

**ODAŞ ELEKTRİK ÜRETİM
SANAYİ TİCARET A.Ş. AND
ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS AND
INDEPENDENT AUDITOR'S
REPORT REGARDING
1 JANUARY – 31 DECEMBER 2022
PERIOD**

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Financial Statements and Disclosures Regarding January 1, 2022 - December 31, 2022 Accounting Period.

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ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED DECEMBER 31, 2022 (TRY)
(Currency is TRY unless otherwise is indicated.)

		Current Period Audited Consolidated	Prior Period Audited Consolidated
ASSETS	Notes	31.12.2022	31.12.2021
Current Assets			
Cash and cash equivalents	53	1.476.322.438	173.258.224
Trade Receivables	6-7	536.048.258	235.565.363
Trade receivables from related parties	6	25.015.444	44.739.829
<i>Trade receivables from third parties</i>	7	511.032.814	190.825.534
Other receivables	6-9	55.016.893	45.249.165
<i>Due from related parties</i>	6	30.963.763	17.332.891
<i>Due from third parties</i>	9	24.053.130	27.916.274
Inventories	10	615.435.867	293.667.516
Prepaid expenses	12	63.286.906	17.571.292
Assets Related to Current Term Tax	40	269.723.440	1.350.839
Other Current Assets	29	1.214.753.609	346.182.795
Fixed Assets Classified for Sale	39	599.148	695.092
TOTAL CURRENT ASSETS		4.231.186.559	1.113.540.286
Non-current Assets			
Other receivables	6-9	711.339	1.681.677
<i>Other receivables from related parties</i>	6	--	--
<i>Other receivables from third parties</i>	9	711.339	1.681.677
Investments Valued by Equity Method	4	200.000	45.298.867
Tangible fixed assets	14	6.434.704.135	5.565.559.866
Intangible fixed assets	17-18	91.258.397	82.658.049
<i>Other intangible fixed assets</i>	17	91.258.397	82.658.049
Right of Use Assets	20	5.591.637	3.831.679
Prepaid expenses	12	15.696.674	5.097.487
Deferred tax assets	40	501.494.366	96.623.790
Other non-current assets	29	168.084.804	54.383.228
TOTAL NON-CURRENT ASSETS		7.217.741.352	5.855.134.643
TOTAL ASSETS		11.448.927.911	6.968.674.929

Consolidated financial statements regarding the period ending on 31.12.2022, approved by board decision which was dated March 13, 2023 and numbered 2023/1.

The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION FOR THE PERIOD ENDED
DECEMBER 31, 2022 (TRY)

(Currency is TRY unless otherwise is indicated.)

		Current Period	Prior Period
		Audited Consolidated	Audited Consolidated
LIABILITIES	Notes	31.12.2022	31.12.2021
Short Term Liabilities			
Short term loans	47	14.588.378	83.777.019
Short term finance lease liabilities	47	2.857.141	2.038.464
Short-term parts of long term loans	47	363.549.346	624.564.522
Other financial liabilities	47	4.786.532	3.525.719
Trade payables	6-7	688.144.125	298.874.477
<i>Trade payables to related parties</i>	6	2.304.122	6.234.285
<i>Trade payables to third parties</i>	7	685.840.003	292.640.192
Employee benefit obligations	27	15.769.733	9.421.210
Other payables	6-9	594.562.165	148.902.195
<i>Other payables to related parties</i>	6	136.127.505	103.177.640
<i>Other payables to third parties</i>	9	458.434.660	45.724.555
Deferred income	12	342.805.286	63.021.514
Period income tax liabilities	40	245.756.510	1.732.861
Short-term Provisions	25-27	14.844.403	7.218.687
<i>Short-term provisions for employee benefits</i>	27	12.887.806	5.253.619
<i>Other short term provisions</i>	25	1.956.597	1.965.068
Other short term liabilities	29	665.664.594	54.080.684
TOTAL SHORT TERM LIABILITIES		2.953.328.213	1.297.157.352
Long term liabilities	47	1.994.608.223	1.782.415.119
Long term finance lease liabilities	47	2.516.212	4.716.196
Other payables	6-9	23.400.143	30.976.050
<i>Other payables to related parties</i>	6	--	--
<i>Other payables to third parties</i>	9	23.400.143	30.976.050
Deferred Income	12	1.038.136	--
Long term provisions	25-27	5.508.353	2.441.380
<i>Long term provisions for employee benefits</i>	27	5.305.755	2.256.336
<i>Other long term provisions</i>	25	202.598	185.044
Deferred tax liabilities	40	14.101.890	181.609.680
Other long term liabilities	29	1.440.607	3.726.299
TOTAL LONG TERM LIABILITIES		2.042.613.564	2.005.884.724

Consolidated financial statements regarding the period ending on 31.12.2022, approved by board decision which was dated March 13, 2023 and numbered 2023/1.

The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş. ;
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
FOR THE PERIOD ENDED DECEMBER 31, 2022 (TRY)
(Currency is TRY unless otherwise is indicated.)

		Current Period Audited Consolidated	Prior Period Audited Consolidated
LIABILITIES	Notes	31.12.2022	31.12.2021
EQUITY			
Equity of Parent Company		5.938.547.698	3.663.391.009
Paid-in share capital	30	1.400.000.000	1.400.000.000
Share premiums/discounts	30	258.850.762	258.850.762
Not reclassified to profit or loss accumulated other comprehensive income or expenses	30	2.857.248.593	2.873.488.215
<i>Revaluation and Measurement Gains/Losses</i>		2.913.330.320	2.915.589.353
<i>The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control</i>	30	(56.081.727)	(42.101.138)
Reclassified to profit or loss accumulated other comprehensive income or expenses	30	(472.659.059)	(415.882.714)
<i>Other Gains/Losses</i>		296.308.837	10.297.714
<i>Restricted profit reserves</i>		(766.181.663)	(425.193.010)
<i>Other equities</i>	30	(2.786.233)	(987.418)
Capital Advances	30	15.340.077	639.252
Retained earnings/losses	30	21.868.966	21.868.966
Non-controlling shares	30	(493.286.234)	(514.466.010)
Paid-in share capital	41	2.351.184.593	38.892.538
Share premiums/discounts	30	514.438.436	2.241.844
TOTAL EQUITY		6.452.986.134	3.665.632.853
TOTAL LIABILITIES		11.448.927.911	6.968.674.929

Consolidated financial statements regarding the period ending on 31.12.2022, approved by board decision which was dated March 13, 2023 and numbered 2023/1.

The accompanying notes are an integral part of financial statement

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
CONSOLIDATED PROFIT OR LOSS AND COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2022 (TRY)

(Currency is TRY unless otherwise is indicated.)

		Current Period Audited Consolidated	Prior Period Audited Consolidated
PROFIT OR LOSS	Notes	01.01-31.12.2022	01.01-31.12.2021
Revenues	31	7.640.656.648	1.445.601.491
Cost of sales (-)	28-31	(4.433.780.532)	(1.063.179.164)
GROSS PROFIT/(LOSS)		3.206.876.116	382.422.327
General and administrative expenses (-)	33	(104.671.543)	(42.276.860)
Marketing Expenses (-)	33	(10.301.525)	(11.712.743)
Other Income from Main Operations	34	172.600.952	51.611.665
Other Expenses from Main Operations (-)	34	(198.224.530)	(119.111.563)
OPERATING PROFIT/(LOSS)		3.066.279.470	260.932.826
Income from Investment Activities	35	29.562.312	417.405
Expenses from Investment Activities (-)	35	(45.509.714)	(239.985)
Shares of Profits/(Losses) of Investments Valued by Equity Method	16	--	18.034.231
OPERATING PROFIT/(LOSS) BEFORE FINANCE EXPENSES		3.050.332.068	279.144.477
Financing Incomes	37	627.779.947	368.774.146
Financial Expenses (-)	37	(1.060.868.563)	(810.337.473)
PROFIT/(LOSS) BEFORE TAXES FROM CONTINUING OPERATIONS		2.617.243.452	(162.418.850)
Continuing Operations Tax Income/(Expense)		242.752.569	160.080.281
Period Tax Income/(Expense)	40	(245.756.510)	(1.732.862)
Deferred Tax Income/(Expense)	40	488.509.079	161.813.143
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		2.859.996.021	(2.338.569)
PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	39	(95.944)	98.173
PROFIT/(LOSS) FOR THE PERIOD		2.859.900.077	(2.240.396)
Period Profit/(Loss) Distribution			
Non-Controlling Interests	30	508.715.484	(41.132.934)
Parent Shares	30	2.351.184.593	38.892.538
Earnings Per Share			
Earnings Per Share from Continuing Operations	41	1,679418	0,044279
OTHER COMPREHENSIVE INCOME			
Not to be Reclassified to Profit or Loss	38	(1.798.815)	2.192.104.450
Increases/(Decreases) in Revaluation of Tangible Assets		--	2.713.099.609
Actuarial Losses and Gains Calculated Within the Scope of Employee Benefits	38	(2.336.123)	(444.557)
Tax Impact	40	537.308	(520.550.602)
Reclassified as Profit or Loss		(340.988.653)	(425.193.010)
Cash Flow Hedge Gains/(Losses)	46	(423.865.116)	(533.861.963)
Deferred Tax Income (Expense)	40	82.876.463	108.668.953
OTHER COMPREHENSIVE INCOME		(342.787.468)	1.766.911.440
TOTAL COMPREHENSIVE INCOME		2.517.112.609	1.764.671.044
Distribution of Total Comprehensive Income			
Non-Controlling Interests		(79.319.650)	365.105.975
Parent Shares		2.596.432.259	1.399.565.069

Consolidated financial statements regarding the period ending on 31.12.2022, approved by board decision which was dated March 13, 2023 and numbered 2023/1.

The accompanying notes are an integral part of financial statements

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2022 (TRY)
(Currency is TRY unless otherwise is indicated.)

	Retained Earnings													
	Paid-in Share Capital	Other Equity Shares	The Effect of Associations Including Enterprises or Enterprises Subject to Joint Control	Share Premiums / Discounts	Foreign Currency Conversion Differences	Hedging Gains / Losses	Other Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss/Other Gains/Losses	Reserves On Retained Earnings	Revaluation Fund	Accumulated Profit/Loss	Net Profit/Loss for the Period	Equity of the Parent Company	Non-controlling Interest	Shareholder's Equity
01 January 2021 Balance	600.000.000	21.868.966	(41.404.830)	60.094.073	-	-	(645.109)	639.252	728.846.503	(326.903.703)	(246.670.718)	795.824.433	(7.639.047)	788.185.386
Other Comprehensive Income/(Expense)	--	--	--	--	10.297.714	--	(342.309)	--	2.192.446.759	--	--	2.202.402.164	--	2.202.402.164
Transfers	--	--	--	--	--	--	-	-	--	(246.670.717)	246.670.717	--	--	--
Capital Increase	800.000.000	--	--	198.756.689	--	--	--	--	--	--	--	998.756.689	74.349.000	1.073.105.689
Cash Flow Hedge Gains/(Losses)	--	--	--	--	--	(425.193.010)	--	--	--	--	--	(425.193.010)	--	(425.193.010)
Share Ratio in Subsidiaries Not Resulting in Loss of Control Val. Dependent Increase/(Decrease)	--	--	(696.308)	--	--	--	--	--	(5.703.909)	59.108.412	--	52.708.195	(23.335.180)	29.373.015
Net Profit for the Period	--	--	--	--	--	--	--	--	--	--	38.892.538	38.892.538	(41.132.934)	(2.240.396)
31 December 2021 Balance	1.400.000.000	21.868.966	(42.101.138)	258.850.762	10.297.714	(425.193.010)	(987.418)	639.252	2.915.589.353	(514.466.010)	38.892.536	3.663.391.009	2.241.844	3.665.632.853
01 January 2022 Balance	1.400.000.000	21.868.966	(42.101.138)	258.850.762	10.297.714	(425.193.010)	(987.418)	639.252	2.915.589.353	(514.466.010)	38.892.536	3.663.391.009	2.241.844	3.665.632.853
Other Comprehensive Income/(Expense)	--	--	--	--	286.011.123	--	(1.798.815)	--	(2.259.033)	--	--	281.953.275	--	281.953.275
Share Ratio in Subsidiaries Not Resulting in Loss of Control Val. Dependent Increase/(Decrease)	--	--	(13.980.589)	--	--	--	--	--	--	(3.011.937)	--	(16.992.526)	3.477.057	(13.515.469)
Minority Interest	--	--	--	--	--	--	--	--	--	--	--	--	4.050	4.050
Transfers	--	--	--	--	--	--	--	14.700.825	--	24.191.713	(38.892.538)	--	--	--
Cash Flow Hedge Gains/(Losses)	--	--	--	--	--	(340.988.653)	--	--	--	--	--	(340.988.653)	--	(340.988.653)
Net Profit for the Period	--	--	--	--	--	--	--	--	--	--	2.351.184.593	2.351.184.593	508.715.484	2.859.900.077
31 December 2022 Balance	1.400.000.000	21.868.966	(56.081.727)	258.850.762	296.308.837	(766.181.663)	(2.786.233)	15.340.077	2.913.330.320	(493.286.234)	2.351.184.593	5.938.547.698	514.438.436	6.452.986.134

The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED DECEMBER 31, 2022
(Currency is TRY unless otherwise is indicated.)

		Current Period	Prior Period
	Notes	01.01- 31.12.2022	01.01- 31.12.2021
		Audited Consolidated	Audited Consolidated
A. CASH FLOWS FROM BUSINESS ACTIVITIES		3.108.314.540	2.713.805.194
Period Profit/(Loss)		2.351.184.593	38.892.538
Period Profit/(Loss) from Continuing Operations	30	2.351.280.537	38.794.365
Period Profit/(Loss) from Discontinued Operations	39	(95.944)	98.173
Adjustments Regarding Net Profit/(Loss) Reconciliation for the Period		305.412.575	2.904.545.651
Adjustments Regarding Depreciation and Amortization Expenses	14-17-28- 33-36	235.353.642	75.815.903
Adjustments Regarding Impairment (Cancellation) of Receivables	7	2.277.045	4.259.025
Adjustments Regarding Impairment Reversal of Tangible Fixed Assets	14	(2.259.033)	2.186.742.850
Adjustments Regarding Provisions (Cancellation) for Employee Benefits	27	8.436.386	1.752.725
Corrections Regarding Litigation and/or Penalty Provisions (Cancellation)	25	1.956.597	1.965.068
Adjustments Regarding (Cancellation) of Provisions Set Aside in Accordance with Sectoral Requirements	25	17.552	--
Deferred Financing Income/(Expense) from Forward Purchases	34	11.586.146	3.881.090
Unearned Finance Income/(Expense) from Forward Sales	34	(6.265.103)	(12.093.127)
Adjustments Regarding Interest Expenses and Currency Differences	37	665.664.594	54.080.684
Adjustments Related to Interest Income	37	(1.051.464.324)	(150.632.336)
Adjustments for Unrealized Currency Translation Differences		572.260.903	839.574.361
Adjustments to Fair Value Gains/(Losses)	8	(54.977.530)	(414.895.296)
Adjustments Regarding Tax Income/(Expense)	40	(572.378.366)	245.801.711
Adjustments Regarding Gains/(Losses) Caused by Disposal of Affiliates, Joint Ventures and Financial Investments or Changes in Shares	30	(16.992.526)	(696.308)
Transfers	30	--	59.108.412
Minority Shares	30	512.196.592	9.880.888
Changes in Working Capital		453.516.187	(229.290.686)
- Adjustments Related to Increase/(Decrease) in Stocks	10	(321.768.351)	(99.955.273)
Increase/(Decrease) in Trade Receivables from Related Parties		19.724.385	(15.843.913)
Increase/(Decrease) in Trade Receivables from Unrelated Parties	7	(327.443.868)	(36.236.751)
Increase/(Decrease) in Other Receivables from Related Parties	6	(13.630.872)	(5.402.356)
Increase/(Decrease) in Other Receivables from Unrelated Parties	9	(1.793.121)	(10.786.687)
-Increase/(Decrease) in Other Assets Related to Operations	29	(153.985.855)	(125.269.086)
Increase/(Decrease) in Trade Payables to Related Parties		(3.930.163)	958.897
Increase/(Decrease) in Trade Payables to Non-Related Parties	7	396.171.542	18.163.204
Increase/(Decrease) in Prepaid Expenses	12	(56.314.801)	2.128.712
Increase/(Decrease) in Debts within the Scope of Employee Benefits	27	(2.087.863)	2.086.216
Increase/(Decrease) in Other Payables Related to Operations to Related Parties	6	32.949.865	13.325.109
Increase/(Decrease) in Other Payables Related to Operations to Non-Related Parties	9	408.427.570	51.846.237
Increase/(Decrease) in Deferred Revenues	12	279.783.772	13.109.011
Increase/(Decrease) in Other Liabilities Related to Operations	27-29	197.413.947	(37.414.005)
Cash Flows from Operations		3.110.113.355	2.714.147.503
Other Gain/(Loss)	30	(1.798.815)	(342.309)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		(1.114.858.217)	(3.121.570.719)
Cash Inflows from Sale of Tangible Fixed Assets	14	7.322.450	1.282.982
Cash Outflows Resulting from the Purchase of Tangible Fixed Assets	14	(1.101.367.604)	(3.110.779.086)
Cash Outflows from the Purchase of Intangible Assets	17	(19.053.105)	(10.928.761)
Cash Outflows from Right-of-Use Assets		(1.759.958)	(1.145.854)
C. CASH FLOWS FROM FINANCE ACTIVITIES		(690.392.109)	565.592.509
Cash Inflows from Issuance of Shares and Other Equity-Based Instruments	30	--	998.756.688
Cash Inflows from Loans	37	107.804.171	211.279.377
Cash Inflows from Factoring Transactions	37	--	8.593.937
Cash Inflows for Debt Payments Arising from Rental Agreements	20	4.692.917	1.511.718
Cash Outflows Related to Loan Repayments	37	(798.052.790)	(568.272.641)
Cash Outflows Related to Debt Payments Arising from Rental Agreements	20	(3.444.590)	(2.616.275)
Cash Outflows from Factoring Transactions	37	--	(82.205.746)
Cash Outflows from Other Financial Debt Payments	37	(10.510)	(21.883)
Cash Outflows Related to Debt Payments Arising from Financial Leasing Agreements	37	(1.381.307)	(1.432.666)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES		1.303.064.214	157.826.984
D. THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES ON CASH AND CASH EQUIVALENTS			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1.303.064.214	157.826.984
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	53	173.258.224	15.431.240
END OF THE PERIOD CASH AND CASH EQUIVALENTS	53	1.476.322.438	173.258.224

The accompanying notes are an integral part of financial statements.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Explanatory Notes to the Consolidated Financial Statements
For the Period January 01, 2022 - December 31, 2022
(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. (“Odaş” or the “Company”) engages in electricity generation activities through natural gas combined cycles. The company was established on September 28, 2010 in Istanbul.

The company is engaged in the establishment of electrical energy production facilities, commissioning of facilities, leasing, generation of electrical energy, sales of the generated electrical energy and/or the generated capacity to customers.

The capital and shareholding structure of the Group as of 31 December 2022 and 31 December 2021 is as follows;

Shareholder	31.12.2022		31.12.2021	
	Amount	Rate	Amount	Rate
A. Bahattin Özal	68.199.226	%4,87	68.199.226	%4,87
Burak Altay	221.397.488	%15,81	221.397.488	%15,81
BB Enerji Yatırım San.ve Tic.A.Ş.	39.619.143	%2,83	39.619.143	%2,83
Müjgan Özal Mirası (*)	5.347.275	%0,38	5.347.275	%0,38
Fatimetüz Zehra Özal Mirası (**)	3.208.365	%0,23	3.208.365	%0,23
Hafize Ayşegül Özal	2.708.365	%0,19	2.708.365	%0,19
Mustafa Ali Özal	2.435.865	%0,17	2.435.865	%0,17
Hafize Büşra Özal	1.069.455	%0,08	1.069.455	%0,08
Public Shares	1.056.014.818	%75,43	1.056.014.818	%75,43
Total Capital	1.400.000.000	%100	1.400.000.000	%100

(*) Due to the death of Ms. Müjgan Özal on 22 May 2018, 0.89% of the shares amounting to 5.347.275 TRY were jointly owned by Abdulkadir Bahattin Özal, Mustafa Ali Özal, Fatimetüz Zehra Özal Heirs, Hafize Ayşegül Özal, Mehmet Fatih Özal, Korkut Enes. Özal and Hafize Büşra Özal were legally transferred.

The list of distribution is as follows;

Shareholder	Amount	Rate
Fatimetüz Zehra Özal Mirasçıları	1.069.455	%0,076
Hafize Ayşegül Özal	1.069.455	%0,076
Mustafa Ali Özal	1.069.455	%0,076
Abdulkadir Bahattin Özal	1.069.455	%0,076
Mehmet Fatih Özal	356.485	%0,025
Korkut Enes Özal	356.485	%0,025
Hafize Büşra Özal	356.485	%0,025
Total	5.347.275	%0,38

(**) Due to the death of Mr. Fatimetüzzehra Özal on 04.12.2018, the share amount of 0.71% of 4.277.820 TRY was transferred to Gökçe Koşay and Ayşenur Koşay Erbay under the co-ownership.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Explanatory Notes to the Consolidated Financial Statements
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(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

The distribution list is as follows;

Shareholder	Share Amount	Share Rate
Gökçe Koşay	2.138.910	%0,15
Ayşenur Koşay Erbay	2.138.910	%0,15
Total	4.277.820	%0,30

As of December 31, 2022 in Group's structure , 1040 average personnel employed (December 31, 2020: 963).

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. is registered to Trade Registry in Turkey and its registered centre address is below:

Barbaros Mahallesi Karanfil Sokak Varyap Merdian Sitesi No:1D
Ataşehir / İstanbul.

Subsidiaries

Voytron Enerji Elektrik Perakende Satış A.Ş.

Voytron Enerji Elektrik Perakende Satış A.Ş. ("Voytron") was established on 17 September 2009 and registered in the registry. In accordance with the relevant legislation on electricity market, Voytron engages in activities related to the wholesale of electricity and / or capacity and the sale to direct eligible consumers..

Head Office is located at Barbaros Mahallesi Karanfil Sokak Varyap Merdian Sitesi No:1D Ataşehir / İstanbul.

Voytron, had the 20 year duration license of wholesale taken from Energy Market Regulatory Authority (EMRA) as at March 11, 2010.

As of December 31, 2022, the capital of the company is TRY 25.000.000 and the shareholding structure is as follows:

	December 31, 2022	December 31, 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

Hidro Enerji Elektrik Üretim Sanayi A.Ş. :

The company bought at the rate of %100 share of Hidro Enerji Elektrik Üretim Sanayi A.Ş. on November 27, 2012, and Hidro Enerji is included in consolidation.

Hidro Enerji Elektrik Üretim Sanayi A.Ş. (Hidro Enerji) is established on the date of April 5, 2005. Hidro Enerji engages in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Barbaros Mahallesi Başak Cengiz Varyap Merdian Sitesi No:1D Ataşehir / İstanbul.

As of December 31, 2022, the capital of the Hidro Enerji Elektrik Üretim Sanayi A.Ş.'s is TRY 615.000 and the shareholding structure is as follows:

	31 December 2022	31 December 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	%50	%50
Ogma SSH FZ LLC	%50	%25
MSC Makine İnşaat Enerji San. Ve Tic. A.Ş	--	%25

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
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1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Odaş Enerji CA:

The only member and 100% shareholder of Odaş Enerji CA is Hidro Enerji Elektrik Üretim Sanayi A.Ş. The company was established on February 3, 2021 with the tax identification number 308150820 and registration number 945636, with the decision taken on February 2, 2021. The main field of activity of the company is to produce electrical energy, to present the produced electrical energy and power to customers and users.

In line with the energy purchase agreement signed between Odaş Enerji CA and Uzbekistan Ministry of Energy, an energy facility with an installed power of 174 mW with a 25-year government foreign exchange purchase guarantee will be established in Korezem, Uzbekistan. 140 mW of the total 174 mW installed power will be provided by moving Odaş Elektrik's facility in Şanlurfa.

Its headquarters are located in the village of Gullanbog, Yangiarik district, in the Khwarezm region, within the borders of the Republic of Uzbekistan.

As of 31 December 2022, Odaş Enerji CA's capital consists of 450,000,000 (four hundred and fifty million) Uzbekistani Soms, and the shares of the members are equal to one hundred percent (100%) of 450,000,000,00 Uzbekistani Soms with registered capital.

The partnership structure of the company is as follows:

	31 December 2022	31 December 2021
Hidro Enerji Elektrik Üretim Sanayi A.Ş.	% 100	% 100

Suda Stratejik Metal Dış Ticaret A.Ş. (Prior Title: Ağrı Elektrik Üretim Sanayi A.Ş.) :

The company bought at the rate of %70 share of Suda Stratejik Metal Dış Ticaret A.Ş. on November 27, 2012, and Suda Stratejik Metal is included in consolidation. The company changed its title on April 24, 2017.

Suda Stratejik Metal Dış Ticaret A.Ş. established on 13.04.2011. Field of business of Suda Stratejik Metal Dış A.Ş.; marketing and trading to export and import all kinds of minerals and industrial raw materials, especially Antimuan which it has produced by itself or provided at homeland or abroad.

Suda Strategic Metal Foreign Trade Inc. It received a supply license from EMRA on 15.09.2022 with the number ETS/11204-26/05242 and for 20 years to trade in electrical energy and/or capacity.

Company centre address is Barbaros Mahallesi Başak Cengiz Sokak Varyap Meridian Sitesi No:1D Ataşehir / İstanbul.

The Company's shareholders transfer their shares at its nominal value to Suda Maden A.Ş. that main partner has 100% of its shares via purchase and sale of share agreement signed on 12.04.2017. And The Company is holded in consolidation.

As of December 31, 2022, capital of Suda Stratejik Metal Dış Ticaret A.Ş. is TRY 12.600.000 and the shareholding structure is as follows:

	31 December 2022	31 December 2021
Suda Maden A.Ş.	% 100	% 100

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
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1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Subsidiaries (Continued)

Ena Elektrik Üretim Ltd. Şti. :

The company bought at the rate of %80 share of Ena Elektrik Üretim Ltd. Şti. as of December 27, 2012.

Ena Elektrik Üretim Ltd. Şti. (Ena Elektrik) is established as the date of January 17, 2007. Ena Elektrik operates in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

As of December 31, 2022, the shareholding structure of Ena Elektrik Üretim Ltd. Şti. is as follows:

	31 December 2022	31 December 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	%80	%80
Hidayet Büküm	%20	%20

The share transfer agreement has been signed regarding the sale of all shares which the company owned by 80% of Ena Elektrik on June 29, 2015. The share transfer has not been actualised yet. After the production license is obtained, the share transfer process will take place.

As of 31.12.2022, Ena Elektrik has been classified as assets held for sale in the consolidated financial statements.(Note:39)

Yel Enerji Elektrik Üretim Sanayi A.Ş. :

The company bought at the rate of %75 share of Yel Enerji Elektrik Üretim Sanayi A.Ş. as of January 10, 2013, and Yel Elektrik is included in consolidation.

Yel Enerji Elektrik Üretim Sanayi A.Ş (Yel Elektrik) is established as the date of October 22, 2007. Yel Elektrik Üretim Sanayi A.Ş. engages in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

İR:17517 numbered mining license is purchased by Yel Enerji Elektrik Üretim Sanayi Ticaret A.Ş. in Çanakkale, Bayramiç Town and its transfer process is completed.

Company centre address is Barbaros Mahallesi Başak Cengiz Sokak Varyap Merdian Sitesi No:1D Ataşehir / İstanbul.

The Company's shareholders transfer their shares at its nominal value to Çan2 Termik A.Ş. that main partner has 92% of its shares via purchase and sale of share agreement signed on 20.10.2016. And The Company holded in consolidation.

As of December 31, 2022, scope of Yel Enerji Elektrik Üretim Sanayi Ticaret A.Ş. has a capital of TRY 2.000.000 and its shareholding structure is as follows:

	31 December 2022	31 December 2021
Çan2 Termik A.Ş.	%100	%100

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
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1.ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)
Subsidiaries (Continued)

Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. :

The company is a co-founder at the rate of %80 share of Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. and Odaş Doğalgaz is included in consolidation as of January 11, 2013. In April 2022, all of the 9.98% shares were taken over by Voytron Enerji Elektrik Perakende Satış A.Ş.

According to Law No: 4646, Energy Market Regulatory Authority (EMRA) issued the notification, the decision and commitments specified in the regulations, and with the adoption of the issues, Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. operates in Natural Gas Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) purchasing from the production, import, wholesale companies and other sources of law will be allowed and to wholesale to customers which are exporter distribution, LNG, CNG, wholesale companies, eligible consumers and permitted by law to customers.

Company centre address is Barbaros Mahallesi Başak Cengiz Sokak Varyap Merdian Sitesi No:1D Ataşehir / İstanbul.

Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş., had the 30 year duration license of natural gas wholesale from Energy Market Regulatory Authority (EMRA) as at March 20, 2013.

As of December 31, 2022, the capital of Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. is TRY 4.312.000 and the shareholding structure is as follows:

	31 December 2022	31 December 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	%90,02	%90,02
Tahsin Yazan	--	%9,98
Voytron Enerji Elektrik Perakende Satış A.Ş.	%9,98	--

Çan2 Termik A.Ş. :

Odaş Elektrik Üretim San. Tic. A.Ş., on September 9 2013, purchased 92% of Çan2 Termik's shares and was included in the consolidation. As of 31 December 2021, Odaş Elektrik Üretim San. Tic. A.Ş.'s share is 76.77%.

Company centre address is Barbaros Mahallesi Başak Cengiz Sokak Varyap Merdian Sitesi No:1D Ataşehir / İstanbul.

Çan2 Termik engaged in, domestic coal based power generation plant establishment, commissioning, hiring, producing electric power generation and sale of generated electricity power and/or the capacity to customers.

The license certificate of Çan2 Termik A.Ş. for Çan-2 Thermal Power Plant Production Facility with an installed capacity of 340 MWm/330 Mwe in Çan district of Çanakkale province was approved by the Energy Market Regulatory Authority's decision dated 28 January 2016 and numbered 6083-2, on 28 January It was delivered to Çan2 Thermal A.Ş. in 2016.

The acceptance of the Ministry of the Çan-2 Thermal Power Plant was made on 01.08.2018. In addition, with regard to the thermal power plant, the Industrial Registration Certificate dated 10.08.2020 and numbered 720480 and a capacity report valid until 29.07.2022, dated 28.07.2020 and numbered 79 were obtained.

Çan2 Termik A.Ş.'s application made to the Capital Markets Board for the initial public offering of its shares was approved in the Board's bulletin dated April 15, 2021 and numbered 2021/20, and the public offering of the shares was carried out on April 21-22, 2021 using the "Fixed Price Bookkeeping" method.

The capital of Çan2 Termik A.Ş. as of 31 December 2022 is 320.000.000 TRY and the shareholding structure is as follows;

	31 December 2022	31 December 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	%76,77	%76,77
Public Shares	%23,23	%23,23

The title of the company was changed to Çan2 Thermal Anonim Şirketi after the registration of the Extraordinary General Assembly held on January 19, 2021 with the Istanbul Trade Registry Office on January 21, 2021. This amendment was published January 26, 2021 and the date Turkey Trade Registry Gazette numbered 10253.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
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1.ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)
Subsidiaries (Continued)

YS Madencilik San. Ve Tic. Ltd. Şti. :

Yel Enerji Elektrik Üretim Sanayi A.Ş. is co-founder at the rate of %70 share of YS Madencilik Sanayi ve Ticaret Ltd. Şti. And as a co-founder and YS Madencilik Sanayi ve Ticaret Ltd. Şti. Is included in consolidation as of December 12, 2014.

YS Madencilik operates purchasing, selling, manufacturing, installation, importing and exporting every kind of natural stone and manufactured and semi-manufactured of mineral ores.

Company centre address is Barbaros Mahallesi Başak Cengiz Sokak Varyap Merdian Sitesi No:1D Ataşehir / İstanbul.

The Company's shareholders transfer their shares at its nominal value to Odaş Elektrik Üretim Sanayi A.Ş. that main partner has 52% of its shares via purchase and sale of share agreement signed on 15.06.2017. And The Company hold in scope of consolidation.

As of December 31, 2022, the capital of YS Madencilik San. Ve Tic. Ltd. Şti. is TRY 10.000 and its shareholding structure is as follows:

	31 December 2022	31 December 2021
Süleyman Sarı	%48	%48
Odaş Elektrik Üretim Sanayi A.Ş.	%52	%52

- Signed royalty agreement between KİAŞ and YS Madencilik San. ve Tic. Ltd. Şti. on 14.04.2015. Regarding based Balıkesir Province's Balya district coal mine licence which has İR1521-07.09.2006 licence and date number.

- Signed royalty agreement between KİAŞ and YS Madencilik San. ve Tic. Ltd. Şti. on 15.03.2017. Regarding based Çorum Province's Dodurga district coal mine licence which has İR2600-25.01.1959 licence and date number.

With the registration made on 25.08.2017 Alpagut Village Cumhuriyet Mevkii Maden Sk. No: 9A / A Dodurga / Çorum Address "YS Madencilik San. and Tic. Ltd. Sti. Dodurga Branch "was established.

With the registration made on 31.10.2017, Değirmendere Mahallesi Değirmendere Sokak No: 17 / - Balya / Balıkesir Address yapılan YS Madencilik San. and Tic. Ltd. Sti. Balya Branch "was established.

With the registration made on 02.01.2018, Kızılırmak Mahallesi Ufuk Üniversitesi Cad. No: 11 B / 3 Address at Çankaya / Ankara Ç YS Madencilik San. and Tic. Ltd. Sti. Ankara Branch "was established.

Anadolu Export Maden Sanayi ve Ticaret A.Ş. :

The company is a partner at the rate of %96 share of Anadolu Export Maden Sanayi ve Ticaret A.Ş. which is established on the date of December 30, 2014 and Anadolu Export is included in consolidation as of January 22, 2015.

Anadolu Export operates purchasing, selling, manufacturing, installation, importing and exporting every kind of natural stone and manufactured and semi-manufactured of mineral ores.

Company centre address is Mahmutbey Mahallesi Taşocağı Yolu Caddesi A Blok No:33/1/62 Bağcılar/İstanbul.

As of December 31, 2022, the capital of Anadolu Export Maden Sanayi ve Ticaret A.S. is TRY 50.000 and its shareholding structure is as follows:

	31 December 2022	31 December 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	%96	%96
Burak Altay	%4	%4

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
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1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Subsidiaries (Continued)

License transfer purchase agreement was signed between Stratex International PLC (Stratex) and Anadolu Export to complete the search in the gold field called Karaağaç and decide on business investment based on research results. Rergarding this transfer, application had been made to General Directorate of Mining Affairs. The transfer transaction was completed as of August 19, 2016.

The company has two operating licenses, namely gold and gold + nickel, operating under license 85899.

Suda Maden A.Ş. :

The company purchased all shares of Suda Maden A.Ş. as of October 28, 2015, and Suda Maden is included in consolidation.

Suda Maden operates extraction, manufacturing and selling, every kind of natural stone mineral ores.

Company centre address is Barbaros Mahallesi Başak Cengiz Sokak Varyap Meridian Sitesi No:1D Ataşehir / İstanbul.

As of December 31, 2022, the capital of Suda Maden A.Ş. is TRY 44.900.000 and its shareholding structure is as follows:

	31 December 2022	31 December 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	%100	%100

The company has 4 licences including 2 operating license and 2 exploration in Murat mountain located Kütahya-Uşak area. The company, which was bought on October 28, 2015. By the year of 2016, the company has started antimony mining and antimony trioxide production and sales.

With the registration made on 21.02.2018, Yaya Köyü Çan Kömür ve İnşaat A.Ş. Sit. No: 90 / Çan / Çanakkale address Suda Maden A.Ş. Çanakkale Branch was established.

TS Anadolu Metal Maden Üretim A.Ş. :

TS Anadolu Metal Maden Üretim A.Ş. It was established on December 22, 2021, and Odaş Elektrik Üretim Sanayi Ticaret A.Ş. Inc. has been included in the consolidation with 80% ownership.

TS Anadolu Metal Maden Üretim A.Ş. It is engaged in the import, export or internal trade of the metals obtained by extracting the mined mines as ores and/or processing.

Its center is located in Barbaros District, Başak Cengiz Sokak Varyap Meridian Site No: 1D, Ataşehir/Istanbul.

As of December 31, 2022, the capital of TS Anadolu Metal Üretim A.Ş. is TRY 250.000 and the shareholding structure is as follows:

	31 December 2022	31 December 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	%80	%80
Onur Yıldız	%20	%20

Onur Mining Maden Üretim A.Ş. :

Onur Mining Maden Üretim A.Ş. was established on October 13, 2021, andhas been included in the consolidation with 80% ownership by Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Onur Mining Maden Üretim A.Ş. is engaged in the import, export or internal trade of the metals obtained by extracting the mined mines as ores and/or processing.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
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1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Subsidiaries (Continued)

Its center is located in Mustafa Kemal District Dumlupınar Bulvarı No:274/6 Inner Door No:1 Çankaya/Ankara.

As the December 31,2022 the capital of Onur Mining Maden Üretim A.Ş. is 1,500,000 TL and the shareholding structure is as follows;

	31 December 2022	31 December 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	%50	--
Onur Yıldız	%50	%50
Burak Altay	--	%50

CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. :

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. is co-founder at the rate of %100 share of CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. and CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. is included in consolidation as of January 26, 2017.

CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. operates in establishing, running, renting, generating electricity, producing and selling electricity and / or capacity to customers. It is also developing domestic, renewable and green projects, biomass energy projects.

Company centre address is Barbaros Mahallesi Başak Cengiz Sokak Varyap Merdian Sitesi No:1D Ataşehir / İstanbul.

As of December 31, 2022, the capital of CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. is TRY 50.000 and the shareholding structure is as follows:

	31 December 2022	31 December 2021
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	%100	%100

Çan 2 Trakya Kömür Maden A.Ş. :

Çan Kömür ve İnşaat A.Ş. On 18.06.2019, it became a 100% shareholder in Çan 2 Trakya Kömür Maden A.Ş. as the founding partner and was included in the consolidation.

Çan 2 Trakya is engaged in the purchase, sale, manufacture, assembly, import and export of all kinds of natural stones and ores as finished and semi-finished products.

It is headquartered in Barbaros Mahallesi Başak Cengiz Sokak Varyap Merdian Site No: 1D Ataşehir / İstanbul.

Çan 2 Trakya Kömür Maden A.Ş.'s capital is 550.000 TRY as of December 31, 2022, and its partnership structure is as follows:

	31 December 2022	31 December 2021
Çan2 Termik A.Ş.	%100	%100

Zenn Yatırım Otelcilik İnşaat Anonim Şirketi:

CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. on 25.11.2022, it became a 50% shareholder in Zenn Yatırım Otelcilik İnşaat A.Ş. as the founding partner and was included in the consolidation.

Zenn Yatırım Otelcilik İnşaat Anonim Şirketi is engaged in the activities of hotels and similar accommodation places, the construction of residential buildings, and the activities of real estate agencies.

Company centre address is Yanıklar Mahallesi Muğla (ynk) Cad. No:1 Fethiye / Muğla.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
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1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Subsidiaries (Continued)

As of December 31, 2022, the capital of Zenn Yatırım Otelcilik İnşaat A.Ş. is TRY 20.000.000 and the shareholding structure is as follows:

	31 December 2022	31 December 2021
CR Proje Geliştirme Yatırım San. ve Tic. A.Ş.	%50	-
Fethiye Çiftlik Turizm Ticaret Anonim Şirketi	%50	-

Parent Company and consolidated subsidiaries EMRA license information as of December 31, 2022 is as follows :

License Owner	License Type	License No	Effective Date of License	License Duration
VOYTRON ENERJİ	SUPPLY	ETS/2461-2/1599	11.03.2010	20 Years
VOYTRON ENERJİ	IMPORT (SPOT) LICENSE	DİT/10022-1/500	11.02.2021	30 Years
ODAŞ DOĞALGAZ	NATURAL GAS WHOLESALE	DTS/4318-4/291	20.03.2013	30 Years
ÇAN2 TERMİK	PRODUCTION	EÜ/6083-2/03428	28.01.2016	17 Years
ENA ELEKTRİK	PRODUCTION	EÜ/9813-16/04743	17.12.2020	49 Years
SUDA STRATEJİK	SUPPLY	ETS/11204-26/05242	15.09.2022	20 Years

Parent Company and consolidated subsidiaries licenses information as of December 31, 2022 is as follows :

License Owner	License Group	License Type	License No	Effective Date	Due Date
SUDA MADEN	IV. Grup	OPERATING	34412	04.04.2014	04.04.2034
SUDA MADEN	IV. Grup	OPERATING	43169	13.04.2015	13.04.2025
SUDA MADEN	IV. Grup	OPERATING	201200931	03.02.2022	03.02.2032
SUDA MADEN	IV. Grup	OPERATING	201200932	18.02.2022	18.02.2032
SUDA MADEN	IV. Grup	EXPOLARATION	202100452	31.05.2021	31.05.2028
YEL ENERJİ	IV. Grup	OPERATING	17517	05.01.2015	05.01.2025
YEL ENERJİ	IV. Grup	EXPOLARATION	201900443	09.04.2019	09.04.2026
ANADOLU EXPORT	IV. Grup	OPERATING	85899	24.12.2020	24.12.2025
ODAŞ ENERJİ CA	Electricity Production	OPERATING	000675	30.12.2021	30.12.2026
YS MADENCİLİK	IV. Grup	EXPOLARATION	202101618	27.10.2021	27.10.2028
YS MADENCİLİK	IV. Grup	EXPOLARATION	202101617	27.10.2021	27.10.2028
TS ANADOLU	IV. Grup	EXPOLARATION	202101561	15.10.2021	15.10.2028

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a. Basis of Presentation

Accounting Policies Applied

The accompanying consolidated financial statements are subject to Public Surveillance in accordance with the provisions of the Capital Markets Board's ("CMB") "Communiqué on Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué") No. II-14.1 published in the Official Gazette dated 13.06.2013 and numbered 28676. Accounting and Auditing Standards Board ("UPS") that have been put into force by Turkey Financial Reporting Standards ("IFRS" s) as appropriate. TFRSs; By UPS Turkey Accounting Standards ("TAS"), Turkey Financial Reporting Standards comprise standards and interpretations published by TAS Reviews and TFRIC names.

Consolidated financial statements are presented in accordance with the TFRS Taxonomy developed on the basis of the financial statement samples specified in the Financial Statement Examples and User Guide published by the POA in the Official Gazette dated 07.06.2019 and numbered 30794.

Functional and presentation currency

The Group maintains and prepares its legal books and statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), accounting principles determined by tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The valid currency of the Group is Turkish Lira ("TRY"). These consolidated financial statements are presented in TRY, which is the functional currency of the Group.

As of December 31, 2022 released by the Central Bank of the Republic of Turkey, purchasing rate of 1 U.S. dollar = 18,6983 TRY, (31 Aralık 2021: 13,3290 TRY), 1 EURO = 19,9349 TRY (31 December 2021: 15,0867 TRY), 1 GBP = 22,4892 TRY (31 December 2021: 17,9667 TRY).

US dollar selling rate announced by the Central Bank of the Republic of Turkey as of 31 December 2022 is 18,7320 TRY, (31 December 2021: 13,3530 TRY), 1 EURO = 19,9708 TRY (31 December 2021: 15,1139 TRY), 1 GBP = 22,6065 TRY (31 December 2021: 18,0604 TRY). 1 UZS = 0,001671 TRY (31 December 2021: 0,00123 TRY).

Adjusting financial tables in hyperinflation periods

The companies, who are preparing their financial tables according to CMB Accounting Standards, are not using inflation accounting according to a decision given in March 17, 2005 that will be in effect since January 01, 2005. The preparing and presenting financial tables are not done in accordance with TAS/TAS 29 "Financial Reporting in Economies with High Inflation" according to the decision given by CMB.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

a. Basis of Presentation (Continued)

Base of Consolidation

Consolidation is prepared in structure of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. which is parent company.

Consolidated financial reports are prepared in accordance with TAS 27 - Consolidated and Separated Financial statements of Turkish accounting standard.

Consolidated financial reports contain all subsidiaries of the parent company.

- The investment amount of the parent company in each subsidiary and the amounts corresponding to the share of the parent from the equity of the subsidiaries are eliminated.
- It determines amount of minority percentage in consolidated profit and loss of period and amount of minority percentage determines separately from amount of main subsidiary from amount of net actives of consolidated main subsidiary. The amount of minority percentage from net actives contains; calculated minority percentages in merge date in accordance with TFRS 3; minority percentage from all transactions made after merge date.
- All expenses, income, transactions and balances incurred of group are eliminated.
- Intra-group balances and transactions are fully eliminated, including income, costs, and dividends. Profits and losses from intra-group transactions are wholly excluded from the cost of assets like inventories and property, plant, and equipment. Intra-group losses could indicate that assets have been impaired and need to be reported in the consolidated financial statements. The rules of TAS 12 "Income Taxes" are applied to temporary disparities that develop through the elimination of intra-group gains and losses.
- During the preparation of the consolidated financial statements, if the financial statements of any of the companies included in the consolidated financial statements are prepared using different accounting policies for similar transactions and other events under similar conditions, necessary adjustments are made to the financial statements of the relevant company.
- The parent and subsidiary financial statements used in the formation of the consolidated financial statements were prepared on the same day. For consolidated financial statements, similar transactions, and other events in similar circumstances, uniform accounting policies have been developed.
- From the acquisition date mentioned in TFRS 3 until the parent loses control over the subsidiary, the subsidiary's income and expenses are included in the consolidated financial statements. The difference between the income earned and the carrying amount of the subsidiary is reported as gain or loss in the consolidated statement of income when the company is sold. In this transaction, the accumulated foreign exchange disparities directly related with equity, if any, are taken into account in the calculation of gain or loss in line with "TAS 21 Effects of Currency Changes."
- In the consolidated balance sheet, minority interests are shown separately from the parent's share of equity. The amount representing the minority interest in the Group's profit or loss should also be included

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

a. Basic Principles of Presentation (Continued)

Consolidation Principles (Continued)

Comparative Information and Restatement of Prior Period Financial Statements

Group has presented the consolidated statement of financial position as of December 31, 2022 comparatively with the date of 31 December 2021. Consolidated profit or loss and other comprehensive income statement and the consolidated cash flow statement for 1 January-31 December 2022 period presented comparatively with consolidated profit or loss and other comprehensive income, consolidated statement of cash flow for 1 January-31 December 2021 period. Consolidated changes in equity statement for the 1 January - 31 December 2022 period presented comparatively with 1 January - 31 December 2021 period.

Covid - 19 Outbreak Effects

Spreading in the world and Turkey and the World Health Organization by declared a pandemic in March 2020 Covidien-19 outbreak and the measures taken against the epidemic, exposure to the epidemic in all countries leads to disruptions in operations and both globally and in our country affects the economic conditions negatively. There was no production shortage caused by an epidemic at the power plants. The effect was reflected in electricity sales prices. Yel Enerji, one of the group companies, has not experienced any impact in this process due to the fact that it is not active yet. Due to the Covid-19 epidemic, there was no problem in production in the Group, and it was affected by the reflection on general electricity prices in the electricity market. The group has obtained the Covid-19 safe production certificate. Since there is coal extraction in the Group and it is an open business, there was no serious impact on the production part, and it was affected by the increases in production costs. There was no production problem in the hydroelectric power plant due to the Covid-19 outbreak. In terms of the economic effects of the epidemic, the Group management thinks that it will not be exposed to a significant negative impact due to Covid-19 as of the reporting date.

b. Changes and Errors in Accounting Estimates

If the implications of a change in accounting estimates result in a change in assets, liabilities, or equity items, the book values of the relevant asset, liability, or equity item should be changed in the period in which the change occurs. The effect of a change in an accounting estimate is recognized prospectively when it is applied to transactions, events, and conditions after the estimate has changed. Except when the period-specific or cumulative impact of the error cannot be estimated, prior period errors are addressed by retroactive restatement.

The Group management is required to make estimates and assumptions that will affect the amounts of assets and liabilities, determine the possible liabilities and commitments as of the balance sheet date, and the amounts of income and expense as of the reporting period when preparing the consolidated financial statements. Estimates and assumptions may differ from actual outcomes. These estimates and assumptions are reviewed on a regular basis, and any necessary modifications are made and reflected in the relevant period's operating results.

Significant Accounting Evaluations, Estimates and Assumptions

The preparation of the financial statements requires the disclosure of the amounts of assets and liabilities reported as of the statement of financial position date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. Although these estimates and assumptions are based on the Group management's best knowledge of current events and transactions, actual results may differ from the assumptions.

Estimates and assumptions that may cause significant adjustments to the carrying value of assets and liabilities in the upcoming financial reporting period are as follows:

Inventories: Inventories are examined physically and how old they are, and a provision is made for inventory items that are estimated to be unusable.

Provisions for employee benefits: Severance pay liability is determined by actuarial calculations based on certain assumptions including discount rates, future salary increases and employee turnover rates. Due to the long-term nature of these plans, these assumptions contain significant uncertainties.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

b. Changes in Accounting Policies (Continued)

Determination of fair values: Certain estimates are made in the use of observable and non-observable market information used in determining the fair value.

Useful lives of tangible and intangible assets: The Group management makes important assumptions in determining the useful lives of tangible and intangible assets, in line with the experience of its technical team and in line with prospective marketing and management strategies especially for specific costs.

Facility, machinery and equipment are reflected in the financial statements from the fair asset values included in the asset valuation report prepared based on the valuation studies carried out by an independent professional real estate appraisal company licensed by the Capital Markets Board (“CMB”). The frequency of revaluation studies is determined to ensure that the book values of the revalued property, plant and equipment do not differ materially from their fair values at the end of the relevant reporting period. The frequency of revaluation studies depends on the change in the fair value of the items of property, plant and equipment. In cases where the fair value of a revalued asset is considered to differ materially from its carrying amount, the revaluation study needs to be repeated and is done for the entire asset class in which the revalued asset is located as of the same date. On the other hand, it is not considered necessary to repeat the revaluation studies for tangible fixed assets whose fair value changes are insignificant.

The economic depreciation period of the power plants is based on the determinations made by the technical departments regarding the economic life at the time the facility is commissioned.

Deferred tax assets and liabilities: Deferred tax assets are recorded when it is highly probable to benefit from temporary differences and unused tax losses from previous years by generating taxable profit in the future. While determining the amount of deferred tax assets to be recorded, it is necessary to make important estimations and evaluations regarding the taxable profits that may occur in the future.

Borrowing costs: In order to finance the construction of the power plants, the Group added the borrowing costs of the loans used in 2019 and before to the cost of the power plant, which is considered a qualifying asset.

c. Business Continuity

The Group's consolidated financial statements have been prepared in accordance with the going concern principle.

The main reason for the loss is due to foreign exchange disparities of long-term loans that have not yet been realized, according to the Group's assessment of the business's continuity and future income predictions. The Group enjoys an operating profit and positive cash flow, despite the net foreign exchange loss. It produces a lot more favorable impact to cash flow with the effect of the increase in electricity prices owing to exchange rate increase.

d. Netting/Offset

Financial assets and liabilities are shown net if the required legal right exists, there is an intention to settle the said assets and liabilities on a net basis, or there is an intention to realize the assets and the fulfillment of the liabilities simultaneously.

e. Comparative Information and Adjustment of Prior Period Financial Statements

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

f. Changes in Financial Reporting Standards

New and revised standards and interpretations

The accounting policies taken as basis in the preparation of the consolidated financial statements for the accounting period ending as of 31 December 2022 have been applied consistently with those used in the previous year, except for the new and amended TFRS standards valid as of 1 January 2021 and TFRYK interpretations, which are summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

The new standards in force as of 31 December 2022 and the amendments and interpretations to the existing previous standards:

Changes in TFRS 3 - Changes regarding the References to the Conceptual Framework

This amendment updates a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without significantly changing the provisions of the standard.

Changes in TAS 16 - Making It Suitable for the Purpose of Use

These amendments do not allow the revenues from the sale of the items produced to be deducted from the cost of the related asset while the related property, plant and equipment is brought to the required location and condition so that it can operate under the conditions intended by the management, and requires such sales revenues and related costs to be recognized in profit or loss.

Changes in TAS 37 - Economically disadvantaged contracts-Contract fulfillment costs

With the amendment made in TAS 37, it is determined whether the contract is an economically disadvantageous contract or not. It is stipulated that the estimated fulfillment costs consist of both the variable costs incurred to fulfill the contract and the amounts allocated from other costs directly related to the fulfillment of the contract.

Standards, amendments and interpretations issued but not yet effective as of 31 December 2022:

TAS 1, Application Declaration 2 and Narrow Changes in TAS 8

Effective for annual reporting periods beginning on or after 1 January 2023. These changes are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.

TAS 12, (Amendments) Deferred Tax on Assets and Liabilities Arising from a Single Transaction

Effective for annual reporting periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that result in equal amounts of taxable and deductible temporary differences when first recognized by companies. TFRS 16, Sale and leaseback transactions; Effective for annual reporting periods beginning on or after 1 January 2024.

TFRS 16, Sales and Leaseback Transactions

Effective for annual reporting periods beginning on or after 1 January 2024. These changes include the sale and leaseback requirements in IFRS 16 that describe how an entity accounts for a sale and leaseback transaction after the transaction date. Sales and leaseback transactions where some or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected.

TAS 1, Amendments in Long-Term Obligations, Which are Contract Terms

Effective for annual reporting periods beginning on or after 1 January 2024. These changes clarify how conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability. These changes are not expected to have a significant impact on the Group's financial position and performance.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

f. Changes in Financial Reporting Standards (Continued)

IFRS 16 (Amendments) Continuing Concessions on Rent Payments Related to COVID-19 After 30 June 2021

IFRS 16 'Leases' - amendments to extend the COVID 19 lease concessions facilitating practice (effective as of 1 April 2021); due to the COVID-19 outbreak, some privileges have been provided to tenants in rent payments. In May 2020, IASB introduced an optional facilitating practice for the tenants not to evaluate the concessions granted due to COVID-19 in the lease payments, whether there is a change in the lease, with the amendment published in the

IFRS 16 Leases standard. On March 31, 2021, IASB published an additional amendment to extend the date of facilitating implementation from June 30, 2021 to June 30, 2022. Lessees may choose to account for such lease concessions in accordance with the terms that would apply in the absence of a lease modification. This ease of application often causes the lease concession to be recognized as a variable lease payment during periods when the event or condition that triggers the reduction in lease payments occurs.

g. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash refers to cash and demand deposits in the enterprise, and cash equivalents are short-term investments with high liquidity that can be easily converted into a certain amount of cash and have an insignificant risk of loss.

Cash equivalents are assets held for short-term cash liabilities and not used for investment or other purposes (Note: 53).

Related Parties

If one of the following criteria exists, the party is deemed to be related to the Company:

- a) Through one or more intermediaries of the said party, directly or indirectly:
 - i) Controls, is controlled by, or is under joint control with the entity (including parents, subsidiaries and subsidiaries in the same line of business);
 - ii) It has a share that will enable it to have significant influence over the Company; or,
 - iii) has joint control over the Company;
- b) The party is an affiliate of the Company;
- c) The party is a joint venture in which the Company is a joint venture;
- d) The party is a member of the key management personnel of the Company or its parent;
- e) The party is a close family member of any individual mentioned in a) or d);
- f) the party; is an entity that is controlled, jointly controlled, or under significant influence or in which any individual mentioned in d) or e) has a significant voting right, directly or indirectly; or,
- g) The party must have post-employment benefit plans for employees of the entity or an entity that is a related party.

Financial Assets

Financial investments are accounted for at fair market value less costs directly attributable to the purchase, except for financial assets at fair value through profit or loss. Investments are recorded or derecognised on the transaction date, which is tied to a contract with the condition of delivery of investment instruments in accordance with the time period determined by the relevant market. Financial assets are classified as “financial assets at fair value through profit or loss”, “financial assets measured at amortized cost” and “financial assets at fair value through other comprehensive income”.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss; are financial assets held for trading. When a financial asset is acquired for short-term disposal, it is classified in that category. Financial assets that constitute derivative products that have not been determined as an effective hedging instrument against financial risk are also classified as financial assets at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset is classified as a financial asset measured at amortized cost if the contractual terms of the financial asset, which aim to collect the contractual cash flows, result in cash flows that only include principal and interest payments arising from the principal balance on certain dates. It is valued at its amortized cost using the effective interest rate method and a provision is made for impairment, if any. Interest income earned from held-to-maturity securities is recognized as interest income in profit/(loss) for the period.

Financial assets at fair value through other comprehensive income

In cases where the contractual terms of the financial asset are intended to collect the contractual cash flows and sell the financial asset, and in addition to that, the contractual terms of the financial asset result in cash flows that only include the principal and interest payments arising from the principal balance on certain dates, the financial asset is the fair value difference recognized in other comprehensive income. classified as.

Subsequent valuation of financial assets at fair value through other comprehensive income is made over their fair values. However, if their fair values cannot be determined reliably, for those with a fixed maturity, over the discounted price using the internal rate of return method; For those with no fixed maturity, they are valued using fair value pricing models or discounted cash flow techniques.

Unrealized profits or losses arising from the changes in the fair values of financial assets whose fair value differences are reflected in other comprehensive income and which express the difference between the amortized cost of securities calculated using the effective interest method and their fair value, are included in the “Financial Assets Value Increase/(Decrease) Fund”. It is displayed under the ” account. In case of disposal of financial assets whose fair value difference is reflected in other comprehensive income, the value created in the equity accounts as a result of the fair value application is reflected in the profit/(loss) for the period.

Recognition and derecognition of financial assets

The Group reflects the financial assets or liabilities on its consolidated balance sheet if it is a party to the related financial instrument agreements. The Group derecognises all or part of a financial asset only when it loses control over the contractual rights to which the assets are subject. The Group writes off financial liabilities only if the obligation defined in the contract ceases to exist, is canceled or expired.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

Impairment/expected loss provision for financial assets

At each reporting date, it is evaluated whether there has been a significant increase in the credit risk of the financial instrument covered by the impairment since it was first included in the consolidated financial statements. While making this assessment, the change in the default risk of the financial instrument is taken into account. The expected provision for loss estimate is neutral, probability-weighted, and includes supportable information about estimates of past events, current conditions, and future economic conditions.

For all financial assets, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account, the impairment is directly deducted from the carrying amount of the relevant financial asset. In case the trade receivable cannot be collected, the said amount is deducted from the provision account and written off. Changes in the provision account are recognized in profit or loss for the period. Except for equity instruments at fair value through other comprehensive income, if the impairment loss is reduced in a subsequent period and the decrease can be attributed to an event that occurred after the impairment loss was recognized, the previously recognized impairment loss would never have been recognized at the date the impairment loss would be reversed. It is canceled in the consolidated income statement so that it does not exceed the amortized cost amount that it will reach.

The increase in the fair value of equity instruments at fair value through consolidated other comprehensive income after impairment is recognized directly in equity.

Trade Receivables

Trade receivables resulting from the provision of products or services to the buyer are accounted for at the amortized value of the receivables, which are recorded at the original invoice value, to be obtained in the following periods using the effective interest method. Short-term receivables with no specified interest rate are shown at the invoice amount unless the effect of the original effective interest rate is significant.

A “simplified approach” is applied within the scope of impairment calculations for trade receivables (with a maturity of less than 1 year) that are accounted at amortized cost in the consolidated financial statements and do not contain a significant financing component. With this approach, allowances for losses on trade receivables are measured at an amount equal to “lifetime expected credit losses”, in cases where trade receivables are not impaired for specific reasons (other than realized impairment losses).

Following the provision for impairment, if all or part of the amount of the impaired receivable is collected, the collected amount is deducted from the provision for impairment and recorded in other income from main activities.

Financial Liabilities

A financial liability is measured at fair value at initial recognition. During the initial recognition of financial liabilities whose fair value difference is not recognized in profit or loss, the transaction costs directly attributable to the underwriting of the related financial liability are added to the said fair value. Financial liabilities are accounted for at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate in the following periods.

Inventories

Inventories are valued at the lower of cost or net realizable value, using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs to make the sale. When the net realizable value of inventories falls below its cost, the inventories are reduced to their net realizable value and are charged to the income statement in the year in which the impairment occurred.

In cases where it is proven that the conditions that previously caused the inventories to be reduced to net realizable value no longer apply or an increase in net realizable value due to changing economic conditions, the reserve for impairment is reversed. The canceled amount is limited to the previously allocated impairment amount (Note: 10).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

Tangible Fixed Assets

The Group has adopted for the thermal power plant in accordance TAS 16 "Tangible Assets" standard the "Revaluation model" starting from 30.09.2018, based on the reasonable values determined in the valuation studies carried out by an independent valuation company accredited to the CMB.

“Peer Comparison Method” and “Cost Approach” were used to determine the fair value of the real estates belonging to Suda Maden, Çan2 Termik, one of the subsidiaries, and the “Income Approach” was used to determine the fair values of the facilities owned by Odaş Elektrik and Çan2 Termik. The choice of this approach was driven by the fact that the asset's ability to generate income is a crucial factor influencing value, and reasonable estimates of the amount and timing of future income associated with the subject asset. Revaluations are made regularly in a way that does not cause the amount to be determined by using the fair value as of the end of the reporting period to differ materially from the carrying value. The frequency of revaluations depends on the changes in the fair values of the items of property, plant and equipment subject to revaluation.

Increases in tangible fixed assets as a result of revaluation are recorded after the deferred tax effect is netted off to the revaluation fund account in the equity group of the balance sheet. The difference between the depreciation and amortization calculated over the carrying values of the revalued assets (depreciation charged to the profit or loss statement) and the depreciation and amortization calculated over the acquisition cost of these assets, is the accumulated profit/(loss) from the revaluation fund each year after the deferred tax effect is netted. transferred. The same applies to tangible fixed assets as well.

The lands are not depreciated because their economic useful lives are considered to be indefinite. The estimated useful lives of these assets are as follows;

	<u>Years</u>
<u>Thermic Plant</u>	30
<u>Land Improvements</u>	8-50
<u>Buildings</u>	50
<u>Machinery, plant and equipment</u>	4-15
<u>Vehicle tools and equipment</u>	5
<u>Furniture and Fixtures</u>	3-15
<u>Leasehold charges</u>	<u>the lesser of the lease term (days) or useful life</u>

The profit or loss resulting from the disposal of tangible assets is determined by comparing the adjusted amounts with the collected amounts and is reflected in the relevant income and expense accounts in the current period.

Maintenance and repair expenses of tangible assets are normally recorded as expense. However, in exceptional cases, if the maintenance and repair results in an expansion or significant improvement in assets, these costs can be capitalized and depreciated over the remaining useful life of the associated tangible asset (Note: 14)

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

Intangible Assets

Intangible assets include acquired rights, information systems, computer software and development activities. They are recorded at acquisition cost and depreciated on a straight-line basis over their estimated useful lives from the date of acquisition.

Evaluation of research expenses and development costs within the scope of Articles 52 to 67 of TAS 38 “Intangible Assets”

Planned activities to obtain new technological information or findings are defined as research and research expenses incurred at this stage are recorded as expense when incurred.

The application of research findings or other information to a plan prepared to produce new or significantly improved products, processes, systems or services is defined as development and is recognized as intangible assets resulting from development if all of the following conditions are met.

Internally generated intangible assets resulting from development activities (or the development phase of an internal project) are recognized only when all of the following conditions are met;

- It is technically possible to complete the intangible asset so that it is ready for use or ready for sale.
- Intention to complete, use or sell the intangible asset
- Whether the intangible asset can be used or sold, and it is clear how the asset will generate possible future economic benefits.
- Availability of appropriate technical, financial and other resources to complete the development of the intangible asset, use or sell the asset
- The development cost of the intangible asset can be measured reliably during the development process.

The amount of intangible assets created internally is the total amount of expenses incurred since the intangible asset meets the above-mentioned recognition conditions. When internally generated intangible assets cannot be recognized, development expenditures are recorded as expense in the period in which they are incurred. After initial recognition, internally generated intangible assets are reported at cost less accumulated depreciation and accumulated impairment losses, just like intangible assets purchased separately.

The Company purchases a portion of some intangible assets within the scope of paragraphs 27 and 32 of TAS 38. In this context, it capitalizes the costs that are obtained separately from the outside and directly associated with the asset. In particular, the costs incurred within the framework of paragraph 28 of TAS 38 are capitalized.

The estimated useful lives of these intangible assets are as follows;

	<u>Years</u>
<u>Rights</u>	3-49
<u>Computer programs</u>	3
<u>Preparation and Development Activities</u>	<u>License Period or Royalty Agreement Period</u>

In case of impairment, the book value of intangible assets is reduced to their recoverable value. The recoverable value is the higher of the current value in use and the net selling price of the related intangible asset (Note: 17).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

Rental transactions

Group in case of tenant

The Group evaluates whether a contract is a lease or contains lease terms at the inception of the contract. The Group recognizes the right-of-use asset and the related lease liability for all leases of which it is a lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognizes the lease payments as operating expense on a straight-line basis over the lease term, unless there is another systematic basis that better reflects the timing structure in which the economic benefits from the leased assets are used.

In the initial recognition, lease obligations are accounted for at the present value of the lease payments that were not paid at the contract inception date, discounted at the lease rate. If this rate is not specified beforehand, the Group uses the alternative borrowing rate to be determined by itself.

Lease payments included in the measurement of the lease liability consist of:

- The amount obtained by deducting any lease incentives from the fixed lease payments (fixed payments in substance),
- variable lease payments based on an index or rate, initially measured using an index or rate at the commencement date of the lease,
- The amount of debt expected to be paid by the lessee under residual value guarantees,
- the enforcement price of the payment options where the lessee will reasonably implement the payment options; and
- Penalty payment for the cancellation of the rental if there is a right to cancel the rental during the rental period.

The lease liability is presented as a separate item in the consolidated statements of financial position.

Lease liabilities are measured by increasing the net carrying amount (using the effective interest method) to reflect the interest on the subsequent lease liability and decreasing the carrying amount to reflect the lease payment made. The Group remeasures the lease liability (and makes appropriate changes to the related right-of-use asset) when:

- When the lease liability is remeasured by discounting the revised lease payments using the revised discount rate when a change occurs in the assessment of the lease term or exercise of a purchase option.
- When the lease payments change due to changes in the index, rate, or expected payment change in the promised residual value, the adjusted lease payments are discounted using the initial discount rate and the lease liability is remeasured (the revised discount rate is used if the change in lease payments is due to a change in the variable interest rate).
- When a lease is changed and the lease modification is not accounted for as a separate lease, the revised lease payments are discounted using the revised discount rate and the lease liability is restated.

The Group has not made such changes during the periods presented in the consolidated financial statements.

Right-of-use assets include the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date, and other direct initial costs. These assets are measured at cost less accumulated depreciation and impairment losses.

A provision is recognized in accordance with TAS 36 when the group incurs costs to disassemble and dispose of a lease asset, restore the area on which the asset is located, or restore the main asset in accordance with the terms and conditions of the lease. These costs are included in the relevant right-of-use asset unless they are incurred to produce inventory.

Right-of-use assets are depreciated over the shorter of the lease term and useful life of the main asset. When ownership of the main asset is transferred in a lease or when the Group plans to exercise a purchase option based on the cost of the right-of-use asset, the associated right-of-use asset is depreciated over the useful life of the main asset. Depreciation begins on the date the lease actually begins.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

Group in case of lessor

The Group, as a lessor, signs lease agreements for some of its investment properties.

Leases in which the Group is the lessor are classified as finance leases or operating leases. The contract is classified as a finance lease if, according to the terms of the lease, all the ownership risks and rewards are transferred to the lessee to a significant extent. All other leases are classified as operating leases.

If the Group is the lessor of the vehicle, it accounts for the main lease and the sublease as two separate contracts. A sublease is classified as a finance lease or an operating lease with respect to the right-of-use asset arising from the main lease.

Rental income from operating leases is accounted for using the straight-line method over the relevant lease period. The direct initial costs incurred in realizing and negotiating the operating lease are included in the cost of the leased asset and amortized on a straight-line basis over the lease term.

Finance lease receivables from lessees are accounted for as receivables for the Group's net investment in leases.

Cash flow hedges

At the date of the derivative contract, the Group determines the transactions that provide hedging against changes in the cash flows of a registered asset or liability or transactions that can be associated with a certain risk and that are likely to occur, resulting from a certain risk and that may affect profit/(loss) as cash flow hedge.

The Group presents the gains and losses on the effective hedging transaction under “hedging gains (losses)” in equity. The ineffective portion is defined as profit or loss in the profit for the period. In the event that the hedged commitment or possible future transaction becomes an asset or liability, the gains or losses related to these transactions, which are recognized as equity items, are taken from these items and included in the acquisition cost or book value of the said asset or liability. Otherwise, the amounts recognized under equity are transferred to the income statement in the period in which the hedged possible future transaction affects the income statement and reflected as profit or loss.

In case the hedging instrument is sold, expires or fails to meet the hedge accounting requirements even though it is for hedging purposes, or if one of the situations where the promised or probable future transaction is not expected to occur, it is separately in equity until the promised or probable future transaction occurs. remains classified. The promised or probable future transaction is recorded in the income statement when it occurs, or if it is anticipated that it will not occur, the accumulated gains or losses related to the transaction are reflected in the consolidated financial statements as profit or loss (Note 30, 46).

Facilitating applications

Short-term lease agreements with a rental period of 12 months or less, and agreements regarding information technology equipment rentals (predominantly printers, laptop computers, mobile phones, etc.) determined by the Group as low value, are considered within the scope of the exception recognized by TFRS 16 Leases Standard. Payments related to contracts continue to be recognized as expenses in the period in which they occur.

Investment Properties

Land and buildings held for use in the production of goods and services or for administrative purposes or for the purpose of earning rent and/or capital gains, or both, rather than being sold in the ordinary course of business, are classified as investment properties and are depreciated at cost minus accumulated depreciation (land) except) values. The cost of the investment property constructed by the company is stated over the cost at the completion of the construction or rehabilitation works. At that date, the asset becomes investment property and is therefore transferred to the investment property account item.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

Borrowing Costs

The Group reflects borrowing costs to the profit/(loss) statement as financing cost during the loan period. Financing cost arising from loans is recorded in the profit/(loss) statement when incurred.

Depending on the conditions, power generation facilities can be considered as qualifying assets. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the relevant qualifying asset. Businesses account for other borrowing costs as expenses in the period they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of the asset. Such borrowing costs are capitalized as part of the cost of the qualifying asset if they can be measured reliably and are likely to provide future economic benefits to the entity. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are borrowing costs that would not have arisen if the expenses associated with the qualifying asset were not incurred.

If an entity is specifically borrowed to acquire a qualifying asset, then the amount of borrowing cost to be capitalized; It is determined by deducting the income obtained from the temporary remuneration of the said funds from the borrowing costs incurred in relation to the said borrowing during the relevant period.

Where a portion of the funds borrowed by an entity for a general purpose is used to finance a qualifying asset; The amount of borrowing cost that can be capitalized is determined with the help of a capitalization rate to be applied to the expenditures made on the related asset. This capitalization rate is the weighted average of borrowing costs related to all liabilities of the enterprise during the relevant period, excluding borrowings made for the purchase of qualifying assets. The amount of borrowing costs capitalized during a period cannot exceed the amount of borrowing costs incurred during the relevant period.

When all necessary proceedings virtually is completed for asset's intended usage and getting ready for sale, the capitalizing of borrowing costs will end. In the situation of a qualifying asset is completed in parts and every part can be used while other parts Continue to construct; When all necessary proceedings virtually is completed for certain part's intended usage and getting ready for sale, the capitalizing of borrowing costs of the related part will end.

Within the scope of TAS-23 "Borrowing Costs" standard, the group includes the principal currency difference amounts of the loans used in 2019 and before in order to finance the construction of the Qualified Assets; Assuming that the loan was used in TRY, the TRY base interest rate at the date of use of the loans is taken and the exchange differences corresponding to the TRY interest cost are added to the capitalization amount of the assets considered as qualifying assets. In the calculation made, the base interest rate is based on the representative interest rate on the date of the signed and renewed contracts in the current period for all investment loans used in case the same loans are used in TRY under the same conditions.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the Group has a present and past legal or structural obligation as of the date of the statement of financial position, it is highly probable that an outflow of resources that provide economic benefits to settle the obligation and a reliable estimate of the amount of the obligation can be made.

In cases where there is more than one similar liability, the probability of outflow of resources providing economic benefits that may be required is evaluated by considering all liabilities of the same nature. Provision is made for any of the liabilities of the same nature, even if the probability of outflow of resources is low. No provision is made for future operational losses. Where the effect of the time value of money is material, the amount of the provision; It is determined as the present value of the expenses expected to be necessary to settle the obligatio

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

Contingent Liabilities and Assets

Contingent assets and liabilities are contingent assets and liabilities that arise from past events and whose realization is not fully under the Group's control in the future, and which is dependent on the occurrence or non-existence of one or more events.

The Group does not reflect contingent assets and liabilities in its records. Contingent liabilities are disclosed in the notes to the financial statements unless the probability of an outflow of relevant economic benefits is remote, and contingent assets are disclosed only if an inflow of economic benefits is highly probable.

Employee Benefits

a) Defined Benefit Plan

Severance pay provisions are reflected based on actuarial work in accordance with TAS 19 "Employee Benefits".

Severance pay liability represents the value of the estimated total provision as of the date of the statement of financial position, which will arise from the retirement of the Group's personnel in accordance with the Turkish Labor Law or the termination of the employment contract due to the reasons specified by the relevant law.

The Group calculates and reflects the severance pay on the financial statements, based on the information arising from the Company's own experience regarding the dismissal or termination of the employee's employment, and by envisaging that the vested benefits are recorded at the discounted net value.

b) Defined Contribution Plans

The Group pays compulsory social insurance premiums to the Social Security Institution. As long as the Group pays these premiums, it has no other obligations. These premiums are reflected in personnel expenses in the period they are accrued.

Revenues

Revenues are measured at the fair value of the amount of receivables collected or receivable. Estimated customer returns, discounts and provisions are deducted from this amount.

Sales revenues

Revenue from the sale of goods is recognized when all of the following conditions are met:

- The Company's transfer of all significant risks and rewards of ownership to the buyer,
- The Company does not have an ongoing administrative involvement associated with ownership and an effective control over the goods sold,
- Reliable measurement of income amount,
- It is probable that the economic benefits associated with the transaction will flow to the entity, and
- Reliable measurement of the costs incurred or to be incurred by the transaction.

Revenues are the fair value of the amount received or receivable in case of electricity delivery.

Revenues are recorded in the period in which they are incurred, on an accrual basis, over the amounts to be invoiced. Net sales are shown as invoiced electricity delivery, less sales commissions and sales taxes. The revenue obtained from the transmission costs is shown in the financial statements by netting with the related costs.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

TEİAŞ Electricity Sales Revenue

It includes the sales arising from the settlement system based on all sales transactions made by the market participant in the free market settled by the free market PMUM (Market Financial Settlement Center) and due to the existence of a free market.

Free Consumer Electricity Sales

Sales made to all consumers who fall under the definition of eligible consumers according to the consumer limits published by EMRA.

Bilateral Agreements Electricity Sales

Both physical or service sales to wholesale companies or private manufacturing companies. Primary Frequency Control (PFK) includes the sale of services related to the transfer of this obligation by the power plants, which are obliged in the relevant legislation.

Energy Imbalance

According to the relevant legislation, when group companies combine to form a balancing group, all imbalance receivables and payables are reconciled within the body of the party responsible for the balance. The balance responsible party distributes these amounts to the balancing group members. Group imbalance items include positive imbalance receivables, negative imbalance debit and zero balance debit/credit amounts.

Interest income

Interest income is recorded as income on an accrual basis.

Rental income

Income is recorded on a periodic accrual basis.

Effects of Currency Change

Foreign currency transactions realized during the period are translated into Turkish Lira at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are valued at the exchange rates prevailing at the end of the period. Exchange gains or losses arising from the valuation of monetary assets and liabilities denominated in foreign currency are reflected in the profit/(loss) statement.

Taxes calculated on corporate income and deferred tax

As Turkish Tax Legislation does not allow the parent company and its subsidiary to prepare consolidated tax returns, tax provisions have been calculated on a separate-entity basis, as reflected in the consolidated financial statements.

Income tax expense is the sum of current tax and deferred tax expense.

Current tax

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit differs from profit reported in the statement of profit or loss in that it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The current tax liability of the Group is calculated using the tax rate that has been enacted or substantially enacted as of the reporting period.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

Taxes calculated on corporate income and deferred tax (Continued)

Deferred tax

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by generating taxable profit in the future. The said assets and liabilities are not recognized if they arise from the initial recognition of the temporary difference, goodwill or other assets and liabilities related to the transaction that does not affect the commercial or financial profit/(loss) (other than business combinations).

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, unless the Group is able to control the disappearance of temporary differences and it is unlikely that the difference will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that the said differences will be benefited from by earning sufficient taxable profit in the near future and it is probable that the related differences will disappear in the future.

Carrying amount of deferred tax asset is reviewed at each reporting period. The carrying amount of the deferred tax asset is reduced to the extent that it is not likely to generate a financial profit that will allow some or all of the benefits to be obtained.

Deferred tax assets and liabilities are calculated over tax rates (tax regulations) that are expected to be valid in the period when the assets will be realized or the liabilities will be fulfilled and that have been enacted or significantly enacted as of the reporting date. During the calculation of deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the reporting period are taken into account.

Deferred tax assets and liabilities tax assets and liabilities on a net basis is deducted if there is a legal right to set off current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority or if the Group intends to settle current.

Current and deferred tax

Current tax and deferred tax for the period are expense or income in the statement of profit or loss, excluding those associated with items credited or debited directly in equity (in which case deferred tax is also recognized directly in equity) or arising from the initial recognition of business combinations. accounted for. In business combinations, tax effects are taken into account when calculating goodwill or determining the portion of the purchaser's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary exceeding the acquisition cost.

Earnings Per Share

Earnings per share stated in the income statements are calculated by dividing net income by the weighted average number of shares outstanding during the reporting period. In case of capital increase from internal sources during the period, the newly found value is considered to be valid as of the beginning of the period while calculating the weighted average of the number of shares. In TAS 33, this subject is mentioned as follows;

Ordinary shares may be issued without any change in resources or the number of existing ordinary shares may be reduced. For example:

- (a) the capitalization or issue of bonus shares (sometimes referred to as a dividend in share);
- (b) the presence of a bonus element in another issue; for example, the bonus element in an issue that includes new rights to existing shareholders;
- (c) stock split; and
- (d) Consolidation of shares by increasing the par value (consolidation of shares).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

g. Summary of Significant Accounting Policies (Continued)

Earnings Per Share (Continued)

In a capitalization or bonus issue or split, ordinary shares are issued without any additional payment to existing shareholders. Therefore, the number of ordinary shares outstanding increases without an increase in resources. The number of ordinary shares outstanding prior to the transaction is adjusted for the proportional change in the number of ordinary shares outstanding had the transaction occurred at the beginning of the earliest period presented.

Events After the Statement of Financial Position Date

Events after the statement of financial position date; It covers all events between the date of the statement of financial position and the date of authorization for issue of the statement of financial position, even if they arise after any announcement regarding profit or the public disclosure of other selected financial information.

Group; In case of occurrence of events that require adjustment after the date of the statement of financial position, the amounts included in the financial statements are adjusted in accordance with this new situation. Matters that do not require adjustment after the date of the statement of financial position are disclosed in the footnotes of the financial statements if they affect the economic decisions of the users of the financial statements.

Cash Flow Statement

In the cash flow statement, cash flows for the period are classified and reported on the basis of operating, investing and financing activities. Cash flows arising from operating activities show cash flows arising from the activities of the Company. Cash flows related to investment activities show the cash flows used and obtained by the Company in investment activities (fixed asset investments and financial investments). Cash flows related to financing activities show the resources used by the Group in financing activities and the repayments of these resources. Cash and cash equivalents include cash, bank deposits and short-term, highly liquid investments with a maturity of 3 months or less that can be easily converted into cash.

Determination of Fair Value

The Group's various accounting policies and disclosures require the determination of the fair value of both financial and non-financial assets and liabilities. If applicable, additional information on the assumptions used in determining fair values is presented in the asset or liability-specific notes.

The valuation methods according to the levels are listed as follows.

Level 1: quoted (unadjusted) prices in the active market for Identical Assets or Liabilities;

Level 2: Data that are directly observable (through prices or indirectly (derived from prices)) in terms of assets or liabilities, excluding recorded prices in Level 1;

Level 3: Data on assets or liabilities that are not based on observable market data (non-observable data)

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3. BUSINESS COMBINATIONS

A business combination involving undertakings or businesses under common control is a business combination in which all the combining undertakings or businesses are controlled by the same person or persons before and after the business combination and this control is not temporary.

Goodwill amounting to TRY 56.081.727 arising from the acquisition of businesses under common control has been shown in the “Effect of Mergers Including Joint Controlled Enterprises or Businesses” account as an offsetting account under shareholders' equity, since business combinations under common control are accounted for using the combination of rights method and therefore goodwill cannot be included in the financial statements.

4. INTEREST IN OTHER ENTITIES

The company purchased 200,000 company shares for 200,000 TRY in order to become a founding partner in EPİAŞ (Enerji Piyasaları İşletim A.Ş. The total capital of the enterprise, the establishment of which is partnered, is 61.572.570 TRY, corresponding to 61.572.570 shares, and the total acquired shares correspond to 0,0032% of the total capital. The partnership is for the sole purpose of having a say in the energy market and is shown in the financial statements with the historical cost value of 200.000 TRY (31 December 2021: 200.000 TRY).

YS Maden, which is within the scope of full consolidation, has been a founding shareholder of Kısırkdere Kömürleri Maden A.Ş. Kısırkdere Kömürleri Maden A.Ş. is engaged in coal mining activities. The company has transferred its 1.56% shares of Kısırkdere A.Ş. The impairment of participation amounting to 45.509.714 TRY related to mentioned transaction is reflected in the financials. While the share ratio was 25% before the capital increase in October 2022, it decreased to 1.56% before the share transfer. (31 December 2021 : 45.098.867 TRY).

5. SEGMENT REPORTING

Reporting by segments as of 31 December 2022 and 31 December 2021;

31.12.2022						
	Mining	Energy Product	Other	Total	Elimination Effect	Consolidated Total
Current Assets	119.597.719	9.369.371.353	743.113.450	10.232.082.522	(6.000.895.963)	4.231.186.559
Fixed Assets	144.853.954	7.454.940.758	125.677.369	7.725.472.081	(507.730.728)	7.217.741.352
Total assets	264.451.673	16.824.312.111	868.790.819	17.957.554.602	(6.508.626.691)	11.448.927.911
Short Term Liabilities	199.861.092	7.692.588.169	859.949.848	8.752.399.110	(5.799.070.897)	2.953.328.213
Long-Term Liabilities	18.081.622	2.022.178.412	2.353.530	2.042.613.564	--	2.042.613.564
Total Liabilities	217.942.714	9.714.766.581	862.303.379	10.795.012.674	(5.799.070.897)	4.995.941.777
Equities	51.171.786	7.104.882.699	6.487.443	7.162.541.928	(709.555.794)	6.452.986.134

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5. SEGMENT REPORTING (Continued)

01.01.2022 - 31.12.2022

PROFIT OR LOSS	Mine	Energy Product	Other	Total	Elimination Effect	Consolidated Total
Revenues	165.342.749	13.582.274.525	3.602.881	13.751.220.155	(6.110.563.507)	7.640.656.648
Cost of sales (-)	(129.622.026)	(10.412.752.669)	--	(10.542.374.696)	6.108.594.164	(4.433.780.532)
GROSS PROFIT/LOSS	35.720.723	3.169.521.855	3.602.881	3.208.845.459	(1.969.343)	3.206.876.116
General and Administrative Expenses (-)	(7.499.951)	(89.974.497)	(7.549.431)	(105.023.879)	352.336	(104.671.543)
Marketing Expenses (-)	(10.108.087)	(196.986)	--	(10.305.073)	3.548	(10.301.525)
Other Income from Main Operations	17.460.925	116.564.129	110.411.685	244.436.739	(71.835.787)	172.600.952
Other Expenses from Main Operations (-)	(27.267.794)	(140.629.779)	(110.484.530)	(278.382.103)	80.157.574	(198.224.530)
OPERATING PROFIT/LOSS	8.305.816	3.055.284.722	(4.019.395)	3.059.571.143	6.708.328	3.066.279.470
Income from Investment Activities	691.819	28.870.493	--	29.562.312	--	29.562.312
Expenses from Investment Activities (-)	(412.301)	(45.097.413)	--	(45.509.714)	--	(45.509.714)
OPERATING PROFIT/LOSS BEFORE FINANCIAL EXPENSES	8.585.334	3.039.057.802	(4.019.395)	3.043.623.741	6.708.328	3.050.332.068
Financing Income	26.626.901	801.944.828	14.731.668	843.303.397	(215.523.450)	627.779.947
Financial Expenses (-)	(47.141.807)	(1.220.370.077)	(462.400)	(1.267.974.283)	207.105.719	(1.060.868.563)
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX	(11.929.572)	2.620.632.553	10.249.873	2.618.952.855	(1.709.403)	2.617.243.452
Continuing Operations Tax Expense/Income	(4.293.901)	249.885.537	(2.839.068)	242.752.569	--	242.752.569
Period Tax Expense/Income	(3.632.663)	(241.693.410)	(430.437)	(245.756.510)	--	(245.756.510)
Deferred Tax Expense/Income	(661.238)	491.578.948	(2.408.631)	488.509.079	--	488.509.079
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(16.223.473)	2.870.518.090	7.410.805	2.861.705.424	(1.709.403)	2.859.996.021
PROFIT/LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	--	(95.944)	--	(95.944)	--	(95.944)
PROFIT/LOSS FOR THE PERIOD	(16.223.473)	2.870.422.146	7.410.805	2.861.609.480	(1.709.403)	2.859.900.077

31.12.2021

	Mine	Energy Product	Other	Total	Elimination Effect	Consolidated Total
Current Assets	137.630.011	2.320.684.635	277.418.075	2.735.732.720	(1.622.192.434)	1.113.540.286
Fixed Assets	130.406.223	6.217.037.247	839.392	6.348.282.862	(493.148.219)	5.855.134.643
Total assets	268.036.234	8.537.721.882	278.257.467	9.084.015.582	(2.115.340.653)	6.968.674.929
Short Term Liabilities	173.301.573	2.015.704.777	279.940.064	2.468.946.414	(1.171.789.062)	1.297.157.352
Long-Term Liabilities	26.509.676	2.228.047.740	1.561	2.254.558.977	(248.674.251)	2.005.884.726
Total Liabilities	199.811.249	4.243.752.517	279.941.625	4.723.505.391	(1.420.463.313)	3.303.042.077
Equity	68.224.985	4.293.969.365	(1.684.158)	4.360.510.191	(694.877.340)	3.665.632.853

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5. SEGMENT REPORTING (Continued)

	01.01.2021 - 31.12.2021					
PROFIT OR LOSS	Mining	Energy Product	Other	Total	Elimination Effect	Consolidated Total
Revenues	103.807.455	1.454.420.331	1.591	1.558.229.377	(112.627.886)	1.445.601.491
Cost of sales (-)	(63.520.219)	(1.104.690.021)	--	(1.168.210.240)	105.031.076	(1.063.179.164)
GROSS PROFIT/LOSS	40.287.236	349.730.310	1.591	390.019.137	(7.596.811)	382.422.327
General and administrative expenses (-)	(2.464.230)	(39.846.162)	(37.779)	(42.348.171)	71.310	(42.276.860)
Marketing Expenses(-)	(11.237.628)	(475.115)	--	(11.712.743)	--	(11.712.743)
Research & Development Expenses	--	--	(7.525.500)	(7.525.500)	7.525.500	--
Other Income from Main Operations	11.230.866	79.122.414	73.007	90.426.287	(38.814.622)	51.611.665
Other Expenses from Main Operations (-)	(13.851.735)	(164.256.160)	(40.547)	(178.148.441)	59.036.879	(119.111.563)
OPERATING PROFIT/LOSS	23.964.510	224.275.288	(7.529.228)	240.710.569	20.222.257	260.932.826
Income from Investment Activities	--	170.189.568	--	170.189.568	(169.772.162)	417.405
Expenses from Investment Activities (-)	(214.561)	(25.424)	--	(239.985)	--	(239.985)
Shares of Profits/Losses of Investments Valued by Equity Method	--	18.034.231	--	18.034.231	--	18.034.231
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSES	23.749.949	412.473.663	(7.529.228)	428.694.383	(149.549.905)	279.144.477
Financing Incomes	23.325.239	398.327.373	18.825.001	440.477.612	(71.703.466)	368.774.146
Financial Expenses (-)	(21.676.305)	(827.380.759)	(12.859.793)	(861.916.856)	51.579.383	(810.337.473)
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX	25.398.883	(16.579.724)	(1.564.020)	7.255.139	(169.673.987)	(162.418.850)
Continuing Operations Tax Expense/Income	(4.972.202)	164.662.181	390.303	160.080.281	--	160.080.281
Period Tax Expense/Income	(1.597.323)	--	(135.539)	(1.732.862)	--	(1.732.862)
Deferred Tax Expense/Income	(3.374.879)	164.662.181	525.842	161.813.143	--	161.813.143
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	20.426.681	148.082.457	(1.173.717)	167.335.420	(169.673.987)	(2.338.569)
PROFIT/LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	--	98.173	--	98.173	--	98.173
PROFIT/LOSS FOR THE PERIOD	20.426.681	148.180.630	(1.173.717)	167.433.593	(169.673.987)	(2.240.396)

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6. RELATED PARTIES

i) Balances with related parties as of 31 December 2022 and 31 December 2021;

a) Short-term trade receivables from related parties:

	31.12.2022	31.12.2021
Hidro Kontrol Elektrik Üretim A.Ş	19.208.594	13.368.562
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	7.312.766	13.328.579
Kısrakdere Maden A.Ş.	272.906	44.533
Batı Trakya Madencilik A.Ş.	17.500	12.552.520
Öztay Enerji Elektrik Üretim Sanayi A.Ş	--	11.214.101
TOTAL	26.811.766	50.508.295
Deduction: Unaccrued financial expenses	(1.796.322)	(5.768.466)
TOTAL	25.015.444	44.739.829

b) Other short-term receivables from related parties:

	31.12.2022	31.12.2021
Abdulkadir Bahattin Özal	10.343.420	211.290
Burak Altay	8.131.124	141.111
Süleyman Sarı	2.393.230	2.389.180
Müjgan Özal	1.930.784	1.767.803
Onur Yıldız	1.829.720	--
Mustafa Ali Özal	1.547.759	1.417.394
Fatimetüz Zehra Özal	1.545.470	1.415.105
Hafize Ayşegül Özal	1.544.409	1.414.044
Mehmet Fatih Özal	528.815	485.360
Korkut Enes Özal	524.503	481.048
Hafize Büşra Özal	483.946	460.491
Tahsin Yazan	106.200	4.802.388
Tron Enerji Yatırım San. Ve Tic.A.Ş.	47.008	44.010
Akra Madencilik San. Ve Tic. A.Ş	10.971	112.022
Rey Bilişim Hizmetleri Tic. Ltd. Şti.	936	936
Kerem Emir Yazan	--	1.272.811
Kısrakdere Maden A.Ş.	--	770.202
Onur Mining	--	89.593
Bb Enerji Yatırım San.Tic.A.Ş.	--	66.174
Hidro Kontrol Elektrik Üretim A.Ş	--	59.068
Eylül Elektromekanik Enerji San ve Ltd Şti	--	57.357
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	--	29.251
Batı Trakya Madencilik A.Ş.	--	15.589
TOTAL	30.968.295	17.502.227
Deduction: Unaccrued financial income	(4.532)	(169.336)
TOTAL	30.963.763	17.332.891

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6. RELATED PARTIES (Continued)

c) Short-term trade payables to related parties:

	31.12.2022	31.12.2021
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	2.304.122	5.510.000
Öztay Enerji Elektrik Üretim San. A.Ş.	--	803.369
Batı Trakya Madencilik A.Ş.	--	544.758
Kısrakdere Maden A.Ş.	--	55.680
TOTAL	2.304.122	6.913.807
Deduction: Unaccrued financial income	--	(679.521)
TOTAL	2.304.122	6.234.285

d) Other short-term payables to related parties:

	31.12.2022	31.12.2021
Ogma Ssh Fz Llc	135.560.291	100.147.593
Ena Elektrik Üretim Ltd.Şti	526.165	526.165
Esin Ersan	20.000	20.000
Burak Altay	15.000	15.000
Abdulkadir Bahattin Özal	12.500	93.177
Bb Enerji Yatırım San.Tic.A.Ş.	12.248	1.483.705
Fethiye Çiftlik Tur. A.Ş.	9.815	--
Hidro Kontrol Elektrik Üretim A.Ş	9.515	--
Hidayet Büküm	3.673	3.673
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	478	--
Kerem Emir Yazan	--	678.832
Öztay Enerji Elektrik Üretim San. A.Ş.	--	286.820
Akra Petrol San.Tic.A.Ş.	--	24.221
Hafize Ayşegül Özal	--	20.000
Batı Trakya Madencilik A.Ş.	--	5.221
Bahattin Özal&Burak Altay Adi Ortaklık	--	4.700
HK Yatırım Elektrik Üretim San.Tic.Ltd.Şti	--	1.143
TOTAL	136.169.685	103.310.250
Deduction: Unaccrued financial income	(42.180)	(132.610)
TOTAL	136.127.505	103.177.640

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6. RELATED PARTY DISCLOSURES (CONTINUED)

ii) Significant sales to and purchases from related parties:

Purchases from Related Parties

	01 January - 31 December 2022	01 January - 31 December 2021
Hidro Kontrol Elektrik Üretim A.Ş	10.652.595	--
Batı Trakya Madencilik A.Ş.	7.273.376	--
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	1.493.287	775.292
Rey Bilişim Hizmetleri Tic. Ltd. Şti.	247.138	--
Kısrakdere Maden A.Ş.	--	25.672.990
TOTAL	19.666.396	26.448.282

Sales to Related Parties

	01 January - 31 December 2022	01 January - 31 December 2021
Kısrakdere Maden A.Ş	6.571.253	--
Batı Trakya Madencilik A.Ş	2.375.369	1.932.753
Burak Altay	1.334.644	--
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	1.284.155	2.175.065
Abdulkadir Bahattin Özal	1.084.751	--
Hidro Kontrol Elektrik Üretim A.Ş	437.320	2.165.295
Müjgan Özal	162.981	192.126
Fatimetuz Zehra Özal	130.364	153.677
Hafize Ayşegül Özal	130.364	153.677
Mustafa Ali Özal	130.364	153.677
Akra Madencilik San. Ve Tic. A.Ş	90.525	--
Hafize Büşra Özal	43.455	51.226
Korkut Enes Özal	43.455	51.226
Mehmet Fatih Özal	43.455	51.226
Öztay Enerji Elektrik Üretim Sanayş A.Ş.	--	1.718.951
TOTAL	13.862.455	8.798.899

Remuneration and similar benefits provided to the top management in the 12-month accounting period of 2022 are as follows;

a) Short-term benefits provided to employees: The total amount of wages and similar benefits provided to the members of the Board of Directors and senior managers in the twelve-month accounting period of 2022 is 25.976.867 TRY (14.953.125 TRY in 2021).

b) Post-employment benefits: Severance pay is paid to the personnel who deserve the rights granted by law. No payment is made other than the rights arising from the Labor Law.

c) Other long-term benefits: None.

d) Benefits due to dismissal: None.

e) Share-based payments: None.

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7. TRADE RECIVABLES AND PAYABLES

Trade Receivables

	31 December 2022	31 December 2021
Trade Receivables	526.111.595	197.342.361
-Trade receivables from related parties	26.811.766	50.508.295
-Trade receivables from unrelated parties	499.299.829	146.834.066
Notes receivable	17.973.096	46.632.891
Doubtful trade receivables	24.298.365	22.021.320
Provision for doubtful trade receivables (-)	(24.298.365)	(22.021.320)
	544.084.691	243.975.252
Deduction: Unaccrued financial expenses	(8.036.433)	(8.409.889)
-Receivables from related institutions	(1.796.322)	(5.768.466)
-Other receivables	(6.240.111)	(2.641.423)
TOTAL	536.048.258	235.565.363

The movement table of the provision for doubtful receivables as of 31 December 2022 and 31 December 2021 is as follows;

	31 December 2022	31 December 2021
Balance at the beginning of the period	22.021.320	17.762.295
Additional provisions/ (payments)	2.277.045	4.259.025
TOTAL	24.298.365	22.021.320

Trade payables

	31 December 2022	31 December 2021
Trade payables	695.251.220	252.678.536
-Trade payables to related parties	2.304.122	6.913.806
-Trade payables to unrelated parties	692.947.098	245.764.730
Debt Securities	3.746.399	52.488.993
Other Trade Payables	1.176.652	861.000
	700.174.271	306.028.529
Deduction: Unaccrued financial income	(12.030.146)	(7.154.052)
-Trade payables to related parties	-	(679.521)
-Trade payables to unrelated parties	(12.030.146)	(6.474.531)
TOTAL	688.144.125	298.874.477

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8. FINANCIAL INVESTMENTS

None (31 December 2021: None).

9. OTHER RECEIVABLES AND PAYABLES

Short Term Other Receivables

	31 December 2022	31 December 2021
Receivables from related parties	30.968.295	17.502.227
Other receivables	19.054.269	23.076.781
Deposits and guarantees given	5.002.297	4.839.499
Other doubtful receivables	4.068.367	1.855.446
Other doubtful receivables (-)	(4.068.367)	(1.855.446)
TOTAL	55.024.861	45.418.507
Deduction: Unaccrued financial expenses	(7.968)	(169.342)
-Receivables from related institutions	(4.531)	(169.335)
-Other receivables	(3.437)	(7)
TOTAL	55.016.893	45.249.165

The movement table of the provision for doubtful receivables as of 31 December 2022 and 31 December 2021 is as follows;

	31 December 2022	31 December 2021
Balance at the beginning of the period	1.855.446	1.968.298
Additional provisions/ Payments	2.212.921	(112.852)
TOTAL	4.068.367	1.855.446

Long Term Other Receivables

	31 December 2022	31 December 2021
Deposits and guarantees given	711.339	1.681.677
TOTAL	711.339	1.681.677

Other Short-Term Payables

	31 December 2022	31 December 2021
Related parties payables	136.169.683	103.310.251
Miscellaneous other debts	2.795.954	1.983.935
Taxes and funds payable	333.185.086	23.270.183
Deposits and guarantees received	10.000	103.742
Matured, delayed or deferred tax by installments and other liabilities	115.959.376	18.959.126
Received advances	6.499.276	1.407.568
	594.619.375	149.034.805
Deduction: Unaccrued financial income	(57.210)	(132.610)
- Related party vendor payables	(42.179)	(132.610)
-Other debts	(15.032)	--
TOTAL	594.562.165	148.902.195

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9. OTHER RECEIVABLES AND PAYABLES (Continued)

Details of taxes and funds payables are as follows:

	31 December 2022	31 December 2021
TRT Share	764.076	2.031.055
Municipality Consumption Tax	1.324.106	1.248.610
Energy Fund	313.176	397.783
Wage Earning Income Tax Deduction	10.382.836	5.832.547
Value Added Tax	129.058.131	13.115.864
Other Tax Liabilities	191.342.761	644.324
TOTAL	333.185.086	23.270.183

Long-term Other Payables

	31 December 2022	31 December 2021
Deposits and guarantees received	18.336.684	17.024.906
Publicly Deferred or Installment Debts (*)	5.063.459	13.951.144
TOTAL	23.400.143	30.976.050

(*) Includes the long-term portion of the Group's tax office and insurance debt restructuring installments.

10. INVENTORIES

	31 December 2022	31 December 2021
Raw materials and supplies	17.696.163	9.154.429
Semi-finished (*)	362.018.394	141.027.070
Finished goods (**)	182.296.946	97.294.516
Trade goods	1.792.989	789.202
Other inventories (***)	51.631.375	45.402.299
TOTAL	615.435.867	293.667.516

(*) 303.774.098 TRY of the group's semi-finished products consists of coal and fuel oil used by Çan2 Termik, which is included in the consolidation, for electricity generation.

44.670.454 TRY of the semi-finished products consists of the raw coal extracted by YS Madencilik, which is included in the consolidation.

(**) 172.140.215 TRY of the products of the group consists of gypsum, ash and cruf obtained by Çan2 Termik from electricity generation.

(***) 34.960.916 TRY of the group's other stocks consists of thermal power plant spare parts of Çan2 Termik, which is included in the consolidation, and 7.005.040 TRY of YS Madencilik's mineral coal stocks, which is included in the consolidation.

11.LIVING ASSETS

None. (None, December 31, 2021).

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12. PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

	31 December 2022	31 December 2021
Order advances given (*)	32.885.726	5.685.621
Expenses for the future months	30.401.180	11.885.671
TOTAL	63.286.906	17.571.292

(*)The amount of 17.536.075 TRY and is the order advances given consists of the advances given by Çan 2 Termik A.Ş and the amount of 12.457.599 TRY is the order advances given consists of the advances given by Çan2 Trakya A.Ş. regarding production activities.

Long Term Prepaid Expenses

	31 December 2022	31 December 2021
Expenses for future months (*)	15.696.674	5.097.487
TOTAL	15.696.674	5.097.487

(*) The Group tracks the expenses related to the insurances it has taken out in the prepaid expenses account in accordance with the periodicity principle.

Deferred Income

	31 December 2022	31 December 2021
Income Relating to Future Months	593.220	--
Advances received	342.212.066	63.021.514
TOTAL	342.805.286	63.021.514

13. INVESTMENT PROPERTIES

None. (None, December 31, 2021).

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14. TANGIBLE ASSETS

	01.01.2022	Addition	Disposal	Transfer	Conversion Adjustments	31.12.2022
Cost						
Land and parcels	168.253.153	131.888.309	--	--	--	300.141.462
Land Improvements	150.000	--	--	--	--	150.000
Buildings	2.358.550	--	--	--	--	2.358.550
Plant, machinery and devices	5.251.421.846	1.442.833.022	(6.672.953)	(291.099.659)	--	6.396.482.256
Vehicles	30.125.131	48.566.218	(626.836)	--	134.218	78.198.731
Furniture and fixtures	12.838.854	12.158.194	(22.661)	--	--	24.974.387
Investment in progress	398.151.830	62.553.057	(600.128.337)	291.099.659	1.667.722	153.343.931
Exploration expenses	167.381	--	--	--	--	167.381
Total	5.863.466.745	1.697.998.800	(607.450.787)	--	1.801.940	6.955.816.698
Accumulated Depreciation						
Land Improvements	(150.001)	--	--	--	--	(150.001)
Buildings	(293.551)	(54.643)	--	--	--	(348.194)
Plant, machinery and devices	(284.907.706)	(211.234.468)	1.653.586	--	--	(494.488.588)
Vehicles	(5.762.565)	(11.256.296)	135.408	--	(110.798)	(16.994.252)
Furniture and fixtures	(6.793.058)	(2.355.478)	17.011	--	--	(9.131.528)
Total	(297.906.881)	(224.900.885)	1.806.004	--	(110.798)	(521.112.563)
Net Book Value	5.565.559.864	1.473.097.914	(605.644.783)	--	1.691.142	6.434.704.135

	01.01.2021	Addition	Disposal	Transfer	Revaluation	31.12.2021
Cost						
Land and parcels	56.918.004	2.086.643	(40.000)	--	109.288.505	168.253.152
Land Improvements	150.000	--	--	--	--	150.000
Buildings	1.143.325	--	--	--	1.215.225	2.358.550
Plant, machinery and devices	2.606.711.523	100.849.490	(59.701.628)	14.281.439	2.589.281.022	5.251.421.846
Vehicles	10.103.930	7.129.935	(423.591)	--	13.314.857	30.125.132
Furniture and fixtures	10.698.061	2.178.644	(37.850)	--	--	12.838.855
Investment in progress	75.535.877	336.897.394	--	(14.281.439)	--	398.151.831
Exploration expenses	-	167.381	--	--	--	167.381
Total	2.761.260.720	449.309.487	(60.203.069)	--	2.713.099.609	5.863.466.747
Accumulated Depreciation						
Land Improvements	(150.001)	--	--	--	--	(150.001)
Buildings	(261.428)	(32.123)	--	--	--	(293.551)
Plant, machinery and devices	(229.815.170)	(62.208.458)	7.115.922	--	--	(284.907.706)
Vehicles	(4.583.496)	(1.345.099)	166.030	--	--	(5.762.565)
Furniture and fixtures	(5.365.047)	(1.436.142)	8.130	--	--	(6.793.058)
Total	(240.175.142)	(65.021.822)	7.290.082	--	--	(297.906.881)
Net Book Value	2.521.085.578	384.287.665	(52.912.987)	--	2.713.099.609	5.565.559.866

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14. TANGIBLE FIXED ASSETS (Continued)

Lal Gayrimenkul Değerleme ve Müşavirlik A.Ş., an independent valuation company licensed by CMB, for land and lands, buildings, machinery, plant and equipment in accordance with TAS 16 “Tangible Fixed Assets” standard. has adopted the “Revaluation model” starting from September 30, 2018, based on the reasonable values determined in the valuation studies carried out by the Company.

In the valuation report of Çan2 Termik's thermal power plant dated October 11, 2018, prepared as of September 30, 2018, the value of the investment was determined as TRY 1.961.836.045 according to the income method (DNA). In the valuation report dated 10.02.2020 prepared by an authorized valuation institution as of 31 December 2019, the value of the investment was determined as 2.085.175.474 TRY according to the income management (DNA). The asset value of Can 2 Thermal Power Plant as of 31 December 2021, reflected in the financial statements over the values in the Asset Valuation Report dated 12.01.2022 prepared in accordance with the general principles to be followed in the valuation of non-real estate assets and International Valuation Standards in accordance with the decision of the Capital Markets Board dated 11 April 2019 and numbered 21/500. The asset value of Can 2 Thermal Power Plant has been determined as TRY 4.684.505.558 by the authorized valuation institutions according to the income method (DNA).

In the valuation report of Odaş Elektrik's Natural Gas Cycle Power Plant dated October 4, 2018, prepared as of September 30, 2018, the value of the investment was determined as TRY 233.765.243 according to the income method (DNA). As of 31 December 2019, the value of the facility according to the income method (DNA) in the report dated 17.02.2020 prepared by an authorized valuation institution in accordance with the Capital Market Board's decision dated 11 April 2019 and numbered 21/500, in accordance with the general principles to be followed in the valuation of non-real estate assets and International Valuation Standards. It was determined as 208.473.938 TRY.

As of 31.12.2022, the activation process of Odaş Ca Uzbekistan Natural Gas Cycle Power Plant has been made, and a 25-year depreciation has been started over amount of 1.059.080.410 TRY.

“Peer Comparison Method” and “Cost Approach” were used in the determination of the fair value of the real estates belonging to Suda Maden and Çan2 Termik, which are subsidiaries, and “Income Capitalization INA analysis” and “Cost Approach” were used to determine the fair values of the facilities belonging to Odaş Elektrik and Çan2 Termik. method” was used.

The said valuations have been made by an appraisal company authorized by the CMB, in accordance with International Valuation Standards (UDES).

Investment projects on the basis of subsidiaries and total investment expenditure amounts as of 31 December 2022 regarding the ongoing investments of the Group are given below.

Company/Subsidiary	Investment Detail	Amount
YS Madencilik	Coal Mine Plant	10.640.331
Suda Maden	Enrichment Plant	51.822.572
Çan2 Termik	Modernization	90.133.619
Zenn Yatırım	Tourism	747.408
TOTAL		153.343.931

15. RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS

None. (None, December 31, 2021).

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16. INVESTMENTS VALUED BY THE EQUITY METHOD

Shares of Profit/(Loss) of Investments Revalued by Equity Method for the periods 1 January – 31 December 2022 and 1 January – 31 December 2021 are as follows;

	January 01 - December 31,2022	January 01 - December 31, 2021
Shares of Profit / Loss of Investments Revalued by Equity Method	--	18.034.231
TOTAL	--	18.034.231

Consists of profit/(loss) shares of Kısırkdere Kömürleri Maden A.Ş. in full consolidation which has YS Maden as it's one of founder shareholder.

17. INTANGIBLE ASSETS

	01.01.2022	Additions	Disposals	Transfer	31.12.2022
Cost					
Rights	13.478.753	4.937.535	(254.000)	--	18.162.287
Other Intangible Assets	6.582.851	802.355	--	--	7.385.206
Preparation and Development Expenses	90.023.629	13.530.522	(15.526)	--	103.538.626
Total	110.085.233	19.270.412	(269.526)	--	129.086.119
Accumulated Amortization					
Rights	(6.315.608)	(1.645.350)	52.219	--	(7.908.739)
Other intangible assets	(641.322)	(87.604)	--	--	(728.926)
Preparation and development expenses	(20.470.254)	(8.719.802)	--	--	(29.190.056)
Total	(27.427.184)	(10.452.757)	52.219	--	(37.827.722)
Net Book Value	82.658.049	8.817.655	(217.307)	--	91.258.397

	01.01.2021	Additions	Disposals	Transfer	31.12.2021
Cost					
Rights	10.192.546	3.457.015	(170.808)	--	13.478.753
Other Intangible Assets	6.571.326	11.525	--	--	6.582.851
Preparation and Development Expenses	82.427.497	7.596.132	--	--	90.023.629
Total	99.191.369	11.064.672	(170.808)	--	110.085.233
Accumulated Amortization					
Rights	(5.453.603)	(896.904)	34.899	--	(6.315.608)
Other Intangible Assets	(624.686)	(16.636)	--	--	(641.322)
Preparation and Development Expenses	(12.513.738)	(7.956.516)	--	--	(20.470.254)
Total	(18.592.027)	(8.870.056)	34.899	--	(27.427.184)
Net Book Value	80.599.342	2.194.616	(135.909)	--	82.658.049

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17. INTANGIBLE FIXED ASSETS (Continued)

The Group's expenditures for the preparation and development of existing mineral resources (drilling works, valuation and topographic, geological studies) are capitalized as intangible assets.

The license transfer of the coal mine with license number IR:4327 (17517) in Yel Enerji took place on July 15, 2015. Amortization begins when the intangible asset is ready for use (as of the license transfer date), that is, when it is in the position and condition necessary for it to operate as intended by management.

The amounts taken into assets as development expenses at Çan2 Thermic are further related to the mining coal whose operating rights have been obtained with the operating contract for the mining coal field located in Çan2 Thermal and the Yayaköy Village of the Çan district of Çanakkale province with license number İR.17448 on 9 July 2013. Expenditures such as land measurement, testing and drilling, architectural engineering, land damage costs, construction equipment rental services made at the previously operated mine site were capitalized as development expenses and started to be amortized over the term of the royalty contract.

Preparation and Development Expenses capitalized in Suda Maden consist of the expenses related to drilling, sampling and mine development studies carried out in antimony fields in relation to the operating licenses numbered 34412 and 43169.

Preparation and Development Expenses capitalized in Anadolu Export are amounts related to gold-silver mine drilling, analysis and geophysical costs in Kütahya Karaağaç. Drilling activities are ongoing and amortization will begin when the intangible asset is in the position and condition necessary for it to operate as intended by management.

Preparation and Development studies amount of 22.198.133 TRY have been carried out for YS Maden Çorum Dodurga closed mine. Since the period of April 2018, depreciation has been started due to the commissioning of the closed pit operation and the start of the coal extraction process.

18. GOODWILL

Goodwill amounting to TRY 56.081.727 (31 December 2021: TRY 42.101.138) arising from the acquisition of businesses under common control, as goodwill cannot be included in the financial statements since business combinations under common control are accounted for using the combination of rights method, as an equalizing account under shareholders' equity. Effect of Mergers Including Enterprises or Businesses" (Note 30).

19. EVALUATING AND RESEARCHING OF MINE RESOURCES

The Group's expenditures for the preparation and development of existing mineral resources are considered as intangible assets.

The total amount of preparation and development expenditures capitalized as of 31 December 2022 is as follows on the basis of subsidiaries.

<u>Subsidiaries</u>	<u>The Amount of Preparation and Development Expenditures</u>
Yel Enerji	6.017.358
Çan2 Termik	3.025.247
Çan2 Trakya	33.798.317
Anadolu Export	28.035.440
Suda Maden	6.167.018
Ys Madencilik	22.198.133
TS Anadolu	4.297.112
TOTAL	103.538.625

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20. RIGHT OF USE ASSETS

	01.01.2022	Additions	Disposals	Transfer	31.12.2022
Cost – Vehicles					
Right-of-use assets	7.223.474	4.247.924	(4.788)	--	11.466.610
Total	7.223.474	4.247.924	(4.788)	--	11.466.610
Accumulated Depreciation - Vehicles					
Right-of-use assets	(3.391.795)	(2.483.178)	--	--	(5.874.973)
Total	(3.391.795)	(2.483.178)	--	--	(5.874.973)
Net Book Value	3.831.679	--	--	--	5.591.637

	01.01.2021	Additions	Disposals	Transfer	31.12.2021
Cost – Vehicles					
Right-of-use assets	6.077.622	1.145.851	--	--	7.223.474
Total	6.077.622	1.145.851	--	--	7.223.474
Accumulated Depreciation - Vehicles					
Right-of-use assets	(1.467.764)	(1.924.031)	--	--	(3.391.795)
Total	(1.467.764)	(1.924.031)	--	--	(3.391.795)
Net Book Value	4.609.858	--	--	--	3.831.679

The Group has included lease liabilities, which represent the operational lease payments that it is obliged to pay rent, in its consolidated financial statements. The details of the Group's accounting in accordance with TFRS 16 Leases are explained in Note 2.

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21. SERVICE CONCESSION ARRANGEMENTS

None. (None, December 31, 2021).

22. IMPAIRMENT OF ASSETS

As of 31 December 2022 and 31 December 2021, the Group's trade receivables are impaired, and the amount of impairment is shown in the relevant financial statement items (Note 7).

As of 31 December 2022 and 31 December 2021, the Group has impairment in tangible and intangible assets, and the amount of impairment is shown in the relevant financial statement items. (Note 14, 17)

23. GOVERNMENT INCENTIVES

Çan 2 Thermal A.Ş. The investment incentive certificate numbered 117824, dated February 6, 2015, issued by the Republic of Turkey Ministry of Economy, General Directorate of Incentive Implementation and Foreign Capital, was revised with the number C117824 dated September 18, 2017. The investment subject to the certificate is a domestic coal-based electricity generation power plant (Çan 2 Thermal Power Plant) with an installed capacity of 340 MW, and the incentive certificate was issued in accordance with EMRA's pre-license dated 10 July 2014 and numbered PRE/5117-5/03070.

The investment incentive certificate has been given for a completely new investment in Çanakkale Çan 2nd region and covers the period of 13 August 2014-12 February 2019. With the document, employers' share of Insurance Premium Support, Interest Support, Tax Reduction Rate Support, VAT exemption and Customs Tax exemption incentives are utilized. The total amount of the investment is 801,789,866 TRY. With the letter of the Ministry of Industry and Technology dated 10.08.2020 and numbered 401.06, the Incentive Certificate closing procedures were completed. (Completion visa has been made)

In addition, an investment incentive certificate with document number 510216 and ID 1013731, dated 08.04.2020, issued by the Ministry of Industry and Technology of the Republic of Turkey. The support class is Regional-Priority Investment and the support elements are VAT Exemption, Interest Support, Tax Reduction, Employer's Insurance Premium Share and Investment Place Allocation. The investment subject to the certificate is the modernization of a domestic coal-based electricity generation power plant (Çan 2 Thermal Power Plant) with an installed capacity of 340 MW, and the incentive certificate was issued in accordance with EMRA's Generation License dated 28 January 2016 and numbered UE/6083-2/03428.

In the name of Suda Maden A.Ş.; There is an investment incentive certificate dated 6 October 2017 and numbered 132950, issued by the Republic of Turkey Ministry of Economy, General Directorate of Incentive Implementation and Foreign Capital. The investment subject to the document has been issued in accordance with the license numbered IR:34412 for the "Antimoan Ore Enrichment Facility".

The investment incentive certificate has been given for the modernization investment made in the 4th region of Kütahya Gediz and covers the periods from September 8, 2017 to September 8, 2020. With the document, insurance premium employer's share support, interest support, tax reduction rate support, VAT exemption incentives are used. The total amount of the investment is 14.500.000 TRY.

YS Madencilik San. ve Tic.Ltd.Şti.; There is an investment incentive certificate dated 24 July 2017 and numbered 131389, issued by the Republic of Turkey Ministry of Economy, General Directorate of Incentive Implementation and Foreign Capital. The investment subject to the document has been issued in accordance with the license numbered 'Hard Coal Mining' IR:80272.

The investment incentive certificate has been given for a completely new investment in Çorum Dodurga 4th Region and covers the period of 16 June 2017-16 June 2020. With the document, VAT exemption, Customs Duty Exemption, Insurance Premium Employer's Share Support, Interest Support and Tax Deduction incentives are used.

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24.BORROWING COSTS

None. (None, December 31, 2021).

25.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other Short Term Provisions

	31 Aralık 2022	31 Aralık 2021
Balance at the beginning of the period	1.965.068	2.465.575
Additional provision/(payment) (-) (Note 34)	(8.471)	(500.507)
Period-end balance	1.956.597	1.965.068

Other long-term provisions

	31 December 2022	31 December 2021
Mine restoration provisions (*)	202.598	185.044
TOTAL	202.598	185.044

(*) In paragraph 11 of TFRS-6 Standard; It is said that as a result of undertaking the exploration and evaluation of mineral resources, an enterprise reflects its removal and restoration obligations for a certain period of time in the financial statements according to the “TAS 37 Provisions, Contingent Liabilities and Contingent Assets” Standard.

Accordingly, in the evaluation made by the project manager and the technical team; Mining activities in Çanakkale Province Çan District Yayaköy License No:17448 field will be operated as closed operation and open operation. Extension projects including this scope were submitted to Migem for approval. After the open operation, it will be switched to closed operation. There will be no stripping work on the surface during the closed operation periods.

The area where stripping is done in open pit will be used as an ash storage area within the scope of Çan 2 thermal power plant, as stated in the EIA report. Following the completion of the economic life of the site, it will be arranged with a relay work, afforestation will be done and abandoned. The estimated cost for terracing and afforestation will be around 300.000 TRY.

Stripping work will be carried out on an area of approximately 150 decare. Due to the extension project, there are 100 trees per acre. Due to the soil structure of the region, the approximate decare relay cost is calculated around 2.000 TRY in this way. Total cost for 150 decare area is calculated as 150*2.000 TRY = 300.000 TRY.

Mine Restoration Provision

	31 December 2022	31 December 2021
Balance at beginning of period	185.044	185.044
Additional Provision / Payment (-)	17.554	--
Balance at the end of the period	202.598	185.044

This study will be carried out after the open pit has completed its economic life and will be realized at the end of 20 years, estimated.

The discounted amount of the total cost of 300.000 TRY to the present value is 202.598 TRY.

In the evaluation made by the technical team at Yel Enerji and Suda Maden, it was foreseen that no stripping work would be carried out. Therefore, no provision has been made.

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25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Pledges and Mortgages

Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan2 Termik A.Ş. General Loan Agreement signed between Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch was used. An agreement was signed with the pledger's share for all of the shareholders shares in Çan2 Termik A.Ş. In the appendix, Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan2 Termik A.Ş. In return for the loan debt in the Loan Agreement signed between Çan2 Termik A.Ş. and the Assignment of Receivables and Pledge Agreement without surrendering the possession. The amount in the contract for the Movable Pledge is 244.800.000 Euros and 1.000.000.000 TRY.

Yapı Kredi Bankası A.Ş. and Türkiye Halkbank A.Ş. mortgage has been established. The total amount of the hypothec is 2.614.500.000 TRY and 558.900.000 Euros.

Warranty

Odaş Elektrik Üretim Ticaret A.Ş. Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan2 Termik A.Ş. Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. has been a guarantor in favor of Kozyatağı Commercial Branch.

Odaş Elektrik Üretim Ticaret A.Ş. In addition, it can be a guarantor for the cash loans required for the short-term working capital needs of the group companies that are in the position of subsidiaries and for all non-cash loans.

Assignment

Yapı Kredi Bank A.Ş. EPİAŞ Transfer of Receivables Agreement with Esenyurt Commercial Branch:

Yapı Kredi Bankası AŞ Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan2 Termik A.Ş. Yapı Kredi Bankası A.Ş. EPİAŞ Receivables Assignment Agreement was signed in favor of Esenyurt Commercial Branch and Halk Bankası AŞ Kozyatağı Commercial Branch. The amount of the assignment is 13.000.000.000 TRY and the period is 2029.

Yapı Kredi Bank A.Ş. EÜAŞ Transfer of Receivables Agreement with Esenyurt Commercial Branch and Türkiye Halk Bankası A.Ş Kozyatağı Commercial Branch:

Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan2 Termik A.Ş. Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. It is the assignment given in favor of Kozyatağı Commercial Branch, based on the electricity sales contract dated 24.12.2020 signed between Çan2 Termik A.Ş and EÜAŞ.

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25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees

The guarantees given by the Group are as follows:

GUARANTEES, PLEDGES, HYPOTHECS	31.12.2022	31.12.2021
A) Total amount of TRI was given for its own legal entity	13.051.614	4.225.241
B) Partnerships includes scope of full consolidation	19.665.031.960	16.993.382.800
C) Total amount of TRI was given in order to conduct ordinary business and to guarantee third parties debt	--	--
D) Total Amount of TRI was Other Given	--	--
i) Total amount of TRI was given on behalf of main partner	--	--
ii) Total amount of TRI was given to companies except B and C article	--	--
iii) Total amount of TRI was given to third parties except C article	--	--
TOTAL	19.678.083.574	16.997.608.041

The ratio of the guarantees, pledges and mortgages given by the company to its own resources is 3.05 (31 December 2021: 4.64).

The guarantees received by the Group are as follows:

	31.12.2022	31.12.2021
Received Guarantee Letters	282.450.646	12.065.041
Received Guarantee Cheques	--	3.024.115
Received Guarantee Bills	--	2.859.266
	282.450.646	17.948.422

26.COMMITMENTS

None. (31 December 2021: None.)

27.EMPLOYEES BENEFIT OBLIGATIONS

a. Short Term

Liabilities within the Scope of Employee Benefits

	31 December 2022	31 December 2021
Due to personnel	9.777.312	4.167.398
Social security premium payables	5.916.059	5.200.080
Other payables	76.362	53.732
Total	15.769.733	9.421.210

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27. EMPLOYEES BENEFIT OBLIGATIONS (Continued)

Liabilities within the Scope of Employee Benefits(Continued)

The balance of the payables to the personnel is accrued on the payroll as of the relevant dates, and the social security deductions belonging to the employee and the employer, which will be declared on the twenty-third of the following month and paid until the end of the month. consists of premium debts.

Provision for Vacation

Between 31.12.2022 and 31.12.2021, the transaction of the provision for vacation is presented below:

	31 December 2022	31 December 2021
Transfer from Previous Period	5.253.619	2.892.631
Provision Allocated During the Period	7.634.187	2.360.988
TOTAL	12.887.806	5.253.619

b. Long-term

Provision for Severance Pay

In accordance with the current labor law, companies are obliged to pay a certain amount of severance pay to personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior. The compensation to be paid is equal to one month's salary for each year of service and this amount is limited to 17.904,62 TRY (31 December 2021: 10.596 TRY) as of 31 December 2022.

In order to calculate the Group's liabilities in accordance with TAS 29 (Employee Benefits), a calculation made with actuarial assumptions is required. The Group has calculated the provision for severance pay, using the "Projection Method" in accordance with TAS 29, based on the Group's experience in completing the personnel service period and entitlement to severance pay in previous years and reflected it in the financial statements.

Severance pay provision is set aside by calculating the present value of the probable obligation to be paid in case of retirement of the employees. Accordingly, the actuarial assumptions used to calculate the liability as of 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Discount rate	%21,44	%18,90
Estimated rate of increase	%17,78	%15

Employees benefit obligations movements as of December 31, 2022 - December 31, 2021 are as follows

	31 December 2022	31 December 2021
Transfer	2.256.336	1.275.937
Payment	1.766.738	1.885.262
Interest cost	490.284	236.169
Current service cost	(1.543.726)	(1.585.589)
Actuarial gain/(loss)	2.336.123	444.557
Balance	5.305.755	2.256.336

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28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

The details of the cost of sales for the periods 1 January - 31 December 2022 and 1 January - 31 December 2021, according to their qualifications, are as follows;

	01 January - 31 December 2022	01 January - 31 December 2021
Day-Trade Debt Amount	1.134.358.199	144.837.852
TEİAŞ/Epiaş other expenses	890.719.398	1.200.550
Coal usage cost	721.681.510	197.506.857
Energy imbalance amount	422.513.153	145.096.489
Distribution companies system usage cost	281.167.750	25.516.269
Depreciation and amortization expense	219.095.549	64.748.726
Natural gas use	177.312.361	3.072.742
Personnel expense share	120.654.383	54.910.230
Maintenance and repair expense	63.297.745	8.786.598
Coal selling cost	62.003.060	38.922.384
Diesel Usage Cost	52.298.236	10.812.007
Cost of selling the product from production	50.768.553	52.241.969
Day Ahead system purchase amount	45.355.466	106.456.035
System Usage and Operation Fee	41.303.014	34.295.431
Antimony selling cost (-)	39.668.660	24.173.595
Fuel oil usage cost	32.146.536	12.815.245
DGP debt amount	24.042.389	10.975.179
Insurance expenses	14.230.650	9.583.492
Other expenses	13.932.654	21.771.132
Rental Expense	10.629.961	--
Limestone usage cost	9.634.450	3.781.556
TEİAŞ/EPIAŞ RES receivable amount	5.474.151	35.740.911
Consultancy Expenses	1.492.704	--
Group companies imbalance	--	6.742.426
Bilateral agreements energy commodity cost	--	48.582.779
Reactive capacitive goods cost (-)	--	503.250
Retroactive adjustment amount	--	105.460
TOTAL	4.433.780.532	1.063.179.164

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29.OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2022	31 December 2021
Income accruals (*)	1.051.464.324	150.632.336
Deferred VAT	86.881.550	19.359.252
Work advances	10.552.223	12.784.939
Advances given to personnel	306.694	129.829
Advances given to suppliers	63.162.470	140.330.320
Other Various Current Assets	2.386.348	22.946.119
TOTAL	1.214.753.609	346.182.795

The details of income accruals are as follows :

	31 December 2022	31 December 2021
Accrued electricity sales income	1.037.393.854	147.397.904
Accrued natural gas sales income	--	34.432
Other accrued interest income	14.070.470	3.200.000
TOTAL	1.051.464.324	150.632.336

Other Tangible Fixed Assets

	31 December 2022	31 December 2021
Given advances (*)	168.084.804	54.383.228
TOTAL	168.084.804	54.383.228

(*) As of 31 December 2022, it consists of order advances given by the Group regarding its ongoing investments. Related advances have been given for the thermal power plant construction and will be transferred to tangible assets in the following periods. 45.514.510 TRY of the advances given consists of advances given to contractors and suppliers for investment materials and service procurement for Çan2 Thermal Power Plant in previous periods, and 112.640.965 TRY of Odaş CA's advances for thermal power plant construction.

Other short term liabilities

	31 December 2022	31 December 2021
Accrued expenses	665.664.594	54.080.684
TOTAL	665.664.594	54.080.684

Expense accrual details are as follows:

	31 December 2022	31 December 2021
Electricity purchase expense accruals	663.070.806	49.271.239
Distribution companies expense accruals	--	17.378
Other expense accruals	2.593.788	4.792.067
TOTAL	665.664.594	54.080.684

Other long term liabilities

	31 December 2022	31 December 2021
Expense accruals (*)	1.440.607	3.726.299
TOTAL	1.440.607	3.726.299

(*) Consists of the interests of insurance and tax debt restructuring installments belonging to the Group.

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30.EQUITY, RESERVES AND OTHER EQUITIES

Paid-in capital

The paid-in capital structure of the Group as of 31 December 2022 and 31 December 2021 is as follows:

The nominal capital of the company is 1.400.000.000 TRY and the registered capital ceiling is 3.000.000.000 TRY. The detailed table regarding the capital structure of the Group is presented below.

Shareholder	31.12.2022		31.12.2021	
	Share Amount	Rate	Share Amount	Rate
A. Bahattin Özal	68.199.226	%4,87	68.199.226	%4,87
Burak Altay	221.397.488	%15,81	221.397.488	%15,81
BB Enerji Yatırım San.ve Tic. A.Ş.	39.619.143	%2,83	39.619.143	%2,83
Müjgan Özal Heritance (*)	5.347.275	%0,38	5.347.275	%0,38
Fatimetüz Zehra Özal Heritance (**)	3.208.365	%0,23	3.208.365	%0,23
Hafize Ayşegül Özal	2.708.365	%0,19	2.708.365	%0,19
Mustafa Ali Özal	2.435.865	%0,17	2.435.865	%0,17
Hafize Büşra Özal	1.069.455	%0,08	1.069.455	%0,08
Public Shares	1.056.014.818	%75,43	1.056.014.818	%75,43
Paid-in Capital	1.400.000.000	%100	1.400.000.000	%100

(*) Due to the death of Ms. Müjgan Özal on 22 May 2018, 0.38% of the shares amounting to 5.347.275 TRY were jointly owned by Abdulkadir Bahattin Özal, Mustafa Ali Özal, Fatimetüz Zehra Özal, Hafize Ayşegül Özal, Mehmet Fatih Özal, It was legally passed to Korkut Enes Özal and Hafize Büşra Özal. The list of distribution is as follows;

Shareholder	Share Amount	Rate
Fatimetüz Zehra Özal (**)	1.069.455	%0,076
Hafize Ayşegül Özal	1.069.455	%0,076
Mustafa Ali Özal	1.069.455	%0,076
Abdulkadir Bahattin Özal	1.069.455	%0,076
Mehmet Fatih Özal	356.485	%0,025
Korkut Enes Özal	356.485	%0,025
Hafize Büşra Özal	356.485	%0,025
Total	5.347.275	%0,38

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30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

(**) Due to the death of Mrs. Fatimetüzzehra Özal on 4 December 2018, 0.30% of the shares amounting to 4.277.820 TRY were transferred to Gökçe Koşay and Ayşenur Koşay Erbay legally. The list of distribution is as follows;

Shareholder	Share Amount	Rate
Gökçe Koşay	2.138.910	%0,15
Ayşenur Koşay Erbay	2.138.910	%0,15
Total	4.277.820	%0,30

The issued capital of the company is 1.400.000.000 (One billion four hundred million) TRY, and all of the said issued capital has been fully paid, free of collusion.

This capital is divided into a total of 1.400.000.000 shares, each with a nominal value of 1 (one) TRY 8.555.640 Group (A) registered shares and 1.391.444.360 registered (B) Group shares.

Group (A) shares are used in determining the members of the Board of Directors and exercising voting rights in the General Assembly within the framework of Articles 7, 8 and 10 of this Articles of Association (Board of Directors, nomination to the Board of Directors, election of chairman and vice chairman, representation of the company and voting right in the General Assembly). has the privilege. No special rights or privileges have been granted to (B) Group shares.

In capital increases, (A) Group shares will be issued in proportion to (A) Group shares and (B) Group shares will be issued in proportion to (B) Group shares to represent the increased capital. If the Board of Directors decides to issue only (B) group shares in capital increases, (A) group shareholders are also given the right to buy (B) group shares in proportion to their capital.

Between 2020-2024, the Board of Directors, in accordance with the provisions of the Capital Markets Law and the regulations of the Capital Markets Board, when it deems necessary, to increase the issued capital by issuing new (A) and/or (B) group shares, up to the registered capital ceiling, issuing privileged shares and shares. It is authorized to take decisions regarding the limitation of the right of the holders to purchase new shares and the issuance of premium shares. It shall be monitored within the framework of dematerialization principles shares representing the capital.

The authority to restrict the right to buy new shares cannot be used in a way that causes inequality among the shareholders. No new shares can be issued unless the issued shares are completely sold and their prices are paid.

Share acquisitions resulting in the direct or indirect acquisition of shares representing five percent or more of the capital of the company by a real or legal person, resulting in the shares of a partner exceeding five percent of the capital of the legal entity, and/or the decrease in the shares of a partner below the above ratios. EMRA approval will be obtained each time for or in the case of share transfers, and necessary material event disclosures will be made in accordance with the Capital Markets legislation. This provision also applies if voting rights are acquired. In the transfer of Group (A) shares, the Board of Directors has the authority to not approve the transfer and to refrain from recording in the share ledger, on the grounds that the purpose of the Company and the preservation of its economic independence can be achieved within the framework of the provision of Article 493 of the TCC. No restrictions may be imposed on the transfer of (B) group shares to be traded on the stock exchange.

Share Premium

The transactions regarding the increase of the Company's issued capital of 600.000.000 TRY to 1.400.000.000 TRY by an increase of 800.000.000 TRY were completed on August 23, 2021. Shares with a nominal value of 31.203.426,19 TRY remaining in the capital increase are transferred to Borsa İstanbul A.Ş. for 2 business days between 25-26 August 2021. A total of 44.627.458,03 TRY of fund inflow was obtained from its sale in the Primary Market. Since the remaining shares in question were offered to the public at a price higher than the nominal value of 1 TRY, a total of 13.424.201 TRY was accounted for as share issue premium.

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30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

After the capital increase (public offering) of Çan2 Termik A.Ş., one of the subsidiaries of the Group, on 21-22 April 2021, 67.590.000 shares are sold in Borsa İstanbul A.Ş. at a price higher than the nominal value of 1 TRY. The amount of 185.332.488 TRY remaining after the netting of the public offering expenses, resulting from the sale of 6.759.000 existing shares of the Company during the public offering at a price higher than the nominal value of 1 TRY, is recognized as share issue premiums. accounted for.

After the capital increase on 21 January – 04 February 2020, the total nominal value of the unused shares corresponding to the right to purchase new shares is 24.998.629 shares on Borsa İstanbul A.Ş. In the Primary Market, Borsa İstanbul A.Ş. The difference of TRY 31.833.566 resulting from the sale of 24.998.629 shares offered for sale at the price to be formed in the Primary Market and offered to the public at a price higher than their nominal value, has been accounted for as share issue premiums.

After the capital increase on 08-23 January 2019, the total nominal value of the shares corresponding to the unused new share purchase rights was 43.506.439,11 shares on 24-25 January 2019 by Borsa İstanbul A.Ş. In the Primary Market, Borsa İstanbul A.Ş. The difference of 28.260.507 TRY, which occurred due to the sale of 43.506.439,11 shares, which were offered for sale at the price to be formed in the Primary Market, at a price higher than the nominal value, was accounted for as share issue premiums.

	31 December 2022	31 December 2021
Share premium	258.850.762	258.850.762
TOTAL	258.850.762	258.850.762

Actuarial gain/(loss) fund

Movements of the actuarial gain/(loss) fund are as follows:

	31 December 2022	31 December 2021
Balance at the beginning of the period	(987.418)	(645.109)
Current period actuarial gain/(loss)	(1.798.815)	(342.309)
TOTAL	(2.786.233)	(987.418)

Previous Year Profit/(Loss)

Accumulated profit/(losses) other than net profit for the period are netted off and shown in this item:

Previous Year Profit/(Loss)	31 December 2022	31 December 2021
Previous year profit/(loss)	(514.466.010)	(326.903.703)
The rate of interest in subsidiaries that does not result in a loss of control. related increase/(decrease)	(3.011.937)	59.108.410
Transfers	(14.700.825)	--
Period profit/(loss)	38.892.538	(246.670.717)
TOTAL	(493.286.234)	(514.466.010)

Dividend Distribution

Publicly traded companies make their dividend distributions in accordance with the CMB's Dividend Communiqué No. II-19.1, which came into effect as of February 1, 2014.

Partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assembly and in accordance with the provisions of the relevant legislation. A minimum distribution rate has not been determined within the scope of the communiqué. Companies pay dividends as determined in their articles of association or dividend policy. Dividends can be paid in equal or different installments, provided that the decision is made at the general assembly meeting where the distribution is decided.

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30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

In the payment in installments, the provisions of Article 5 of the Dividend Communiqué No. II-19.1 are complied with. In addition, corporations whose shares are traded in the stock exchange may distribute advance dividends in cash over their profits included in their interim financial statements.

Unless the reserves required to be set aside in accordance with the TCC and the dividend determined for the shareholders in the articles of association or the profit distribution policy are reserved; It cannot be decided to allocate other reserves, to transfer profits to the next year, and to distribute dividends to shareholders, members of the board of directors, partnership employees and non-shareholders.

Legal Reserves

According to the Turkish Commercial Code, legal reserves I. and II. The organization is divided into two as Legal Reserves. According to the Turkish Commercial Code, primary legal reserves are set aside as 5% of the legal net profit until 20% of the paid-in capital of the company is reached. The second order legal reserves are 10% of the distributed profit exceeding 5% of the paid-in capital. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset losses and cannot be used in any other way.

As of 31 December 2022, the Group's Restricted Reserves Allocated from Profit amounted to TRY 15.340.077. The amount of 14.700.825 TRY is transferred to special funds from previous year losses related to tax exemption. (December 31, 2021: TRY 639.252).

Capital Advances

None. (31 December 2021: None.)

Revaluation Increase Fund

Revaluation revaluation fund movements are as follows:

31.12.2022	Facility	Building	Land	Total
01.01.2022 Balance	2.765.016.259	1.529.659	149.043.434	2.915.589.353
Revaluation value increase (Gross)	--	--	--	--
Revaluation impairment	--	--	--	--
Deferred tax	--	--	--	--
Sales (Gross)	(2.823.791)	--	--	(2.823.791)
Sales (Deferred Tax)	564.758	--	--	564.758
Revalued Amount	2.762.757.227	1.529.659	149.043.434	2.913.330.320

31.12.2021	Facility	Building	Land	Total
01 January 2021 Balance	688.643.465	448.109	39.754.929	728.846.503
Revaluation value increase (Gross)	2.608.023.211	1.215.225	109.288.505	2.718.526.941
Revaluation impairment	(5.427.332)	--	--	(5.427.332)
Deferred tax	(520.519.176)	(133.675)	--	(520.652.851)
Change of shares in subsidiaries. results (Gross)	(7.312.703)	--	--	(7.312.703)
Change of shares in subsidiaries. results (Deferred Tax)	1.608.795	--	--	1.608.795
Revalued Amount	2.765.016.260	1.529.659	149.043.434	2.915.589.353

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30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

Cash Hedging Gains and Losses

	31.12.2022	31.12.2021
Hedging gains and losses	(766.181.663)	(425.193.010)
Total	(766.181.663)	(425.193.010)

Minority shares

The details of the Group's minority share are as follows:

Minority Shares	31 December 2022	31 December 2021
Capital	75.270.568	74.797.699
Previous year profit/(loss)	(69.547.616)	(31.422.921)
Period profit/(loss)	508.715.484	(41.132.934)
TOTAL	514.438.436	2.241.844

Impact of Mergers Involving Businesses Under Common Control

A business combination involving undertakings or businesses under common control is a business combination in which all the combining undertakings or businesses are controlled by the same person or persons before and after the business combination and this control is not temporary.

Goodwill amounting to TRY 56.081.727 (31 December 2021: TRY 42.101.138) arising from the acquisition of businesses under common control, as goodwill cannot be included in the financial statements since business combinations under common control are accounted for using the combination of rights method, as an equalizing account under shareholders' equity. Effect of Mergers Including Enterprises or Businesses". The amounts resulting from the transfer of shares of enterprises under common control in the "Effect of Change in Shares Including Joint Controlled Enterprises or Enterprises" account are shown below;

	31 December 2022	31 December 2021
Impact of Mergers Involving Businesses Under Common Control	56.081.727	42.101.138
Total	56.081.727	42.101.138

Other Equities

	31 December 2022	31 December 2021
Other Equities	21.868.966	21.868.966
TOTAL	21.868.966	21.868.966

The acquisition of Suda Maden was not evaluated within the scope of TFRS-3 Business Combinations standard, and it was determined that the transaction was an asset acquisition rather than a business combination, and the difference between the total amount paid for the asset and the assets and liabilities calculated considering the registered book values of the company amounted to TRY 21.868.966. The amount is accounted for in equity.

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31.REVENUE AND COST OF GOODS SOLD

Revenue:

	01 January - 31 December 2022	01 January - 31 December 2021
Domestic Sales	7.609.333.767	1.432.083.457
Electricity Sales Revenue	7.521.034.175	1.340.892.802
Mine Sales Revenues	90.862.438	64.844.552
Other Income	12.987.449	26.442.498
Sales Returns	(15.550.295)	(73.382)
Overseas sales	31.322.881	13.518.034
Foreign Mine Sales Revenue	31.322.881	13.495.022
Total	7.640.656.648	1.445.601.491

32.CONSTRUCTION CONTRACTS

None. (31 December 2021: None.)

33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

Marketing, Sales and Distribution Expenses

The details of marketing, sales and distribution expenses for the periods 1 January - 31 December 2022 and 1 January - 31 December 2021 are as follows:

	01 January - 31 December 2022	01 January - 31 December 2021
Transportation costs	9.829.144	9.336.157
Consulting expense	330.155	257.731
Customs expense	121.758	687.052
Other	12.385	1.315.762
Annual license expense	8.083	21.576
Export expenses	--	1.000
Electricity sales commission expense	--	93.465
TOTAL	10.301.525	11.712.743

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33.GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Continued)

General and administrative expenses

The details of general administrative expenses for the periods 1 January - 31 December 2022 and 1 January - 31 December 2021 according to their qualifications are as follows:

	01 January - 31 December 2022	01 January - 31 December 2021
Personnel expense	51.758.810	23.049.014
Consulting expense	12.608.033	4.700.041
Insurance expenses	6.837.441	152.193
Depreciation expenses	6.572.652	5.299.260
Declaration and contract stamp duty	5.026.439	1.728.601
Rent expense	3.756.658	358.607
Travel expense	1.716.999	315.154
Litigation Provision Expenses	1.564.894	1.394.391
Contribution expense	784.805	354.809
Representation and hospitality expenses	604.243	222.768
Fuel expense	445.258	144.236
Notary expenses	365.192	116.356
Tax expenses	150.081	96.092
Shipping expense	67.975	34.517
Capital increase/public offering expenses	--	2.103.573
Other expenses	12.412.063	2.207.248
TOTAL	104.671.543	42.276.860

Fees for Services Obtained from an Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services rendered by the independent audit firms, which is based on the POA's letter dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows;

	01 January - 31 December 2022
Independent audit fee for the reporting period	230.000
TOTAL	230.000

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34.OTHER OPERATIONAL INCOME AND EXPENSE

Other Operational Income

	01 January- 31 December 2022	01 January - 31 December 2021
Exchange Difference Income	152.401.339	22.665.867
Prior Period Income and Profits	7.623.808	10.982.555
Rediscount Interest Income	6.626.603	3.022.928
Other Extraordinary Income	2.419.549	5.020.788
Other Operating-Related Income and Profits	1.806.179	8.922.929
Provisions no longer Required	1.723.474	996.598
TOTAL	172.600.952	51.611.665

Other Expenses from Main Operations

	01 January- 31 December 2022	01 January - 31 December 2021
Exchange Difference Expense	81.478.472	15.763.989
Other Extraordinary Expenses and Losses	41.568.972	13.837.267
Prior Period Expenses and Losses	28.587.852	36.486.774
Other Ordinary Expenses and Losses	20.685.567	10.366.758
Non-Working Part Expenses and Losses	15.909.953	26.988.664
Provision Expenses	6.700.341	4.512.377
Rediscount Expenses	3.293.373	11.155.734
TOTAL	198.224.530	119.111.563

35.EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Income and Expenses from Investment Activities for the periods 1 January - 31 December 2022 and 1 January - 31 December 2021 are as follows;

	01 January- 31 December 2022	01 January - 31 December 2021
Investment activity income	29.562.312	417.405
Investment activity expenses	(45.509.714)	(239.985)
Shares of Profit/Loss of Investments Valued by Equity Method	--	18.034.231
TOTAL	(15.947.402)	18.211.651

36.EXPENSES CLASSIFIED BY PRINCIPLE TYPES

The breakdown of the Group's classified expenses basis is as follows

	01 January- 31 December 2022	01 January - 31 December 2021
Amortization Expenses		
Cost of sales	219.095.549	64.748.726
General administrative expenses	6.572.652	5.299.260
Non-working part expenses and losses	5.311.301	5.023.584
Prior period expenses and losses	--	41.973
Transferred to product cost and investment (*)	4.374.140	702.360
TOTAL	235.353.642	75.815.903

(*) There is a depreciation expense of TRY 4.374.140 remaining in the product account and investment account, which is transferred to the product cost but not sent to the selling cost.

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36.EXPENSES CLASSIFIED BY PRINCIPLE TYPES (Continued)

Personnel expenses	01 January- 31 December 2022	01 January - 31 December 2021
Cost of sales	120.654.384	54.910.231
General operating expenses	51.758.810	23.049.014
TOTAL	172.413.194	77.959.245

Insurance expenses	01 January- 31 December 2022	01 January - 31 December 2021
Cost of sales	14.230.650	9.583.492
General administration expenses	6.837.441	152.193
TOTAL	21.068.091	9.735.685

Consultancy expenses	01 January- 31 December 2022	01 January - 31 December 2021
Cost of Sales	1.492.705	--
Marketing, sales and distribution expenses	326.607	257.731
General administration expenses	12.608.033	4.700.041
TOTAL	14.427.345	4.957.772

37.FINANCIAL EXPENSE AND INCOME

Financial Income

	01 January- 31 December 2022	01 January - 31 December 2021
Exchange difference profits	555.145.546	316.402.939
Interest income	47.753.759	27.618.730
Earnings from derivative instruments	18.384.000	--
Rediscount interest income	4.959.543	858.162
Securities Sales Profit	1.537.099	23.894.314
TOTAL	627.779.947	368.774.146

Financial Expenses

	01 January- 31 December 2022	01 January - 31 December 2021
Exchange difference losses	686.600.174	456.753.817
Interest and commission expenses	371.296.476	349.112.396
Rediscount interest expenses	2.971.731	937.392
Loss on sale of securities	182	3.533.868
TOTAL	1.060.868.563	810.337.473

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38.ANALYSIS OF OTHER COMPREHENSIVE INCOME

The Group's other comprehensive income / (expense) breakdown as of 31 December 2022 and 31 December 2021 is as follows:

Not Reclassified to Profit or Loss	01 January- 31 December 2022	01 January - 31 December 2021
Revaluation increase/(decrease)	--	2.713.099.609
Actuarial gains/(losses) (Note:27)	(2.336.123)	(444.557)
Deferred tax income/(expense) (Note:40)	537.308	(520.550.602)
TOTAL	(1.798.815)	2.192.104.450

Reclassified in Profit or Loss	01 January- 31 December 2022	01 January - 31 December 2021
Cash flow hedge gains/(losses)	(423.865.116)	(533.861.963)
Deferred tax income/(expense) (Note:40)	82.876.463	108.668.953
TOTAL	(340.988.653)	(425.193.010)

39.FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A share transfer agreement was signed with FERRIT S.R.O (Czech Republic) on 29 June 2015 regarding the sale of all shares of Ena Elektrik Üretim Ltd. The transfer of share certificates has not yet taken place, and will take place after the licensing procedures at EMRA. As of 30 June 2015, Ena Elektrik has been classified as an asset held for sale in the consolidated financial statements. As of December 31, 2022, the net asset value of Ena Elektrik is TRY 599.148 (December 31, 2021: TRY 695.092).

The said sale transaction was considered as a discontinued operation in accordance with TFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” and as of 31 December 2022 the net profit/(loss) of Ena Elektrik Üretim Ltd.Şti. Income from discontinued operations is classified as expenses in the consolidated statement of profit or loss and other comprehensive income for 2022.

The comparative income statement of Ena Elektrik Üretim Ltd.Şti is as follows:

	01 January- 31 December 2022	01 January - 31 December 2021
Revenues	113.820	136.573
Expenses (-)	(255.856)	(19.726)
Pre-Tax Profit	(142.036)	116.847
Tax (-)	46.093	(18.674)
Net Profit/(Loss) for the Period	(95.944)	98.173

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40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

The tax income/(expenses) included in the income statement for the accounting periods of 01 January – 31 December 2022 and 01 January – 31 December 2021 are summarized below:

	01 January- 31 December 2022	01 January - 31 December 2021
Tax expense for the period	(245.756.510)	(1.732.862)
Deferred Tax Income/ Expense	488.509.079	161.813.143
Deferred Tax Reflected in Equity	83.413.771	(411.881.649)
TOTAL	326.166.340	(251.801.368)

Current Tax

Corporate tax rate is 20% in Turkey. This rate can be applied to the amount after addition of expenses which are not accepted to discount according to Turkish law to company's operating income and deduction of exceptions in tax law like subsidiary income and discounts like investment discount from company's operating income.

As of December 31, 2003, there was an act which predicted to change in Tax Procedure Law, Income Tax Law and Corporate Tax Law ("Act numbered as 5024"), it predicts that income and corporate taxpayer, who determines its profit according to statement of financial position base, keep their financial statements with inflation adjustment starting after January 1, 2004. These taxpayers also have to make inflation adjustment for their financial statements at December 31, 2003. It is an obligation that taxpayers, who have to make inflation adjustment according to the general declaration published by Ministry of Finance as of February 28, 2004, have to make adjustments in their statement of financial position after January 1, 2004 if there is the case which obligates adjustment.

Group will calculate tax amount for the period according to declaration numbered 338 if there are conditions (such as increase in price index in last 12 periods at 100% and 10% for current period) needs for adjustments in the direction of 5024 numbered Law and mentioned declarations.

There are not taking of withholding tax for corporate who obtain income in Turkey with a base or permanent representative and dividend payment to corporate that has a base in Turkey. Dividend payment except these above is taxable for withholding tax at 15%. Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

The 2021 corporate tax rate was increased from 20% to 25% within the scope of the "Law on the Collection Procedure of Public Claims and Amendments to Certain Laws" published in the Official Gazette dated April 22, 2021 and numbered 31462. For 2021, this rate will be applied as of the 2nd Provisional tax return. For 2022, the corporate tax rate will be applied as 23%.

Assets Related to Current Period Tax:

As of 31 December 2022 and 31 December 2021, the details of current period tax assets are as follows;

	31 December 2022	31 December 2021
Prepaid taxes and funds	269.723.440	1.350.839
TOTAL	269.723.440	1.350.839

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40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued))

Current Period Tax Expense:

	31 December 2022	31 December 2021
Profit/(loss) before tax	2.550.109.549	14.163.840
Disallowable expenses (Including Finance Expense Restriction)	118.292.161	4.060.180
Past year loss to be deducted	(873.941.636)	(9.000.886)
Reduced corporate tax advantage arising from capital increase in cash	(187.874.322)	--
Participation Income Exemption	(1.757.456)	--
Currency Protected Deposit System Gain Exemption	(25.679.255)	--
Corporate Tax Base	1.579.149.042	9.223.134
Corporate Tax Base (23%)	873.622.785	--
Corporate Tax Base (4.6% for Investment Discounted Part)	587.435.049	--
Corporate Tax Base (15%)	116.840.119	--
Corporate Tax Base (22%)	1.251.089	--
Tax Expense	245.756.510	1.732.861
Term Tax Expense	245.756.510	1.732.861

Deferred Tax

The Group calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences between the recorded values of the balance sheet items and the Tax Procedure Law.

These temporary differences generally arise from the recognition of income and expenses in different reporting periods in accordance with the CMB Communiqué and tax laws. The rate to be applied for the deferred tax receivables and liabilities calculated according to the liability method over the temporary differences that will occur after 31 December 2008 has been applied as 20%. However, the 20% tax rate specified in the first paragraph of Article 32 of the Corporate Tax Law No. 5520, with the Law No. 7061 on "Amendment to Some Tax Laws and Some Other Laws" adopted on 28 November 2017, is applied to the corporate earnings of the 2018, 2019 and 2020 taxation periods. The provision of 22% applicable was added with a provisional article. In accordance with the temporary article 13 of the Corporate Tax Law No. 5520, it will be applied at the rate of 25% for corporate earnings for 2021 and 23% for corporate earnings for 2022.

Turkish tax legislation does not allow the parent company to file a tax return over the consolidated financial statements of its subsidiaries and affiliates. Therefore, deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities have not been clarified and disclosed separately.

As of 31 December 2022 and 31 December 2021, the deferred asset and deferred tax liability are reflected in the consolidated financial statements as follows.

	31.12.2022	31.12.2021
Deferred tax asset	501.494.366	96.623.790
Deferred tax liability	(14.101.890)	(181.609.680)
Total	487.392.476	(84.985.890)

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40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued))

As of 31 December 2022 and 31 December 2021, the accumulated temporary differences and deferred tax assets and liabilities, which are subject to deferred tax, are as follows:

Deferred Tax Assets / (Liabilities)	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Other Deferred Tax Assets/Liabilities	9.219.558	-	2.120.498	-
Rediscounts	(3.515.613)	1.351.322	(808.591)	316.950
Doubtful trade receivables	606.941	12.299.356	139.596	2.828.852
Inventory	(247.940)	-	(57.026)	-
Other Provisions for Debts and Expenses	147.662.958	(227.354.647)	33.962.480	(52.291.570)
Depreciation Differences on Tangible and Intangible Assets	231.466.905	(32.683.279)	53.237.388	(7.517.154)
Establishment and organization expenses	3.050	3.949	702	908
Severance Pay and Leave Provision	17.516.666	5.529.439	4.028.833	1.271.771
Tax Deduction Based on Cash Capital Increase (*)	-	--	20.454.079	150.933.115
Investment Incentive, Discounted Corporate Tax Right (**)	-	--	868.065.893	354.023.540
Tangible Asset Revaluation Effects	-	--	(718.463.166)	(718.245.743)
Cash Flow Hedging Gains/Losses	-	--	224.711.790	108.668.953
Accumulated Financial Losses	-	326.193.421	-	75.024.488
TOTAL			487.392.476	(84.985.890)

(*) Within the scope of incentives related to the capital increases realized by the Group in previous periods, tax advantage of 66.912.712 TRY has been provided. The unused portion is subject to deferred tax is 20.454.079 TRY.

(**) The investment of the Group regarding the thermal power plant is located in the 2nd Region, but it is stated in the 5th Article of the Special Conditions section of the YTB that it will benefit from the support of the 5th Region since the investment subject to the document is among the priority investments. Accordingly, the Investment Contribution Rate is 40% and the Discounted Corporate Tax Rate is 80%. Accordingly, a reduced corporate tax application will be available for the income obtained from the investment of 320.715.946 TRY, which is 40% of the total investment amounting to 801.789.865 TRY.

The remaining investment allowance indexed in 2022 is 866.559.089 TRY. In addition, there is an investment discount within the scope of the investment incentive certificate dated 08.04.2020. The Investment Contribution Rate is 40% and the Discounted Corporate Tax Rate is 80%. Accordingly, a reduced corporate tax application will be available for the income obtained from the investment of TRY 76.453.154, which is 40% of the total investment of TRY 191.132.885. It has not been subject to deferred tax yet.

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40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued))

According to the incentive certificate received within the scope of the Antimony Ore Enrichment Facility Investment, the Investment Contribution Rate is 40% and the reduced corporate tax rate is 80%. Accordingly, the reduced corporate tax application will be available for the income of 1.506.804 TRY, which is 40% of the total investment of 14.500.000 TRY and remaining after tax deduction.

41. EARNINGS PER SHARE

	01 January - 31 December 2022	01 January - 31 December 2021
Net profit/(loss)	2.351.184.593	38.892.538
Weighted average number of ordinary shares	1.400.000.000	878.356.164
Profit/(loss) per share with a nominal value of TRY 1	1,679418	0,044279

42.SHARE-BASED PAYMENT

None. (None, December 31, 2021.)

43. INSURANCE CONTRACTS

None. (None, December 31, 2021.)

44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE

None. (None, December 31, 2021.)

45.FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES

Prepared financial tables before the period of January 01,2005, in order to show change of purchasing power of TRY, inflations adjustments were made using general wholesale price index under TAS 29. In this standard, financial tables prepared with currency on the high inflation periods, conditioning using adjustment coefficient, financial statements of Money expressed in terms of current purchasing power is predicted.

CMB took a decision on March 17, 2005, with this decision, companies who operate in Turkey and prepare financial table in accordance with accounting and reporting principles which are adopted by CMB (CMB Financial Reporting Standard) proclaimed unnecessary application of inflation accounting as of 01.01.2005. Therefore, conditioning with started on 01.01.2005, Financial Reporting on the high inflation economies standard (TAS 29) that is published by IASC, were not applied.

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46.DERIVATIVE INSTRUMENTS

ACCOUNTING FOR CASH FLOW HEDGE FOR HIGH PROBABILITY ESTIMATED TRADING CURRENCY RISK

The Company provides hedging against the foreign exchange risk on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts that are highly probable to be realized in the future within the scope of the agreements it has made and the corporate budget.

In this context, repayments of foreign currency borrowings that are subject to hedge accounting and determined as hedging instrument are made with foreign currency sales cash flows that will be realized on close dates and determined as hedged item within the scope of hedge accounting.

Within the scope of the currency risk management strategy it has determined, the Company applies hedging accounting for the purpose of hedging the currency risk component of the highly probable estimated transaction cash flow risk, and the exchange rate fluctuations that have occurred on the hedging instrument, whose effectiveness has been mathematically proven in accordance with TFRS 9 and have not yet been realized. It pulls it from the income statement and parks it in the comprehensive income statement and aims to present a healthier income statement.

Effectively determined exchange differences of Euro denominated foreign currency loans determined as hedging instrument are withdrawn from the income statement and recorded under cash flow hedge accounting in the other comprehensive income statement.

The Company pays attention to maintain a 100% hedging ratio and a hedging efficiency between 70% and 130% within the scope of the hedge accounting it has established, and as of 31 December 2022, the hedging ratio has been calculated as 106% and the hedging efficiency as 87%.

TRY	31 December 2022
Cumulative exchange difference on the hedged item (current portion)	169.347.242
Cumulative exchange difference on the hedged item (non-current portion)	932.544.849
Cumulative exchange difference on the hedging instrument (current part)	(53.036.476)
Cumulative exchange difference on the hedging instrument (non-current portion)	(904.690.604)
Hedging effectiveness rate	87%
Inactive portion left in the income statement	--

Turkish Lira	31 December 2022
The total amount of future cash flows of the hedged item	2.662.929.515
Total amount of future cash flow of the instrument used for hedging purposes	2.509.379.059
Hedge Ratio	106%

47.FINANCIAL INSTRUMENTS

Short-Term Financial Liabilities

	31 December 2022	31 December 2021
Bank loans	14.588.378	83.777.019
Financial leasing liabilities	3.747.651	3.351.320
Deferred financial leasing costs (-)	(890.510)	(1.312.856)
Installments of principal and interest of loans	363.549.346	624.564.522
Other Financial Liabilities	4.786.532	3.525.719
Short-Term Financial Liabilities - Net	385.781.397	713.905.724

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47. FINANCIAL INSTRUMENTS (Continued)

Long-Term Financial Liabilities

	31 December 2022	31 December 2021
Bank loans	1.994.608.223	1.782.415.119
Financial leasing liabilities (*)	2.821.264	5.926.822
Deferred financial leasing costs (-) (**)	(305.052)	(1.210.626)
Long-Term Financial Liabilities - Net	1.997.124.435	1.787.131.315

(*)Financial leasing liabilities: Renters and that those who lease term debt exceeding one year are followed.

(**)Deferred financial leasing costs (-): Financial leasing liabilities at the date of lease rental payments on the leased asset represents the difference between the present value of lease borrow.

As of 31 December 2022 and 31 December 2021, the repayment schedule of long-term loan obligations is as follows:

Long-Term Loans Liabilities	December 31, 2022	December 31, 2021
2023	--	396.972.897
2024	486.047.455	331.520.016
2025	397.107.166	272.863.505
2026	330.334.391	226.669.511
2027	287.320.534	200.187.875
2028	248.673.391	176.350.730
2029	214.207.450	155.018.633
2030	30.917.836	22.831.952
Total	1.994.608.223	1.782.415.119

Long-Term Loans Liabilities	December 31, 2022	December 31, 2021
1-2 Years	--	396.972.897
2-3 Years	486.047.455	331.520.016
3-4 Years	397.107.166	272.863.505
4-5 Years	330.334.391	226.669.511
5 Years and Longer	781.119.211	554.389.190
Total	1.994.608.223	1.782.415.119

As of 31 December 2022, the repayment schedule of long-term leasing obligations is as follows:

Payment Year	Financial Leasing Liabilities	Deferred Financial Leasing Costs
2024	2.821.264	(305.052)
Total	2.821.264	(305.052)
	December 31, 2022	December 31, 2021
Other financial liabilities (*)	4.786.532	3.525.719
Total	4.786.532	3.525.719

(*)Other financial liabilities consists of leasing transaction within the scope of IFRS-16.

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47. FINANCIAL INSTRUMENTS (CONTINUED)

The details of the maturity and interest amounts of the Group's loan payables are as follows:

	<u>Annual interest rate %</u>		<u>Exchange Value</u>		<u>TRY</u>	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
TRY Loans	7,5-18%	7,5-24%	--	--	14.588.378	16.299.880
EURO Loans	6-8,5%	6%-7%	--	--	--	67.477.140
Short-term Loans			--	--	14.588.378	83.777.020
EURO Loans	6-8,5%	6%-7%	11.586.248	31.191.030	231.386.636	471.418.102
TRY Loans	7,5-18%	7,5-24%	--	--	132.162.710	153.146.420
Short-term payments and interests of loans					363.549.346	624.564.522
Total short-term loans					378.137.724	708.341.542
EURO Loans	6-8,5%	6%-7%	91.908.500	102.531.484	1.835.486.271	1.549.650.599
TRY Loans	7,5-18%	7,5-24%	--	--	159.121.952	232.764.520
Total long-term loans					1.994.608.223	1.782.415.119

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48.FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Capital Risk Management

While group tries to ensure the continuity of its activities , on the other hand, aims to increase its profitability by using the optimization of the debt and equity balance.

The capital structure of the group consist of; borrowings includes financial payables stated at note:47, cash and cash equivalents stated at note:53 and equity instruments contain prepaid capital, capital reserves, profit reserves and retained earnings at note:30.

The risks associated with each class of capital with the capital cost are evaluated by senior management. The management aims to balance structure of capital via obtain new payable or repayment of existing debt or dividend payments, issued new shares based on its evaluation.

Group used long-term USD and EURO loan for investments. Group is trying to minize short-term loan liability by equivalent debt structure to holding period of existing investment. Regarding used EURO and USD loan if it is used as TRY , the risks are recorded as stated note:37.

Group analyses equity according to leverage ratio which is consistent with other companies. Aforesaid ratio is calculated by dividing net debt to total equity. Net debt (the current and non-current loan as shown in the balance sheet) is obtained by subtracting cash and cash equivalents from total loans.

Group management aims to reach a higher level profit and equity in order to manage existing debts.

Group's current period capital risk management strategy does not differ compared to previous periods .

b) Financial Risk Factors

Group is exposed to market risk (exchange rate risk, fair value interest rate risk, cash flow interest rate risk and price risk) credit risk and liquidity risk due its operations. The Group's overall risk management program focus on the minize the impact of uncertainty in financial markets on group's potential financial performance.

b.1) Credit risk

The risk of financial loss to group due to default of agreement of one of the parties is defined as credit risk. The Group has operations only dealing with creditworthy counterparties and try to reduce the risk of credit by obtaining sufficient collateral where possible. Credit risk and customers credit ratings that group exposure to them are continuously monitored.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk exposure as types of financial instruments are shown in the table below.

31.12.2022	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	25.015.444	511.032.814	30.963.763	24.764.469	1.448.909.811	--	231.247.280
- Maximum amount of risk exposed							
- Part of the risk covered by guarantees	--	--	--	5.713.637	--	--	--
A. Net value of financial assets neither due nor impaired	25.015.444	511.032.814	30.963.763	19.050.832	1.448.909.811	--	231.247.280
B. Conditions renegotiated, otherwise to be classified as past due or impaired	--	--	--	--	--	--	--
C. Past due but not impaired	--	--	--	--	--	--	--
D. Net book value of Impaired assets	--	24.298.365	--	4.068.367	--	--	--
-Past due (gross book value)	--	(24.298.365)	--	(4.068.367)	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantess	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantess	--	--	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--	--	--

* In determining the amount, the increase in credit reliability such as guarantees received are not taken into account.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31.12.2021	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Trade Receivables				
	Related Parties	Related Parties	Related Parties	Related Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	44.739.829	190.825.534	17.332.891	29.597.951	156.205.584	--	194.713.548
- Maximum amount of risk exposed							
- Part of the risk covered by guarantees	--	--	--	6.521.176	--	--	--
A. Net value of financial assets neither due nor impaired	44.739.829	190.825.534	17.332.891	23.076.775	156.205.584	--	194.713.548
B. Conditions renegotiated, otherwise to be classified as past due or impaired	--	--	--	--	--	--	--
C. Past due but not impaired	--	--	--	--	--	--	--
D. Net book value of Impaired assets	--	22.021.320	--	1.855.446	--	--	--
-Past due (gross book value)	--	(22.021.320)	--	(1.855.446)	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantess	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantess	--	--	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--	--	--

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Risk control for customers are not secured by collateral, financial position for the customers, past experience and other factors, taking into account, individual limits are determined results from customer credit quality of the evaluation and the use of credit limit is regularly monitored.

b.2) Liquidity Risk

Main responsibility relevant with liquidity risk management belongs to Board of Directors. The board short of the Group management has built an appropriate liquidity risk management for medium and long term funding and liquidity requirements. The Group manages liquidity risk by following forecast and actual cash flows regularly and ensuring the continuation of adequate of funds and reserves by matching the maturity profiles of financial assets and liabilities.

In this context, taken care to comitable maturity of receivables and payables, net working capital management objectives are being put in order to protect short-term liquidity and kept at a certain level of balance sheet ratios.

Medium and long- term liquidity management is done according to the group's cash flow projections based on the dynamics of financial markets and industry, cash flow cycle is monitored and tested according to various scenarios.

b.3) Market Risk

Market is risk is the risk of fluctuations of fair value of financial liabilities due to changes occurring in market prices or future cash flows will adversely affect the business.

These, foreign currency risk, interest rate risk and financial instruments or commodity price changes risk.

In the current year, there is no change on market risk that group exposed or methods that management or measurement of exposed risk.

b.3.1) Foreign Currency Risk Management

Transactions denominated in foreign currencies causes exchange rate risk. These risks are monitored and classified by analysis of foreign currency position.

The distribution of monetary and non-monetary assets and liabilities in terms of foreign currency are as follows :

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Currency Position						
	31.12.2022					
	TRY Equivalent (Functional Currency)	USD	EUR	GBP	JPY	UZS
1. Trade Receivables	73.328.700	1.824.614	5.458	--	--	23.400.792.653
2a. Monetary financial assets (including cash and cash equivalents)	1.092.561.585	6.648.739	27.769.463	240	2.932.000.000	215.488.146
2b. Non-monetary financial assets	123.533.143	566.117	2.546.535	55	--	37.212.167.504
3. Other	--	--	--	--	--	--
4. Current Assets (1+2+3)	1.289.423.429	9.039.470	30.321.456	295	2.932.000.000	60.828.448.303
5. Trade Receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	--	--	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--	--	--
9. Total Assets (4+8)	1.289.423.429	9.039.470	30.321.456	295	2.932.000.000	60.828.448.303
10. Trade payables	(791.903.629)	(1.227.513)	(2.477.521)	--	--	(430.539.674.327)
11. Financial Liabilities	(321.793.849)	-	(15.384.128)	--	--	(8.713.651.000)
12a. Monetary financial liabilities	(7.695.273)	(345.000)	--	--	--	(737.721.703)
12b. Non-monetary financial liabilities	(2.807.727)	--	--	--	--	(1.680.267.302)
13. Short Term Liabilities (10+11+12)	(1.124.200.477)	(1.572.513)	(17.861.648)	--	--	(441.671.314.332)
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	(1.835.486.267)	-	(91.908.500)	--	--	--
16a. Other Monetary Liabilities	(1.355.096)	(65.518)	(6.400)	--	--	--
16b. Other Non-Monetary Liabilities	--	--	--	--	--	--
17. Long Term Liabilities (14+15+16)	(1.836.841.364)	(65.518)	(91.914.900)	--	--	--
18. Total Liabilities (13+17)	(2.961.041.841)	(1.638.031)	(109.776.548)	--	--	--
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	--	--	--	--	--	--
19a. Amount of Hedge Total Asset	--	--	--	--	--	--
19b. Amount of Hedge Total Liabilities	--	--	--	--	--	--
20. Net Foreign Currency asset/ (liabilities) Position (9-18+19)	(1.671.618.412)	7.401.439	(79.455.092)	295	--	(380.842.866.029)
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.790.988.732)	6.900.840	(81.995.227)	240	2.932.000.000	(416.374.766.231)
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	--	--	--	--	--	--
23. Export	62.253.166	3.283.743	42.776	--	--	--
24. Import	--	--	--	--	--	--

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Currency Position					
	31.12.2021				
	TRY Equivalent (Functional Currency)	USD	EUR	GBP	UZS
1. Trade Receivables	61.977.567	4.649.829	--	--	--
2a. Monetary financial assets (including cash and cash equivalents)	65.745.580	4.904.656	15.956	228	102.916.916
2b. Non-monetary financial assets	149.932.860	1.925.518	1.751.980	10.405	79.389.503.064
3. Other	5.023.955	--	--	--	4.084.516.281
4. Current Assets (1+2+3)	282.679.961	11.480.002	1.767.936	10.634	83.576.936.261
5. Trade Receivables	--	--	--	--	--
6a. Monetary financial assets	--	11.278.576	722.600	--	--
6b. Non-monetary financial assets	--	--	--	--	--
7. Other	--	--	--	--	--
8. Non-current assets (5+6+7)	--	11.278.576	722.600	--	--
9. Total Assets (4+8)	282.679.961	22.758.579	2.490.536	10.634	83.576.936.261
10. Trade payables	(51.283.227)	(3.677.405)	(144.161)	--	(6.258.822.948)
11. Financial Liabilities	(539.001.493)	--	(35.655.605)	--	--
12a. Monetary financial liabilities	(157.666.219)	(11.739.979)	--	--	(733.561.655)
12b. Non-monetary financial liabilities	(437.466)	--	--	--	(355.663.164)
13. Short Term Liabilities (10+11+12)	(748.388.405)	(15.417.384)	(35.799.765)	--	(7.348.047.767)
14. Trade Payables	--	--	--	--	--
15. Financial Liabilities	(1.549.956.136)	--	(102.531.484)	--	--
16a. Other Monetary Liabilities	--	(30.839)	--	--	--
17. Long Term Liabilities (14+15+16)	(1.549.956.136)	(30.839)	(102.531.484)	--	--
18. Total Liabilities (13+17)	(2.298.344.540)	(15.448.223)	(138.331.250)	--	(7.348.047.767)
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	--	--	--	--	--
19a. Amount of Hedge Total Asset	--	--	--	--	--
19b. Amount of Hedge Total Liabilities	--	--	--	--	--
20. Net Foreign Currency asset/ (liabilities) Position (9-18+19)	(2.015.664.579)	7.310.356	(135.840.713)	10.634	76.228.888.494
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.170.183.928)	5.415.676	(137.592.693)	228	--
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	--	--	--	--	--
23. Export	13.495.023	1.501.019	--	--	--
24. Import	--	--	--	--	--

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Group is mainly exposed to USD and EURO exchange rate risk.

The table below shows the Group's US dollar and Euro exchange rate and a 20% increase in sensitivity to a decrease. 20% rate is the rate used by senior management when reporting foreign currency risk the expected rate in question refers to a possible change in foreign exchange rates. The sensitivity analysis covers only the period at the end of the open foreign currency denominated monetary items and shows the effects of changes in exchange rates of 20% at the end of the period of aforesaid items. Stated positive increase in Positive value , profit / loss and other equity items.

Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
31.12.2022				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 10% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	152.233.767	(152.233.767)	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	152.233.767	(152.233.767)	--	--
Change in 10% of the EURO against TRY;				
4 - Net asset / liability of EUR	(1.745.459.924)	1.745.459.924	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- Net Effect of EURO (4+5)	(1.745.459.924)	1.745.459.924	--	--
Change in 10% of the GBP against TRY;				
7- Other foreign currency net asset / liability	7.306	(7.306)	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
9- Net Effect of GBP (7+8)	7.306	(7.306)	--	--
Change in 10% of the UZS against TRY;				
10- Net asset / liability of other exchange	(700.027.272)	700.027.272	--	--
11- Amount hedged for other exchange risk (-)	--	--	--	--
12- Net Effect of UZS (10+11)	(700.027.272)	700.027.272	--	--
Change in 10% of the JPY against TRY;				
13- Net asset / liability of other exchange	455.723.985	(455.723.985)		
14- Amount hedged for other exchange risk (-)	--	--		
15- Net Effect of JPY (13+14)	455.723.985	(455.723.985)		
TOTAL (3+6+9+12+15)	(1.837.522.137)	1.837.522.137	--	--

Other Issues

Mobility and fluctuations in exchange rates cause the company to be exposed to currency risk. With the commencement of the activity of the Çan Thermal Power Plant, the problems to be experienced in own resources due to the exchange rate risk are expected to be eliminated

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Sensitivity Analysis of Foreign Exchange Position				
31.12.2021				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 10% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	19.487.946	(19.487.946)	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	19.487.946	(19.487.946)	--	--
Change in 10% of the EURO against TRY;				
4 - Net asset / liability of EUR	(409.877.618)	409.877.618	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- Net Effect of EURO (4+5)	(409.877.618)	409.877.618	--	--
Change in 10% of the GBP against TRY;				
7- Other foreign currency net asset / liability	38.210	(38.210)	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
9- Net Effect of GBP (7+8)	38.210	(38.210)	--	--
Change in 10% of the UZS against TRY;				
10- Net asset / liability of other exchange	18.752.307	(18.752.307)	--	--
11- Amount hedged for other exchange risk (-)	--	--	--	--
12- Net Effect of UZS (10+11)	18.752.307	(18.752.307)	--	--
TOTAL (3+6+9+12)	(371.599.155)	371.599.155	--	--

b.3.2) Interest rate risk management

Leading to fluctuations in the fair value of financial instruments or future cash flows by changes in market interest rates cause the necessity of dealing with interest rate risk of the Group.

Hedging is evaluated as regular in order to be compatible with interest rate expectations and defined risk. Thus, it is aimed that the creation of optimal hedging strategy, reviewing of the balance sheet and keeping interest expenses under control at different interest rates.

b.3.3) Price Risk

Because there are no share certificates as classified trading financial assets at group's financial statement, price is not available. (31.12.2021: None)

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49.FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION)

Fair Value

Fair value is defined as price between willing parties who are into making a sale or purchase.

Financial assets and liabilities in foreign currency are converted to market prices at statement of financial position date.

Methods and assumptions below are used to predict fair value of each financial instrument in case when it is possible to determine fair value of these instruments.

Financial Assets

The fair value of certain financial assets carried at cost, including cash at banks, marketable securities plus the respective accrued interest are considered to approximate their respective carrying values. The carrying values of the trade receivables net of provisions for uncollectible receivables are considered to approximate their fair values.

Financial Liabilities

Values of monetary liabilities and trade payables are considered close to their fair value because of short term nature. Bank loans are stated with their discounted cost and transaction cost will be added to initial cost of loans. Book value of loans is considered close to its fair value because of updates in changed market conditions and interest rates. Book value of trade payables is considered as close to its fair value cause of being short termed.

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

- *First Level:* Financial assets and liabilities are appricated from stock price traded in active market for similiar assets and liabilities.
- *Second Level:* Financial assets and liabilities are appricated from inputs used determining observable price in the market as direct or indirect with the exception of the price is stated in first level.
- *Third Level:* Financial assets and liabilities are appricated from inputs based on unobservable data in the market in determining the fair value of an asset or liability.

Level classification of financial instruments with fair value is as follows;

Because there are no financial assets with its fair value, are not included level classification table.

31.12.2022						
	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
Financial Assets						
Cash and Cash Equivalent	--	1.476.322.438	--	--	1.476.322.438	53
Trade receivables	--	536.048.258	--	--	536.048.258	6-7
Other receivables	--	55.728.232	--	--	55.728.232	6-9
Financial Liabilities						
Financial payables						
Trade payables	--	--	--	2.382.905.832	2.382.905.832	47
Other payables	--	--	--	688.144.125	688.144.125	6-7
Financial Assets	--	--	--	617.962.308	617.962.308	6-9

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49. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION (Continued))

31.12.2021

	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
Financial Assets						
Cash and Cash Equivalent	--	173.258.224	--	--	173.258.224	53
Trade receivables	--	235.565.363	--	--	235.565.363	6-7
Other receivables	--	46.930.842	--	--	46.930.842	6-9
Financial Liabilities						
Financial payables						
Trade payables	--	--	--	2.501.037.039	2.501.037.039	47
Other payables	--	--	--	298.874.477	298.874.477	6-7
Financial Assets	--	--	--	179.878.245	179.878.245	6-9

The Group's management believes that the recorded values of financial instruments reflects their fair values.

50.SUBSEQUENT EVENTS

It is stated with the amendment in the Procedures and Principles Regarding the Determination and Implementation of the Support Fee Based on Resources published on 30 March 2022 that the bilateral agreement amounts are within the scope of the exemption. The company notified EPIAŞ about the bilateral agreement regarding the exemption and the parts sold indirectly to the final consumer, which is much lower than that, and EPIAŞ applied an exemption to the Company based on the bilateral agreement amounts. Based on the letter sent to the Company by EMRA on January 13, the Company made the necessary explanations on the Public Disclosure Platform on January 14, 2023 and stated that it would protect all its rights.

51.OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None. (31 December 2021: None.)

52.FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARTS

None. (31 December 2021: None.)

53.EXPLANATION TO CASH FLOW STATEMENT

Cash and Cash Equivalentents

	December 31, 2022	December 31, 2021
Cash	27.388.160	9.127.789
Bank	1.448.909.811	156.205.584
-Demand deposit	552.737.121	43.096.257
-Time deposit	896.172.690	113.109.327
Other Current Assets	24.467	7.924.851
TOTAL	1.476.322.438	173.258.224

As of December 31, 2022 there is no blocked deposits of the Group (None, December 31, 2021)

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53. EXPLANATION TO CASH FLOW STATEMENT (Continued)

Details of time deposits as of 31 December 2022 are presented below:

Time Deposit Currency	Maturity	Interest rate	31.12.2022 Foreign Currency	31.12.2022 TRY
EURO	02.01.2023	0,10%	13.000.000	259.153.700
TL	03.03.2023	12,00%	127.624.900	127.624.900
EURO	02.01.2023	1,25%	6.004.331	119.695.742
EURO	02.01.2023	0,10%	4.000.000	79.739.600
USD	16.01.2023	3,00%	3.000.000	56.094.900
USD	02.01.2023	1,85%	2.801.809	52.389.064
TL	02.01.2023	19,00%	31.900.000	31.900.000
TL	02.01.2023	10,00%	30.000.719	30.000.719
TL	02.01.2023	15,00%	20.000.000	20.000.000
TL	02.01.2023	12,00%	18.565.000	18.565.000
TL	02.01.2023	12,00%	16.500.000	16.500.000
TL	02.01.2023	13,00%	15.000.000	15.000.000
TL	02.01.2023	14,75%	12.000.000	12.000.000
TL	01.01.2023	21,75%	11.027.433	11.027.433
TL	02.01.2023	20,00%	10.000.000	10.000.000
TL	06.03.2023	12,00%	9.817.300	9.817.300
TL	02.01.2023	12,00%	5.185.000	5.185.000
TL	02.01.2023	15,16%	5.004.471	5.004.471
TL	02.01.2023	13,00%	4.391.562	4.391.562
TL	02.01.2023	10,24%	2.278.148	2.278.148
TL	15.02.2023	13,50%	1.938.090	1.938.090
TL	02.01.2023	10,24%	1.321.464	1.321.464
TL	02.01.2023	12,00%	920.000	920.000
TL	02.01.2023	10,24%	906.626	906.626
TL	02.01.2023	12,00%	645.000	645.000
TL	02.01.2023	12,00%	631.000	631.000
TL	02.01.2023	10,24%	606.178	606.178
TL	02.01.2023	10,24%	367.682	367.682
TL	02.01.2023	10,24%	344.712	344.712
TL	02.01.2023	10,24%	338.499	338.499
TL	02.01.2023	10,24%	336.788	336.788
TL	02.01.2023	10,24%	323.900	323.900
TL	02.01.2023	10,24%	304.953	304.953
TL	02.01.2023	10,24%	283.814	283.814
TL	02.01.2023	10,24%	155.967	155.967
TL	02.01.2023	4,00%	122.979	122.979
TL	02.01.2023	10,24%	110.975	110.975
TL	20.01.2023	14,58%	77.253	77.253
TL	02.01.2023	10,24%	57.518	57.518
TL	16.01.2023	12,50%	6.481	6.481
TL	09.01.2023	10,00%	4.060	4.060
TL	08.01.2023	13,87%	1.212	1.212
				896.172.690

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53. EXPLANATION TO CASH FLOW STATEMENT (Continued)

Details of time deposits as of 31 December 2021 are presented below:

Time Deposit Currency	Maturity	Interest rate	31.12.2021	
			Foreign Currency	31.12.2021 TRY
USD	03.01.2022	0,01%	2.779.888	37.053.129
TL	03.01.2022	16,00%	20.977.689	20.977.689
TL	17.01.2022	18,20%	18.000.000	18.000.000
TL	03.01.2022	20,50%	9.300.000	9.300.000
USD	03.01.2022	0,05%	691.101	9.211.690
USD	03.01.2022	1,25%	600.000	7.997.400
TL	03.01.2022	19,00%	4.000.000	4.000.000
TL	03.01.2022	0,01%	3.000.000	3.000.000
TL	03.01.2022	15,42%	2.666.724	2.666.724
TL	03.01.2022	13,50%	800.000	800.000
TL	25.01.2022	11,65%	68.391	68.391
TL	03.01.2022	12,00%	11.522	11.522
TL	03.01.2022	10,00%	11.404	11.404
TL	03.01.2022	15,00%	10.142	10.142
TL	11.01.2022	14,59%	1.235	1.236
				113.109.327

54.EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE

The company's equity change table is presented as appropriate for explanatory notes and financial tables of basics which are published on June 07, 2013 and with no 2103/19 weekly newsletter by CMB.

Effect of accountant politics changes that explain in note 2, effect of accumulated gains/losses account and effects of accumulated other comprehensive incomes/expenses as proffit/loss restrospective which is shown in other comprehensive income are shown that equity change table.

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55.EXPLANATIONS ON CASH FLOWS THE STATEMENTS

The movements that do not generate cash inflows and outflows in the cash flow statement are as follows by years:

	NOTES	Current Period Audited Consolidated 01.01-31.12.2022	Prior Period Audited Consolidated 01.01-31.12.2021
A. CASH FLOWS FROM OPEARING ACTIVITIES		3.108.314.540	2.713.805.194
Profit/Loss For The Period		2.351.184.593	38.892.538
Continuing Operations Period Profit & Loss	30	2.351.280.537	38.794.365
Discontinued Operations Profit and Loss for the Period	39	(95.944)	98.173
Adjustments To Reconcile Net Profit/Loss For The Period		305.412.575	2.904.545.651
Adjustments related to amortization and depreciation expenses	14-17-28-33-36	235.353.642	75.815.903
Adjustments Regarding Impairment (Cancellation) of Receivables	7	2.277.045	4.259.025
Adjustments Regarding Impairment Reversal of Tangible Fixed Assets	14	(2.259.033)	2.186.742.850
Adjustments Regarding Provisions (Cancellation) for Employee Benefits	27	8.436.386	1.752.725
Corrections Regarding Litigation and/or Penalty Provisions (Cancellation)	25	1.956.597	1.965.068
Adjustments Regarding (Cancellation) of Provisions Set aside in accordance with Sectoral Requirements	25	17.554	-
Deferred Financing Expense from Forward Purchases	34	11.586.146	3.881.090
Unearned Finance Income from Futures Sales	34	(6.265.103)	(12.093.127)
Adjustments Regarding Interest Expenses and Currency Differences	37	665.664.594	54.080.684
Adjustments Related to Interest Income	37	(1.051.464.324)	(150.632.336)
Adjustments for Unrealized Currency Translation Differences		572.260.903	839.574.361
Adjustments for Fair Value Loss/Gains	8	(54.977.530)	(414.895.296)
Adjustments Regarding Tax Expenses/Income	40	(572.378.366)	245.801.711
Adjustments for Losses (Gains) Due to Disposal of Affiliates, Joint Ventures and Financial Investments or Changes in Shares	30	(16.992.526)	(696.308)
Transfers	30	-	59.108.412
Minority Shares	30	512.196.592	9.880.888
Changes In Business Capital		453.516.187	(229.290.686)
Adjustments Regarding Increase/Decrease in Inventories	10	(321.768.351)	(99.955.273)
Decrease (Increase) in Trade Receivables from Related Parties		19.724.385	(15.843.913)
Decrease (Increase) in Trade Receivables from Non-related Parties	7	(327.443.868)	(36.236.751)
Decrease (Increase) in Other Receivables from Related Parties	6	(13.630.872)	(5.402.356)
Decrease (Increase) in Other Receivables from Unrelated Parties	9	(1.793.121)	(10.786.687)
Decrease (Increase) in Other Assets Related to Operations	29	(153.985.856)	(125.269.086)
Increase (Decrease) in Trade Payables to Related Parties		(3.930.163)	958.897
Increase (Decrease) in Trade Payables to Non-Related Parties	7	396.171.542	18.163.204
Decrease (Increase) in Prepaid Expenses	12	(56.314.801)	2.128.712
Increase (Decrease) in Debts within the Scope of Employee Benefits	27	(2.087.863)	2.086.216
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	32.949.865	13.325.109
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	9	408.427.570	51.846.237
Increase (Decrease) in Deferred Revenues	12	279.783.772	13.109.011
Increase (Decrease) in Other Liabilities Related to Operations	27-29	197.413.947	(37.414.005)
Cash Flows from Operations		3.110.113.355	2.714.147.503
Other Loss/Gain	30	(1.798.815)	(342.309)

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56.INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)

This financial data, that is calculated as an income before finance, tax and depreciation is an indication of measured income without taking notice of finance, tax, expenses that are not required cash outflows, depreciation and redemption expenses of the company. This financial data also specified in the financial statements by some investors due to use in the measurement of the company's ability to repay the loans and/or additional loan. However, EBITDA should not be considered independently from financial statements. Also, EBITDA should not evaluate as an alternative to net income(loss), net cash flow derived from operating, investing and financing activities, financial data obtained from investing and financial activities or prepared according to IAS / IFRS, or other inputs obtained from financial instruments such as, business operating performance. This financial information should be evaluated together with other financial inputs that are contained in the statement of cash flow.