standards of Presentation (Continued)**
**Functional and presentation currency**

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

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

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

Name of the Company	Currency	31 December 2020		31 December 2019	
		End of the Period	Average of the Period	End of the Period	Average of the Period
Katar Branch	Qatar Riyal (QAR)	2.0166	1.9256	1.6319	1.5579
Azerbaycan Branch	New Manat	4.3179	4.1230	3.4942	3.3358
Rusya Branch	Russian Ruble	0.0990	0.0945	0.0961	0.0917
Anel BG Ltd.	Bulgarian Lev	4.5798	4.0815	3.3813	3.2273
Anel Emirates	United Arab Emirates Dirham	2.0001	1.9098	1.6186	1.5452
Anel Mep	Qatar Riyal (QAR)	2.0166	1.9256	1.6319	1.5579

**Consolidation Principles**

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

Operations of branch-like enterprises are subject to valuation, such as the operations of the parent company. In this context, the Central Bank of the Republic of Turkey, which is valid at the end of the reporting period of the monetary and non-monetary items in the financial statements prepared with their respective currencies and the subsidiaries and joint ventures ("TCMB") is translated into Turkish lira through exchange rates. The income and expense items are distributed regularly over the years, and the average annual rates are translated into Turkish lira. The exchange rate differences arising from the cycle are monitored in the consolidated Balance sheet under the Equity account group in the "foreign currency cycle differences" account. Equity items are also translated into Turkish lira through TCMB exchange rates, which are valid at the end of the reporting period. The currency translation for equity items of branch-like enterprises and independent foreign enterprises in foreign countries that are involved in the consolidation are recognize under the "Foreign Currency Conversion Difference" account under the Equity account group.

The consolidated financial statements include the financial statements of the Company and its subsidiaries until loss of the control. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

**Subsidiaries**

Consolidated financial statements as of 31 December 2020; It contains the financial statements of the Company's subsidiaries that have control over their financial and activity policies. As of 31 December 2020 direct and indirect participation rate of subsidiaries subject to consolidation are as follows:

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**2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (Continued)**
**2.1 Basic Standards of Presentation (Continued)**
**Consolidation Principles (Continued)**
**Subsidiaries (Continued)**

Subsidiaries	Establishment and place of organization	Core Business	Currency	Parent Company's Share (%)	
				31.12.2020	31.12.2019
Tasfiye Halinde Anel Enerji Elek. Üretim San. ve Tic. A.Ş.	Turkey	Energy	Turkish Lira	75.32	74.87
Anel Marin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	Turkey	Marine Electrical, Electronic	Turkish Lira	93.00	93.00
Anel Dar Libya Constructing & Services LLC	Libya	Project Commitment	USD Dollar	65.00	65.00
Anel Engineering-Technological Company Ltd.Rusya (*)	Russia	Project Commitment	USD Dollar	-	100.00
Dag-08 Ood (**)	Bulgaria	Energy	Bulgarian Lev	-	100.00
Golden Sun Ood (**)	Bulgaria	Energy	Bulgarian Lev	-	100.00
Anel BG Ltd.	Bulgaria	Energy	Bulgarian Lev	100.00	100.00
Anel Emirates General Contracting LLC	United Arab Emirates	Project Commitment	USD Dollar	100.00	100.00
Anelmep Maintenance and Operations LLC	Qatar	Project Commitment	Qatar Riyal	100.00	100.00
Anel Engineering & Contracting Ltd.	England	Project Commitment	British pound	100.00	100.00
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	Turkey	Telecommunications	Turkish Lira	96.61	35.87
Anel Yapı Gayrimenkul A.Ş.	Turkey	Land and Buildings	Turkish Lira	98.39	94.06

(\*) The liquidation process of (Anel Engineering-Technological Company LLC) was completed on 4 June 2020 and its legal entity was terminated.

(\*\*) Sold in the first quarter of 2020.

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

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

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

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

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

**2.1 Basic Standards of Presentation (Continued)**

**Consolidation Principles (Continued)**

*Subsidiaries (Continued)*

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

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

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

***Elimination Transactions on the Consolidation***

Unrealized gains and expenses arising from intra-group transactions, intra-group balances and intra-group transactions are eliminated on a straight-line basis in preparation of the financial statements. Profits and Losses arises from transactions between parent and subsidiaries subject to consolidation offsets as far as parent's share on subsidiary. Unrecognized losses are deleted in the same way as unrealized gains unless there is evidence of impairment.

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

*Full Consolidation Method:*

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

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

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

**2.1 Basic Standards of Presentation (Continued)**

**Associates**

Associates are companies in which the Group has an interest which is more than 20% and less than 50% of the voting rights and over which a significant influence is exercised. The equity method is used for accounting of associates.

The unrealized profits arising from the transactions between the Group and its subsidiaries have been corrected in the Group's share of the participation and unrealized damages; Corrected if the transaction does not indicate that the transferred asset has decreased value. As long as the group has not been under any obligation or committed to the participation in relation to the affiliate, the registered value of the investment in the affiliate should be zero or the equity method will continue in the event of the group's significant impact. The registered value of the investment on the date of the important effect is shown at the cost of the fair value, otherwise it can be measured reliably if the value of the truth after that date is reliable.

As of 31 December 2020, the Group has no subsidiaries.

<u>The title of the participant</u>	<u>Establishment and place of activity</u>	<u>Main Activity</u>	<u>Effective share rate in capital (%)</u>	
			<u>31.12.2020</u>	<u>31.12.2019</u>
Energina Kompania Bonev	Bulgaria	Energy	-	50.00

**2.2. New and Revised Turkey Accounting Standards**

**(a) Standards, amendments and interpretations applicable as at 31 December 2020:**

- **Amendments to TAS 1 and TAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to TAS 1, 'Presentation of financial statements', and TAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other TFRSs:
  - i) Use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting,
  - ii) Clarify the explanation of the definition of material and
  - iii) Incorporate some of the guidance in TAS 1 about immaterial information.
- **Amendments to TFRS 3 - definition of a business;** effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the TASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
- **Amendments to TFRS 9, TAS 39 and TFRS 7 - Interest rate benchmark reform;** effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.



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

**2.2. New and Revised Turkey Accounting Standards (Continued)**

**(a) Standards, amendments and interpretations applicable as at 31 December 2020: (Continued)**

- **Amendment to TFRS 16, 'Leases' - Covid-19 related rent concessions;** effective from Annual periods beginning on or after 1 June 2020. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the TASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

**(b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2020:**

- **TFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The mentioned amendment does not have a significant impact on the consolidated financial position and performance of the Group.
- **Amendments to TAS 1, 'Presentation of financial statements' on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to TAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the 'settlement' of a liability. The mentioned amendment does not have a significant impact on the consolidated financial position and performance of the Group.
- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
  - **Amendments to TFRS 3, 'Business combinations'** update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to TAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to TAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, 'First-time Adoption of TFRS', TFRS 9, 'Financial instruments', TAS 41, 'Agriculture' and the Illustrative Examples accompanying TFRS 16, 'Leases'.

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

**2.2. New and Revised Turkey Accounting Standards (Continued)**

**(b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2020: (Continued)**

- **Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.
- **Amendments to TFRS 17 and TFRS 4, 'Insurance contracts', deferral of TFRS 9;** effective from annual periods beginning on or after 1 January 2021. These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial Instrument until 1 January 2023.

**2.3. Summary of Significant Accounting Policies**

**Financial Instruments**

**i. Recognition and initial measurement**

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**ii. Reclassification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI - equity investment, or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets that are not measured at amortized cost or at fair value through profit or loss are measured at fair value through profit or loss.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

**Financial Instruments (Continued)**

**ii. Reclassification and subsequent measurement (Continued)**

- How the performance of the portfolio is evaluated and reported to the Group's management,
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed,
- How the additional payments to the group managers are determined (whether compensation is based on the fair value of the assets managed or the contractual cash flows collected) and financial assets at fair value through profit or loss are measured at fair value through profit or loss.

Financial assets whose fair value is managed and evaluated accordingly are measured as fair value changes reflecting profit or loss.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Trade receivables and other receivables meet solely payments of principal and interest test since principal is the present value of the expected cash flows. Those receivables are managed in line with the held to collect business model.

Financial assets - Subsequent measurement and gains and losses:

<b>Financial assets at FVTPL</b>	Financial assets at FVTPL are comprised of derivatives. These assets are subsequently measured at fair value. Net gains and losses, including any interest, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	Financial assets at amortized cost are comprised of cash and cash equivalents, trade receivables, other receivables and other assets. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
<b>Equity investments at FVOCI</b>	Equity investments at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

**Non-derivative financial assets**

The Group initially recognized loans and receivables and deposits on the date that they were originated. All other financial assets were recognized initially on the trade date at which the Group became a party to the contractual provisions of the instrument. Non-derivative financial assets were comprised of loans and receivables and cash and cash equivalents and financial investments.

**Loans and receivables**

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets were recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables were comprised of cash and cash equivalents, and trade and other receivables, receivables from related parties and financial investments. Receivables from customers in relation to a component of revenue were recognized as trade receivables in financial statements. Receivables that were not classified as trade receivables and were not financial investments were recognized as other receivables.

**Cash and cash equivalents**

Cash and cash equivalents were comprised of cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and were used by the Group in the management of its short-term commitments. Cash and cash equivalents were comprised of cash, cash at banks and other cash and cash equivalents.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**Non-derivative financial liabilities**

The Group classified non-derivative financial liabilities into the other financial liabilities category except for bills, bonds and notes issued. Such financial liabilities were recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities were measured at amortized cost using the effective interest method. Other financial liabilities were comprised of loans, trade and other payables, payables to related parties and other payables. Trade payables were payables to third parties in relation to their capacity as suppliers. Other payables stemming from transactions with parties that were not suppliers or customers which were not classified as trade payables and were not a result of financing operations were recognized as other payables.

The instrument was equity instrument if, the following were met:

- a) The instrument included no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that were potentially unfavorable to the Group.
- b) If the instrument would or might be settled in the Group's own equity instruments, it was a non-derivative that included no contractual obligation for the Group to deliver a variable number of its own equity instruments; or a derivative that would be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.



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

**2.3. Summary of Significant Accounting Policies (Continued)**

*iii. Derecognition*

Financial assets

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

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

*iv. Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost,
- Contract assets (as defined in TFRS 15).

Under TFRS 9, loss allowances are measured on either of the following bases:

- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument and
- 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- Bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables, other receivables, other assets and contract assets are always measured at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Lifetime expected credit losses are the result of possible default events over the expected life of a financial instrument.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

For trade receivables, other receivables, other assets and contract assets the Group applies the simplified approach to providing for expected credit losses prescribed in TFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The Group performed the calculation of ECL rates separately for individual, corporate, public and wholesale customers. The ECLs were calculated based on actual credit loss experience over the past years.

Exposures within each group were segmented based on common credit risk characteristics such as delinquency status.

Actual credit loss experience was adjusted to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Future collection performance of receivables are estimated by considering general economic conditions to incorporate forward looking information to the expected credit loss calculations.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The amendment does not have any significant effect on the financial assets and financial liabilities of the Group and is not listed in the consolidated financial statements.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where trade receivables, other receivables, other assets and contract assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Financial assets

The fair value difference will be recognized by the total of fair market value and expenses that are directly related to purchasing transactions except the financial assets recognized by fair value and financial assets that are reflected to profit/loss. The purchasing or selling of a financial asset with respect to a contract that has a delivery condition will be recorded at the date of the transaction.

The Group classifies its financial assets as "financial assets at fair value through profit or loss", "investments held to maturity", "available-for-sale financial assets" and "loans and receivables". The classification is determined at the time of initial filing, depending on the purpose and nature of the asset obtained. The Group does not have investments held to maturity.

The effective interest method

The effective interest method of calculating the amortized cost of a financial asset and of allocating the interest income related to the Respective period. The effective interest rate for the expected life of the financial instrument or, where appropriate, a shorter period of time, the sum of the estimated cash flow, net present value of the related financial assets.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

Financial assets at fair value through profit or loss on financial assets, except calculated by using the effective interest method.

*Financial assets at fair value through profit or loss*

At fair value through profit or loss are financial assets held for trading purposes. A financial asset is classified in this category if acquired principally for the purpose of disposal. Against financial risk, derivative instruments are designated as effective hedging instruments which embody the fair value of financial assets classified as financial assets at fair value through profit.

*Available-for-sale financial assets*

Held by the Group that are traded in an active market with quoted equity instruments and certain debt securities are classified as available-for-sale financial assets are stated at fair value. Are not quoted in an active market and the Group's unlisted equity instruments classified as available for sale financial assets, but the fair values can be reliably measured are measured at cost.

Impairment losses recognized in income statement, interest calculated using the effective interest method and foreign exchange losses on monetary assets, profit / loss amount, except for gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated financial assets revaluation reserve. If the investment is sold or impaired, the accumulated financial assets revaluation reserve total profit/loss is reclassified.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group has the right to receive dividends.

*Loans and receivables*

Commercial and other receivables and loans that are not traded on the market, with fixed and identifiable payments, are classified into this category. Credits and receivables are shown by decreasing the low value over the discounted cost using the effective interest method.

*Impairment of financial assets*

Financial assets or groups of financial assets other than financial assets at fair value through profit or loss are assessed for indicators of impairment at each balance sheet date. One or more events occur after the initial recognition of the financial asset and the related event is related to the impairment of the related financial asset or the future cash flow of the asset group that can be reliably estimated. If there is a neutral indicator, the impairment of value occurs. For financial assets carried at amortized cost, the amount of the impairment is the difference between the present value of the estimated future cash flows, discounted at the financial asset's effective interest rate, and the carrying amount.

For all financial assets, except for trade receivables where the carrying amount is reduced through the use of a provision, the impairment is directly deducted from the carrying amount of the related financial asset. If the commercial receivable can not be collected, it is deducted from the corresponding amount provision account and deleted. Changes in the allowance account are recognized in the income statement.

Except for available for sale equity instruments, if the impairment loss decreases in the following period and the impairment loss can be attributed to an event occurring after the recognition of the impairment loss, the impairment loss previously recognized will not exceed the amortized cost amount if the impairment of the investment has not been accounted for at the date when the impairment is canceled it is canceled in the income table.

The increase in the fair value of available-for-sale equity securities after impairment is accounted directly in equity.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

*Cash and cash equivalents*

Cash and cash equivalents were comprised of cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and were used by the Group in the management of its short-term commitments.

Financial liabilities

The Group's financial liabilities and equity instruments, the contractual arrangements, the definitions of a financial liability and an equity instrument classified on the basis of. Assets of the Group after deducting all of its liabilities equity instrument is any contract that right. For specific financial liabilities and equity instruments accounting policies set out below.

Financial liabilities at fair value through profit or loss or other financial liabilities are classified as financial liabilities.

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss, are recognized at fair value at each reporting period and at the balance sheet date the fair value is revalued. Changes in fair value, are recognized in the income statement. Net gains or losses are recognized in the income statement, include the amount of interest paid on the financial liability.

*Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value net of transaction costs.

Other financial liabilities are subsequently at amortized cost using the effective interest rate and are accounted for at amortized cost using the effective interest method.

The effective interest method, calculating the amortized cost of a financial liability and of allocating interest expense associated period. The effective interest rate for the expected life of the financial instrument or a shorter period of time, if appropriate, the estimated future cash payments net present value of the financial liability.

*Trade Payables*

Trade payables in the ordinary activities of the suppliers of goods and services provided refers to payments to be made on. Trade payables are initially and subsequently at fair value calculated at the effective interest method are measured at amortized cost (Note 8).

Inventories

Inventories are the items as held for sale in the ordinary course of business, which is produced to be sold or used in the production process or the provision of services in the form of raw materials assets shown. Advances given are classified in the prepaid expenses until the related stock is recognized.

Inventories are valued at the lower of cost and net realizable value. The cost of inventories of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition involves. The costs of conversion of inventories, such as direct labor costs related to production costs. These costs are also incurred in converting raw materials and finished goods material in a systematic allocation of fixed and variable production overheads that include the amounts.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

**Inventories (Continued)**

Net realizable value is the estimated selling price in the ordinary course of business, the estimated costs of completion and the estimated costs necessary to make the sale shall be obtained by deducting total. Stocks in the financial statements, use or sales can not be tracked at a price higher than the amount expected to be achieved as a result. The net realizable value of inventories is less than cost, inventories are reduced to net realizable value and are recognized as an expense in the income statement in the year when the impairment. That caused inventories to be written down to net realizable value before conditions or evidence of an increase in net realizable value because of changed economic circumstances cases, impairment loss is canceled. The previously recognized impairment loss is limited to the amount of the canceled amount (Note 10).

Company, uses 'moving average method' method to able to calculate cost of inventories.

**Property, Plant and Equipment**

Group for use in the production or supply of goods and services, for rental to others (except for property, plant and equipment) or to be used for administrative purposes intended to be used over a period of physical items held within the framework of the cost model, the cost values are expressed.

The initial cost of property, plant and purchase price, including import duties and non-refundable purchase taxes, plant and equipment are comprised of expenses incurred to make the asset ready for use. After the start of use of tangible property, such as repair and maintenance expenditures are reported in the income statement as an expense as incurred. Expenditure on the future use of the property and equipment expenditures that have resulted in an increased economic value added to the cost of the asset.

Leasehold improvements include the expenses for leased properties and useful life of the lease agreement for the duration of the rental period is longer in cases, where the short is depreciated over their useful lives.

Depreciation of tangible fixed assets are separated from the date that is ready for use. Depreciation in the period in which the related assets will continue to idle.

The useful life and depreciation method are reviewed on a regular basis, depending on the method and period of depreciation on that asset's economic benefits are sought and the necessary corrective action in line with the provision (Note 15).

*Cost Method*

Tangible fixed assets are reported at cost less accumulated depreciation and accumulated impairment losses on the same basis.

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated.

Land and construction in progress, except for the cost of tangible fixed assets to their estimated useful lives are amortized using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year for the possible effects of changes in estimates if a change in estimate being accounted for on a prospective basis.

Disposal of tangible fixed assets of the asset, or a gain or loss arising on the difference between the sales proceeds and the carrying amount of the asset is included in the income statement is determined.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

The useful lives of tangible fixed assets are as follows:

	Economic Life	
Land Improvements	3-14	Year
Buildings	50	Year
Plant, Machinery and Equipment	3-14	Year
Vehicles	5	Year
Fixtures	3-14	Year
Other Tangible Fixed Assets	5	Year
Special Costs	5	Year

**Intangible Assets**

*Purchase of intangible assets*

Purchased intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized over their estimated useful lives using the straight-line method. The estimated useful life and the depreciation method, in order to determine the possible effects of changes in estimates are reviewed each year and changes in estimates are accounted for prospectively.

*Computer Software*

Acquired computer software, buying during the acquisition and capitalized on the costs incurred until ready for use.

*Non-financial statements of intangible assets*

An intangible asset through use or sale of disposed of or when no future economic benefits are expected from the case of statement of financial position (balance sheet) is disabled. An intangible asset statement of financial position (balance sheet) disconnection of the profit or loss, if any, to the disposal of assets is calculated as the difference between the net book value of collections. This difference is related assets statement of financial position (balance sheet) is recognized in profit or loss when taken out.

The useful lives of intangible fixed assets are as follows:

	Useful Life
Rights	3-14 Year

**Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortization of goodwill. These assets are tested for impairment annually. The carrying value of assets subject to amortization may not be recoverable in the event of a situation or events are reviewed for impairment. If the carrying amount exceeds the recoverable amount of the asset is recognized for the impairment. The recoverable amount is fair value less costs to sell or value in use is the one obtained. For purposes of assessing impairment, assets are grouped at the lowest level of identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

**Leases**

**Financial Leasing**

- The Group as the lessee

The Group substantially all the risks and rewards of ownership of tangible assets taken on lease, are classified as finance leases. Financial leases are subject to finance lease at the inception of the lease at the fair value of fixed assets at the lower of the present value basis are included in tangible assets by taking. Arising from lease financing costs over the lease term so as to produce a constant periodic rate is spread over the lease term. In addition, leased fixed assets based on estimated useful lives are amortized through. A reduction in value of fixed assets subject to finance lease impairment provision is recognized if detected. Finance lease liabilities and related interest expense and foreign exchange differences are recognized in profit or loss statement. Lease payments from finance lease liabilities are deducted.

**Operating Lease**

- The Group as the lessee

A significant portion of the risks and rewards of ownership are retained by the lessor that leases, are classified as operating leases. Under operating leases (net of any incentives received from the lessor after) the payments made, straight-line basis over the lease term on the profit or loss is recognized as an expense in the statement.

*Determining whether a contract includes leasing*

The group determines at the start of the contract whether a contract is a lease or whether it includes a lease. In order for a transaction to be "leased", the following two conditions must be met:

- The fulfillment of the contract depends on the use of a particular entity and
- The right to control the use of the entity specified in the contract.

At the inception or reassessment of the arrangement, the Group allocates the payments and other items required for such an arrangement for lease transactions and other items based on relevant fair values. If the Group decides that it can not reliably receive payments for a finance lease transaction, an asset and a liability are recorded that are equal to the fair value of the contractual asset.

Later, the liability decreases as the payments are made and the financing expense related to the liability is recognized using the alternative borrowing rate of the Group.

If the sales and leaseback transaction result in a financial lease, the portion above the carrying amount of the sales revenue is not immediately recognized as income by the seller-leaseholder.

Instead, the income is postponed and amortized over the lease period and recorded in profit or loss.

**Borrowing Costs**

Require significant time to get ready for use or sale assets (qualifying assets) when it comes to the acquisition, construction or production of directly attributable costs of the asset until the asset is ready for use or sale, are added to the cost. In case of foreign exchange income in the financing activities, the related income is deducted from the total of capitalized financial expenses

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

**2.3. Summary of Significant Accounting Policies (Continued)**

**Related Parties**

Related parties of the Group's shareholding, contractual rights, the opposite side of the family relationship or otherwise, directly or indirectly, control or significantly influence the team includes a. The accompanying consolidated financial statements of the Group companies are owned by shareholders and the shareholders of which are known to be associated with key management personnel and other companies are defined as related parties.

Presence of one of the following criteria, are considered related party to the Group:

- i) Use directly, or indirectly through one or more intermediaries:
  - The Group controls, or is controlled by the Group,
  - Is under common control with the Group (parent, subsidiaries and fellow subsidiaries, including the same),
  - Has an interest in the Group that gives it significant influence over, or has joint control over the Group.
- ii) The party is an associate of the Group,
- iii) The party is joint venture of the Group is venturer,
- iv) The party is a member of the key management personnel of the Group or its parent,
- v) The (i) or (iv) above, any individual is a close family member,
- vi) The entity that is controlled, jointly controlled or significantly influenced by, or (iv) or (v) directly or indirectly, any individual referred to in Articles important to have an entity that is entitled to vote or
- vii) The party is an entity that is a related party of the company or for the benefit of employees of the entity must have plans.

Related party transactions between related parties, resources, services or obligations, regardless of whether a price is charged transfer (Note 30).

**Investment Property**

Investment real estate is the property that is acquired in order to gain a lease and/or increase in value, and are measured primarily by cost values and the transaction costs included in it. Investment properties are valued by the fair value reflecting the market conditions as of the balance sheet date.

Investment properties are excluded from the balance sheet if they are to be sold or unusable and cannot be provided for any future economic benefit from the sale.

**Foreign Currency Transactions**

The individual financial statements of each Group entity are measured using the currency of the primary economic environment (functional currency) are presented. Each entity's financial position and operating results of the Company's functional currency and the presentation currency for the consolidated financial statements are expressed in TRY.

During the preparation of the financial statements of the individual entities, in foreign currencies (currencies other than TRY) the transactions are recorded at the rates prevailing on the date. Balance sheet foreign currency denominated monetary assets and liabilities are translated into New Turkish Lira at the exchange rates prevailing at the dates. Non-monetary items carried at fair value that are denominated in foreign currencies at fair value are retranslated at the rates prevailing on the date specified. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences, except to the extent specified below, are recognized in profit or loss in the period in which:

- Which relate to assets under construction for future productive use, and an adjustment to interest costs on foreign currency borrowings are regarded as foreign exchange differences are included in the cost of those assets,
- Foreign currency risks (see accounting policies are described below in order to hedge against) Exchange differences on transactions entered into in order to hedge.



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

**2.3. Summary of Significant Accounting Policies (Continued)**

**Earnings Per Share**

Earnings per share Earnings/loss amount, profit/loss, earnings per share from continuing operations/loss amount, the continuing operations profit/loss for the period of time in the Company's shares is calculated by dividing the weighted average number of common shares.

In Turkey, companies, existing shareholders from retained earnings distributing 'bonus shares' by way of earnings. This type of 'bonus share' distributions, earnings per share, are regarded as issued shares. Accordingly, the weighted average number of shares used in the calculations, giving retroactive effect to the stock in question is taken into consideration.

The calculation of earnings per share, will make the necessary corrections to the dilution effect of potential shares of preferred stock, or None (Note 29).

**Events after the Balance Sheet Date**

Events after the balance sheet date, the approval date of the publication of the balance sheet date of the consolidated financial statements, the Company refers to events that occur in favor or against. Whether to make a correction, according to the two types of situations can be identified:

- Adjusting events after the balance sheet, showing evidence of conditions that existed at the reporting date on situations in which the conditions,
- About the events that are indicative of conditions that arose after the balance sheet date (non-adjusting events after the balance sheet).

The accompanying consolidated financial statements of the Group, has been recognized adjusting events after balance sheet date and non-adjusting events after the balance sheet notes (Note 35).

**Provisions, Contingent Liabilities and Contingent Assets**

*Provisions*

There is a present legal or constructive obligation as a result of past events, and resources embodying economic benefits to settle the obligation and it is probable that they kept the company is expected to have a safe manner in the event of liability should be recognized in the consolidated financial statements. The provisions of the expenditure required to settle the obligation at the balance sheet date, with the most realistic estimates calculated by the Company's management and are discounted to present value where the effect is material.

*Contingent Liabilities*

Obligations under this group, within the control of the entity arising from past events, and the presence of one or more uncertain future events on the realization of the non-existence will be confirmed as the assessed liabilities Contingent liabilities are not included in the consolidated financial statements. Because, to settle the obligation, have the possibility of an outflow of resources embodying economic benefits or the amount of obligation can not be measured with sufficient reliability. Too far from the entity of resources embodying economic benefits likely to come out, unless the notes to the consolidated financial statements show that conditional obligations (Note 18).

*Contingent Assets*

The Group within the control of the entity arising from past events, and the presence of one or more uncertain events, which will be confirmed by the realization of assets, is considered as a contingent asset. If an inflow of resources embodying economic benefits is not certain contingent assets described in the notes to the consolidated financial statements.

Or all of the economic benefits required to settle a provision are expected to be part of the cases, which shall be collected by third parties, it is virtually certain that reimbursement will be received and the amount of the event can be measured reliably, are recognized and reported as an asset

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

**2.3. Summary of Significant Accounting Policies (Continued)**

**Financial Information Segment Reporting**

Reportable segment information required to be disclosed is a business segment or geographical segment . Industrial segments of a particular commodity or service or group of related goods or services , or to provide benefits in terms of risk and different from other parts of the Group are the features section . Geographical segments provide products or services within a particular economic environment of the Group and the risks and benefits in terms of the economic environment to another with different characteristics from those of components operating in other chapters.

The Group mainly abroad and in Turkey, electrical and mechanical project contracting, ship electrical electronics and solar energy in the areas in which it operates financial information for the segmental reporting this that performs the operations of the companies restructured by the electrical and mechanical project contracting, ship electrical electronics and energy are reported under the headings of the ship.

Group management for the purposes geographically Turkey, Qatar, England, Netherlands, Russia, Bulgaria, Azerbaijan and the United Arab Emirates is divided into 8 sections including ( Note 4).

**Revenue**

***Step 1: Identifying the contract***

A contract exists only if it is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved and the parties are committed to their obligations.

If either contracts were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Company accounts the contracts as a single contract.

***Step 2: Identifying the performance obligations***

The Company defines 'performance obligation' as a unit of account for revenue recognition. The Company assesses the goods or services promised in a contract with a customer and identifies as:

- (a) A performance obligation either a good or service that is distinct,
- (b) Or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

The Company can define a good or service included in the contract separately from other commitments in the contract and if it enables the customer to benefit from the said good or service alone or together with other resources available to use, it defines it as a different good or service. A contract may contain promises to deliver a series of distinct goods or services that are substantially the same. At contract inception, an entity determines whether the series of goods or services is a single performance obligation.

***Step 3: Determining the transaction price***

In order to determine the transaction price, the Company assesses how much consideration it expects to be entitled to by fulfilling the contract. In arriving at the assessment, the Company considers variable elements of consideration, as well as the existence of a significant financing component.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

**Significant financing component**

The Company revises the promised amount of consideration for the effect of a significant financing component to the amount that reflects what the cash selling price of the promised good or service. As a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the entity expects the period between customer payment and the transfer of goods or services to be one year or less. In cases where advance for the services are received and the payment scheme is broadly aligned with the Company's performance throughout the period, the Company concludes that the period between performance 12 months, therefore the expedient is applied.

**Variable consideration**

The Company identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

**Step 4: Allocating the transaction price to performance obligations**

If distinct goods or services are delivered under a single arrangement, then the consideration is allocated based on relative stand-alone selling prices of the distinct goods or services (performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in the service contracts is allocated based on their expected cost plus a margin.

**Step 5: Recognition of revenue**

The Company recognizes revenue over-time if any of the following conditions is met:

- Customer simultaneously receives and consumes the benefits as the entity performs or
- The customer controls the asset as the entity creates or enhances it or
- Company's performance does not create an asset for which the entity has an use; and alternative there is a right to payment for performance to date.

For each performance obligation that is satisfied over time, an entity selects a single measure of progress, which depicts the transfer of control of the goods or services to the customer. The Company uses a method that measures the work performed reliably. The Company uses cost incurred to measure the progress towards to completion of the project where the input method is used and uses units transferred to measure the progress towards to completion of the project where the output method is used.

If a performance obligation is not satisfied over time, then the Company recognize revenue at the point in time at which it transfers control of the good or service to the customer.

The Company recognizes a provision in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits.

**Contract modifications**

If the company makes a commitment to provide additional goods or services, it accepts the contract modification as a separate contract. If the goods or services are distinct, then the entity accounts for the modification as if it were a termination of the existing contract and the creation of a new contract. If the modification to the contract does not add distinct goods or services, then the entity accounts for it on a combined basis with the original contract, as if the additional goods or services were part of the initial contract.

Revenue is measured over the fair value of the amount of receivables collected or to be received. Estimated customer returns, discounts and provisions are deducted from this amount.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

*Business Operations*

The revenue obtained from the sale of commercial activities is accounted for when the following conditions are fulfilled:

- Transferring the significant risks and rewards to the buyer,
- Associated with the ownership of the Group and ongoing managerial involvement nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity, and reliable measurement of costs arising from the transaction, or to be incurred.

Reliable measurement of the costs arising from or due to the process.

*Service Presentation:*

Income from service delivery agreement books accordingly with degree of completion stated on agreement.

*Rent Incomes*

Rent income from real estates is recognized on a straight-line basis over the term of the relevant lease.

*Dividend and interest income*

Dividend income from equity investments are recorded when the Group gain the right to receive dividend (the economic benefits will flow to the Group and the revenue can be measured reliably, as long as).

The interest income from financial assets, economic benefits will flow to the Group and the revenue can be measured reliably are recognized as long. Interest income, with the remaining balance to be achieved through the expected life of the financial asset to that asset's net carrying amount that discounts estimated future cash receipts and at the effective interest rate.

**Taxes calculated over corporate earnings**

Because of Turkish tax legislation does not allow the parent company and its affiliates to prepare a consolidated tax declaration, the tax equivalents are calculated separately on the basis of each legal entity as reflected in the attached consolidated financial statements.

The current tax charge includes the current year's tax and deferred tax. The tax expense of the period is recorded in profit or loss, except for those relating to the business mergers or items taken directly from the records under other comprehensive revenue or equity.

*Tax*

The current tax liability is calculated through the taxable portion of the term profit. Taxable profits differ from profits in income statement table due to excluding items that are not possible to be taxes or taxes deductible. Current tax liability of group is legalized as of balance sheet date or calculated by using substantially significant tax rates.

*Deferred tax*

Deferred tax liabilities or assets are determined by calculating the temporary differences between the amounts recognized in the financial statements of assets and liabilities and the amounts considered in the statutory tax base, taking the tax effects into consideration at the statutory tax rates.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets consisting of unused tax losses and 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. It is calculated.

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of the goodwill or other asset or liability in the financial statements (other than in a business combination) that is not effected by business or financial profit or loss.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates and joint ventures, except where the Group is able to control the reversal of temporary differences and the probability of such reversal in the foreseeable future is low. Deferred tax assets arising from related taxable temporary differences are calculated on the assumption that it is highly probable that the differences will be utilized in the near future with sufficient profits subject to taxation and it is probable that the related differences will be recovered in the future.

Deferred income tax assets and liabilities are calculated over the tax rates (tax regulations) that are expected to be effective in the period in which the assets are realized or liabilities are realized and legalized or substantively legalized as of the balance sheet date. During the calculation of deferred tax assets and liabilities, the tax consequences of the Group's anticipated recovery of its carrying amount or the fulfillment of its obligations as of the balance sheet date are taken into account.

Deferred income tax assets and liabilities are recognized when the Group has a legally enforceable right to set off current tax assets or liabilities based on current tax assets or when the Group has a willingness to pay taxes by offsetting the Group's current tax assets and liabilities is deducted.

Deferred tax assets and liabilities are offset against each other if the same country is subject to tax legislation and there is a legally enforceable right to offset current tax assets against current tax liabilities.

**Taxation of foreign branches and projects:**

The Company's subsidiaries in Bulgaria are subject to 10% income tax. Ongoing construction projects in the United Arab Emirates and Qatar are exempt from corporate tax. 20% of the company's subsidiary in Russia is subject to income tax.

**Employee Benefits and Severance Payments**

Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal. In accordance with the updated TAS 19 Employee Benefits Standard ("TAS 19"), such payments are considered as defined retirement benefit plans. The retirement pay liability recognized in the statement of financial position is calculated according to the net present value of the estimated future salary of all employees due to their retirement and reflected in the financial statements. All actuarial gains and losses are accounted for under other comprehensive income. There are no liabilities related to subsidiaries and joint activities operating in foreign countries. (Note 19).

**Cash Flow Statement**

The Group prepares cash flow statements to inform the users of the financial statements about the ability to direct the amount and timing of changes in net assets, financial structure and cash flows according to changing conditions. In the cash flow table, the cash flows related to the turnover are reported by being classified as operating, investing and financing activities.

Cash flows from operating activities, cash flows from operating activities of the Company. From investing activities Cash flows from investing activities (fixed asset investments and financial investments) and the cash flows. Cash flows related to Cash flows from operating activities represent cash flows arising from the Group's core operations. Cash flows from investing activities represent the cash flows the Group uses in its investment activities (fixed assets investments and financial investments). Cash flows from financing activities represent the resources the Group uses in its financial activities and the repayments of those resources. Cash and cash equivalents include investments in cash and demand deposits with short-term, high liquidity with a short maturity of 3 months or less.

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

**2.3. Summary of Significant Accounting Policies (Continued)**

**Shares and dividends**

Ordinary shares, are classified as equity. Dividends payable are declared as an element of profit in the period are reflected as liabilities in the financial statements.

**2.4. Significant Accounting Valuation, Estimates and Assumptions**

In the preparation of financial statements in the Consolidated Financial Statements, the Group management is required to make assumptions and estimates that will affect the reported amounts of assets and liabilities, the probable liabilities and commitments that arise as of the reporting date and the amounts of income and expenses in the reporting period. Although these estimates and assumptions are based on the Group management's best knowledge of current events and transactions, they may differ from actual results. Estimates are regularly reviewed, necessary corrections are made and they are reflected in the period income table.

The interpretations that may have significant effect on the amounts reflected in the financial statements and the assumptions made by taking into account the actual sources of the existing or future estimates are as follows:

- a) Where it becomes probable that the contractual amendments will be approved by the employer, the group will reflect such contractual changes in the financial statements according to the completion rate of the construction projects. Estimates of the collectibility of contractual changes are made by taking into account the past experience of the Group's management, the relevant contractual provisions and the related legal regulations.
- b) The Group calculates the 'project costs remaining in construction contracts' through in-house forecasting mechanisms. Factors such as raw material prices, labor and other costs increases are included in these projections, which are based on best estimate as of the balance sheet date. For unexpected increases that may occur in subsequent periods, the remaining costs of the construction contracts need to be reassessed. Changes in the scope of construction projects and changes in scope project incomes and estimates of the total project costs resulting from the realizations can be significant fluctuations between years.
- c) The Group is subject to different tax legislation and laws as it operates in various countries. There are many uncertainties about the final tax implications of some transactions and calculations affecting income tax due to the general system in those countries. In those countries, the taxable account is generally 1-5 years. Therefore the Group Should use significant estimates when calculating tax provision. When the final tax results are released, the realized amounts may differ from those predicted, and the income tax for the records as of the balance sheet. Deferred tax asset is recognised in the event of determining that taxable revenue is likely to occur in the coming years. Deferred tax asset is recognised through the downloadable temporary differences in cases where taxable income is likely to occur. For the interim period, which ended on 31 December 2020, the Group has recognised deferred tax assets because of theadequate indicators that the foreseeable future is a taxable.
- d) Severance pay liability for actuarial assumptions (discount rates, future salary increases and employee separation rates).
- e) Doubtful receivables reflect the amounts that the Management believes will meet future losses from receivables, which are present as of the balance sheet date but are at risk of not being charged under current economic conditions. The performance of borrowers who remain outside the Group while evaluating the receivables ' impairment in the past performance of the companies based on the credibility of the market and the date of the financial statements from the balance sheet and re-negotiated conditions are also taken into consideration.
- f) When calculating inventory impairment, data for inventory after discount list prices is used. For non-measurable stocks, the sales price is evaluated by the opinions of the goods in stock and the physical status of the technical staff. In cases where the projected net can be accomplished, the value of the inventory is divided by the low cost.
- g) The possibility of loss of cases and the obligations to be lost in the case of the case in response to litigation, the Company's legal advisors and expert opinions are obtained by the Company's management evaluated by the based on the best estimates, company management determines the amount of the litigation response.
- h) The Company management has made significant assumptions in the direction of the technical team's experience in determining the beneficial economic lifetimes of tangible and intangible assets.



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

**2.5. Changes and Errors in the Accounting Policies and Estimates**

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

If the changes in the accounting estimates are for only one period, they are applied both in the current period when the change is made and both in the future when the change is made and in the future. The significant accounting estimates used in the current period are consistent with the accounting estimates used in the preparation of the consolidated financial statements for the period ended 31 December 2019.

**2.6. Business Combination**

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

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to allow the determination of financial status and performance trends. Comparative information is reclassified, where necessary, in order to comply with the presentation of the current financial statements, and significant differences are disclosed.

**2.7. Significant Changes Within the Current Period**

The Covid-19 Pandemic, which affects almost all sectors around the world, has adversely affected the Arabian Gulf region, where we mainly do business. The construction sector in this region was struggling with difficulties such as increasing construction costs, delays in projects and decreasing business potential before COVID-19 due to regional competition and political conflicts among the countries in the region.

In addition to the current situation, due to the COVID-19 Pandemic, additional difficulties such as social distance practices that cause delays and pauses in projects, additional security and health practices in construction sites and worker camps, worker, equipment and material shortages, travel restrictions and quarantine rules have been added to this situation.

The impacts of the COVID-19 Pandemic in European countries, which we have opened and undertaken projects in recent years, have occurred in a similar direction to the Gulf region in a way that will create delays and pauses and create additional costs due to practices such as restrictions, reduced working hours and limited number of personnel to the construction sites.

Delays and pauses caused by these situations negatively affected the Group's ongoing projects. In order to evaluate this situation and minimize its impact, the Group management has formed a committee to monitor and coordinate the measures taken, and efforts have been made to minimize the negative impact of the operations by taking measures that will not endanger the health of the employees and ensure the continuation of the projects.

In order to minimize the Covid epidemic of our operations and to ensure that our employees have a safe working environment, the widespread use of technological tools and remote working software has been ensured. The rapid adaptation to new working conditions upon the emergence of pandemic conditions has shown that the Group has a high level of preparedness in using high technology and supporting innovative solutions.

In addition to the difficulties experienced by COVID-19, delayed payments by employers and pending claims and amendment orders in the Gulf Region can also downside cash flows and profit margins. The Group takes and will continue to take measures to reduce this impact.

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

**2.7. Significant Changes Regarding the Current Period (Continued)**

The reflection of the above-mentioned developments on the ongoing projects can be summarized as follows.

**In the University College London Hospital Proton Beam Therapy Unit (UCLH PBT4) Project**, although the construction site was not completely stopped, the number of staff that could work on the site at any given time was limited, resulting in an inevitable delay in the completion date of the project. The project is currently close to completion and negotiations with the main contractor regarding the additional costs arising from the delay are ongoing.

**Abu Dhabi International Airport Midfield Terminal Building Project**, had a stable course in this period due to the impact of COVID-19, delayed payments and change orders that have not yet been resolved. Currently, operations have begun to take action with the employer's initiative to accelerate the project again.

**As the Ain Dubai (Bluewaters) Project** is nearing completion, an additional time extension requirement has arisen due to the impact of the COVID-19 Pandemic, and negotiations with the main contractor are ongoing regarding the anticipated additional costs.

**The Azerbaijan Ministry of Taxes building** is in line with the program, the discussions with the main contractor are ongoing regarding the additional costs arising from the COVID-19 measures.

**The Galataport Project** has experienced a short pause, and the negotiations regarding the extension of time and additional costs are mostly positive, and the negotiations with the employer are ongoing to agree on all of them.

**The Istanbul Modern Museum and Schiphol Airport Pier A Airside Expansion Projects** have never been completely stopped, and indirect staff working from home has been implemented for short periods only.

**3. SHARES IN OTHER BUSINESS**

The information about the group's affiliated partnerships, the country and ownership rate in which it is registered, is described in Note 1.

Energia Kompania Bonev, the subsidiary of the Group, has been sold in the first quarter of 2020, as of 31 December 2020, the Group has no subsidiary.

**4. SEGMENT REPORTING**

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

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



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4. SEGMENT REPORTING (Continued)

31.12.2020	Project Commitment	Rent Income	Telecommunication	Marine Electrical and Electronics	Energy	Consolidation Adjustments	Total
Net Revenue Non-Group	689,837,990	18,569,937	7,627	31,288,778	737,134	-	740,441,466
Intra Group Revenue	-	-	-	-	-	(1,228,463)	(1,228,463)
<b>Total Net Revenue</b>	<b>689,837,990</b>	<b>18,569,937</b>	<b>7,627</b>	<b>31,288,778</b>	<b>737,134</b>	<b>(1,228,463)</b>	<b>739,213,003</b>
Cost of Sales (-)	(781,607,455)	(2,340,605)	(7,627)	(19,698,206)	(600,100)	231,961	(804,022,032)
<b>Gross Profit / Loss</b>	<b>(91,769,465)</b>	<b>16,229,332</b>	-	<b>11,590,572</b>	<b>137,034</b>	<b>(96,502)</b>	<b>(64,809,029)</b>
General and Administrative Expenses (-)	(32,812,335)	(1,487,658)	(503,291)	(1,254,584)	(148,663)	891,761	(35,314,770)
Other Operating Income	85,541,881	971,329	402,096	794,611	32,936	95,191	87,838,044
Other Operating Expenses	(68,700,194)	(1,663,856)	(294,807)	(3,106,946)	(297,590)	(126)	(74,063,519)
<b>Operating Profit</b>	<b>(107,740,113)</b>	<b>14,049,147</b>	<b>(396,002)</b>	<b>8,023,653</b>	<b>(276,283)</b>	<b>(9,676)</b>	<b>(86,349,274)</b>
Impairment (losses)/gains in accordance with TFRS 9, net	1,310,797	-	-	(1,205)	-	-	1,309,592
Income from Investment Operations	9,502,429	4,051,012	6,887	-	200	-	13,560,528
Expense from Investment Operations (-)	(65,872)	-	(2,19,959)	-	(3,254)	-	(289,085)
<b>Operating Profit / (Loss) before Finance Income and Expense</b>	<b>(96,992,759)</b>	<b>18,100,159</b>	<b>(609,074)</b>	<b>8,022,448</b>	<b>(279,337)</b>	<b>(9,676)</b>	<b>(71,768,239)</b>
Financing Income	19,176,560	1,174,740	7,071	2,245,498	3,517	(5,347,955)	17,259,431
Financing Expenses (-)	(42,418,886)	(42,850,482)	(337,260)	(541,791)	(3,132,342)	5,347,956	(83,932,805)
<b>Operating Profit/(Loss) Before Tax</b>	<b>(120,235,085)</b>	<b>(23,575,583)</b>	<b>(939,263)</b>	<b>9,726,155</b>	<b>(3,408,162)</b>	<b>(9,675)</b>	<b>(138,441,613)</b>
Operating Tax Income/(Loss)	(1,273,863)	-	-	(431,734)	(8,163)	-	(1,713,760)
-Period Tax Income/(Loss)	1,171,423	(1,377,397)	371	(1,714,282)	7,665	(848,264)	(2,760,484)
-Deferred Tax Income/(Expense)	(120,337,525)	(24,952,980)	(938,892)	7,580,139	(3,408,660)	(857,939)	(142,915,857)
<b>Investment Expenses</b>							
Property, Plant and Equipment	1,189,513	454,186	-	10,925	-	-	1,654,624
Intangible Fixed Assets	1,231	-	3,879	-	-	-	5,110
Depreciation Expenses	(6,659,406)	(174,600)	-	(19,389)	-	-	(6,853,395)
Amortization Expenses	(61,990)	(1,723)	(1,151)	(20,374)	-	-	(85,238)
Other Information							
- Total Assets	2,338,034,041	303,586,931	73,426,489	36,891,953	1,478,582	(1,135,431,698)	1,617,986,298
- Total Liabilities	1,755,036,927	174,654,424	5,360,774	20,525,764	22,425,009	(802,467,611)	1,175,555,286

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4. SEGMENT REPORTING (Continued)

31.12.2019	Project Commitment	Rent Income	Telecommunication	Marine Electrical and Electronics	Energy	Consolidation Adjustments	Total
Net Revenue Non-Group	995,170,065	21,461,334	21,610	6,300,757	7,784,200	-	1,030,737,966
Intra Group Revenue	-	-	-	-	-	(557,332)	(557,332)
<b>Total Net Revenue</b>	<b>995,170,065</b>	<b>21,461,334</b>	<b>21,610</b>	<b>6,300,757</b>	<b>7,784,200</b>	<b>(557,332)</b>	<b>1,030,180,634</b>
Cost of Sales (-)	(966,376,947)	(1,962,530)	(33,775)	(5,655,917)	(4,419,805)	541,030	(977,907,944)
<b>Gross Profit / Loss</b>	<b>28,793,118</b>	<b>19,498,804</b>	<b>(12,165)</b>	<b>644,840</b>	<b>3,364,395</b>	<b>(16,302)</b>	<b>52,272,690</b>
General and Administrative Expenses (-)	(39,090,516)	(1,386,979)	(482,585)	(1,052,307)	(496,072)	(91,194)	(42,599,653)
Other Operating Income	107,542,422	3,428,002	710,096	392,982	149,493	(56,614)	112,166,381
Other Operating Expenses	(85,393,813)	(4,688,347)	(430,503)	(349,379)	(72,872)	-	(90,934,914)
<b>Operating Profit</b>	<b>11,851,211</b>	<b>16,851,480</b>	<b>(215,157)</b>	<b>(363,864)</b>	<b>2,944,944</b>	<b>(164,110)</b>	<b>30,904,504</b>
Impairment (losses)/gains in accordance with TFRS 9, net	1,242,635	-	-	1,044	-	-	1,243,679
Income from Investment Operations	895,022	9,924,000	-	726	1,227	-	10,820,975
Expense from Investment Operations (-)	(119,999)	-	(1,158)	-	-	-	(121,157)
Equity Method Investments Profit / (Loss)'s Shares	270,891	-	-	-	-	-	270,891
<b>Operating Profit / (Loss) before Finance Income and Expense</b>	<b>14,139,760</b>	<b>26,775,480</b>	<b>(216,315)</b>	<b>(362,094)</b>	<b>2,946,171</b>	<b>(164,110)</b>	<b>43,118,892</b>
Financing Income	15,732,518	6,840,639	12,942	1,712,706	452	(5,697,207)	18,602,050
Financing Expenses (-)	(38,947,626)	(22,148,284)	(1,55,185)	(115,915)	(5,727,158)	5,667,403	(61,426,765)
<b>Operating Profit/(Loss) Before Tax</b>	<b>(9,075,348)</b>	<b>11,467,835</b>	<b>(358,558)</b>	<b>1,234,697</b>	<b>(2,780,535)</b>	<b>(193,914)</b>	<b>294,177</b>
Operating Tax Income/(Loss)	(582,751)	-	(3,101)	(501,049)	(177,501)	-	(1,264,402)
-Period Tax Income/(Loss)	2,516,055	1,423,653	(767)	225,982	(2,378)	-	4,162,545
-Deferred Tax Income/(Expense)	(7,142,044)	(12,891,488)	(362,426)	959,630	(2,960,414)	(193,914)	(3,192,320)
<b>Investment Expenses</b>							
Property, Plant and Equipment	2,950,453	292,759	-	2,527	-	-	3,245,739
Intangible Fixed Assets	508	-	641	61,747	-	-	62,896
Depreciation Expenses	(6,548,404)	(115,472)	(1,838)	(17,277)	(2,003,202)	-	(8,686,193)
Amortization Expenses	(96,321)	(1,723)	(13,348)	(20,376)	(211)	-	(131,979)
Other Information							
- Total Assets	1,721,501,289	328,279,651	74,027,652	12,254,462	47,097,375	(744,018,936)	1,439,141,493
- Total Liabilities	1,116,702,311	174,394,163	5,012,407	3,448,451	47,299,663	(415,245,199)	931,611,796

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## 4. SEGMENT REPORTING (Continued)

## Geographical Segments

	Turkey	Qatar	England	Netherlands	Russia	Bulgaria	Azerbaijan	United Arab Emirates	Elimination	Total
<b>01.01.-31.12.2020</b>										
Revenue	277,330,036	97,077,241	32,016,361	25,429,105	-	755,070	84,470,582	223,381,007	(1,246,399)	739,213,003
Due from Customers Under Construction Contracts	90,090,800	139,780,349	21,163,565	5,914,021	-	-	-	566,233,941	-	823,182,676
Assets according to Segment Investment Expenses	1,200,612,533	804,674,878	41,268,520	13,986,060	66,541	1,120,883	31,969,900	659,718,681	(1,135,431,698)	1,617,986,298
	827,298	524,648	-	13,236	-	-	-	294,552	-	1,659,734
<b>01.01.-31.12.2019</b>										
Revenue	96,368,372	158,762,409	162,258,169	24,097,322	-	7,784,200	5,838,664	575,628,830	(557,332)	1,030,180,634
Due from Customers Under Construction Contracts	43,205,437	45,947,928	52,066,827	4,121,447	-	-	4,616,539	390,775,826	-	540,734,004
Assets according to Segment Investment Expenses	958,028,842	524,341,063	89,310,063	10,023,831	47,541	45,840,284	15,523,224	540,045,581	(744,018,936)	1,439,141,493
	1,064,427	150,548	21,207	6,689	-	-	-	2,065,764	-	3,308,635

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## 4. SEGMENT REPORTING (Continued)

Information on the revenue shares of the customers according to the operating segments of the Group's revenue between 1 January - 31 December 2020 and 1 January - 31 December 2019 are as follow:

Operating Segment	Activity	Amount in Gross Revenue	Share in Gross Revenue
<b>01.01. - 31.12.2020</b>			
Project Commitment	Project Commitment	201,130,872	29%
Project Commitment	Project Commitment	119,297,513	17%
Project Commitment	Project Commitment	104,096,594	15%
Project Commitment	Project Commitment	84,470,584	12%
<b>01.01. - 31.12.2019</b>			
Marine Electrical and Electronics	Service Sales	12,317,779	34%
Marine Electrical and Electronics	Service Sales	7,011,001	19%
<b>01.01. - 31.12.2019</b>			
Project Commitment	Project Commitment	553,919,434	54%
Project Commitment	Project Commitment	206,873,769	20%
Project Commitment	Project Commitment	82,442,307	8%
<b>01.01. - 31.12.2019</b>			
Marine Electrical and Electronics	Service Sales	4,054,856	64%
Marine Electrical and Electronics	Service Sales	271,872	4%

## 5. CASH AND CASH EQUIVALENTS

	31.12.2020	31.12.2019
Cash	268,980	1,149,350
Banks	54,139,584	103,906,698
- Demand Deposits	54,029,669	103,808,220
- Time Deposit Maturity less than 3 Months	109,915	98,478
Other Cash and Cash Equivalents	10	63
<b>Total</b>	<b>54,408,574</b>	<b>105,056,111</b>

Details of time deposits maturity less than 3 months are as follows:

Currency	Interest Rate (%)	31.12.2020	Interest Rate (%)	31.12.2019
TRY	9.00- 17.30	102,574	9.38- 10.28	98,478
US Dollar	1.00	7,341	-	-
<b>Total Time Deposit</b>		<b>109,915</b>		<b>98,478</b>
<b>31.12.2020</b>				
Opening balance		98,478		-
Addition		11,437		98,478
Disposal (-)		-		-
<b>Time deposit at the end of the period</b>		<b>109,915</b>		<b>98,478</b>

There is no blockage on cash and cash equivalents as of the reporting date (31 December 2019: None).

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**6. FINANCIAL INVESTMENTS**

<u>Short Term Financial Investment</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
FV gain/losses of financial assets reflected in the income statement	10,521	3,634
<b>Total</b>	<b>10,521</b>	<b>3,634</b>
<u>FV gain/losses of financial assets reflected of income statement</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
<u>Shares</u>		
Shares traded on the stock exchange (*)	10,521	3,634
<b>Total</b>	<b>10,521</b>	<b>3,634</b>

(\*) The shares traded on the stock exchange have FV gain amounting to TRY6.887 in the current period (31 December 2019: TRY1,158 depreciation).

**7. FINANCIAL BORROWINGS**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Bank Loans	418,997,499	321,560,536
Credit Card Debts	594,315	91,443
<b>Total</b>	<b>419,591,814</b>	<b>321,651,979</b>

## a) Bank Loans:

<u>Currency</u>	<u>Weighted Average Interest Rate (%)</u>	<u>31.12.2020</u>			<u>Total</u>
		<u>Short Term</u>	<u>Short-Term Portion of Long Term Loans</u>	<u>Long Term</u>	
TRY	9.50 - 21.50	266,179,333	-	-	266,179,333
Euro	3.00-6.80	13,233,842	47,255,638	90,841,004	151,330,484
QAR	5.60	1,487,682	-	-	1,487,682
<b>Total</b>		<b>280,900,857</b>	<b>47,255,638</b>	<b>90,841,004</b>	<b>418,997,499</b>

<u>Currency</u>	<u>Weighted Average Interest Rate (%)</u>	<u>31.12.2019</u>			<u>Total</u>
		<u>Short Term</u>	<u>Short-Term Portion of Long Term Loans</u>	<u>Long Term</u>	
TRY	12.00- 28.50	166,094,995	-	-	166,094,995
Euro	4.00-6.80	21,122,531	25,630,072	108,712,938	155,465,541
<b>Total</b>		<b>187,217,526</b>	<b>25,630,072</b>	<b>108,712,938</b>	<b>321,560,536</b>

	<u>31.12.2020</u>	<u>31.12.2019</u>
Payable within one year	328,156,495	212,847,598
Payable within 2 - 3 years	29,638,042	27,551,086
Payable within 3 - 4 years	29,757,569	24,928,540
Payable within 4 - 5 years	29,885,433	25,141,895
Payable within 5 years and longer term	1,559,960	31,091,417
<b>Total</b>	<b>418,997,499</b>	<b>321,560,536</b>

As of 31 December 2020, there are no mortgages (31 December 2019: TRY22,749,386).

The Group's Movement regarding loans are as follow:

	<u>31.12.2020</u>	<u>31.12.2019</u>
<b>1 January Opening Balance</b>	<b>321,560,536</b>	<b>213,491,543</b>
Cash inflows from borrowing	319,619,012	269,289,465
Cash outflows on principal payments	(243,380,427)	(161,248,440)
Interest paid	(41,033,869)	(34,391,850)
Accrual	22,955,564	18,622,189
Foreign Exchange rate differences	39,276,683	15,797,629
<b>31 December Closing Balance</b>	<b>418,997,499</b>	<b>321,560,536</b>

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**8. TRADE RECEIVABLES AND PAYABLES**

## a) Trade Receivables:

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

<u>Short Term Trade Receivables</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Trade Receivables	113,197,517	118,789,659
Notes Receivables and Postdated Checks	2,147,838	7,502,294
Less: Unrealized Finance Income	(75,602)	(412,659)
Income Accruals	-	5,685,300
Adjustment on application of TFRS 9	(30,211)	(1,145,483)
Doubtful Trade Receivables	1,202,765	1,117,593
Less: Doubtful Receivables Provisions	(1,202,765)	(1,117,593)
Collaterals held by Employers (*)	107,558,871	81,959,628
<b>Sub Total</b>	<b>222,798,413</b>	<b>212,378,739</b>
Receivables from Related Parties (Note 30)	9,577,545	8,680,938
<b>Total</b>	<b>232,375,958</b>	<b>221,059,677</b>

As of 31 December 2020, the weighted average of interest rate 17.51%, 0.10% and 0.59% used to calculate unearned finance income for short-term trade receivables in terms of TRY, US Dollars and Euro and average maturity of receivables is 2 months (2019: TRY15.18%, US Dollars1.80%, Euro0.51%, 2 months).

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

As of 31 December 2020, trade receivables amounting to TRY1,202,765 (2019: TRY1,117,593) is a provision for doubtful receivables.

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

The movement schedule of the Group for doubtful trade receivables are as follow:

	<u>1 January - 31 December 2020</u>	<u>1 January - 31 December 2019</u>
Beginning of the period	1,117,593	5,273,235
Provisions within the period	-	10,851
Less: Collected within the current period	(46,247)	(4,701,964)
Foreign currency exchange differences	131,419	535,471
<b>End of the period</b>	<b>1,202,765</b>	<b>1,117,593</b>

Explanations on the nature and level of risks in trade receivables are explained in detail in Note 31.

## b) Trade Payables:

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

<u>Short Term Trade Payables</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Trade Payables	131,661,830	144,449,106
Notes Payable	12,656,287	57,859,473
Less: Unrealized Finance Expense	(295,990)	(807,999)
Expense Accruals	952,180	7,644,152
Financial Guarantees Given to the Subcontractor (*)	33,486,167	26,015,460
<b>Sub Total</b>	<b>178,460,474</b>	<b>235,160,192</b>
Trade Payables to Related Parties (Note 30)	28,160,246	632,716
<b>Total</b>	<b>206,620,720</b>	<b>235,792,908</b>

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

**b) Trade Payables: (Continued)**

As of 31 December 2020, the weighted average of interest rates are 17.37%, 0.19%, and 0.57% used to calculate unearned finance expense for short-term trade payables in terms of TRY, US Dollars and Euro and weighted average maturity is 3 months (31 December 2019: 11.52%, US Dollars: 1.85%, Euro: 0.49% 3 months).

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

Details of receivables from related parties and due to related parties are disclosed in Note 30.

Explanations on the nature and level of risks in trade payables are explained in detail in Note 31.

**9. OTHER RECEIVABLES AND PAYABLES**

	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Short Term Other Receivables</b>		
Deposits and Guarantees Given	2,590,989	11,692,017
Due From Personnel	7,746	4,382
Doubtful Other Receivables	5,248,443	5,248,443
Less: Provision of Doubtful Other Receivables (*)	(5,248,443)	(5,248,443)
Other Receivables	682,738	441,402
Tax and Social Security Receivables	922,805	1,461,394
<b>Sub-Total</b>	<b>4,204,278</b>	<b>13,599,195</b>
Other receivables from related parties (Note 30)	200,981	10,935,494
<b>Total</b>	<b>4,405,259</b>	<b>24,534,689</b>

The details of the other doubtful receivables are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Beginning of the period	5,248,443	4,581,553
Provisions within the period	-	808,884
Less: Collected within the Period	-	(141,994)
<b>End of the period</b>	<b>5,248,443</b>	<b>5,248,443</b>

	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Long-Term Other Receivables</b>		
Deposits and Guarantees Given	87,787	86,519
<b>Total</b>	<b>87,787</b>	<b>86,519</b>

	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Shorts-Term Other Payables</b>		
Deposits and Guarantees Received	312,387	372,137
Taxes and Charges	12,849,184	8,426,437
Other Payables	14,534	12,290
Restructured Debts of Public Sector	17,448	118,218
<b>Sub-Total</b>	<b>13,193,553</b>	<b>8,929,082</b>
Other Payables to Related Parties (Note 30)	1,285,181	109,463
<b>Total</b>	<b>14,478,734</b>	<b>9,038,545</b>

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**10. INVENTORIES**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Raw Materials	115,766,767	130,820,202
Trade Goods	16,763	140,874
Provision for Inventories (-)	-	(371,625)
<b>Total</b>	<b>115,783,530</b>	<b>130,589,451</b>

	<b>01 January - 31 December 2020</b>	<b>01 January - 31 December 2019</b>
<b>Provision for Inventories Movement</b>		
Opening Balance	371,625	371,625
Additional During the Period (-)	-	-
Canceled During the Period (-)	(371,625)	-
<b>Closing Balance</b>	<b>-</b>	<b>371,625</b>

	<b>01.01.-31.12.2020</b>	<b>01.01.-31.12.2019</b>
<b>Inventory Impairment Breakdown</b>		
Raw Materials	-	371,625
<b>Total</b>	<b>-</b>	<b>371,625</b>

The Group has no inventory pledged as collateral for loans used (31.12.2019: None).

**11. PREPAID EXPENSES AND DEFERRED REVENUES**

	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Short-Term Prepaid Expenses</b>		
Advances Given for Inventories	10,083,299	8,195,843
Other Advances Given	3,865,710	2,371,808
Prepaid Expenses for the Following Months	4,738,317	7,936,090
<b>Total</b>	<b>18,687,326</b>	<b>18,503,741</b>

	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Long-Term Prepaid Expenses</b>		
Prepaid expenses to next years	649,114	274,818
<b>Total</b>	<b>649,114</b>	<b>274,818</b>

	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Short-Term Deferred Income</b>		
Advances Received Regarding Construction Contracts (*)	427,999,535	248,687,654
Other Advances Received	871,591	12,449,805
Prepaid Income to Future Months	1,953,445	1,796,791
<b>Total</b>	<b>430,824,571</b>	<b>262,934,250</b>

(\*) The most important reason for the increase in advances received regarding construction contracts is the advance of the Lusail Plaza Towers project signed in 2020.

**12. CONSTRUCTION CONTRACTS**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Assets regarding Construction Contracts In Progress	823,182,676	540,734,004
<b>Total</b>	<b>823,182,676</b>	<b>540,734,004</b>



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**12. CONSTRUCTION CONTRACTS (Continued)**

Assets related to construction projects in progress are as follows:

	<u>31.12.2020</u>	<u>31.12.2019</u>
Assets regarding Domestic Construction Contracts		
Unearned Assets regarding Domestic Construction Contracts (*)	90,090,800	43,205,437
Unearned Assets regarding Overseas Construction Contracts (*)	733,091,876	497,528,567
<b>Assets regarding Construction Contracts In Progress</b>	<b>823,182,676</b>	<b>540,734,004</b>
	<u>31.12.2020</u>	<u>31.12.2019</u>
Liabilities Regarding Construction Contracts in Progress	18,562,232	9,734,857
<b>Total</b>	<b>18,562,232</b>	<b>9,734,857</b>

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

Liabilities related to construction projects in progress are as follows:

	<u>31.12.2020</u>	<u>31.12.2019</u>
Over-invoiced Portion regarding Domestic Construction Contracts	3,220,478	1,958,354
Over-invoiced Portion regarding Overseas Construction Contracts	15,341,754	7,776,503
<b>Contractual obligations arising from ongoing construction and contracting works</b>	<b>18,562,232</b>	<b>9,734,857</b>

Guarantees given and received for the projects described in Note 18.

As of 31 December 2020, short-and long-term advances has been received regarding the ongoing construction contracts is amounting to TRY427,999,535 (31 December 2019: TRY248,687,654).

**13. INVESTMENTS ACCOUNTED UNDER EQUITY METHOD**

Energina Kompania Bonev, the subsidiary of the Group accounted by equity method, was sold on 13 March 2020 for a consideration of EUR354,689 (TRY2,487,750).

	<u>Affiliates rate (%)</u>	<u>31.12.2020</u>	<u>Affiliates rate (%)</u>	<u>31.12.2019</u>
Energina Kompania Bonev	-	-	50.00	1,326,951
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,326,951</b>

Assets, liabilities, equity, revenue and profit and loss information of Energina Kompania Bonev, which is accounted under equity method, are given below;

	<u>Payables</u>		<u>31.12.2019</u>		
	<u>Assets Total</u>	<u>Total</u>	<u>Equity</u>	<u>Revenue</u>	<u>Profit / (Loss)</u>
Energina Kompania Bonev	16,240,385	13,586,483	2,653,902	2,917,461	541,782

The details of the share of the affiliate's profit for the period are as follows:

	<u>Affiliates rate (%)</u>	<u>31.12.2020</u>	<u>Affiliates rate (%)</u>	<u>31.12.2019</u>
Energina Kompania Bonev	-	-	50.00	270,891
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270,891</b>

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**14. INVESTMENT PROPERTY**

	<u>1 January 2020</u>					<u>31 December 2020</u>
	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Appreciation</u>	<u>Closing Balance</u>
<b>Fair Value</b>						
Lands and Buildings	282,864,413	4,600	(6,650,000)	1,236,029	4,051,012	281,506,054
<b>Investment Properties</b>	<b>282,864,413</b>	<b>4,600</b>	<b>(6,650,000)</b>	<b>1,236,029</b>	<b>4,051,012</b>	<b>281,506,054</b>
	<u>1 January 2019</u>					<u>31 December 2019</u>
	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Value Increase</u>	<u>Closing Balance</u>
<b>Fair Value</b>						
Land and Buildings	277,118,847	-	(4,870,000)	-	10,615,566	282,864,413
<b>Investment Properties</b>	<b>277,118,847</b>	<b>-</b>	<b>(4,870,000)</b>	<b>-</b>	<b>10,615,566</b>	<b>282,864,413</b>

The fair value of investment property amounting to Turkey at 31 December 2020 and 2019 are as follows:

	<u>31 December 2020</u>		<u>31 December 2019</u>	
	<u>Expertize Report Date</u>	<u>The Fair Value</u>	<u>Expertize Report Date</u>	<u>The Fair Value</u>
<b>Name of real estate</b>				
Muğla Milas Mesken	-	-	6 March 2020	6,650,000
Anel İş Merkezi	3 February 2021	284,500,000	14 February 2020	280,500,000
Land (Koşuyolu)	3 February 2021	4,075,000	14 February 2020	3,920,000

There is a mortgage amount of EUR37,200,000, TRY450,000,000, USD100,000,000 and an insurance guarantee of TRY201,581,961 on investment properties as of 31 December 2020 (31 December 2019: EUR37,200,000 mortgage and TRY201,581,961 insurance guarantee).

The Group has revaluated the Anel Business Center building located in Ümraniye, one of its investment properties, by TSKB Gayrimenkul Değerleme A.Ş., an independent valuation company licensed by CMB. The Group management believes that the valuation company has professional knowledge and up-to-date information on the segment and location of investment property.

According to the valuation report dated 3 February 2021 prepared by the valuation company, the fair value was appreciated as TRY284,500,000. Market approach method used in valuation report. The value of the property was determined by the Market method.

The area used by the Group Companies subject to consolidation within 42 independent area of the property subject to the appraisal, have been accounted in tangible assets amounting to TRY7.068.946 and remaining areas amounting to TRY277,431,054 have been accounted in investment properties.

In addition, the building of the Group, except of Anel Business Center and located in Koşuyolu, has been evaluated by TSKB Gayrimenkul Değerleme A.Ş. and its fair value has been determined as TRY4,075,000. The fair value of the property was determined by the Market Approach method.

The Group sold its investment property located in Muğla Milas in 2020.

The Group has generated TRY17,614,413 rental income from its investment properties (31 December 2019: TRY21,083,000).

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15. TANGIBLE ASSETS

	Lands	Buildings	Improvements	Lands	Plant, Machinery and Equipment	Vehicles	Fixtures	Leasehold Improvements	Other Fixed Assets	Total
<b>Cost</b>										
<b>Opening Balance</b>	1,510,000	8,205,588	406,856	406,856	87,630,310	4,241,484	36,025,926	407,346	265,819	138,693,329
Foreign Currency Translation Adjustments	-	-	95,910	95,910	8,615,809	871,599	6,386,152	4,819	-	15,974,289
Purchases	-	99,388	-	-	1,086,631	-	468,605	-	-	1,654,624
Disposals	-	-	-	-	(191,437)	(241,994)	(428,416)	-	-	(861,847)
Affiliate Exit (*)	(1,510,000)	-	-	-	(52,110,446)	-	(22,509)	-	(98,058)	(53,741,013)
Transfers	-	(1,236,030)	-	-	-	-	-	-	-	(1,236,030)
<b>Closing Balance</b>	-	7,068,946	502,766	502,766	45,030,867	4,871,089	42,429,758	412,165	167,761	100,483,352
<b>Accumulated Depreciation</b>										
<b>Opening Balance</b>	-	(492,336)	(246,964)	(246,964)	(42,598,503)	(2,936,944)	(30,799,133)	(391,826)	(217,073)	(77,682,779)
Foreign Currency Translation Adjustments	-	-	(59,356)	(59,356)	(5,791,754)	(660,810)	(5,667,287)	(4,822)	-	(12,184,029)
Charge for the period	-	(141,379)	(24,069)	(24,069)	(4,015,243)	(865,503)	(1,801,882)	(5,319)	-	(6,853,395)
Disposals	-	-	-	-	1,121	189,561	367,421	-	-	558,103
Affiliate Exit (*)	-	-	-	-	15,848,571	-	22,509	-	87,914	15,958,994
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance</b>	-	(633,715)	(330,389)	(330,389)	(36,555,808)	(4,273,696)	(37,878,372)	(401,967)	(129,159)	(80,203,106)
<b>Tangible Assets, net</b>	-	6,435,231	172,377	172,377	8,475,059	597,393	4,551,386	10,198	38,602	20,280,246

(\*) Consist of the disposal of the subsidiaries of Dag-08 Ood and Golden Sun Ood as of the reporting period.

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15. TANGIBLE ASSETS (Continued)

	Lands	Buildings	Improvements	Lands	Plant, Machinery and Equipment	Vehicles	Fixtures	Leasehold Improvements	Other Fixed Assets	Total
<b>Cost</b>										
<b>Opening Balance</b>	1,475,196	8,205,588	360,334	360,334	77,247,633	4,511,865	32,811,734	405,007	256,643	125,274,000
Foreign Currency Translation Differences	34,804	-	46,522	46,522	8,885,447	512,329	3,205,772	2,339	9,176	12,696,389
Purchases	-	-	-	-	2,165,586	-	1,080,153	-	-	3,245,739
Disposals	-	-	-	-	(668,356)	(782,710)	(1,071,733)	-	-	(2,522,799)
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance</b>	1,510,000	8,205,588	406,856	406,856	87,630,310	4,241,484	36,025,926	407,346	265,819	138,693,329
<b>Accumulated Depreciation</b>										
<b>Opening Balance</b>	-	(328,224)	(200,656)	(200,656)	(33,612,241)	(2,307,181)	(26,544,052)	(384,166)	(205,780)	(63,582,300)
Foreign Currency Translation Differences	-	-	(26,834)	(26,834)	(3,882,833)	(309,714)	(2,673,263)	(2,339)	(8,067)	(6,903,050)
Charge for the period	-	(164,112)	(19,474)	(19,474)	(5,322,058)	(880,994)	(2,291,007)	(5,321)	(3,226)	(8,686,192)
Disposals	-	-	-	-	218,629	560,945	709,189	-	-	1,488,763
<b>Closing Balance</b>	-	(492,336)	(246,964)	(246,964)	(42,598,503)	(2,936,944)	(30,799,133)	(391,826)	(217,073)	(77,682,779)
<b>Tangible Assets, net</b>	1,510,000	7,713,252	159,892	159,892	45,031,807	1,304,540	5,226,793	15,520	48,746	61,010,550

Total depreciation expense for the current period is TRY6,853,395 (31 December 2019: TRY8,686,193). This amount is TRY6,422,170 (31 December 2019: TRY8,194,616) which is part of the cost of goods sold (Note 22) and TRY431,225 (31 December 2019: TRY491,577) are included in general administrative expenses (Note 23) marketing expenses have not been paid (31 December 2019: None).

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**16. INTANGIBLE ASSETS**

<b>Cost</b>	<b>31.12.2020</b>	
	<b>Rights</b>	<b>Total</b>
<b>Opening Balance</b>	7,005,931	7,005,931
Currency Translation Difference	717,006	717,006
Additions	5,110	5,110
Subsidiary Liquidation (-) (*)	(265,237)	(265,237)
Disposal	(13,389)	(13,389)
<b>Closing Balance</b>	<b>7,449,421</b>	<b>7,449,421</b>
<b>Accumulated Amortization and Impairment</b>		
<b>Opening Balance</b>	<b>(6,691,019)</b>	<b>(6,691,019)</b>
Currency Translation Difference	(714,403)	(714,403)
Charge for the period	(85,238)	(85,238)
Subsidiary Liquidation (-) (*)	148,111	148,111
Disposal	11,147	11,147
<b>Closing Balance</b>	<b>(7,331,402)</b>	<b>(7,331,402)</b>
<b>Intangible Assets, net</b>	<b>118,019</b>	<b>118,019</b>

(\*) The liquidation process of Tasfiye Halinde E-Sistem Elektronik Sanayi ve Ticaret A.Ş., which was owned by Anel Telekomünikasyon Elektronik Sistemler Sanayi ve Ticaret A.Ş. with 99% shareholding position was fulfilled on 24 August 2020.

<b>Cost</b>	<b>31.12.2019</b>	
	<b>Rights</b>	<b>Total</b>
<b>Opening Balance</b>	6,595,202	6,595,202
Currency Translation Difference	347,833	347,833
Additions	62,896	62,896
Disposal	-	-
<b>Closing Balance</b>	<b>7,005,931</b>	<b>7,005,931</b>
<b>Accumulated Amortization and Impairment</b>		
<b>Opening Balance</b>	<b>(6,215,332)</b>	<b>(6,215,332)</b>
Currency Translation Difference	(343,708)	(343,708)
Charge for the period	(131,979)	(131,979)
Disposal	-	-
<b>Closing Balance</b>	<b>(6,691,019)</b>	<b>(6,691,019)</b>
<b>Intangible Assets, net</b>	<b>314,912</b>	<b>314,912</b>

The sum of the current period amortisation is TRY85,238 (31 December 2019: TRY131,979), The total amount of TRY14,135 (31 December 2019: TRY45,710) is included in the cost of the sold goods (Note 22), part of the TRY71,103 (31 December 2019: TRY86,269) amount recognised in the general administrative expenses (Note 23).

**17. LEASING OPERATIONS****Operating Leases**

The Group as lessee

Leasing Contracts:

The Group's operating leases are subject to the lease agreement, which currently has four units Qatar, Baku, Holland, Abu Dhabi, England and Turkey branches and subsidiaries are related to the storage building, vehicles and office equipment.

	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Payments accounted for as expenses</b>		
Minimum lease payments	11,624,020	16,862,724
<b>Total</b>	<b>11,624,020</b>	<b>16,862,724</b>

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**17. LEASING OPERATIONS (Continued)****Operating Leases (Continued)**

The Group has operational lease commitments that cannot be canceled within the framework of other real estate leasing transactions at the end of the reporting period. The maturity of these commitments is as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
In one year	2,984,814	18,358,437
In two years	383,907	1,243,941
<b>Total</b>	<b>3,368,721</b>	<b>19,602,378</b>

**18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES****Other short-term provisions**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Litigation provisions	7,183,501	7,194,942
Sales for Non-Controlling Interest Option Valuation Fund (Note 21)	-	8,691,856
<b>Total</b>	<b>7,183,501</b>	<b>15,886,798</b>

The details of litigation provisions are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Beginning of period	7,194,942	8,335,848
Provision in period	1,363,011	1,330,173
Negative: canceled in period	(1,374,452)	(2,471,079)
<b>End of period</b>	<b>7,183,501</b>	<b>7,194,942</b>

**Contingent Liabilities**

As of 31 December 2020, there are 61 lawsuits against the Group amounting to TRY12,535,694 and USD97,601 (TRY equivalent 716,441) (31 December 2019: 58 lawsuits TRY8,743,507 and USD 278,300 / equivalent TRY1,653,159). Group has been made provision amounting TRY7,183,501 (31 December 2019: TRY7,194,942) regarding to this lawsuits.

**Collaterals-Pledge-Mortgages-Bails**

As of 31 December 2020 and 2019, the Group's collateral/pledge/mortgage position statements are as follows:

There are no guarantees obtained for undertaking projects of the Group. Other collaterals received are as follows:

	<b>US Dollar</b>	<b>EUR</b>	<b>TRY</b>	<b>31.12.2020 TRY Equivalent</b>
Letters of Guarantees Received	527,996	986,600	2,415,099	15,178,048
Guaranteed Bill Received	-	-	1,641,928	1,641,928
Guaranteed Cheques Received	55,378	-	25,000	431,502
<b>Total</b>	<b>583,374</b>	<b>986,600</b>	<b>4,082,027</b>	<b>17,251,478</b>

	<b>US Dollar</b>	<b>EUR</b>	<b>TRY</b>	<b>31.12.2019 TRY Equivalent</b>
Letters of Guarantees Received	484,652	1,013,380	2,725,054	12,343,569
Guaranteed Bill Received	-	-	1,549,138	1,549,138
Guaranteed Cheques Received	-	-	-	-
<b>Total</b>	<b>484,652</b>	<b>1,013,380</b>	<b>4,274,192</b>	<b>13,892,707</b>

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18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (Continued)

	CPMB's given by the Group (Collaterals, Pledges, Mortgages, Bails)									
	31.12.2020	US Dollars	Euro	TRY	GBP	AED	Qatar Rival	TRY Equivalent	TRY Equivalent	TRY Equivalent
A) CPMB's given for Company's own legal personality		5,923,871	39,256,458	45,111,454	2,580,000	147,208,505	18,638,074	799,886,152	799,886,152	799,886,152
B) CPMB's given on behalf of fully consolidated companies		228,193,077	3,581,936	585,879,050	-	-	-	2,293,196,053	2,293,196,053	2,293,196,053
C) CPMB's given on behalf of third parties for ordinary course of business		-	-	-	-	-	-	-	-	-
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause		-	-	-	-	-	-	-	-	-
E) Total amount of other CPMB's		-	-	286,000	-	-	-	286,000	286,000	286,000
i) Total amount of CPMB's given on behalf of majority shareholder		-	-	-	-	-	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C		-	-	286,000	-	-	-	286,000	286,000	286,000
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C		-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>234,116,948</b>	<b>42,838,394</b>	<b>631,276,504</b>	<b>2,580,000</b>	<b>147,208,505</b>	<b>18,638,074</b>	<b>3,093,368,205</b>	<b>3,093,368,205</b>	<b>3,093,368,205</b>

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18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (Continued)

	CPMB's given by the Group (Collaterals, Pledges, Mortgages, Bails)									
	31.12.2019	US Dollars	Euro	TRY	GBP	AED	Qatar Rival	BGN	TRY Equivalent	TRY Equivalent
A) CPMB's given for Company's own legal personality		9,438,496	40,504,152	36,605,414	2,580,000	147,208,505	18,638,074	6,728,000	673,546,740	673,546,740
B) CPMB's given on behalf of fully consolidated companies		83,652,088	1,311,545	4,050,845	-	-	-	-	509,683,539	509,683,539
C) CPMB's given on behalf of third parties for ordinary course of business		-	-	-	-	-	-	-	-	-
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause		-	-	-	-	-	-	-	-	-
E) Total amount of other CPMB's		-	-	286,000	-	-	-	-	286,000	286,000
i) Total amount of CPMB's given on behalf of majority shareholder		-	-	-	-	-	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C		-	-	286,000	-	-	-	-	286,000	286,000
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C		-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>93,090,584</b>	<b>41,815,697</b>	<b>40,942,259</b>	<b>2,580,000</b>	<b>147,208,505</b>	<b>18,638,074</b>	<b>6,728,000</b>	<b>1,183,516,279</b>	<b>1,183,516,279</b>

Other groups of CPMB is given by the Group's equity ratio is 0% (31 December 2019:0%).



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18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (Continued)

The distribution of CPMBs by type as of 31 December 2020 and 31 December 2019 is shown below.

	31.12.2020					31.12.2019								
	Total TRY Equivalent	US Dollars	Euro	AED	Qatar Rival	GBP	TRY	Total TRY Equivalent	US Dollars	Euro	AED	Qatar Rival	GBP	TRY
<u>Collaterals, Pledges, Mortgages and Bails</u>														
Collaterals	1,574,224,325	134,116,948	5,638,394	147,208,505	18,638,074	2,580,000	181,276,504	913,078,573	93,090,584	4,615,697	147,208,505	18,638,074	2,580,000	40,656,259
Pledges	1,519,143,880	100,000,000	37,200,000	-	-	-	-	270,151,706	-	37,200,000	-	-	-	6,728,000
Mortgages	3,093,368,205	234,116,948	42,838,394	147,208,505	18,638,074	2,580,000	450,000,000	1,183,230,279	93,090,584	41,815,697	147,208,505	18,638,074	2,580,000	40,656,259
<b>Total</b>														
<u>Collaterals, Pledges, Mortgages and Bails</u>														
Collaterals														
Pledges														
Mortgages														
<b>Total</b>														

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19. EMPLOYEE BENEFITS

	31.12.2020	31.12.2019
<u>Provisions for Short Term Employee Benefits</u>		
Unused Vacation Rights	8,873,582	9,597,017

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

	1 January - 31 December 2020	1 January - 31 December 2019
Provisions as of 1 January	9,597,017	12,479,388
Additional provision	12,238,732	4,323,366
Using in period	(14,981,352)	(8,489,530)
Foreign currency conversion adjustments	2,019,185	1,283,793
<b>End of the period</b>	<b>8,873,582</b>	<b>9,597,017</b>

Employee Benefits Liabilities

	31.12.2020	31.12.2019
Due to Personnel	14,794,713	10,279,710
Social Security Withholdings Payable	1,580,688	1,107,377
<b>Total</b>	<b>16,375,401</b>	<b>11,387,087</b>

Provisions for Long Term Employee Benefits

	31.12.2020	31.12.2019
Provisions for Employee Termination Benefits	14,848,250	20,047,227

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

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

As at balance sheet date provisions calculated according to assumption %8,5 expected salary increasing rate and %13 discount rate and approximately %3,67 real discount rate and retiring assumption as follows (31 December 2019: % 4.19). The severance provisions for the employees that works Group's Qatar and United Arab Emirates branches are not subject to any discount due to local laws of these countries where the units are.

	31.12.2020	31.12.2019
Annual Discount Rate (%)	3.67	4.19
Probability of Retirement (%)	91.96	91.72

The main assumption, the maximum liability for each year of service will only grow in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of 31 December 2020 the accompanying financial statements provisions for the future probably obligation arising from the retirement of employees is calculated by estimating the present value.

Severance pay ceiling amounting to TRY7,117 (31 December 2019: TRY6,380) used on calculation of retirement pay provision with effect from 1 January 2020.

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**19. EMPLOYEE BENEFITS (Continued)**

The movement of provision for severance pay as follows:

	<u>1 January - 31 December 2020</u>	<u>1 January - 31 December 2019</u>
Provision as of 1 January	20,047,227	27,566,532
Service Cost	5,019,746	9,931,502
Interest Cost	80,691	91,360
Payments	(14,349,549)	(20,762,540)
Actuarial Gain/Loss	212,766	398,348
Foreign Currency Exchange Differences	3,837,369	2,822,025
<b>Provision as of 31 December</b>	<b>14,848,250</b>	<b>20,047,227</b>

**20. OTHER ASSETS AND LIABILITIES**

<u>Other Current Assets</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Deferred VAT	26,057,055	13,266,140
Work Advance	728,031	454,020
Personel Advances	252,339	693,643
Other Current Assets	40,420	696,307
<b>Total</b>	<b>27,077,845</b>	<b>15,110,110</b>

**21. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS****a) Capital**

The Company's issued share capital as at 31 December 2020 and 31 December 2019 dates are as follows:

	<u>31.12.2020</u>		<u>31.12.2019</u>	
	<u>Share Amount (TRY)</u>	<u>Share Percentage (%)</u>	<u>Share Amount (TRY)</u>	<u>Share Percentage (%)</u>
<b>Shareholders (*)</b>				
Rıdvan Çelikel	88,692,314	44.35	48,780,773	44.35
Avniye Mukaddes Çelikel	10,321,888	5.16	5,677,038	5.16
Capital Strategy Funds Spc-The Opportunistic Series				
Segregate Portfolio	43,322,415	21.66	18,360,845	16.69
Other	57,663,383	28.83	37,181,344	33.80
<b>Paid in Capital</b>	<b>200,000,000</b>	<b>100.00</b>	<b>110,000,000</b>	<b>100.00</b>

(\*) As published on 18 January 2021 at kap.gov.tr.

The issued capital of the company was increased by 81,818%, from TRY 110,000,000 to TRY 200,000,000, with the capitalization issue realized on 20 October 2020 and fully financed by internal resources.

As at 31 December 2020, 26,79% (31.12.2019: 31.32%) of Company shares are being traded in BIST according to Central Registry Agency (CRA) report.

The Company is subject to authorized capital system and the equity ceiling is TRY200,000,000. The Company's issued share capitals' historical value is TRY200,000,000. (31 December 2019: TRY110,000,000) which is consisted of authorized and fully paid 40,343,347.27 pcs of A-group shares and 159,656,652.73 pcs of B-group shares and each having TRY1 nominal value. A-group shareholders have two voting rights and B-group shareholders have one voting rights for each share owned at the General Assembly meeting. All of the A-group shares are owned by Rıdvan Çelikel.

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**21. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Continued)****b) Premiums/(Discounts) Related with Shares**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Premiums/(Discounts) Related with Shares	1,498,280	1,498,280
<b>Total</b>	<b>1,498,280</b>	<b>1,498,280</b>

**c) Effect of Common Controlled Entities or Enterprises Mergers**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Effect of Common Controlled Entities or Enterprises Mergers (*)	(62,334,320)	(62,334,320)
<b>Total</b>	<b>(62,334,320)</b>	<b>(62,334,320)</b>

(\*) TRY48,314,150 consist of the difference between the net book value and the payment regarding the additional share purchase of Anelmep Maintenance and Operations LLC which is previously controlled by the Group as of 30 December 2016. TRY14,020,170 consist of the difference between the net book value and the payment regarding the preference share purchases of 11.06% and 5% respectively for Anel Telekomünikasyon Elektronik Sis. San. ve Tic. A.Ş. and Anel Yapı Gayrimenkul A.Ş. which is previously controlled by Çelikel family.

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

	<u>31.12.2020</u>	<u>31.12.2019</u>
Tangible Assets Revaluation Gain/(Loss)	(101,224)	(101,224)
<b>Total</b>	<b>(101,224)</b>	<b>(101,224)</b>

**e) Foreign Currency Translation Differences**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Foreign Currency Translation Differences	278,170,476	201,605,115
<b>Total</b>	<b>278,170,476</b>	<b>201,605,115</b>

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

	<u>31.12.2020</u>	<u>31.12.2019</u>
Revaluation and Measurement Gain/ (Loss) of Defined Benefit Plans	(1,664,772)	(1,494,559)
<b>Total</b>	<b>(1,664,772)</b>	<b>(1,494,559)</b>

**g) Restricted Reserves**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Restricted Reserves	13,950,112	13,960,750
<b>Total</b>	<b>13,950,112</b>	<b>13,960,750</b>

**h) Retained Earnings**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Accounting for expected credit losses in accordance with TFRS 9	(1,828,789)	(1,828,789)
Retained Earnings	170,685,857	258,028,357
<b>Total</b>	<b>168,857,068</b>	<b>256,199,568</b>

**i) Non-controlling Shares**

	<u>31.12.2020</u>	<u>31.12.2019</u>
1 January Balance	1,336,034	23,141,763
The effect of the change in the share rate of the minority	(6,353,360)	(21,454,715)
Minority Share Profit/(Loss)	(742,726)	(351,014)
<b>Total</b>	<b>(5,760,052)</b>	<b>1,336,034</b>

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**21. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Continued)**
**i) Other Equity Shares**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Other Equity Shares (*)	(13,842,938)	(13,842,938)
<b>Total</b>	<b>(13,842,938)</b>	<b>(13,842,938)</b>

(\*) Consists of the difference between the Anel Elektrik Proje Taahhüt A.Ş.'s voluntary share purchase cost and minority shares which were previously accounted in non-controlling interests of Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş. amounting to 51.75%.

**k) Other Reserves**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Other Reserves (**)	5,851,513	5,851,513
<b>Total</b>	<b>5,851,513</b>	<b>5,851,513</b>

(\*\*) Consists of the capital increase and capital decrease of Anel Telekomünikasyon Elektronik Sis. San. ve Tic. A.Ş. in 2012.

**l) Sales Option Valuation Fund on Non-Controlling Interest**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Balance at 1 January	(8,691,856)	-
Anel Telekom mandatory share purchase amount realized by Anel Elektrik Proje Taahhüt A.Ş. in 2020. (***)	6,420,773	(8,691,856)
Outstanding fund provision	2,271,083	-
<b>Total</b>	<b>-</b>	<b>(8,691,856)</b>

(\*\*\*) Anel Elektrik Proje Taahhüt A.Ş. has applied to the Capital Markets Board for the approval of the share purchase offer form for Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş. under the provisions of the Procurement Notice (II-26.1) for the collection of 6,253,133.50 shares other than the share it owns at a price of TRY1.39.

**Profit Distribution**

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

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

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

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

At the 2019 Ordinary General Assembly Meeting held on 29 May 2020; as a result of 2019 activities; in the financial statements for the period 01.01.2019-31.12.2019 was a profit of TRY 4,046,096.49 according to prepared of the Tax Procedure Law was obtained as a result of 2019 activities, while a profit of TRY 3,543,334 was obtained in the consolidated financial statements of 2019.

As of March 31, 2020 dated Turkey Chambers and Stock Exchanges Association ("TOBB") have sent to text by The Ministry of Commerce and profit distribution policy in mind, It has been decided to distribute TRY 885,833.50, calculated at the rate of 25% over the profit amount of TRY3,543,334, which is also included in the consolidated financial statements of 2019, to the partners as of 4 August 2020.

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**22. REVENUE/COST OF SALES**

	<u>01.01.-31.12.2020</u>	<u>01.01.-31.12.2019</u>
<b>Sales Revenues (Net)</b>		
Domestic Sales	274,295,015	95,367,229
Export Sales	460,630,219	954,426,661
Other Revenues	9,254,602	4,880,718
<b>Total Revenues</b>	<b>744,179,836</b>	<b>1,054,674,608</b>
Sales Returns (-)	(4,966,833)	(24,493,974)
<b>Sales Revenues (Net)</b>	<b>739,213,003</b>	<b>1,030,180,634</b>
Cost of Goods Sold	(17,467,075)	(5,946,753)
Cost of Services Sold	(780,118,652)	(963,720,865)
Depreciation Expenses	(6,422,170)	(8,194,616)
Redemption Expenses	(14,135)	(45,710)
<b>Cost of Sales</b>	<b>(804,022,032)</b>	<b>(977,907,944)</b>
<b>GROSS PROFIT/LOSS</b>	<b>(64,809,029)</b>	<b>52,272,690</b>

**23. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES**

	<u>01.01.-31.12.2020</u>	<u>01.01.-31.12.2019</u>
General Administrative Expenses (-)	35,314,770	42,599,653
<b>Total</b>	<b>35,314,770</b>	<b>42,599,653</b>

	<u>01.01.-31.12.2020</u>	<u>01.01.-31.12.2019</u>
<b>General Administrative Expenses (-)</b>		
Employee Expenses	15,893,886	15,378,836
Department Share (*)	10,221,004	14,771,025
Non-deductible Expenses (**)	3,466,791	4,147,811
Information and Processing Expenses	1,045,411	1,088,845
Counselling Expenses	823,913	1,090,916
Depreciation Expenses	431,225	491,577
Litigation and Execution Expenses	413,458	685,871
Tax, Duties and Fee Expenses	293,216	85,439
Vacation Provision	270,509	-
Travel and Accomadaiton Expenses	263,208	1,837,066
Rent Expenses	239,694	812,442
Insurance Expenses	224,217	346,909
Other Expenses	1,728,238	1,862,916
<b>Total</b>	<b>35,314,770</b>	<b>42,599,653</b>

(\*) Within the scope of Anel Group; management and organization of financial affairs, finance, quality processes, information systems, corporate communication, internal audit, commercial affairs, procurement, planning and legal affairs and management of all these processes. and the expenses incurred are distributed to companies benefiting from the service as a share of contribution with a certain systematic.

(\*\*) The installment payments made within the scope of the Law No. 6736 on the "Restructuring of Certain Receivables" consist of donations and aids.

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**24. EXPENSES BY NATURE**

	<u>01.01.-31.12.2020</u>	<u>01.01.-31.12.2019</u>
<b>Depreciation Expenses</b>		
Cost of Good Sold	6,422,170	8,194,616
General Administration Expenses	431,225	491,577
<b>Total</b>	<b>6,853,395</b>	<b>8,686,193</b>
<b>Amortization Expenses</b>		
Cost of Good Sold	14,135	45,710
General Administrative Expenses	71,103	86,269
<b>Total</b>	<b>85,238</b>	<b>131,979</b>
<b>Personnel Expenses</b>		
Salary and Wages	153,975,772	209,430,298
Social Security Expenses	9,653,806	6,729,736
Severance Pay Expenses	3,158,062	8,197,468
Vacation Provision Expenses	1,835,358	303,424
<b>Total</b>	<b>168,622,998</b>	<b>224,660,926</b>

**25. INCOME/EXPENSES FROM MAIN OPERATIONS**

	<u>01.01.-31.12.2020</u>	<u>01.01.-31.12.2019</u>
<b>Other Income from Main Operations</b>		
Exchange Differences Income Related to Main Operations (*)	85,203,372	96,081,719
Provisions No Longer Required	511,226	6,212,238
Other Income and Profits	2,123,446	9,872,424
<b>Total</b>	<b>87,838,044</b>	<b>112,166,381</b>
<b>Other Expenses from Main Operations (-)</b>		
Exchange Differences Expenses Related to Main Operations(*)	72,399,576	89,350,564
Other Expenses (-)	226,187	1,484,127
Provision Expenses (-)	1,437,756	100,223
<b>Total</b>	<b>74,063,519</b>	<b>90,934,914</b>

(\*) Exchange differences income/expenses are occurred on trade receivables and payables.

**26. INCOME / EXPENSES FROM INVESTMENT ACTIVITIES**

	<u>01.01.-31.12.2020</u>	<u>01.01.-31.12.2019</u>
<b>Income from Investing Activities</b>		
Subsidiary Sales Profit	7,762,586	-
Investment Property Revaluation Gain (Note 14)	4,051,012	10,615,566
Fixed Assets Sales Revenue	1,636,586	168,728
Other Incomes	99,388	-
Financial Assets Sales Revenue	6,887	-
Interest Income on Term Deposits	4,069	36,681
<b>Total</b>	<b>13,560,528</b>	<b>10,820,975</b>
<b>Expenses from Investing Activities (-)</b>		
Investment Property Sales Loss (-)	-	119,999
Financial Investment Sales Loss (-)	-	1,158
Liquidation Loss (-)	219,959	-
Fixed Assets Sales Loss (-)	69,126	-
<b>Total</b>	<b>289,085</b>	<b>121,157</b>

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

	<u>01.01.-31.12.2020</u>	<u>01.01.-31.12.2019</u>
<b>Financial Income</b>		
Exchange Differences Income	13,287,913	12,049,765
Interest Income	3,971,460	6,459,282
Unearned Interest Income	58	93,003
<b>Total</b>	<b>17,259,431</b>	<b>18,602,050</b>
<b>Financing Expenses (-)</b>		
Exchange Differences Expenses (-)	42,728,332	27,032,964
Loan Interest Expenses (-)	41,033,869	34,391,850
Unearned Interest Expense (-)	170,604	1,951
<b>Total</b>	<b>83,932,805</b>	<b>61,426,765</b>
<b>Financial income/expense, net</b>	<b>(66,673,374)</b>	<b>(42,824,715)</b>

**28. INCOME TAXES**

	<u>31.12.2020</u>	<u>31.12.2019</u>
<b>Current Assets Related with Current Tax</b>		
Prepaid Taxes and Funds	37,951	529,367
<b>Non-Current Assets Related with Current Tax</b>		
Prepaid Taxes and Funds	6,229,816	2,035,997
<b>Income Tax Liabilities</b>		
Current Tax Liabilities	2,520,172	1,114,583
Less:Prepaid Taxes and Funds	(37,951)	(529,367)
<b>Income Tax Liabilities</b>	<b>2,482,221</b>	<b>585,216</b>
<b>Tax Provision</b>		
Current Period Corporate Tax Provision (-)	(1,713,760)	(1,264,402)
Provision for Deferred Tax Expenses/(Income)	(2,760,484)	4,162,545
<b>Income Tax Liabilities</b>	<b>(4,474,244)</b>	<b>2,898,143</b>
Taxes on other comprehensive income that will not be reclassified on profit or loss.	42,553	79,670
<b>Total Comprehensive Tax Income/(Losses), Net</b>	<b>(4,431,691)</b>	<b>2,977,813</b>

**Corporate Tax**

The Group is subject to corporate taxes in Turkey. Necessary provisions have been made in the attached consolidated financial statements for the estimated tax liabilities of the Group regarding the current period activity results. The corporate tax rate to be accrued over the taxable corporate income is based on the tax base remaining after the addition of non-deductible expenses from the tax base in determining the commercial income and deducting the tax-exempt earnings, non-taxable income and other discounts (if any, previous year losses and investment discounts used if preferred) are calculated.

In Turkey, The tax legislation provides for a temporary tax of 22% (2019: 22%) to be calculated and paid based on earnings generated for each quarter for the period ended 31 December 2020. Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. However, the resulting losses cannot be deducted retrospectively from the profits of previous years.

In Turkey, corporate tax rate is 22% as of 31 December 2020 (2019: 22%). However, according to the Article 91 of the Law numbered 7061 "Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation" which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the provisional clause 10 added to the Corporate Tax Law numbered 5520; corporate tax rate for the taxation periods of 2018, 2019 and 2020 is amended to 22%, which would later be applied as 20% at the end of these periods. During these periods, Council of Ministers is entitled to decrease the corporate tax rate of 22% to 20%.



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**28. INCOME TAXES (Continued)**
**Corporate Tax (Continued)**

Provision is made Group's financial statements for estimated tax liabilities in current period. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

As at 31 December 2020 and 31 December 2019, the Group has respectively TRY138.021.263 and TRY146.220.293 unused tax losses to be offset against future profits. Unused tax losses could be usable within the dates stated below.

	<b>31.12.2020</b>	<b>31.12.2019</b>
Will be expired in 2020	2,623,364	5,726,310
Will be expired in 2021	104,796,399	110,550,742
Will be expired in 2022	12,489,196	4,117,137
Will be expired in 2023	17,403,110	25,826,104
Will be expired in end of 2024	709,194	-
<b>Total</b>	<b>138,021,263</b>	<b>146,220,293</b>

The Group has not recognised deferred tax assets from carry forward tax losses amounting to TRY8.055.586 and TRY7.423.320, respectively since these losses will not subject to taxable profit as of 31 December 2020 and 2019.

As at 2020, effective corporate tax rate is 22%. (2019: %22).

As of 31 December 2020, provisional tax is payable at the rate of 22% (2019: 22%) on the income generated for the three-month periods according to tax legislation and the amounts paid in this manner are deducted from the tax calculated on the annual earnings. With the amendment made for the years 2018, 2019 and 2020, this rate is set at 22%.

Dividend income (excluding profits from investment funds 'participation certificates and investment trusts' shares) obtained from participating in the capital of another corporation which is fully taxpayed is exempt from corporation tax. In addition, the participation in the assets of the institutions for at least two full years 75% of the profits arising from the sale of founders' shares, redeemed shares and preferential rights of real estate (immovables) in the same period as their shares are exempt from corporate tax as of 31 December 2020. However, with the amendment made by Law No. 7061, this ratio has been reduced from 75% to 50% in terms of immovables and this ratio will be used as 50% in tax declarations to be prepared from 2020.

There is no clear and definitive agreement on tax assessment procedures in Turkey. Companies prepare their tax declarations between 1-25 April of the year following the close of accounting period of the related year. The Tax Office will make these statements and the underlying accounting records within 5 years.

In Qatar, the tax rate is 10%. The losses can be carried forward for a maximum of 3 years to be deducted from the taxable profit to be incurred in the following years. In the United Arab Emirates, no tax is applied.

Current income tax liability movement table is as below:

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
1 January	1,114,583	3,718,861
The Current Period Tax Expense	2,520,172	1,114,583
Taxes Paid	(1,114,583)	(3,718,861)
<b>Current Profit Tax Liability</b>	<b>2,520,172</b>	<b>1,114,583</b>

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**28. INCOME TAXES (Continued)**
**Income Tax Withholding**

In addition to Corporate Tax, in case of distribution; taxpaying real persons and corporate income to non-taxpayers and distributed to exempt from such taxes or taxpayer real persons, taxpayers institutions (except for those dividends through a business or permanent representative in Turkey) and narrow exempt from income tax and corporation Income tax withholding must also be calculated over the dividends distributed to taxpayers (adding the profit to the capital does not count as dividend distribution) written in subparagraphs (1), (2) and (3) of the second paragraph of article 75 of the Income Tax Law. Income withholding tax was applied as 15%.

	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Profit Before Tax</b>	<b>(138,441,613)</b>	<b>294,177</b>
The effective tax rate (% 22)	30,457,155	(64,719)
Foreign Branches and Subsidiary Impact on Tax Rate	(28,078,379)	1,973,736
Non-deductible expenses	(1,130,830)	(1,951,370)
Unused tax losses of the current period	(9,287,205)	1,719,577
Impact of Loss from Equity Method	-	59,596
Other	3,565,015	1,161,323
<b>Total</b>	<b>(4,474,244)</b>	<b>2,898,143</b>

**Deferred Tax**

The Group recognizes deferred tax assets and deferred tax liabilities for temporary timing differences arising from the differences between the tax basis financial statements and the consolidated financial statements prepared in accordance with TFRS. Such differences usually arise from the fact that certain income and expense items are included in different periods in the financial statements as well as in the Consolidated Financial Statements, these differences are as follows.

	<b>Cumulative Timing Difference</b>		<b>Deferred Tax Asset/ (Liability)</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Deferred Tax Asset</b>				
Provision for Doubtful Receivables	19,523,844	17,332,691	2,173,152	1,943,712
Provision for Severance Payment	8,414,779	6,294,752	757,059	603,346
Provision for Unused Vacation	5,214,277	2,251,153	652,938	269,582
Provision for Inventories	-	371,625	-	81,758
Carry Forward Tax Losses	129,965,676	138,796,973	28,592,449	30,535,335
Other Short Term Provisions	4,135,605	3,423,537	909,833	753,461
Other Adjustment	273,590	1,169,835	60,191	919,355
<b>Total</b>	<b>167,527,771</b>	<b>169,640,566</b>	<b>33,145,622</b>	<b>35,106,549</b>
<b>Deferred Tax Liabilities</b>				
Tangible and Intangible Fixed Assets and Investments				
Re-measurement Of Objectives and Reasonable Value Adjustment	(198,116,533)	(192,360,426)	(40,165,471)	(39,037,573)
Trade Payables	(1,165,222)	(469,869)	(254,881)	(95,886)
Adjustments Regarding Using Percentage Complete Method on Projects	(85,329,522)	(13,395,051)	5,058,977	5,002,518
Other Adjustment	(1,259,602)	(1,262,332)	(294,933)	(295,604)
<b>Total</b>	<b>(285,870,879)</b>	<b>(207,487,678)</b>	<b>(35,656,309)</b>	<b>(34,426,545)</b>
<b>Deferred Tax Asset/ (Liability), net</b>	<b>(118,343,108)</b>	<b>(37,847,112)</b>	<b>(2,510,687)</b>	<b>680,004</b>

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**28. INCOME TAXES (Continued)**

**Deferred Tax (Continued)**

The movement of deferred tax assets/liabilities within the period is as follows:

	<u>1 January - 31 December 2020</u>	<u>1 January - 31 December 2019</u>
<b>Beginning of Period</b>	<b>680,004</b>	<b>(3,941,443)</b>
Total adjustment of changing accounting policy	-	273,682
<b>Beginning Period- revised</b>	<b>680,004</b>	<b>(3,667,761)</b>
Debt / (Receivable) Record to Current Period Income Statement	(2,760,484)	4,162,545
Impact of Foreign Currency Exchange Differences	(479,406)	(9,365)
Adjustment on initial application of TFRS 9	6,646	114,915
The Amounts deducted from Losses of Remeasurement Gains of Defined Benefit Plans	42,553	79,670
<b>End of Period as of 31 December</b>	<b>(2,510,687)</b>	<b>680,004</b>

**29. EARNINGS PER SHARE**

<u>Earnings Per Share Diluted Earnings (Loss) Per Share</u>	<u>01.01.-31.12.2020</u>	<u>01.01.-31.12.2019</u>
Net Profit/(Loss) of the Parent Company	(142,173,131)	3,543,334
Weighted Average Number of Shares	200,000,000	110,000,000
Earning Per Share Profit/(Loss) from Ongoing Activities	(1.07)	0.03

**30. RELATED PARTY DISCLOSURES**

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

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

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

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

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

	31.12.2020		
	Receivables		Payables
	Short Term Trade	Other	Short Term Trade Other
<b>Balances with Related Parties</b>			
Anelisis Mühendislik Sanayi ve Ticaret A.Ş.	21,376	-	3,754,057
Anelnet Teknik Hizmetler Ltd. Şti. (*)	9,074,261	200,981	421,252
Anel Holding A.Ş. (*)	544,322	-	24,836,775
Unpaid Interest Income / Expense (-)	(62,414)	-	(851,838)
<b>Total</b>	<b>9,577,545</b>	<b>200,981</b>	<b>28,160,246</b>
			<b>1,285,181</b>

(\*) Interest is accrued under the provisions of V.U.K. regarding non-commercial transactions with related parties (not linked to the payment program). The average interest rate is 13.85% as of 31 December 2020.

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

	31.12.2019			
	Receivables		Payables	
	Short Term	Trade	Short Term	Other
<b>Balances with Related Parties</b>				
Anelisis Mühendislik Sanayi ve Ticaret A.Ş.	2,327,296	-	117,000	109,463
Anelnet Teknik Hizmetler Ltd. Şti. (*)	5,491,961	171,154	144,269	-
EKB(Energina Company) (**)	374,948	3,507,204	-	-
Anel Holding A.Ş.	514,190	7,257,136	385,812	-
Unpaid Interest Income / Expense (-)	(27,457)	-	(14,365)	-
<b>Total</b>	<b>8,680,938</b>	<b>10,935,494</b>	<b>632,716</b>	<b>109,463</b>

(\*) Non-commercial transactions with related parties (not related to the payment program) interest is accrued under the provisions of year the average interest rate is 20.46%.

(\*\*) There is a debt contract between Anel Elektrik ve Proje Taahhüt A.Ş and the EKB.

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

Transactions with related parties between 1 January- 31 December 2020 and 1 January - 31 December 2019 are as follows:

	01.01-31.12.2020					
<b>Related Party Transactions</b>	<b>Stock Purchases</b>	<b>Interest Income</b>	<b>Interest Expense</b>	<b>Service Sales</b>	<b>Service Purchase</b>	<b>Exchange Difference Income</b>
Anelisis Mühendislik Sanayi ve Ticaret A.Ş.	30,620,005	16,247	301	387,526	44,740	-
Anelnet Teknik Hizmetler Ltd. Şti.	28,888	25,277	46,413	41,579	1,139,706	31,091
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	7,525	3,111,543	11,349	48,558	17,456	-
Çelikel Eğitim Vakfı	-	-	-	5,866	-	-
EKB(Energina Company)	-	29,197	-	-	-	-
Epsinom Teknik Hizmetler Ltd.Şti.	-	-	1,822	-	-	-
Anel Holding A.Ş.	-	452,715	48,208	1,320,571	20,169,248	-
<b>Total</b>	<b>30,656,418</b>	<b>3,634,979</b>	<b>108,093</b>	<b>1,807,533</b>	<b>21,371,150</b>	<b>31,091</b>

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30. RELATED PARTY DISCLOSURES (Continued)

Related Party Transactions	01.01.-31.12.2019					
	Stock Purchases	Interest Income	Interest Expense	Service Sales	Service Purchase	Exchange Difference Expense
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	1,058,800	-	-	3,951	301,523	252
Anelhet Teknik Hizmetler Ltd. Şti.	-	20,964	-	3,868	460,511	63,734
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	-	4,383,367	9,108	9,028	9,635	-
Köpek Turizm ve Yatçılık Ltd. Şti.	-	6,956	-	-	7,171	-
EKB(Energimnia Company)	-	253,443	-	-	-	-
Epsinom Teknik Hizmetler Ltd.Şti.	-	-	-	859	25,055	-
Anel Holding A.Ş.	-	551,656	84,796	5,523	18,352,044	-
<b>Total</b>	<b>1,058,800</b>	<b>5,216,386</b>	<b>93,904</b>	<b>23,229</b>	<b>19,155,939</b>	<b>63,986</b>

Related party transactions between 1 January - 31 December 2020 and 1 January - 31 December 2019 are as follows; - Sales of goods consist of various project materials. - Service purchases consist of department attendance, building maintenance, consultancy, electricity - heating - water expenses, food expenses, security expenses, transportation expenses, labor service expenses. - Service sales consist of labor service revenues, building maintenance, consultancy, electricity - heating - water expenses, food revenues, security expenses, transportation expenses and departmental contribution fees. Group's key management personnel are Board Chairman and Members.

Benefits supplied to key management personnel as of 1 January - 31 December 2020 and 1 January - 31 December 2019 are as follows:

Benefits Provided by Top-Level Management	01.01.-31.12.2020	01.01.-31.12.2019
Employee Short Term Benefits	10,505,738	10,030,094
<b>Total</b>	<b>10,505,738</b>	<b>10,030,094</b>

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31. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

a) Equity Risk Method

While the group is trying to ensure the continuity of its activities in capital Management, it aims to increase its profitability by using the balance of debt and equity in the most efficient way. The group's capital structure is the debts containing the Note 8 credits, the cash and cash equivalents described in Note 5, and as explained in Note 21; the paid capital, capital correction differences, premiums on shares/discounts, revaluation measurement gains and Losses, foreign currency cycle differences, defined benefit plans gain re-measurement/ is comprised of resource pens including the past year profit/(losses), with restricted reserves, separated from profits.

Group capital cost and each risks regarding capital evaluate by executives. According to the evaluate company aim to equalise the capital structure by borrowing, redemption, dividend payment and issuance of shares.

The Group uses Liabilities/Equity rate while they follow capital sufficiency. This rate is found by net liabilities divided by total equity. Net liabilities is counted by cash and cash equivalents minus total liabilities which appears in balance sheet.

Equity rate to debts as of 31 December 2020 and 31 December 2019 are as follows:

	31.12.2020	31.12.2019
Total Debt	419,591,814	321,651,979
Less: Cash and Cash Equivalents	(54,408,574)	(105,056,111)
Net Debt	365,183,240	216,595,868
Total Equity	442,451,012	507,529,697
Liability/Equity Rate	0.825	0.427

The Company's aim is to high profitability and equity to be able to manage its debts.

b) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

b.1) Credit Risk

Financial losses due to Company's receivables and financial assets which result from not implementing agreement clauses related to financial assets by a customer or other party constitutes credit risk. Company trying to decrease credit risk by making operations with confidential parties and attain enough collateral.

Trade receivables contain lots of customers rathered on different sector and geographical area. Credit consideration making over Customer's trade receivables permanently.

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**31. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (Continued)**

Current Period	31.12.2020					
	Receivables			Cash and Cash Equivalents		Financial Investment
	Trade Receivables	Other Receivables		Banks Deposit	Receivables from Ongoing Construction, Contracting or Service Contracts	
Related Parties	3th Parties	Related Parties	3th Parties			
<b>The maximum amount of exposure to credit risk at the end of the reporting (A+B+C+D) (1)</b>	<b>9,577,545</b>	<b>222,798,413</b>	<b>200,981</b>	<b>4,292,065</b>	<b>54,139,584</b>	<b>10,521</b>
- Total receivables that have been secured with collaterals other credit enhancements etc (*)	-	109,706,709	-	-	-	-
A. Financial assets that are neither past due nor impaired the net book value (2)	501,306	22,871,858	200,981	4,292,065	54,139,584	10,521
B. The amount of financial assets that are past due as at the end of the reporting period but not impaired	9,076,239	90,219,846	-	-	-	-
C. The amount of financial assets that are impaired (3)	-	-	-	-	-	-
- Past due (Gross book value)	-	1,202,765	-	5,248,443	-	-
- The amount of impairment (-)	-	(1,202,765)	-	(5,248,443)	-	-
- Net value guaranteed with collateral etc.	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-) (-)	-	-	-	-	-	-
- Net Value guaranteed with collateral etc	-	-	-	-	-	-
D. Off financial statement credit risk amount	-	-	-	-	-	-

(\*) The cash deposits of the projects are covered by the contract of each Project.

(1) It was not considered collaterals taken which is raising credit reliability when the amounts was determined.

(2) All of the trade receivables are receivables from clients. The Group management predicted that It would not be encountered any problem regarding Collection of Receivables because of considering their past experiences.

(3) the impairment test, the Group's customers, which is one of receivables determined by the management of doubtful receivables have been made in the framework of policy.

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**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ  
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**31 QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (Continued)**

Prior Period	31.12.2019					
	Receivables			Cash and Cash Equivalents		Financial Investment
	Trade Receivables	Other Receivables		Banks Deposit	Receivables from Ongoing Construction, Contracting or Service Contracts	
Related Parties	3th Parties	Related Parties	3th Parties			
<b>The maximum amount of exposure to credit risk at the end of the reporting (A+B+C+D) (1)</b>	<b>8,680,938</b>	<b>212,378,739</b>	<b>10,935,494</b>	<b>13,685,714</b>	<b>103,906,698</b>	<b>3,634</b>
- Total receivables that have been secured with collaterals other credit enhancements etc (*)	-	89,461,922	-	-	-	-
A. Financial assets that are neither past due nor impaired the net book value (2)	8,060,190	81,679,476	10,935,494	13,685,714	103,906,698	3,634
B. The amount of financial assets that are past due as at the end of the reporting period but not impaired	620,748	41,237,341	-	-	-	-
C. The amount of financial assets that are impaired (3)	-	-	-	-	-	-
- Past due (Gross book value)	-	1,117,593	-	5,248,443	-	-
- The amount of impairment (-)	-	(1,117,593)	-	(5,248,443)	-	-
- Net value guaranteed with collateral etc.	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-) (-)	-	-	-	-	-	-
- Net Value guaranteed with collateral etc	-	-	-	-	-	-
D. Off financial statement credit risk amount	-	-	-	-	-	-

(\*) The cash deposits of the projects are covered by the contract of each Project.

(1) It was not considered collaterals taken which is raising credit reliability when the amounts was determined.

(2) All of the trade receivables are receivables from clients. The Group management predicted that It would not be encountered any problem regarding Collection of Receivables because of considering their past experiences.

(3) the impairment test, the Group's customers, which is one of receivables determined by the management of doubtful receivables have been made in the framework of policy.

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**31. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (Continued)**

**b) Financial risk factors (continued)**

**b.2) Liquidity Risk Management**

The main responsibility for liquidity risk management belongs to the Board of directors. The Board of Directors has established a suitable liquidity risk management for short, medium and long-term funding and liquidity requirements of group management. The group manages the risk of liquidity and the continued monitoring of actual cash flows on a regular basis and ensuring the continuation of adequate funds and borrowing reserves through the mapping of the financial assets and liabilities' maturity.

The following table shows the maturity distribution of the group's non-derivative financial obligations. Non-derivative financial obligations are prepared based on the earliest dates required to be paid and not discounted. The interest to be paid over these obligations is included in the table below.

The tables on liquidity risk are listed below:

**Current Period**

Terms According to Agreements	Book Value	According to Contract Total Cash	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)	Demand
		Outflows (=I+II+III+IV)					
<b>Non Derivatives Financial Liabilities</b>	<b>640,691,268</b>	<b>641,839,092</b>	<b>130,232,375</b>	<b>420,765,713</b>	<b>89,281,044</b>	<b>1,559,960</b>	-
Bank Loans	419,591,814	419,591,814	16,992,704	311,758,106	89,281,044	1,559,960	-
Trade Payables	196,050,318	196,346,308	88,019,898	108,326,410	-	-	-
Other Payables	25,049,136	25,900,970	25,219,773	681,197	-	-	-

**Prior Period**

Terms According to Agreements	Book Value	According to Contract Total Cash	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)	Demand
		Outflows (=I+II+III+IV)					
<b>Non Derivatives Financial Liabilities</b>	<b>566,483,432</b>	<b>567,400,895</b>	<b>75,602,628</b>	<b>382,328,785</b>	<b>77,621,521</b>	<b>31,091,417</b>	<b>756,544</b>
Bank Loans	321,651,979	321,651,980	12,353,148	200,585,894	77,621,521	31,091,417	-
Trade Payables	235,792,908	236,600,907	54,210,935	181,742,891	-	-	647,081
Other Payables	9,038,545	9,148,008	9,038,545	-	-	-	109,463

**b.3) Market Risk Management**

Market risk is the risk of fluctuations in market prices due to the fact that a financial instrument is in good value or in future cash flows negatively affecting a business. These are the risk of foreign currency risk, interest rate risk and price change of financial instruments or commodity.

There is not any change on Group's measurement and management methods of exposure to market risk or exposure to risks in the current year compared to the previous year.

**b.3.1) Foreign Exchange Risk Management**

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

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**31. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (Continued)**

**b) Financial risk factors (Continued)**

**b.3.1) Foreign Exchange Risk Management (Continued)**

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

FOREIGN CURRENCY POSITION TABLE					
31.12.2020					
	TRY Equivalent	US Dollars	Euro	GBP	CHF
1. Trade Receivables	13,359,571	157,771	1,354,528	-	-
2. Monetary Financial Assets	9,091,128	774,013	376,359	1,939	-
3. Other	3,315,341	253,432	155,966	5,038	-
<b>4. Current Assets (1+2+3)</b>	<b>25,766,040</b>	<b>1,185,216</b>	<b>1,886,853</b>	<b>6,977</b>	-
<b>5. Total Assets (4)</b>	<b>25,766,040</b>	<b>1,185,216</b>	<b>1,886,853</b>	<b>6,977</b>	-
6. Trade Payables	29,456,129	2,364,816	1,318,366	22,274	-
7. Financial Liabilities	46,805,247	-	5,196,022	-	-
8. Other Non Monetary Liabilities	39,039,165	2,646,092	2,164,562	-	14,168
<b>9. Short Term Liabilities (6+7+8)</b>	<b>115,300,541</b>	<b>5,010,908</b>	<b>8,678,950</b>	<b>22,274</b>	<b>14,168</b>
10. Financial Liabilities	104,803,250	-	11,634,593	-	-
<b>11. Long Term Liabilities</b>	<b>104,803,250</b>	-	<b>11,634,593</b>	-	-
<b>12. Total Liabilities (9+11)</b>	<b>220,103,791</b>	<b>5,010,908</b>	<b>20,313,543</b>	<b>22,274</b>	<b>14,168</b>
<b>13. Net Foreign Currency Assets / (Liabilities) (5-12)</b>	<b>(194,337,752)</b>	<b>(3,825,692)</b>	<b>(18,426,690)</b>	<b>(15,297)</b>	<b>(14,168)</b>
<b>14 Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)</b>	<b>(158,613,927)</b>	<b>(1,433,032)</b>	<b>(16,418,094)</b>	<b>(20,335)</b>	-

FOREIGN CURRENCY POSITION TABLE						
31.12.2019						
	TRY Equivalent	US Dollars	Avro	Euro	GBP	BGN
1. Trade Receivables	1,305,488	107,743	100,062	-	-	-
2. Monetary Financial Assets	10,992,113	1,192,357	522,401	55,937	-	-
3. Other r	6,196,883	434,838	540,169	2,753	-	-
<b>4. Current Assets (1+2+3)</b>	<b>18,494,484</b>	<b>1,734,939</b>	<b>1,162,631</b>	<b>58,690</b>	-	-
<b>5. Total Assets (4)</b>	<b>18,494,484</b>	<b>1,734,939</b>	<b>1,162,631</b>	<b>58,690</b>	-	-
6. Trade Payables	32,897,129	3,737,776	1,517,873	77,056	-	-
7. Financial Liabilities	45,485,660	-	6,402,599	-	-	859,000
8. Other Non Monetary Liabilities	35,613,036	3,810,368	1,938,526	-	14,168	-
<b>9. Short Term Liabilities (6+7+8)</b>	<b>113,995,825</b>	<b>7,548,144</b>	<b>9,858,998</b>	<b>77,056</b>	<b>14,168</b>	<b>859,000</b>
10. Financial Liabilities	108,712,938	-	13,362,417	-	-	5,869,000
<b>11. Long Term Liabilities</b>	<b>108,712,938</b>	-	<b>13,362,417</b>	-	-	<b>5,869,000</b>
<b>12. Total Liabilities (9+11)</b>	<b>222,708,763</b>	<b>7,548,144</b>	<b>23,221,415</b>	<b>77,056</b>	<b>14,168</b>	<b>6,728,000</b>
<b>13. Net Foreign Currency Assets / (Liabilities) (5-12)</b>	<b>(204,214,279)</b>	<b>(5,813,205)</b>	<b>(22,058,783)</b>	<b>(18,366)</b>	<b>(14,168)</b>	<b>(6,728,000)</b>
<b>14. Monetary Items Net Foreign Currency Assets / Liability Position (1+2-6-7-10)</b>	<b>(174,798,126)</b>	<b>(2,437,675)</b>	<b>(20,660,426)</b>	<b>(21,119)</b>	-	<b>(6,728,000)</b>

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

The following table shows the group's US dollars, Euro, British pound, UAE dirham, Swiss Franc, and Bulgarian lev rates to increase the 10% and decrease sensitivity. The ratio of 10% to senior executives is the rate used to report the risk of setup within the company, and the rate of management It represents the possible change in exchange rates. Sensitivity analysis covers only monetary items in the open foreign currency at the end of the year and shows the effects of the 10% exchange rate at the end of the year. Positive value refers to the increase in profit/dice and other equity pens.

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**31. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (Continued)**

**b) Financial risk factors (Continued)**

**b.3.1) Currency Risk Management**

Exchange Rate Sensitivity Analysis Table				
31.12.2020				
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
10% change in US Dollars against TRY				
1- US Dollar net assets / liabilities	(2,808,248)	2,808,248	-	-
2- US Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>(2,808,248)</b>	<b>2,808,248</b>	-	-
10% change in Euro against TRY				
4- Euro net assets / liabilities	(16,598,578)	16,598,578	-	-
5- Euro Hedged (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(16,598,578)</b>	<b>16,598,578</b>	-	-
10% change in GBP against TRY				
7- GBP net assets / liabilities	(15,211)	15,211	-	-
8- GBP Hedged (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(15,211)</b>	<b>15,211</b>	-	-
10% change in CHF against TRY				
10- CHF net assets / liabilities	(11,737)	11,737	-	-
11- CHF Hedged(-)	-	-	-	-
<b>12- CHF Net Effect(10+11)</b>	<b>(11,737)</b>	<b>11,737</b>	-	-
<b>TOTAL (3+6+9+12)</b>	<b>(19,433,774)</b>	<b>19,433,774</b>	-	-

Exchange Rate Sensitivity Analysis Table				
31.12.2019				
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
10% change in US Dollars against TRY				
1- US Dollar net assets / liabilities	(3,453,160)	3,453,160	-	-
2- US Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>(3,453,160)</b>	<b>3,453,160</b>	-	-
10% change in Euro against TRY:				
4- Euro net assets / liabilities	(14,670,414)	14,670,414	-	-
5- Euro Hedged (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(14,670,414)</b>	<b>14,670,414</b>	-	-
10% change in GBP against TRY:				
7- GBP net assets / liabilities	(14,282)	14,282	-	-
8- GBP Hedged (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(14,282)</b>	<b>14,282</b>	-	-
10% change in CHF against TRY:				
10- CHF net assets / liabilities	(8,633)	8,633	-	-
11- CHF Hedged(-)	-	-	-	-
<b>12- CHF Net Effect(10+11)</b>	<b>(8,633)</b>	<b>8,633</b>	-	-
10% change in BGN against TRY:				
13- BGN net assets / liabilities	(19,186,741)	19,186,741	-	-
14- BGN Hedged(-)	-	-	-	-
<b>15- BGN Net Effect(10+11)</b>	<b>(19,186,741)</b>	<b>19,186,741</b>	-	-
<b>TOTAL (3+6+9+12+15)</b>	<b>(37,333,229)</b>	<b>37,333,229</b>	-	-

The Group does not hedge foreign exchange liabilities arising from the operations through the use of derivative financial instruments.

**b.3.2) Interest Rate Risk Management**

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

All of the financial obligations of the Group consist of fixed interest loans. Therefore, there is no interest rate risk calculation for interest changes (31 December 2019: Not available).

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

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

31 December 2020	Financial Assets Carried at Fair Value	Financial Assets and Cash Equivalents	Credits and Receivables (Cash and Cash Equivalents)	Available for sale Financial Assets	Other Financial Valued at Amortized Cost Value	Book Value	Note
Financial Assets							
Cash and Cash Equivalents	-	54,408,574	-	-	-	54,408,574	5
Trade Receivables	-	232,375,958	-	-	-	232,375,958	8,30
<b>Financial Liabilities</b>							
Financial Liabilities	-	-	-	419,591,814	-	419,591,814	7
Trade Payables	-	-	-	206,620,720	-	206,620,720	8,30
Other Financial Liabilities	-	-	-	2,520,172	-	2,520,172	
<b>31 December 2019</b>							
Financial Assets							
Cash and Cash Equivalents	-	105,056,111	-	-	-	105,056,111	5
Trade Receivables	-	221,059,677	-	-	-	221,059,677	8,30
<b>Financial Liabilities</b>							
Financial Liabilities	-	-	-	321,651,979	-	321,651,979	7
Trade Payables	-	-	-	235,792,908	-	235,792,908	8,30
Other Financial Liabilities	-	-	-	1,114,583	-	1,114,583	

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

Financial Instrument fair values determine as follows:

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

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

<b>Financial Assets</b>	<b>31.12.2020</b>	<b>The level of the fair value at the reporting date</b>		
		<b>First Level (TRY)</b>	<b>Second Level (TRY)</b>	<b>Third Level (TRY)</b>
Real Estate for Investment	281,506,054	-	281,506,054	-
<b>Total</b>	<b>281,506,054</b>	<b>-</b>	<b>281,506,054</b>	<b>-</b>

<b>Financial Assets</b>	<b>31.12.2019</b>	<b>The level of the fair value at the reporting date</b>		
		<b>First Level (TRY)</b>	<b>Second Level (TRY)</b>	<b>Third Level (TRY)</b>
Real Estate for Investment	282,864,413	-	282,864,413	-
<b>Total</b>	<b>282,864,413</b>	<b>-</b>	<b>282,864,413</b>	<b>-</b>

**33. EXPLANATIONS RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY**

The Group's shareholders' equity amounting to TRY448,211,064 consists of shareholders' equity of the Parent Company TRY(5,760,052) (31 December 2019: TRY506,193,663 and TRY1,336,034) for the year ended 31 December 2020.

**34. EVENTS AFTER THE REPORTING PERIOD**

The Ultimate controlling shareholder of the Group Rıdvan Çelikel transferred funds amounting to TRY24,000,000 in cash in order to be used in future capital increases in February of 2021.

**General Details**

<b>Report Accounting Period</b>	: 01.01.2020 - 31.12.2020
<b>Company Name</b>	: Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.
<b>Head Office Address</b>	: Saray Mah. Site Yolu Caddesi Anel İş Merkezi No: 5/4 Ümraniye/ İSTANBUL
<b>Trade Registration Office-No</b>	: İstanbul Ticaret Sicil Müdürlüğü No: 222590
<b>Date of Registration with the Trade Registry</b>	: 12.03.1986
<b>Website</b>	: www.anelgroup.com
<b>Phone</b>	: +90 216 636 20 00
<b>Fax</b>	: +90 216 636 25 00





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