

**ODAŞ ELEKTRİK ÜRETİM  
SANAYİ TİCARET A.Ş. AND  
IT'S SUBSIDIARIES  
CONSOLIDATED FINANCIAL  
STATEMENTS AND  
EXPLANATORY NOTES FOR  
THE PERIOD JUNE 01 – JUNE  
30, 2021**

## LIMITED INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

### A) Independent Auditor's Report for Financial Statements

#### 1. Introduction

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. ("Company") and its subsidiaries (referred to as the "Group"), the accompanying consolidated statement of financial position dated 30 June 2021 and the condensed consolidated statement of profit or loss and other comprehensive income for the six-month interim period ended on the same date, we have conducted a review of the consolidated statement of changes in equity and the consolidated statement of cash flows and explanatory notes. Group management is responsible for the preparation and fair presentation of the said interim condensed consolidated financial information by Turkish Accounting Standard 34 Interim Financial Reporting Standard ("TAS 34"). Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

#### 2. Scope of Limited Audit

Our review conducted in accordance with Standard on Auditing ("SBAS") 2410 "Review of Interim Financial Information by the Auditor of the Annual Financial Statements of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for finance and accounting matters, and performing analytical and other review procedures. Scope of review of interim financial information; It is significantly narrow compared to the scope of the independent audit, which performed in accordance with the Independent Auditing Standards and whose purpose is to express an opinion on the financial statements. As a result, a review of interim financial information does not provide an assurance that the firm will be familiar with all significant matters that can identified in an independent audit. Therefore, we do not express an independent audit opinion.

#### 3. Conclusion

Based on our limited audit, nothing points to our attention that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, by TAS 34 Interim Financial Reporting Standard.

#### 4. Key Audit Matter

As explained in Note 2 to the consolidated financial statements, as of 30 June 2021; The Group has reclassified the balances of receivables and payables to related parties, which were previously followed in the Other Due from Related Parties and Other Payables to Related Parties account groups, by their qualifications, in the consolidated statement of financial position dated 31 December 2020, Trade Receivables from Related Parties and Trade Payables to Related Parties.

As explained in Note 29 to the consolidated financial statements, as of 30 June 2021; In the consolidated statement of financial position of the Group, there are order advances given for the ongoing investments in the Other Fixed Assets account group amounting to TRY 110.711.357. The Group management stated that these advances are related to the thermal power plant construction and will be transferred to tangible assets. The portion of the mentioned advances amounting to TRY 5.990.953 is inactive and the Group management plans to follow up and close the related advance accounts in the following period. No provision has been made for these amounts in the consolidated financial statements.

As detailed in Note 25 of the consolidated financial statements, according to the statement obtained from the Group's legal advisors, as of the report date, the trade receivable lawsuits filed against the Group by the suppliers in the Commercial Courts of First Instance in the previous periods and various objection lawsuits filed by the Group regarding these lawsuits. are available. These amounts are included in the trade payables in the accompanying consolidated financial statements, and due to the ongoing disputes as of the report date, the date of payment and the amount of the payables have not been finalized.

#### 5. Going Concern

As of 30.06.2021, the Group's total past period losses are 548.939.409 TRY. As of 30 June 2021, the Group's total shareholders' equity is 953.895.875 TRY (31 December 2020: 788.185.391 TRY) and 728.846.503 TRY (31 December 2020: 728.846.503) of its shareholders' equity arises from the revaluation of tangible fixed assets. its earnings. When the situation of the Group evaluated within the scope of the regulation on the signs that raise the suspicion of being in debt, in article 376 of the Turkish Commercial Code ("TCC"), it has no obligation within the scope of the measures to be taken in this regard. As stated in Note 2 to the consolidated financial statements, the Group Management does not have an adverse opinion on the continuity of the Group's operations. This does not affect the opinion given by us.

Eren Bağımsız Denetim A.Ş.  
Member Firm of Grant Thornton International

Nazım Hikmet  
Engaged Chief Auditor

İstanbul, August 19,2021

# ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

## CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES FOR THE PERIOD JUNE 01 – JUNE 30, 2021

<b>CONTENTS</b>	<b>PAGE</b>
<b>Statements of Financial Position .....</b>	<b>1-3</b>
<b>Statements of Profit or Loss and Other Comprehensive Income Statements .....</b>	<b>4</b>
<b>Statements of Changes in Shareholders' Equity.....</b>	<b>5</b>
<b>Statements of Cash Flows.....</b>	<b>6</b>
1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY .....	7
2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	15
3. BUSINESS COMBINATIONS.....	32
4. JOINT VENTURES .....	32
5. SEGMENTS REPORTING.....	32
6. RELATED PARTIES.....	35
7. TRADE RECEIVABLES AND PAYABLES .....	38
8. FINANCIAL INVESTMENTS.....	39
9. OTHER RECEIVABLES AND PAYABLES .....	39
10. INVENTORIES .....	40
11. BIOLOGICAL ASSETS .....	40
12. PRE-PAID EXPENSES AND DEFERRED INCOME.....	41
13. INVESTMENT PROPERTY .....	41
14. TANGIBLE FIXED ASSETS .....	42
15. RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS.....	44
16. INVESTMENTS VALUED BY EQUITY METHOD .....	44
17. INTANGIBLE FIXED ASSETS.....	44
18. GOODWILL .....	47
19. EVALUATING AND RESEARCHING OF MINE RESOURCES.....	47
20. RIGHT OF USE ASSETS.....	48
21. SERVICE CONCESSION ARRANGEMENTS .....	49
22. IMPAIRMENT OF ASSETS .....	49
23. GOVERNMENT INCENTIVES.....	49
24. BORROWING COSTS.....	50
25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	50
26. COMMITMENTS .....	54
27. EMPLOYEES BENEFIT OBLIGATIONS.....	54
28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS.....	55
29. OTHER ASSETS AND LIABILITIES .....	56
30. EQUITY, RESERVES AND OTHER EQUITIES.....	57
31. REVENUE AND COST OF GOODS SOLD.....	61
32. CONSTRUCTION CONTRACTS.....	61
33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES.....	62
34. OTHER OPERATIONAL INCOME AND EXPENSE .....	63
35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES .....	63
36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES .....	64
37. FINANCIAL EXPENSE AND INCOME.....	65
38. ANALYSIS OF OTHER COMPREHENSIVE INCOME .....	65
39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS .....	65
40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES).....	66
41. EARNING PER SHARE.....	69
42. SHARE-BASED PAYMENT .....	69
43. INSURANCE CONTRACTS.....	69
44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE.....	69
45. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES .....	69
46. DERIVATIVE INSTRUMENTS .....	70
47. FINANCIAL INSTRUMENTS.....	70
48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....	73
49. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION) .....	83
50. SUBSEQUENT EVENTS.....	84
51. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENT .....	84
52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARDS .....	85
53. EXPLANATION TO CASH FLOW STATEMENT .....	85
54. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE .....	86
55. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA) .....	86

ODAS ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED JUNE 30,2021 (TRY)  
(Currency is TRY unless otherwise is indicated.)

		Current Period Consolidation by Limited Independent Audited	Previous Period Consolidation Independent Audit
ASSETS	NOTE	30.06.2021	31.12.2020
<b>Current Assets</b>			
Cash and cash equivalents	53	51.903.030	15.431.240
Trade Receivables	6-7	184.458.113	188.601.886
Trade receivables from related parties	6	33.130.791	28.895.916
<i>Trade receivables from third parties</i>	7	151.327.322	159.705.970
Other Receivables	6-9	32.966.893	32.412.266
<i>Other Receivables from Related Parties</i>	6	11.193.667	11.930.535
<i>Other Receivables from Third Parties</i>	9	21.773.226	20.481.731
Inventories	10	243.188.170	193.712.243
Prepaid Expenses	12	27.264.338	20.118.368
Assets Related to Current Term Tax	40	193.603	339.428
Other Current Assets	29	101.873.262	64.895.761
Fixed Assets Classified for Sale	39	663.768	596.919
<b>TOTAL CURRENT ASSETS</b>		<b>642.511.177</b>	<b>516.108.111</b>
<b>Non-current Assets</b>			
Other receivables	9	1.259.143	1.352.461
<i>Other receivables from third parties</i>	9	1.259.143	1.352.461
Investments Valued by Equity Method	4	32.771.980	27.264.636
Tangible Fixed Assets	14	2.541.652.328	2.521.085.578
Intangible fixed assets	17-18	77.498.590	80.599.342
<i>Goodwill</i>	18	--	--
<i>Other intangible fixed assets</i>	17	77.498.590	80.599.342
Right of Use Assets	20	4.133.017	4.609.858
Prepaid Expenses	12	3.929.408	4.679.123
Deferred Tax Assets	40	172.828.808	171.470.932
Other Non-Current Assets	29	110.711.357	78.912.655
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2.944.784.631</b>	<b>2.889.974.585</b>
<b>TOTAL ASSETS</b>		<b>3.587.295.808</b>	<b>3.406.082.696</b>

Consolidated financial statements have been approved by the Board of Directors Decision dated 19.08.2021 and numbered 2021/13 for the period ending on 30.06.2021

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

ODAS ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED JUNE 30,2021 (TRY)

(Currency is TRY unless otherwise is indicated.)

		Current Period Consolidation by Limited Independent Audited	Previous Period Consolidation Independent Audit
LIABILITIES	NOTE	30.06.2021	31.12.2020
<b>Short Term Liabilities</b>			
Short Term Loans	47	129.350.454	100.638.111
Short Term Finance Lease Liabilities	47	5.625.644	7.637.538
Short Terms Part of Long-Term Loans	47	365.637.177	420.115.199
Other Financial Liabilities	47	114.473.719	78.263.971
Trade Payables	6-7	300.084.901	280.689.768
<i>Trade Payables to Related Parties</i>	6	6.888.325	5.275.388
<i>Trade Payables to Third Parties</i>	7	293.196.576	275.414.380
Payables within the Scope of Employee Benefits	27	6.005.917	5.582.269
Other Payables	6-9	56.174.891	113.534.903
<i>Other payables to related parties</i>	6	11.175.843	89.852.531
<i>Other payables to third parties</i>	9	44.999.048	23.682.372
Deferred Income	12	79.217.957	49.912.503
Period Profit in Tax Liability	40	263.373	803.764
Short-term Provisions	25-27	8.970.172	6.510.828
<i>Short term provisions from employee benefits</i>	27	6.579.618	4.045.253
<i>Other Short-Term Provisions</i>	25	2.390.554	2.465.575
Other Short-Term Liabilities	29	38.570.507	39.996.040
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>1.104.374.712</b>	<b>1.103.684.894</b>
Long Term Liabilities	47	1.504.470.163	1.487.422.249
Long Term Finance Lease Liabilities	47	-	549.788
Other Payables	9	10.639.501	12.327.731
<i>Other Payables to Third Parties</i>	9	10.639.501	12.327.731
Long Term Provisions	25-27	1.981.044	1.460.981
<i>Long term provisions for employee benefits</i>	27	1.796.000	1.275.937
<i>Other Long-Term Provisions</i>	25	185.044	185.044
Deferred Tax Liabilities	40	10.266.243	10.655.111
Other Long-Term Liabilities	29	1.668.270	1.796.551
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>1.529.025.221</b>	<b>1.514.212.411</b>

Consolidated financial statements have been approved by the Board of Directors Decision dated 19.08.2021 and numbered 2021/13 for the period ending on 30.06.2021

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

ODAS ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED JUNE 30,2021 (TRY)

(Currency is TRY unless otherwise is indicated.)

		Current Period Consolidation by Limited Independent Audited	Previous Period Consolidation Independent Audit
	NOTE	30.06.2021	31.12.2020
<b>EQUITY</b>			
<b>Equity of Parent Company</b>		<b>961.567.804</b>	<b>795.824.435</b>
Paid-in Share Capital	30	600.000.000	600.000.000
Shares Related Discount/Premium	30	246.663.789	60.094.073
Not to be reclassification of profit or loss accumulated other comprehensive income or expenses	30	685.157.705	687.441.673
<i>Gains/Losses Related Revaluation and Measurement</i>		728.846.503	728.846.503
<i>Effects of combination of entities or businesses under common control</i>	30	(43.688.798)	(41.404.830)
Reclassification of profit or loss accumulated other comprehensive income or expenses	30	(813.279)	(645.109)
<i>Other Gain/Loss</i>	30	(813.279)	(645.109)
Reserves on Retained Earnings	30	639.252	639.252
Other Equities	30	21.868.966	21.868.966
Advances of Capital	30	128.413.940	-
Profit or Loss of Previous Years	30	(548.939.409)	(326.903.703)
Net Profit or Loss	41	(171.423.160)	(246.670.717)
<b>Non-controlling Shares</b>	30	(7.671.929)	(7.639.044)
<b>TOTAL EQUITY</b>		<b>953.895.875</b>	<b>788.185.391</b>
<b>TOTAL LIABILITIES</b>		<b>3.587.295.808</b>	<b>3.406.082.696</b>

Consolidated financial statements have been approved by the Board of Directors Decision dated 19.08.2021 and numbered 2021/13 for the period ending on 30.06.2021

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

**ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**  
**CONSOLIDATED PROFIT OR LOSS AND COMPREHENSIVE INCOME STATEMENT**  
**FOR THE PERIOD BETWEEN 01.01.2021-30.06.2021 (TRY)**  
(Currency is TRY unless otherwise is indicated.)

		Current Period Consolidation of Limited Audit	Previous Period Consolidation of Limited Audit	Current Period Consolidation has not been Audit	Previous Period Consolidation has not been Audit
<b>STATEMENT OF PROFIT/LOSS</b>	<b>NOTE</b>	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>01.04 - 30.06.2021</b>	<b>01.04 - 30.06.2020</b>
Revenue	31	598.696.880	478.611.774	321.538.320	283.441.521
Cost of Goods Sold (-)	28-31	(457.074.995)	(355.407.190)	(238.052.422)	(188.565.112)
<b>Gross profit/loss from commercial activities</b>		<b>141.621.885</b>	<b>123.204.584</b>	<b>83.485.898</b>	<b>94.876.409</b>
<b>GROSS PROFIT/LOSS</b>		<b>141.621.885</b>	<b>123.204.584</b>	<b>83.485.898</b>	<b>94.876.409</b>
General administrative expenses (-)	33	(18.367.994)	(14.838.242)	(11.438.554)	(7.621.668)
Marketing expenses (-)	33	(3.796.974)	(1.446.025)	(1.931.185)	(1.303.867)
Other Income from Operating Activities	34	23.455.046	28.572.156	13.555.565	5.586.664
Other Expenses from Operating Activities (-)	34	(31.432.053)	(51.154.444)	(17.188.660)	(11.404.188)
<b>OPERATING PROFIT/LOSS</b>		<b>111.479.910</b>	<b>84.338.029</b>	<b>66.483.064</b>	<b>80.133.350</b>
Income from investing activities	35	391.981	51.695	25.984	-
Shares from gains/losses of Investments Valued by Equity Method	16	5.507.345	9.430.644	4.043.201	4.821.069
<b>FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS</b>		<b>117.379.236</b>	<b>93.820.368</b>	<b>70.552.249</b>	<b>84.954.419</b>
Financial income	37	77.171.662	70.009.108	41.979.897	3.098.490
Financial expenses (-)	37	(417.225.555)	(392.404.762)	(128.629.873)	(153.920.640)
<b>Pre-tax Income from Continuing Operations</b>		<b>(222.674.657)</b>	<b>(228.575.286)</b>	<b>(16.097.727)</b>	<b>(65.867.731)</b>
<b>Tax Expense/Income from Ongoing Operations</b>		<b>1.437.778</b>	<b>1.720.403</b>	<b>(9.640.270)</b>	<b>(2.900.753)</b>
Period Tax Income/Loss	40	(263.373)	(294.500)	(207.943)	(294.500)
Deferred Tax Income/Loss	40	1.701.151	2.014.903	(9.432.327)	(2.606.253)
<b>PROFIT/LOSS FROM ONGOING OPERATIONS</b>		<b>(221.236.879)</b>	<b>(226.854.883)</b>	<b>(25.737.997)</b>	<b>(68.768.484)</b>
<b>PROFIT/LOSS FROM DISCONTINUED OPERATIONS</b>	39	66.849	(22.221)	52.790	(10.060)
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>(221.170.030)</b>	<b>(226.877.104)</b>	<b>(25.685.207)</b>	<b>(68.778.544)</b>
<b>Profit/loss distribution for the period</b>					
Non-controlling Shares	30	(49.746.870)	(14.704.485)	(45.015.886)	(4.174.215)
Parent Company Shares	30	(171.423.160)	(212.172.619)	19.330.679	(64.604.329)
<b>Earnings Per Share</b>					
Earnings per share from continuing operations	41	(0,285705)	(0,413766)	0,032218	(0,125987)
<b>Not to be reclassified to profit or loss</b>		<b>168.170</b>	<b>(303.291)</b>	<b>31.776</b>	<b>(296.203)</b>
Actuarial losses and earnings calculated under employee benefits	38	218.403	(388.835)	43.539	(379.747)
Effect of Tax	40	(50.233)	85.544	(11.763)	83.544
<b>OTHER COMPREHENSIVE INCOME</b>		<b>168.170</b>	<b>(303.291)</b>	<b>31.776</b>	<b>(296.203)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(221.001.860)</b>	<b>(227.180.395)</b>	<b>(25.653.431)</b>	<b>(69.074.747)</b>
<b>DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME</b>					
Non-controlling shares		(49.709.044)	(14.724.142)	(44.981.361)	(4.193.400)
Parent company shares		(171.292.816)	(212.456.253)	19.327.930	(64.881.347)

Consolidated financial statements have been approved by the Board of Directors Decision dated 19.08.2021 and numbered 2021/13 for the period ending on 30.06.2021

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



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD BETWEEN 01.01.2021-30.06.2021  
(Currency is TRY unless otherwise is indicated.)

	Accumulated Profit												
	Paid-in Share Capital	Other Equity Shares	The Effect of Associations Including Enterprises or Enterprises Subject to Joint Control	Share Premiums / Discounts	To be Reclassified to profit or loss accumulated other comprehensive income or expenses	Restricted Reserves	Capital Advances	Revaluation Increase Fund	Retained Earnings/Losses	Net Profit/Loss for the Period	Equity of the Parent Company	Non-controlling Interest	Equities
<b>Balance on January 1, 2020</b>	294.742.950	21.868.966	(26.340.830)	28.260.507	(276.526)	73.676.388	--	728.846.503	(128.254.325)	(186.478.476)	806.045.157	(13.794.555)	792.250.605
Other Comprehensive Income/Expense	--	--	--	--	(303.291)	--	--	--	--	--	(303.291)	--	(303.291)
Transfers	--	--	--	--	--	--	--	--	(186.478.476)	186.478.476	--	--	--
Capital Increase	305.257.050	--	--	31.833.566	--	(73.037.136)	--	--	--	--	264.053.482	--	264.053.482
Net Profit/Loss for The Period	--	--	--	--	--	--	--	--	--	(212.172.619)	(212.172.619)	(14.704.485)	(226.877.104)
<b>Balance on June 30, 2020</b>	<b>600.000.000</b>	<b>21.868.966</b>	<b>(26.340.830)</b>	<b>60.094.073</b>	<b>(579.817)</b>	<b>639.252</b>	<b>--</b>	<b>728.846.503</b>	<b>(314.732.801)</b>	<b>(212.172.619)</b>	<b>857.622.729</b>	<b>(28.499.040)</b>	<b>829.123.692</b>
<b>Balance on January 1, 2021</b>	<b>600.000.000</b>	<b>21.868.966</b>	<b>(41.404.830)</b>	<b>60.094.073</b>	<b>(645.109)</b>	<b>639.252</b>	<b>--</b>	<b>728.846.503</b>	<b>(326.903.703)</b>	<b>(246.670.719)</b>	<b>795.824.433</b>	<b>(7.639.047)</b>	<b>788.185.386</b>
Other Comprehensive Income/Expense	--	--	--	--	(168.170)	--	--	--	--	--	(168.170)	--	(168.170)
Increase / Decrease in Subsidiaries Due to the Change in Share Ratios that do not result in a loss of control	--	--	(2.283.968)	--	--	--	--	--	24.635.012	--	22.351.046	(24.635.012)	(2.283.966)
Transfers	--	--	--	--	--	--	--	--	(246.670.718)	246.670.719	--	--	--
Capital Increase	--	--	--	186.569.716	--	--	128.413.940	--	--	--	314.983.655	74.349.000	389.332.655
Net Profit/Loss for The Period	--	--	--	--	--	--	--	--	--	(171.423.160)	(171.423.160)	(49.746.870)	(221.170.030)
<b>Balance on June 30, 2021</b>	<b>600.000.000</b>	<b>21.868.966</b>	<b>(43.688.798)</b>	<b>246.663.789</b>	<b>(813.279)</b>	<b>639.252</b>	<b>128.413.940</b>	<b>728.846.503</b>	<b>(548.939.409)</b>	<b>(171.423.160)</b>	<b>961.567.804</b>	<b>(7.671.929)</b>	<b>953.895.875</b>

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

**ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE PERIOD BETWEEN 01.01.2021-30.06.2021 (TRY)**  
**(Currency is TRY unless otherwise is indicated.)**

	NOTES	01.01- 30.06.2021	01.01- 30.06.2020
<b>A. CASH FLOWS FROM OPEARING ACTIVITIES</b>		<b>(21.459.703)</b>	<b>(94.303.227)</b>
<b>Profit/Loss for The Period</b>		<b>(171.423.159)</b>	<b>(212.172.621)</b>
Profit/Loss from Continuing Operations	30	(171.490.008)	(212.150.400)
Profit/Loss from Discontinued Operations	39	66.849	(22.221)
<b>Adjustments To Reconcile Net Profit/Loss for The Period</b>		<b>270.202.029</b>	<b>202.707.876</b>
<b>-Adjustments related to amortization and depreciation expenses</b>	14-17-28-33-36	48.806.229	45.973.403
Adjustments Related to Impairment/Revocation in Receivables	7	1.967.097	1.834.329
Adjustments Related to Employees Benefits Provision (Cancellation)	27	2.840.665	921.989
Adjustment Related to Litigation and/or Penalty Provisions (Cancellation)	25	2.390.554	1.267.192
Deferred Financial Expense Arising from Purchases on Credit	34	8.346.916	58.682.840
Unearned Financial Income Arising from Sales on Credit	34	(2.067.512)	(57.432.008)
Adjustments Related to Interest Expenses and Currency Differences	37	38.570.508	22.760.233
Adjustments Related to Interest Income	37	(67.410.919)	(60.043.472)
-Adjustments Related to Unrealized Foreign Currency Translation Differences		216.187.076	214.978.946
-Adjustments Related to Tax Expense/Income	40	(1.746.744)	(2.100.448)
Adjustments Related to Losses/ (Gains) Incurred Due to Divestment of Subsidiaries, Business Partnerships and Financial Investments or Changes in their Shares	30	(2.283.968)	(9.430.644)
Transfers		24.635.012	--
Minority Interest	30	(32.885)	(14.704.484)
<b>Changes In Business Capital</b>		<b>(120.070.403)</b>	<b>(84.535.191)</b>
-Adjustments related to inventories increase/decrease	10	(49.475.928)	(42.276.231)
Increase (Decrease) in Trade Receivables from Related Parties		(4.234.875)	--
Increase (Decrease) in Trade Receivables from Third Parties	7	3.527.643	(107.394.005)
Increase (Decrease) in Other Receivables from Related Parties	6	736.868	(2.351.462)
Increase (Decrease) in Other Receivables from Third Parties	9	(6.661.186)	(16.100.603)
- Increase (Decrease) in Other Assets from Operations	29	(6.793.653)	139.662.738
Increase (Decrease) in Trade Payables to Related Parties		1.612.937	--
Increase (Decrease) in Trade Payables to Third Parties	7	19.066.508	14.131.343
Increase (Decrease) in Prepaid Expenses	12	(6.396.255)	3.248.557
Increase/(Decrease) in Payables within the Scope of Employee Benefits	27	(2.417.017)	(8.969.900)
Increase (Decrease) in Other Payables related to Activities of Related Parties	6	(78.676.688)	(2.160.794)
Increase (Decrease) in Other Payables related to Activities of Third Parties	9	20.411.649	15.852.435
Increase (Decrease) in Deferred Income	12	29.305.454	(44.794.862)
Increase (Decrease) in Other Liabilities for Activities	27-29	(40.075.860)	(33.382.407)
<b>Cash Flows from activities</b>		<b>(21.291.533)</b>	<b>(93.999.936)</b>
Other gain/loss	30	(168.170)	(303.291)
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>(65.795.386)</b>	<b>(59.289.167)</b>
Cash Inflows Arising from the Sale of Tangible Fixed Assets	14	1.282.982	58.308
Cash Outflows Arising from the Purchase of Tangible Fixed Assets	14	(65.364.544)	(41.895.846)
Cash Outflows Arising from the Purchase of Intangible Assets	17	(1.293.129)	(17.451.629)
Cash Outflows from Right-to-Use Assets		(420.695)	--
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>123.726.879</b>	<b>200.927.798</b>
Cash Inflows from the Issuance of Equity and Other Equity-Based Instruments	30	314.983.655	264.053.480
Cash Inflows from Loans	47	145.109.948	215.424.893
Cash Inflows from Borrowing Instruments	47	44.805.000	--
Cash Inflows from Factoring Transactions	47	6.537.857	2.613.642
Cash Inflows from Loan Payments Arising from Lease Agreements	20	618.114	--
Cash Outflows Related to Loan Repayments	47	(378.335.102)	(245.194.284)
Cash Outflows from Loan Payments Arising from Lease Agreements	20	(1.224.175)	--
Cash Outflows from Factoring Transactions	47	(6.182.935)	(35.604.574)
Cash Outflows from Other Financial Loan Payments	47	(23.801)	(438.979)
Cash Outflows from Loan Payments Arising from Financial Lease Agreements	47	(2.561.682)	73.620
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE IMPACT OF FOREIGN CURRENCY CONVERSION DIFFERENCES</b>		<b>36.471.790</b>	<b>47.335.404</b>
<b>D. THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		--	--
<b>NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>		<b>36.471.790</b>	<b>47.335.404</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	53	<b>15.431.240</b>	<b>16.355.919</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	53	<b>51.903.030</b>	<b>63.691.323</b>

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

## 1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. (“Odaş” or “The Company”) operates as producing electricity by natural gas combined cycling. Company has been established in Istanbul on September 28, 2010.

The Company has business vie establishing production plant, setting plants into operation, lease, producing electricity energy, selling produced electricity and/or created capacity to clients.

The Company has got the producing license from Energy Market Regulatory Authority (EMRA) at July 14, 2011. According to this license company will produce electricity from the power plant that will be established in Şanlıurfa for 49 years. The production plants planned installed capacity is 140 Mw. On October 28, 2011, first phase of the plant which has 54 Mw capacities has been settled into operation. On April 30, 2012, the second phase of the plant which is 56 Mw has settled into operation. In August 2012, company has increased 128 Mw its installed capacity in two stages by adding 18 Mw to turbine capacity. Also, company has started 12 Mw third phase additional steam turbine investment in year 2012. Steam turbine investment was completed and settled into operation on the year 2013 and total settled power plant reached to 140 Mw.

As of June 30, 2021, and December 31, 2020 group’s capital and share percentages are given below;

Shareholder	30.06.2021		31.12.2020	
	Amount	Rate	Amount	Rate
A. Bahattin Özal	33.198.318	5,53%	33.198.318	5,53%
Burak Altay	93.170.353	15,53%	93.170.353	15,53%
BB Enerji Yatırım San.ve Tic.A.Ş.	16.979.633	2,83%	16.979.633	2,83%
Müjgan Özal Mirası (*)	5.347.275	0,89%	5.347.275	0,89%
Fatimetüz Zehra Özal Mirası (**)	3.208.365	0,53%	3.208.365	0,53%
Hafize Ayşegül Özal	2.708.365	0,45%	2.708.365	0,45%
Mustafa Ali Özal	2.708.365	0,45%	2.708.365	0,45%
Mehmet Fatih Özal	1.470.919	0,25%	1.470.919	0,25%
Korkut Enes Özal	1.470.919	0,25%	1.470.919	0,25%
Hafize Büşra Özal	1.069.455	0,18%	1.069.455	0,18%
Public Shares	438.668.033	73,11%	438.668.033	73,11%
<b>Total Capital</b>	<b>600.000.000</b>	<b>100%</b>	<b>600.000.000</b>	<b>100%</b>

(\*) Due to the death of Ms. Müjgan Özal on 22.05.2018, the shares in the amount of TRY 5,347,275 at the rate of 0,89% have been unanimously transferred to Abdulkadir Bahattin Özal, Mustafa Ali Özal, Fatimetüz Zehra Özal, Hafize Ayşegül Özal, Mehmet Fatih Özal, Korkut Enes Özal and Hafize Büşra Özal legally.

The distribution list is as follows.

Shareholder	Pay Tutarı	Pay Oranı
Fatimetüz Zehra Özal Mirasçıları	1.069.455	0,18%
Hafize Ayşegül Özal	1.069.455	0,18%
Mustafa Ali Özal	1.069.455	0,18%
Abdulkadir Bahattin Özal	1.069.455	0,18%
Mehmet Fatih Özal	356.485	0,06%
Korkut Enes Özal	356.485	0,06%
Hafize Büşra Özal	356.485	0,06%
<b>Total</b>	<b>5.347.275</b>	<b>0,89%</b>

(\*\*) 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.

## 1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

The distribution list is as follows.

<b>Shareholder</b>	<b>Share Amount</b>	<b>Share Rate</b>
Gökçe Koşay	2.138.910	0,36%
Ayşenur Koşay Erbay	2.138.910	0,36%
<b>Total</b>	<b>4.277.820</b>	<b>0,72%</b>

As of June 30,2021 in Group's structure, 978 average personnel employed (December 31, 2020: 952).

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 June 30, 2021, the capital of the company is TRY 25.000.000 and the shareholding structure is as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
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 Karanfil Sokak Varyap Merdian Sitesi No:1D Ataşehir / İstanbul.

Hidro Enerji, had 49 year duration production license taken from Energy Market Regulatory Authority (EMRA) as at September 20, 2012. The license is given for Volkan Hydro Electric Power Plant which will be in Trabzon. Total power of the plant is 1.913 MWm / 1.857 MWe. The licence was revoked by taking advantage of provision of regulation called "Omnibus Bill Regulations numbered 7020" temporary article 21.

## 1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

Hidro Enerji Elektrik Üretim Sanayi A.Ş.'s date of 31 December 2020, capital 615.000 TRY, the Share Transfer Agreement and each of its shares held on 15.03.2021 1.00 - 615.000 in the value of the Turkish lira TRY 25% of shares of stock representing 153.750 pieces B01-Block 146 Al Hulaila Service Industrial Zone-FZ RAK, United Arab Emirates SSH to the company Ogma resident at FZ LLC; each 1.00 - Turkish lira TRY 615.000 in the value of shares 25% of the shares representing 153.750 Yalı Mah. Bağlar Cad. No:69 Kartal İstanbul at MSC Makine İnşaat Enerji Sanayi ve Ticaret A.Ş.Sh. it has been transferred to the company, and this transfer of shares Hidro Enerji Elektrik Üretim Sanayi A.Ş.'s it was approved by the decision of the Board of Directors of the dated 15.03.2021 and numbered 2021/04. The final partnership structure after the share transfer is as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	50%	100%
Ogma SSH FZ LLC	25%	--
MSC Makine İnşaat Enerji San. Ve Tic. A.Ş	25%	--

### **Odaş Enerji CA:**

Odaş Enerji CA is the sole member and 100% shareholder of the company Hidro Enerji Elektrik Üretim Sanayi A.Ş. The Company was established on 02.02.2021 with the tax identification number 308150820 and the registration number 945636 on 03.02.2021 by the decision taken on 02.02.2021. The main activity of the company is the production of electrical energy, the provision of generated electrical energy and its power to customers and users.

In accordance with the energy purchase agreement concluded between Odaş Enerji CA and the Ministry of Energy of Uzbekistan, a 25-year state currency purchase guaranteed energy facility with an installed capacity of 174 mw will be established in Korezem, Uzbekistan. A total of 174 mw of the installed capacity of 140 mw will be provided by moving Odaş Elektrik's plant in Şanlıurfa. As of 30.06.2021, the plant has not been transported and an investment expenditure of TRY 45.583.403 has been made (Footnote 14).

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

As of June 30, 2021, Odaş Enerji CA has a capital of 450,000,000.00 (four hundred and fifty million) Kyrgyz Soms, and the members' shares are equal to one hundred percent (100%) of the registered capital of 450,000,000.000.00 Kyrgyz Soms.

The company's partnership structure is as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Hidro Enerji Elektrik Üretim Sanayi A.Ş.	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.

Company centre address is Barbaros Mahallesi Karanfil 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.

## 1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

As of December 31, 2020, capital of Suda Stratejik Metal Dış Ticaret A.Ş. is TRY 12.600.000 and the shareholding structure is as follows:

	June 30, 2021	December 31, 2020
Suda Maden A.Ş.	100%	100%

### **Küçük Enerji Üretim ve Ticaret Ltd. Şti. :**

The company bought at the rate of %90 shares of Küçük Enerji Üretim ve Ticaret Ltd. Şti.on December 27, 2012, and Küçük Enerji is included in consolidation.

Küçük Enerji Üretim ve Ticaret Ltd. Şti. (Küçük Enerji) is established on the date of May 1, 2007. Küçük Enerji 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.

Company center address is Barbaros Mahallesi Karanfil Sokak Varyap Merdian Sitesi No:1D Ataşehir / İstanbul.

Küçük Enerji had the 49 year production license taken from Energy Market Regulatory Authority (EMRA) as at April 12, 2012. The license is given for Köprübaşı Regulatory and Hydroelectric Power Plant which will be built in Trabzon. Total power of the plant is (2 x 4,097) MWm / (2 x 3,975) MWe.

As of June 30, 2021, the share capital of Küçük Enerji Üretim ve Ticaret Ltd. Şti. is TRY 2.650.000 and the shareholding structure is as follows:

	June 30, 2021	December 31, 2020
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90%	90%
Abdulkadir Bahattin Özal	5%	5%
Burak Altay	5%	5%

Köprübaşı Regulator and Hydroelectric Power Plant has started to produce and sale electricity in 2015.

### **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 June 30, 2021, the shareholding structure of Ena Elektrik Üretim Ltd. Şti. is as follows:

	June 30, 2021	December 31, 2020
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 30.06.2021, Ena Elektrik has been classified as assets held for sale in the consolidated financial statements.(Note:39)

## **1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)**

### **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 center address Barbaros Mahallesi Karanfil Sokak Varyap Meridian 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 June 30, 2021, scope of Yel Enerji Elektrik Üretim Sanayi Ticaret A.Ş. has a capital of TRY 600.000 and its shareholding structure is as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Çan2 Termik A.Ş.	100%	100%

### **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.

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.S. 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 Karanfil Sokak Varyap Meridian 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 June 30, 2021, the capital of Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. is TRY 4.312.000 and the shareholding structure is as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90,02%	90,02%
Tahsin Yazan	9,98%	9,98%

### **Çan2 Termik A.Ş. (Prior Title: Çan Kömür ve İnşaat A.Ş.) :**

The company purchased at the rate of %92 share of Çan Kömür ve İnşaat Anonim Şirketi as of September 9, 2013, and Çan Kömür is included in consolidation.

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

## 1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

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.

Çan2 Termik A.Ş.'s licensing certificate for the Çan-2 Thermal Power Plant Production Facility, which is continued to be constructed in Çanakkale province-Çan district and which is under construction, and which is in the capacity of 340 MWm / 330 MWe installed, is certified by the Energy Market Regulatory Authority dated January 28, 2016 and with the decision numbered 6083- 2 and was delivered to Çan2 Termik A.Ş. on January 28, 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. the application for the initial public offering of the shares to the Capital Markets Board was approved in the Board's bulletin dated 15.04.2021 and numbered 2021/20 and the IPO of the shares was held on April 21-22, 2021 using the "Fixed Price Demand Collection" method.

Thus, the sale of all of the shares with a total face value of TRY 74,349,000, including the 67,590,000 nominal value shares offered to the public and the 6,759,000 nominal value shares offered for October sale, was realized at a price of TRY 3.90/share, which is the IPO price.

As of 30 June 2021, Çan2 Termik A.Ş. has a capital of TRY 320.000.000 and its shareholding structure is as follows:

	June 30, 2021	December 31, 2020
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	76,77%	100%
Public Shares	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.

### 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 Karanfil Sokak Varyap Meridian 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 June 30, 2021, the capital of Yel Enerji Elektrik Üretim Sanayi A.Ş. is TRY 10.000 and its shareholding structure is as follows:

	June 30, 2021	December 31, 2020
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 Köyü Cumhuriyet Mevkii Maden Sk. No: 9A/A Dodurga/Çorum "YS Madencilik San. ve Tic. Ltd. Şti. Branch of Dodurga" was established.



## 1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

With the registration made on 31.10.2017, Değirmendere Mahallesi Değirmendere Sokak No: 17 / - Balya / Balıkesir Address at YS Madencilik San. and Tic. Ltd. Sti. Branch of Balya ”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. Branch of Ankara ”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 Barbaros Mahallesi Karanfil Sokak Varyap Meridian Sitesi No:1D Ataşehir / İstanbul.

As of June 30, 2021, the capital of Anadolu Export Maden Sanayi ve Ticaret A.S. is TRY 50.000 and its shareholding structure is as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	96%	96%
Burak Altay	4%	4%

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 ore.

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

As of June 30, 2021, the capital of Suda Maden A.Ş. is TRY 44.900.000 and its shareholding structure is as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

The company has 4 licences including 2 operating license and 2 explorations 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 Çan2 Termik A.Ş. Sit. No: 90 / Çan / Çanakkale address Suda Maden A.Ş. Çanakkale Branch was established.

## 1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

### 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 Karanfil Sokak Varyap Meridian Sitesi No:1D Ataşehir / İstanbul.

As of June 30, 2021, the capital of CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. is TRY 50.000 and the shareholding structure is as follows:

	June 30, 2021	December 31, 2020
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

### Çan 2 Trakya Kömür Maden A.Ş.

Çan2 Termik 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 Karanfil Sokak Varyap Meridian Site No: 1D Ataşehir / İstanbul.

Çan 2 Trakya Kömür Maden A.Ş.'s capital is 550.000 TRY as of June 30, 2021, and its partnership structure is as follows:

	June 30, 2021	December 31, 2020
Çan2 Termik A.Ş.	100%	100%

**Parent Company and consolidated subsidiaries EMRA license information as of June 30, 2021 is as follows :**

License Owner	License Type	Licence No	Effective Date	License Duration
VOYTRON ENERJİ	Supply	ETS/2461-2/1599	11.03.2010	20 Years
ODAŞ ELEKTRİK	Production	EÜ/3323-2/2005	14.07.2011	49 Years
KÜÇÜK ENERJİ	Production	EÜ/3769-4/2314	12.04.2012	49 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

## 1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

Parent Company and consolidated subsidiaries licenses information as of June 30, 2021 is as follows :

License Owner	License Group	License Type	License No	Effective Date	Due Date
SUDA MADEN	IV. Group	Operating	34412	04.04.2014	04.04.2034
SUDA MADEN	IV. Group	Operating	43169	13.04.2015	13.04.2025
SUDA MADEN	IV. Group	Exploration	201200931	22.06.2012	22.06.2021
SUDA MADEN	IV. Group	Exploration	201200932	22.06.2012	22.06.2021
YEL ENERJİ	IV. Group	Operating	17517	05.01.2015	05.01.2025
YEL ENERJİ	IV. Group	Exploration	201900450	09.04.2019	09.04.2026
YEL ENERJİ	IV. Group	Exploration	201900443	09.04.2019	09.04.2026
ANADOLU EXPORT	IV. Group	Operating	85899	24.12.2010	24.12.2025

## 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, 2021 released by the Central Bank of the Republic of Turkey U.S. dollar exchange rate of 1 U.S. dollar = TRY 8,7052 (December 31, 2020: TRY 7,3405), 1 EURO = 10,3645 TRY (December 31, 2020: TRY 9,0079), 1 GBP = TRY 12,0343 (December 31, 2020: 9,9438), 1 PLN = TRY 2,2925 (December 31, 2020: TRY 1,9902).

#### 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 on 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.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (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.

- It eliminates participation amount at each subsidiary and percentage amount of main partnership which are equivalent to amount in equities of each subsidiary.
- 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.
- Subsidiary income, expenses and dividends including all balances and transactions are eliminated. Profits and loss which are added to inventory or cost of current and non-current assets due to transactions in subsidiaries are eliminated. Loss in group can show an impairment which should be in account in assets section of consolidated financial reports. The differences which rise during elimination of loss and profits which resulted by transactions in group apply in accordance with TAS 12 “Income Taxes” standard.
- Necessary adjustments are made during preparation of consolidated financial statements when one of subsidiaries needs to use different accounting principles for similar transactions or events.
- The consolidated financial reports of the partnership and subsidiaries are prepared at the same time with financial statements. Accounting policies are accepted for consolidated financial reports, same transactions, and transactions in same condition.
- All income and expenses of a subsidiary take in account consolidated financial reports after acquisition date according to TFRS 3 and this situation continues till the date of partnership lose its control power on subsidiary. When subsidiary sold; the difference between the income resulted by this transaction and the book value of subsidiary will be shown as loss or profit in consolidated comprehensive income statement. About this transaction if there is a currency translation loss or profits which are related directly to equity consider in accordance with “TAS 21 Currency Change Effects”.
- Minority interest can be shown at equities section in consolidated statement of financial position separately from equities amount of partnership. The Group’s loss or profit amount for minority interest should be shown also separately on financial statements.

### **Comparative Information and Restatement of Prior Period Financial Statements**

Group has presented the consolidated statement of financial position as of June 30, 2021 comparatively with the date of 31 December 2020. Consolidated profit or loss and other comprehensive income statement and the consolidated cash flow statement for 1 January-30 June 2021 period presented comparatively with consolidated profit or loss and other comprehensive income, consolidated statement of cash flow for 1 January-30 June 2020 period. Consolidated changes in equity statement for the 1 January – 30 June 2021 period presented comparatively with 1 January – 30 June 2020 period.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **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.

### **a. Changes in Accounting Policies**

If adjustments on accounting policies are applied retroactive, the group should adjust the previous opening balance in the report. The group should provide comparative data which is presented in accordance with the new accounting policies in terms of current years.

Changes in accounting policy need to application for previous periods and also for current period or if group cannot determine the change effect of the financial statements as in cumulative, it wouldn't make any application for previous periods.

### **Significant Accounting Evaluations, Estimates and Assumptions**

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

### **b. Changes and Errors in Accounting Estimates**

In the next financial reporting period, estimates and assumptions that may cause significant changes in the book value of assets and liabilities are stated below:

**Inventories:** Inventories are examined physically and how long they are in the past, and provisions are made for inventory items that are estimated to be unavailable.

**Provisions for employee benefits:** Severance pay liability is determined by actuarial calculations based on some assumptions including discount rates, future salary increases and employee turnover rates. Since these plans are long term, these assumptions contain significant uncertainties.

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

**Useful lives of tangible and intangible fixed assets:** The Group management makes important assumptions in the determination of the useful lives of tangible and intangible fixed assets, in line with the experience of its technical team and forward-looking marketing and management strategies for special costs.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

Facility, machinery, and devices are reflected in the financial statements with their fair values determined in the valuation studies performed as of 31.12.2019 by an independent professional and real estate appraisal company licensed by the Capital Markets Board (“CMB”). The frequency of revaluation studies is determined in a way to ensure that the book values of the revalued tangible fixed assets do not differ significantly from their fair values as of the end of the relevant reporting period. The frequency of revaluation studies depends on the change in the fair values of tangible fixed asset items. In cases where the fair value of a revalued asset is considered to be significantly different from its book value, the revaluation study should be repeated, and this study is performed for the entire asset class in which the revalued asset is located as of the same date. On the other hand, it is not deemed necessary to repeat the revaluation studies for tangible fixed assets whose fair value changes are insignificant. As of the current period, there is no need for a re-valuation study.

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

**Borrowing costs:** The Group has added the borrowing costs of the loans used to finance the construction of power plants to the cost of the power plant, which is considered as qualifying assets.

### **c. Going Concern**

The group prepared the consolidated financial statements in the interim period based on going concern.

In assessing the continuity of the Enterprise, Group management considers the existing and additional financial resources, refinancing opportunities and the risks and uncertainties on liquidity in the business plan prepared for the foreseeable period. The group prepares its consolidated financial statements with the assumption that the entity will continue its operations in a predictable future and does not foresee a risk to the going concern.

### **d. Netting/Deduction**

Financial assets and liabilities are presented net if the required legal right is already present, the presence of intention is to pay the related assets and liabilities in accordance with the net fair value, or if the acquisition of assets and the fulfillment of obligations are intentional simultaneously.

### **e. Comparative Information and Adjustment of Prior Period Financial Statements**

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

### **f. Changes in Financial Reporting Standards**

#### **New and amended standards and interpretations**

The accounting policies adopted in preparation of the yearend financial statements as at June 30, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRYK interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**The new standards in force as of 30 June 2021 and the amendments and interpretations to the existing previous standards:**

### **Benchmark interest rate reform – Stage 2 - Changes to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16**

In December 2020, POA introduced the Benchmark Rate Reform – Phase 2- TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, which introduced temporary exemptions in order to eliminate the effects on financial reporting of replacing the benchmark interest rate (IBOR) with an alternative reference interest rate. It has published its changes. Businesses will apply these changes for annual accounting periods beginning on or after January 1, 2021. Early application is permitted. The changes cover the following topics:

#### ***Facilitating practice for changes in the basis for determining contractual cash flows as a result of the IBOR reform***

The changes include a facilitating practice to treat contractual changes or changes in cash flows directly required by the reform as changes in a floating interest rate equivalent to a move in the market rate. If the interest rates applicable to financial instruments within the scope of this facilitating practice change as a result of the interest rate reform, the said situation is not considered as a derecognition or contract change; instead, cash flows are expected to continue to be determined using the original interest rates of the financial instrument.

The facilitating application is mandatory for companies applying TFRS 4 Insurance Contracts Standard by exempting TFRS 9 Financial Instruments (and therefore TAS 39 Financial Instruments: Classification and Measurement) standard, and for the implementation of TFRS 16 Leases standard for lease changes stemming from the IBOR Reform.

#### ***Privileges to terminate the hedge accounting relationship***

- The amendments allow revisions to the hedge accounting setup and documentation required due to the IBOR reform, without terminating the hedging relationship.
- The accumulated amount in the cash flow hedge fund is assumed to be based on the alternative reference interest rate.
- In the alternative interest rate transition period, companies may choose to reset the accumulated fair value changes in each hedging relationship when evaluating retrospective effectiveness tests in accordance with TAS 39.
- The amendments provide an exemption from changing the items identified as the subject of the grouping approach (for example, those that are part of the macro hedging strategy) due to the revisions required by the IBOR reform. The relevant exemption allows the hedging strategy to be maintained and continued uninterrupted.
- In the alternative reference interest rate pass, the hedging relationship may be revised more than once. Phase 2 exemptions apply for all revisions to the hedging relationship resulting from the IBOR reform.

#### ***Separate identification of risk components***

The amendments provide companies with a temporary exemption to meet the criterion that risk components must be defined separately where the alternative reference interest rate is determined as a risk component in the hedging relationship.

#### ***Additional remarks***

Changes Within the scope of TFRS 7 Disclosures on Financial Instruments standard; requires additional footnote obligations, such as the entity's transition to alternative reference interest rates and how it manages the risks arising from the transition, quantitative information about the financial instruments that will be affected by the IBOR transition, even if the transition has not yet occurred, and disclosure of this change if the IBOR reform has led to any change in the risk management strategy.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

These changes are mandatory and early implementation is permitted. While the practice is retrospective, companies are not required to restate past periods.

The said change did not have a significant impact on the financial position or performance of the Company.

### **Changes in TFRS 16 - Change in concessions on rental payments in relation to Covid-19**

In June 2020, POA has amended the TFRS 16 Leases standard in order to exempt the lease concessions granted to the lessees due to the COVID-19 outbreak to evaluate whether there has been a change in the lease. On April 7, 2021, POA made an amendment to extend the exemption to include concessions that cause a decrease in rental payments due on or before 30 June 2022.

Tenants will apply this change in annual accounting periods beginning on or after April 1, 2021. Early application is permitted.

Generally speaking, the Company does not expect a material impact on the financial statements.

### **Standards published but not enacted and not early implemented**

The new standards, interpretations and changes that were published as of the approval date of the consolidated financial statements but not yet effective for the current reporting period and not early adopted by the Group are as follows. Unless otherwise stated, the Group will make the necessary changes that will affect the consolidated financial statements and footnotes after the new standards and interpretations become effective.

### **TFRS 10 and TAS 28: asset sales or contributions made by an investor to a subsidiary or business partnership - changes**

POA postponed the validity date of the amendments made in TFRS 10 and TAS 28 in December 2017, to be changed depending on the ongoing research project outputs regarding the equity method. However, it still allows early application

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

In July 2020, the POA amended the TFRS operating mergers standard. The amendment made with the intention of replacing the reference to the outdated version of the conceptual framework (1989 framework) with the reference to the current version (Conceptual Framework) published in March 2018, without significantly changing the requirements of TFRS 3. However, it added a new paragraph to TFRS 3 to identify contingent assets that do not meet the registration criteria at the date of acquisition. The amendment will apply forward-looking for annual periods beginning on and after January 1, 2022. Early implementation is allowed if the business implements changes to all the changes in TFRS standards that refer to the conceptual framework (March 2018) at the same time or earlier.

The effects of the said change on the financial position and performance of the Company are being evaluated.

### **Changes in TAS 16 - Making it suitable for the purpose of use**

POA made changes in TAS 16 Tangible Fixed Assets standard in July 2020. With the amendment, companies do not allow the deduction of the revenues from the sale of the manufactured products from the cost of the tangible fixed asset item while making a tangible fixed asset suitable for its intended use. Companies will now recognize such sales revenue and related costs in profit or loss. The amendment will be applied for the annual accounting periods starting from January 1, 2022 and after. The amendments can be applied retrospectively only to tangible fixed asset items that are made available at the beginning or after the earliest period in which the company presented the change in comparison with the first accounting period. There is no exemption for first time TFRS applicants.

The effects of the said change on the financial position and performance of the Company are being evaluated.



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

POA made changes in TAS 37 Provisions, Contingent Liabilities and Contingent Assets standard in July 2020. The amendment to TAS 37, which will be applied for the annual accounting periods starting from 1 January 2022 and after, has been made to determine the costs to be taken into account when evaluating whether a contract is economically "disadvantaged" or "losing" and includes the application of the approach to be. The changes should be applied retrospectively for contracts in which the entity does not fulfill all its obligations at the beginning of the annual reporting period when the changes are first applied (first application date). Early application is allowed.

The effects of the said change on the financial position and performance of the Company are being evaluated.

### **TFRS 17 - New Insurance Contracts Standard**

In February 2019, the POA published TFRS 17, a comprehensive new accounting standard covering accounting and measurement, presentation, and disclosure for insurance contracts. TFRS 17 introduces a model that enables both the measurement of the liabilities arising from insurance contracts with current balance sheet values and the recognition of the profit during the period in which the services are provided. Some changes in future cash flow estimates and risk adjustment are also accounted for during the period in which the services are provided. Businesses may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard contains specific guidance for the measurement and presentation of insurance contracts with participation features. TFRS 17 will enter into force in annual accounting periods beginning on or after January 1, 2023, and early application is permitted for businesses that implement TFRS 9 Financial Instruments and TFRS 15 Revenue from Customer Contracts on or before that date.

Or; In February 2019, the POA published TFRS 17, a comprehensive new accounting standard covering accounting and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that enables both the measurement of the liabilities arising from insurance contracts with the current balance sheet values and the recognition of the profit during the period in which the services are provided. Early application is allowed.

### **Classification of liabilities as short and long term (Changes in TAS 1)**

On March 12, 2020, POA made changes in the standard of "TAS 1 Presentation of Financial Statements". These amendments, which will be effective in the annual reporting periods starting on or after January 1, 2023, bring explanations to the criteria for long- and short-term classification of liabilities. The changes should be applied retrospectively in accordance with TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Early application is allowed.

The effects of the said change on the financial position and performance of the Company are being evaluated.

### **Annual Improvements - 2018-2020 Period**

Annual Improvements to TFRS standards / 2018-2020 Period" was published by the POA in July 2020, including the following changes:

- TFRS 1- First Application of International Financial Reporting Standards - Participation as First Implementing: The amendment allows a subsidiary to measure accumulated foreign currency translation differences using amounts reported by the parent company. The amendment also applies to the affiliate or joint venture.
- TFRS 9 Financial Instruments - Fees considered in the '10% test for derecognition of financial liabilities: The amendment clarifies the fees an entity takes into account when assessing whether new or changed financial liability terms differ significantly from the original financial liability terms. These fees include only fees paid or received between the debtor and the lender, including the fees paid by the parties on behalf of each other.
- TAS 41 Agricultural Activities - Taxation in determining the fair value: With the amendment made, the provision in paragraph 22 of TAS 41 for not taking into account the cash flows made for taxation in determining the fair value of the assets of the companies within the scope of TAS 41.

All of the improvements made will be applied for the annual accounting periods starting from 1 January 2022 and after. Early application is allowed.

The effects of the said change on the financial position and performance of the Company are being evaluated.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **New and revised standards and interpretations published by the International Accounting Standards Institution (IASI) but not by POA**

The new standards, interpretations, and amendments to existing IFRS standards listed below have been published by the IASB but have not yet entered into force for the current reporting period. However, these new standards, interpretations and amendments have not yet been adapted/published to TFRS by KGK and therefore do not form a part of TFRS. The company will make the necessary changes in its financial statements and footnotes after these standards and interpretations become effective in TFRS.

#### **Changes in IAS 8 – Definition of accounting estimates**

In February 2021, IASB published amendments to IAS 8 that introduce a new definition for "accounting estimates". The amendments published for IAS 8 are valid for annual accounting periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. It also clarifies how businesses can use measurement techniques and inputs to improve accounting estimates. The amended standard clarifies that the effects of a change in input or a change in a measurement technique on the accounting estimate are changes in accounting estimates unless they result from a correction for prior period errors. The previous definition of change in accounting estimate indicated that changes in accounting estimates could result from added information or new developments. Therefore, such changes are not considered as corrections of errors. This aspect of the definition has been preserved by the IASB.

The effects of the said change on the financial position and performance of the Company are being evaluated.

#### **Changes app notification 2 in IAS 1 and IFRS – Presentation of accounting policies**

In February 2021, IASB published changes to IAS 1 and IFRS Application Statement 2 for Making Materiality Estimates, where it provides guidance and examples to help businesses apply materiality estimates to their accounting policy disclosures. The amendments published in IAS 1 are valid for annual accounting periods beginning on or after 1 January 2023. Due to the lack of a definition of the term "significant" in IFRS, IASB has decided to replace this term with the term "significant" in the context of disclosure of accounting policy information. 'Significant' is a term defined in IFRS and is widely understood by financial statement users, according to the IFRS. In assessing the materiality of accounting policy information, entities need to consider both the size of transactions, other events or conditions, and their nature. In addition, examples of situations in which the entity may consider accounting policy information to be important are included.

The effects of the said change on the financial position and performance of the Company are being evaluated.

#### **Changes in TAS 12 – Deferred tax on assets and liabilities arising from a single transaction**

In May 2021, IASB published amendments to IAS 12 that narrows the scope of the initial recognition exemption so that the exemption is not applied to transactions that result in equal taxable and deductible temporary differences. Amendments to IAS 12 are valid for annual accounting periods beginning on or after 1 January 2023. Changes require a judgment (given applicable tax law) whether such deductions are attributable to the recognized liability (and interest expense) or related asset component (and interest expense) for tax purposes where payments made on a liability are tax deductible. clarifies that it is an issue. This judgment is important in determining whether there is any temporary difference in initial recognition of the asset and liability.

The effects of the said change on the financial position and performance of the Company are being evaluated.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **g. Summary of Important Accounting Policies**

#### **Cash And Cash Equivalents**

Cash can be implied as cash in the group and cash equivalent can be implied as short term investments which have unimportant risk to lose value, higher liquidity and can be converted easily to cash.

Cash equivalents are assets which are used for investment purpose, kept for short term cash liabilities and they cannot be used for other purposes.(Note:53)

#### **Related Parties**

The company will consider as a related party if one the conditions below are met.

- a) If the party directly or indirectly with one or more agent:
  - i) Controls the enterprise, controlled by enterprise or is present under the same control with the enterprise (including parent companies, subsidiaries and subsidiaries at the same line of business);
  - ii) Has share which allows it to have big impact on the group; or
  - iii) Has associated control on the group.
- b) If the party is an affiliate of the group.
- c) If the party is an business partnership where the group is a party;
- d) If the party is a member of the key personnel in the group or Company's main partnership;
- e) If the party is a close family member of any person mentioned in the a or d parts;
- f) If the party is an enterprise which is controlled, partnered or under important effect or any person mentioned in d) or e) parts has right to vote in important decisions of the party;
- g) If the party has profit plans about a possible leaving job of related parties' employees.

#### **Financial Assets**

Financial assets are recorded with their appropriate value and expenses directly related to purchase except financial assets reflected to profit or loss of the appropriate value difference and recorded on their appropriate value. In the case of purchase or selling of financial assets which are bound to a contract that has a condition on deliverance date of financial instruments set by the market are recorded at the date of transaction or deducted from records. Financial assets are classified as "financial assets reflected to profit or loss of the realizable value difference", "financial assets kept in hand till its maturity", "marketable financial assets" and credits and receivables.

##### ***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 this category. The mentioned financial assets constituting derivative products that are not determined as an effective protection tool against financial risk are also classified as financial assets whose fair value difference is reflected to profit or loss.

##### ***Financial assets measured at amortized cost***

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

##### ***Financial assets at fair value through other comprehensive income***

In cases where the contractual terms of the financial asset aim at collecting the contractual cash flows of the financial asset and selling the financial asset, and in addition, the terms of the contract for the financial asset led to cash flows that include only principal and interest payments arising from the principal balance at certain dates, the financial asset is the fair value difference reflected in other comprehensive income classified as.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

The subsequent valuation of financial assets, the difference in fair value of which is reflected in other comprehensive income, is carried out at their fair value. However, if their fair value cannot be determined reliably, are measured at amortized cost using the internal rate of return method for those with a fixed term; a fixed term fair value are measured using pricing models or discounted cash flow techniques for non.

The difference of the fair value of financial assets arising from changes in fair value reflected in other comprehensive income and amortized cost and fair value of securities computed by expressing the difference between the effective interest method, unrealized profits or losses in equity items “in value of financial assets increase / decrease Fund” under the account are shown. Difference in fair value financial assets reflected in other comprehensive income if they are disposed of, the value formed in the equity accounts as a result of the application of fair value 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 consolidates balance sheet if it is a party to the related financial instrument contracts. The Group derecognizes all or part of a financial asset only when it loses control over the contractual rights to which the assets are subject. The Group removes financial obligations from the register only if the obligation defined in the contract is eliminated, canceled, or expires.

### **Impairment of financial assets/ provision for expected loss**

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 considered. The expected loss provision forecast is unbiased, weighted by probability and contains supportable information about past events, current conditions, and forecasts for future economic conditions.

For all financial assets, except for trade receivables, where the carrying amount is reduced using 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 amount in question is deducted from the provision account and written off. Changes in the provision account are recognized in the profit 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 reflected in other comprehensive income at fair value after impairment is recognized directly in equity.

### ***Trade Receivable***

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.

The “simplified approach” is applied within the scope of impairment calculations of trade receivables that are accounted for at amortized cost in the consolidated financial statements and do not contain a significant financing component (with a term of less than 1 year). 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.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **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 interest expense calculated at the effective interest rate in subsequent periods.

### **Inventories**

Inventories are valued on the basis of the weighted average cost method by considering the cost or the net realizable value, whichever is the lowest. Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. The cost of inventories cover all purchasing costs, conversion costs and other expenses made to bring the inventories into their current state and condition. When net realizable value of inventories is less than their cost, inventories will be valued according to their realizable value and the difference will be record as an item in comprehensive income statement.

In cases where impairment of inventories are no longer valid or net realizable value is increased, impairment of inventories which was recorded as loss in previous comprehensive income statement will be a provision no longer required. The amount of provision no longer required is limited with the amount of provision which was allocated in previous periods. (Note: 10)

### **Tangible Fixed Assets**

In accordance with TMS 16 “Tangible Fixed Assets” standard, the Group has decided on September 30, based on the reasonable values determined in the valuation studies performed by an independent valuation company accredited to the CMB for land and land, underground and surface improvements, buildings, machinery, plant, and equipment. It has adopted the “Revaluation model” starting from 2018.

“Peer Comparison Method” and “Cost Approach” were used to determine the fair value of the real estate’s belonging to Suda Maden, Çan2 Termik and Küçük Enerji, which are subsidiaries, and “Capitalization of Revenues INA analysis” was used to determine the fair values of the facilities belonging to Odaş Elektrik, Çan2 Termik and Küçük Enerji. ” and “Cost Method” were used.

Increases in tangible fixed assets because 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 transferred from the revaluation fund to the accumulated profit/loss after the deferred tax effect is netted each year. The same applies to tangible fixed assets as well.

The lands are not depreciated because their economic useful lives are indefinite. The estimated useful lives of these assets are as follows:

	<u>Years</u>
Natural Gas Power Plant	40
Thermal Power Plant	30
Land Improvements	8-50
Buildings	50
Plant, Machinery and Equipment	4-15
Motor Vehicles	5
Furniture and Fixtures	3-15
Special Costs	lease term (in days) or the less than useful life

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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).

### **Intangible Assets**

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

	<u>Years</u>
Rights	3-49
Computer Programs	3
Preparation and Development Activities	The License Period or the Duration of the Revaluation Agreement

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).

### **Leases – TFRS 16 (as a tenant)**

At the beginning of a contract, the company evaluates whether the contract is a lease or contains a lease. If the contract has the right to control the use of an asset defined for a price for a certain period, that contract is a lease agreement or includes a lease.

The group considers the following conditions when assessing whether a contract transfers the right to control the use of an identified asset for a specified period of time:

- The contract contains a defined asset (identification of an asset by explicitly or implicitly specifying it in the contract),
- A functional part of the asset is physically separate or represents close to the full capacity of the asset (the asset is not defined if the supplier has a fundamental right to substitute the asset during the period of use and benefits economically from it),
- The Group has the right to obtain close to all the economic benefits that will be obtained from the use of the defined asset,
- The Group has the right to manage the use of the identified asset. The Group has the right to manage the use of the asset in the presence of any of the following situations:
  - a) The Group has the right to manage and change how and for what purpose the asset will be used during the period of use, or
  - b) The following decisions regarding how and for what purpose the asset will be used are predetermined:
    - i. The Group has the right to operate the asset (or direct others to operate the asset at its own discretion) during the period of use, and the supplier has no right to change these operating instructions, or
    - ii. The Group has designed the asset (or certain features of the asset) to predetermine how and for what purpose the asset will be used throughout its useful life.

After the above-mentioned assessments, the Group reflects a right-of-use asset and a lease liability to its consolidated financial statements at the actual commencement date of the lease.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **Right of use asset**

The Group measures the right-of-use asset at cost at the commencement date of the lease. The cost of the right-of-use asset includes:

- a) Amount of the initial measurement of the lease liability,
- b) Any lease payments made at or before the commencement date, less any lease incentives received,
- c) Any initial direct costs incurred by the Group and
- d) An estimate of costs to be incurred by the lease for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

The Group re-measure the right of use asset:

- a) After netting-off depreciation and reducing impairment losses from right of use asset.
- b) Adjusted for certain re-measurements of the lease liability recognized at the present value.

The Group applies IAS 16 "Property, Plant and Equipment" to amortize the right of use asset and to assess for any impairment. IAS 36 Asset Depreciation Standard applies to Assets if the right-to-use asset is not allowed to decrease in value and for any loss of depreciation.

Lease payments that are included in the measurement of the Group's lease liability and that have not been realized at the commencement date of the lease consist of the following:

- a) The amount obtained by deducting all kinds of rental incentive receivables from fixed payments,
- b) Rent payments related to an index or rate, the first measurement of which is made using an index or rate on the date when the lease actually starts, and
- c) Penalty payments for termination of the lease if the rental period indicates that the lessee will use an option to terminate the lease.

After the actual commencement date of the lease, the Group measures the lease liability as follows:

- a) Increases the book value to reflect the interest on the lease liability,
- b) Decreases the book value to reflect the lease payments that have been made and
- c) Remeasures the book value to reflect any reassessments and restructurings. The Group reflects the remeasurement of the lease liability as an adjustment to the right-of-use asset in its consolidated financial statements.

### **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**

Rather than sell goods and services for use in the production and administrative purposes at normal course of business, lands and buildings which are held in hand to obtain lease or capital gains or to obtain both, can be classified as Investment Properties and they can be recorded as values which comes after deduction of accumulated depreciation from cost according to its cost method except lands. The cost of construction, which construct by the company, of property for investment purposes determine on cost at the date of completion of rehabilitation and construction works. Asset at this date becomes a property for investment purposes and cause of that it transfer to properties account section.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **Borrowing Costs**

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

Depending on the circumstances, 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 recognize 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 the necessary operations to make an asset available for intended use or sale have been completed in principle, the capitalization of borrowing costs is terminated. Construction of a qualifying asset are completed and the construction of the pieces of the other parts while still each piece is available in cases where a certain piece of substantially complete and ready for its intended use or sale when is the capitalisation of borrowing costs in relation to the relevant parts.

TAS-23 "borrowing costs" under the standard, the group has loans to finance the construction of qualifying assets that are used to help foreign exchange differences might be used as money loans are used with the assumption that the loan amounts TRY in history where the base interest rate by taking the difference of the cost of assets that are considered corresponding to TRY interest capitalization has added to the amount the asset. In the calculation made, the base interest rate is based on the representative interest rate at the date of conclusion of contracts signed and renewed in the current period for all investment loans used if the same loans are used as TRY with the same conditions.

### **Provisions, Contingent Liabilities and Assets**

#### **Provisions**

Provisions are recognized when the Group has a present and past legal or structural obligation as 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. Provisions are made for any of the obligations of the same nature, even if the probability of a resource outflow 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 obligation.



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **Contingent Liabilities and Assets**

Possible assets and liabilities arising from past events and the realization of which is not completely under the control of the Group in the future, depending on the presence or absence of one or more events, are considered contingent assets and liabilities.

The Group does not include contingent assets and liabilities in its records. Contingent liabilities are disclosed in the footnotes of the financial statements unless the possibility of a related economic benefit outflow is remote, while contingent assets are only if the inflow of economic benefits is strongly likely.

### **Employee Benefits**

#### **a) Defined Benefit Plan**

Provision for severance pay is reflected on the basis of actuarial work in accordance with TAS 19 'Employee Benefits'.

Liability for severance pay represents the value of the estimated total provision for the future probable liabilities arising 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, as of the date of the statement of financial position.

The Group calculates the severance pay based on the information arising from the Company's own experience regarding the dismissal or termination of staff and anticipating that the benefits to be entitled to be recorded at a reduced net worth and reflected in the financial statements.

#### **b) Defined Contribution Plans**

The Group pays a social insurance premium to the Social Insurance Institution on a mandatory basis. As long as the Group pays these premiums, it has no other obligations. These premiums are reflected in the personnel expenses during the period when they are accrued.

### **Revenue**

Revenues are measured at the fair value of the number of receivables that have been or will be collected. Estimated customer refunds, discounts and provisions are deducted from this amount.

### **Sales Income**

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

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity; and  
The costs incurred or to be incurred in respect of transactions can be measured reliably

Income is fair value that is the amount which is taken or will be taken when electricity delivery realized.

According to accrual basis, income is recorded in the period that the amounts to be invoiced. Net sales are shown in the amount on invoiced electricity delivery after deduction from sales commission and taxes. Obtained from transmission fee revenue is shown by net off related costs in the financial statements.

### **TEİAŞ Electricity Sales Revenue**

Contains all sales transactions are made by market participant on the free market reconciled by PMUM (Market Financial Settlement Center) and sales arising from settlement center due to presence of the free market.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### ***Free Consumer Electricity Sales***

According to the consumer limits published by the EMRA, sales to all consumers who fall under the definition of a free consumer.

### ***Bilateral Agreements Electricity Sales***

Physical or service sales to both wholesale companies or private manufacturing companies. Primary Frequency Control (PFC) contains service sales related with power plants liability in relevant legislations to transfer this liability to someone else.

### ***Energy Imbalance***

According to legislation, all imbalance receivables and payables are reconciled within responsible party when company is merged to create balance company. The responsible party for the balance distributes this amount of compensation to company members. The Group imbalance items contains the amount of positive imbalance receivables, negative imbalance payables and zero balance payable/receivable.

### ***Interest Revenue***

Interest income is recorded as income on an accrual basis.

### ***Rent Revenues***

Income is recorded on a periodic accrual basis.

### ***Effects of Exchange Rate Differences***

Transactions in foreign currencies are translated to the respective functional currencies of Company entities at exchange rates occurred Turkish Republic Central Bank at the dates of the transactions Monetary assets and liabilities based on foreign currency were valued with exchange rates at the end of the period. Exchange gains or losses arising from settlement and translation of monetary foreign currency items have been included in the financial income, net in the accompanying comprehensive income statements.

### ***Tax Calculated on Corporation Earnings***

Deferred tax is calculated considering the method of liability for the statement of financial position. Deferred tax is reflected by taking into account the tax impact of temporary differences between the values of assets and liabilities reflected in the financial statements and the statutory tax decency. While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated if it is highly probable to benefit from these differences by generating taxable profit in the future. Deferred tax receivables and liabilities consist of tax (temporary differences that are deductible or taxable in the future) arising from the differences between the tax and book values of assets and liabilities. Deferred tax receivables and liabilities are recognized regardless of the time when timing differences can be used.

The corporate tax rate in Turkey is 25% for 2021. This rate is applied to the tax base that will be found because of adding expenses that are not considered deductible in accordance with tax laws to corporate commercial earnings, deducting exceptions (such as the subsidiary earnings exception) and deductions (such as an investment deduction) contained in tax laws. If the profit is not distributed, no other taxes are paid.

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% (Before 22.07.2006: 10%). Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

Financial loss which is showed in declaration form according to Turkish Tax Regulation in condition not to pass for 5 years can be deducted on corporate income for period. However, fiscal loss cannot be deducted from previous year's profits.

## **2. FİNANSAL TABLOLARIN SUNUMUNA İLİŞKİN ESASLAR (DEVAMI)**

### **Earning per Share**

Earnings per share presented at the bottom of the Comprehensive Income Statement are calculated by dividing the net profit for the period to the number of shares. In case of increasing capital from sources in Company in period, when calculating weighted average of number of shares, the value found after that is accepted also to use as valid at the beginning of period. In TMS 33, this issue is mentioned as follows;

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

- (a) Capitalization or issuance of bonus shares (sometimes also called dividends issued as shares);
- (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) The division of shares and
- (d) Consolidation of shares by increasing the nominal value (consolidation of shares).

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.

### **Subsequent Events**

Subsequent events cover all events between authorization dates for publishing statement of financial position and statement of financial position date even if they are related to an announcement related to profits or if they occur after publishing financial information to public.

In case of occurring, events which are necessary to make adjustments after statement of financial position date, Group adjusts the amounts in financial statements in an appropriate way to this situation. Subjects which are not necessary to make adjustment occurred after statement of financial position date is explained in explanatory notes of financial statements if they will affect economic decision of financial statements user..

### **Statement of Cash Flow**

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 from operating activities represent the cash flows from the Company's activities. 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 and 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 footnotes.

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: Observable data directly (through prices or indirectly (derived from prices) in terms of assets or liabilities other than the registered prices contained in Level 1;

Level 3: Data that is not based on observable market data on assets or liabilities (data that is not observable).

### 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 TL 43.688.798 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. JOINT VENTURES

The Company has purchased 200,000 corporate 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 whose establishment is a shareholder 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 (31.12.2020: 200.000 TRY).

One of the subsidiaries within the scope of full consolidation, YS Maden, Kısırkdere Kömürleri Maden A.Ş. He became a founding partner in. Kısırkdere Kömürleri Maden A.Ş. is engaged in coal extraction activities. It has been shown in the financial statements with the amount of 32.571.980 TRY, which is the equity value (31.12.2020: 27.064.636 TRY).

### 5. SEGMENTS REPORTING

According to the sections, the classification was also conducted as follows;

<b>Mining Companies</b>	<b>Energy Production Companies</b>
Suda Maden A.Ş.	Odaş Elektrik Üretim Sanayi A.Ş.
YS Madencilik San. ve Tic. Ltd. Şti.	Küçük Enerji Üretim ve Ticaret Ltd. Şti.
Anadolu Export Maden Sanayi ve Ticaret A.Ş.	Çan2 Termik A.Ş.
Yel Enerji Elektrik Üretim Sanayi A.Ş.	Odas Enerji CA
Suda Stratejik Metal Dış Ticaret A.Ş.	
Çan2 Trakya Kömür Maden A.Ş.	
<b>Energy Trading Companies</b>	<b>Other Companies</b>
Voytron Enerji Elektrik Perakende Satış A.Ş.	Hidro Enerji Elektrik Üretim Sanayi A.Ş.
Odaş Doğalgaz Toptan Satış San. Ve Tic. A.Ş.	CR Proje Geliştirme Yatırım San. Ve Tic. A.Ş.

December June 30, 2021 and December 31, 2020, reporting by department:

	30.06.2021						
	Mine	Energy Production	Energy Trading	Other	Total	The Elimination Effect	Consolidated Total
Current Assets	228.849.194	942.438.907	73.746.021	3.371.160	1.248.405.282	(605.894.105)	642.511.177
Fixed Assets	237.670.647	3.086.258.912	469.822	56.120.247	3.380.519.628	(435.734.997)	2.944.784.631
<b>Total Assets</b>	<b>466.519.841</b>	<b>4.028.697.819</b>	<b>74.215.843</b>	<b>59.491.407</b>	<b>4.628.924.910</b>	<b>(1.041.629.102)</b>	<b>3.587.295.808</b>
Short-Term Liabilities	426.406.444	1.045.345.477	215.478.488	59.398.206	1.746.628.615	(642.253.903)	1.104.374.712
Long-Term Liabilities	29.802.014	1.483.505.069	15.692.407	25.731	1.529.025.221	-	1.529.025.221
<b>Total Liabilities</b>	<b>456.208.458</b>	<b>2.528.850.546</b>	<b>231.170.895</b>	<b>59.423.937</b>	<b>3.275.653.836</b>	<b>(642.253.903)</b>	<b>2.633.399.933</b>
<b>Equity</b>	<b>10.311.384</b>	<b>1.499.847.272</b>	<b>(156.955.053)</b>	<b>67.469</b>	<b>1.353.271.072</b>	<b>(399.375.197)</b>	<b>953.895.875</b>

**ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**  
**Explanatory Notes to the Consolidated Financial Statements**  
**Limited Audited for the Period January 01, 2021 - June 30, 2021**  
(Currency is TRY unless otherwise is indicated.)

**5. SEGMENT REPORTING (CONTINUED)**

01.01.2021 - 30.06.2021							
PROFIT OR LOSS	Mine	Energy Product	Energy Trade	Other	Total	Elimination Effect	Consolidated Total
Revenue	50.767.650	508.938.463	69.323.631	--	629.029.744	(30.332.864)	598.696.880
Cost of Sales (-)	(39.751.755)	(379.521.649)	(68.134.455)	--	(487.407.859)	30.332.864	(457.074.995)
<b>GROSS PROFIT/LOSS</b>	<b>11.015.895</b>	<b>129.416.814</b>	<b>1.189.176</b>	<b>--</b>	<b>141.621.885</b>	<b>--</b>	<b>141.621.885</b>
General Administrative Expenses (-)	(2.244.639)	(15.495.959)	(604.357)	(23.039)	(18.367.994)	--	(18.367.994)
Marketing Expenses (-)	(3.773.204)	--	(23.770)	--	(3.796.974)	--	(3.796.974)
Other Real Operating Income	3.437.804	18.424.223	1.521.018	72.001	23.455.046	--	23.455.046
Other Real Operating Expenses (-)	(21.413.030)	(25.874.174)	(14.483.098)	(27.421)	(61.797.723)	30.365.670	(31.432.053)
<b>OPERATING PROFIT/LOSS</b>	<b>(12.977.174)</b>	<b>106.470.904</b>	<b>(12.401.031)</b>	<b>21.541</b>	<b>81.114.240</b>	<b>30.365.670</b>	<b>111.479.910</b>
Revenues from Investment Activities	365.998	25.984	--	--	391.981	--	391.981
Shares from Profit/loss of Investments valued by Equity method	5.507.345	--	--	--	5.507.345	--	5.507.345
<b>PROFIT/LOSS BEFORE FINANCE EXPENSES</b>	<b>(7.103.831)</b>	<b>106.496.888</b>	<b>(12.401.031)</b>	<b>21.541</b>	<b>87.013.566</b>	<b>30.365.670</b>	<b>117.379.236</b>
Financing Income	12.753.152	103.184.349	5.463.811	2.430.095	123.831.407	(46.659.745)	77.171.662
Financing Expenses (-)	(24.146.707)	(390.153.515)	(17.489.040)	(1.730.368)	(433.519.630)	16.294.075	(417.225.555)
<b>PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(18.497.386)</b>	<b>(180.472.278)</b>	<b>(24.426.260)</b>	<b>721.268</b>	<b>(222.674.657)</b>	<b>--</b>	<b>(222.674.657)</b>
<b>Continuing Activity Profit/Loss</b>	<b>(802.404)</b>	<b>3.154.951</b>	<b>(771.403)</b>	<b>(143.366)</b>	<b>1.437.778</b>	<b>--</b>	<b>1.437.778</b>
Term Tax Expense/Revenue	(125.214)	--	--	(138.159)	(263.373)	--	(263.373)
Deferred Tax Expense/Revenue	(677.190)	3.154.951	(771.403)	(5.207)	1.701.151	--	1.701.151
<b>CONTINUING ACTIVITY PROFIT/LOSS</b>	<b>(19.299.790)</b>	<b>(177.317.327)</b>	<b>(25.197.663)</b>	<b>577.902</b>	<b>(221.236.879)</b>	<b>--</b>	<b>(221.236.879)</b>
<b>DISCONTINUING ACTIVITY PROFIT/LOSS</b>	<b>--</b>	<b>66.849</b>	<b>--</b>	<b>--</b>	<b>66.849</b>	<b>--</b>	<b>66.849</b>
<b>CURRENT YEAR PROFIT/LOSS</b>	<b>(19.299.790)</b>	<b>(177.250.478)</b>	<b>(25.197.663)</b>	<b>577.902</b>	<b>(221.170.030)</b>	<b>--</b>	<b>(221.170.030)</b>
31.12.2020							
	Mine	Energy Product	Energy Trade	Other	Total	Elimination Effect	Consolidated Total
Current Assets	215.124.035	732.618.163	86.435.977	103.366	1.034.281.541	(518.173.430)	516.108.111
Fixed Assets	237.346.550	3.036.384.778	333.041	--	3.274.064.369	(384.089.784)	2.889.974.585
<b>Total Assets</b>	<b>452.470.585</b>	<b>3.769.002.941</b>	<b>86.769.018</b>	<b>103.366</b>	<b>4.308.345.910</b>	<b>(902.263.214)</b>	<b>3.406.082.696</b>
Short Term Liabilities	379.834.777	1.023.721.617	197.881.357	593.278	1.602.031.029	(498.346.135)	1.103.684.894
Long Term Liabilities	42.792.855	1.450.753.985	20.645.049	20.522	1.514.212.411	--	1.514.212.411
<b>Total Liabilities</b>	<b>422.627.632</b>	<b>2.474.475.602</b>	<b>218.526.406</b>	<b>613.800</b>	<b>3.116.243.440</b>	<b>(498.346.135)</b>	<b>2.617.897.305</b>
<b>Equity</b>	<b>29.842.952</b>	<b>1.294.527.340</b>	<b>(131.757.388)</b>	<b>(510.435)</b>	<b>1.192.102.469</b>	<b>(403.917.078)</b>	<b>788.185.391</b>

**ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**  
**Explanatory Notes to the Consolidated Financial Statements**  
**Limited Audited for the Period January 01, 2021 - June 30, 2021**  
(Currency is TRY unless otherwise is indicated.)

**5. SEGMENT REPORTING (CONTINUED)**

01.01.2020 - 30.06.2020							
<b>PROFIT OR LOSS</b>	<b>Mine</b>	<b>Energy Product</b>	<b>Energy Trade</b>	<b>Other</b>	<b>Total</b>	<b>Elimination Effect</b>	<b>Consolidated Total</b>
Revenue	27.343.372	446.343.892	117.327.201	--	591.014.465	(112.402.691)	478.611.774
Cost of Sales (-)	(24.131.080)	(320.706.389)	(120.334.178)	--	(465.171.647)	109.764.457	(355.407.190)
<b>GROSS PROFIT/LOSS</b>	<b>3.212.292</b>	<b>125.637.503</b>	<b>(3.006.977)</b>	<b>--</b>	<b>125.842.818</b>	<b>(2.638.234)</b>	<b>123.204.584</b>
General Administrative Expenses (-)	(1.694.955)	(12.946.481)	(355.354)	(10.652)	(15.007.442)	169.200	(14.838.242)
Marketing Expenses (-)	(1.162.581)	(219.548)	(63.896)	--	(1.446.025)	--	(1.446.025)
Other Real Operating Income	2.643.797	24.578.337	1.522.677	145	28.744.956	(172.800)	28.572.156
Other Real Operating Expenses (-)	(9.428.135)	(41.026.168)	(16.779.719)	(23.545)	(67.257.567)	16.103.123	(51.154.444)
<b>OPERATING PROFIT/LOSS</b>	<b>(6.429.582)</b>	<b>96.023.643</b>	<b>(18.683.269)</b>	<b>(34.052)</b>	<b>70.876.740</b>	<b>13.461.289</b>	<b>84.338.029</b>
Income From Investment Activities	--	51.695	--	--	51.695	--	51.695
Shares from Profit/loss of Investments valued by Equity method	9.430.644	--	--	--	9.430.644	--	9.430.644
<b>PROFIT/LOSS BEFORE FINANCE EXPENSES</b>	<b>3.001.062</b>	<b>96.075.338</b>	<b>(18.683.269)</b>	<b>(34.053)</b>	<b>80.359.079</b>	<b>13.461.289</b>	<b>93.820.368</b>
Financing Income	21.711.176	97.372.338	16.468.077	38.141	135.589.732	(65.580.624)	70.009.108
Financing Expenses (-)	(37.378.729)	(379.869.155)	(24.574.977)	(37.181)	(441.860.042)	49.455.280	(392.404.762)
<b>PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(12.666.491)</b>	<b>(186.421.479)</b>	<b>(26.790.169)</b>	<b>(33.093)</b>	<b>(225.911.231)</b>	<b>(2.664.055)</b>	<b>(228.575.286)</b>
<b>Continuing Activity Profit/Loss</b>	<b>(404.601)</b>	<b>1.803.627</b>	<b>321.660</b>	<b>(283)</b>	<b>1.720.403</b>	<b>--</b>	<b>1.720.403</b>
Term Tax Expense/Revenue	(294.500)	--	--	--	(294.500)	--	(294.500)
Deferred Tax Expense/Revenue	(110.101)	1.803.627	321.660	(283)	2.014.903	--	2.014.903
<b>CONTINUING ACTIVITY PROFIT/LOSS</b>	<b>(13.071.092)</b>	<b>(184.617.850)</b>	<b>(26.468.509)</b>	<b>(33.376)</b>	<b>(224.190.828)</b>	<b>(2.664.055)</b>	<b>(226.854.883)</b>
<b>DISCONTINUING ACTIVITY PROFIT/LOSS</b>	<b>--</b>	<b>(22.221)</b>	<b>--</b>	<b>--</b>	<b>(22.221)</b>	<b>--</b>	<b>(22.221)</b>
<b>CURRENT YEAR PROFIT/LOSS</b>	<b>(13.071.092)</b>	<b>(184.640.071)</b>	<b>(26.468.509)</b>	<b>(33.376)</b>	<b>(224.213.049)</b>	<b>(2.664.055)</b>	<b>(226.877.104)</b>

## 6. RELATED PARTIES

### i) Balances of the Company with its' related parties as of June 30, 2021 and December 31, 2020:

#### a) Other receivables from related parties:

	30.06.2021	31.12.2020
Süleyman Sarı	2.389.180	2.389.180
Müjgan Özal	1.673.884	1.575.677
Mustafa Ali Özal	1.342.270	1.263.717
Fatimetüz Zehra Özal	1.339.982	1.261.428
Hafize Ayşegül Özal	1.338.921	1.260.367
Kerem Emir Yazan	1.258.285	1.243.369
Tahsin Yazan	552.388	552.388
Mehmet Fatih Özal	460.319	434.134
Korkut Enes Özal	456.007	429.822
Hafize Büşra Özal	435.449	409.265
Abdulkadir Bahattin Özal	211.290	211.290
Kısrakdere Maden A.Ş.	130.004	603.875
Burak Altay	71.480	71.480
Bb Enerji Yatırım San. Tic. A.Ş.	65.597	107.482
Hidro Kontrol Elektrik Üretim A.Ş.	59.068	53.407
Eylül Elektromekanik Enerji San ve Ltd. Şti.	50.710	57.690
Tron Enerji Yatırım San. Ve Tic. A.Ş.	41.048	43.424
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	29.251	29.251
Batı Trakya Madencilik A.Ş.	20.204	20.636
<b>TOTAL</b>	<b>11.925.337</b>	<b>12.017.882</b>
Deduction: Unaccrued financial incomes	(731.670)	(87.347)
<b>TOTAL</b>	<b>11.193.667</b>	<b>11.930.535</b>

#### b) Trade receivables from related parties :

	30.06.2021	31.12.2020
Hidro Kontrol Elektrik Üretim A.Ş.	13.634.924	12.015.059
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	12.272.599	11.160.692
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	10.338.773	9.404.839
Batı Trakya Madencilik A.Ş.	332.401	127.912
Kısrakdere Maden A.Ş.	225.057	161.896
<b>TOTAL</b>	<b>36.803.754</b>	<b>32.870.398</b>
Deduction: Unaccrued financial incomes	(3.672.963)	(3.974.482)
<b>TOTAL</b>	<b>33.130.791</b>	<b>28.895.916</b>

**6. RELATED PARTIES (CONTINUED)**

**c) Other payables to related parties :**

	<b>30.06.2021</b>	<b>31.12.2020</b>
Ogma Ssh Fz Llc	8.112.430	--
Bb Enerji Yatırım San. Tic. A.Ş.	1.573.560	1.253.371
Ena Elektrik Üretim Ltd. Şti.	526.165	526.165
Kerem Emir Yazan	455.392	384.018
Öztay Enerji Elektrik Üretim San. A.Ş.	323.195	323.188
Abdulkadir Bahattin Özal	93.177	93.177
Kısrakdere Maden A.Ş.	58.446	55.418
Akra Petrol San. Tic. A.Ş.	24.221	20.526
Hafize Ayşegül Özal	20.000	20.000
Esin Ersan	20.000	20.000
Burak Altay	15.634	86.943.198
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	7.179	7.179
Batı Trakya Madencilik A.Ş.	5.221	281.897
Bahattin Özal&Burak Altay Adi Ortaklık	4.700	4.700
Hidayet Büküm	3.673	3.673
Hidro Kontrol Elektrik Üretim A.Ş.	1.892	2.070
<b>TOTAL</b>	<b>11.244.885</b>	<b>89.938.580</b>
Deduction: Unaccrued financial incomes	<b>(69.042)</b>	<b>(86.049)</b>
<b>TOTAL</b>	<b>11.175.843</b>	<b>89.852.531</b>

**d) Trade payables to related parties :**

	<b>30.06.2021</b>	<b>31.12.2020</b>
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	5.131.004	4.734.709
Kısrakdere Maden A.Ş.	1.350.863	474.707
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	758.099	700.793
Batı Trakya Madencilik A.Ş.	544.759	--
<b>TOTAL</b>	<b>7.784.725</b>	<b>5.910.209</b>
Deduction: Unaccrued financial incomes	<b>(896.400)</b>	<b>(634.821)</b>
<b>TOTAL</b>	<b>6.888.325</b>	<b>5.275.388</b>



**6. RELATED PARTIES (CONTINUED)**

**ii) Significant sales to related parties and major purchases from related parties :**

**Purchases from related parties**

	<b>January 01 - June 30, 2021</b>	<b>January 01 - June 30, 2020</b>	<b>April 01 -June 30, 2021</b>	<b>April 01 - June 30, 2020</b>
Hidro Kontrol Elektrik Üretim A.Ş.	1.147.831	622.062	610.726	174.044
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	1.111.907	512.677	604.787	256.239
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	875.464	539.738	477.151	296.263
Batı Trakya Madencilik A.Ş.	258.450	125.764	96.906	--
Müjgan Özal	98.207	60.384	53.417	28.177
Mustafa Ali Özal	78.553	48.300	42.726	22.416
Hafize Ayşegül Özal	78.553	48.300	42.726	22.538
Fatimetüz Zehra Özal	78.553	25.883	42.726	--
Korkut Enes Özal	26.184	16.100	14.242	8.050
Mehmet Fatih Özal	26.184	16.100	14.242	8.050
Hafize Büşra Özal	26.184	16.100	14.242	8.050
Mustafa Koncagül	--	229.371	--	114.685
Eylül Elektromekanik Enerji San ve Ltd. Şti.	--	10.238	--	3.223
HK Yatırım Elektrik Üretim San. Tic. Ltd. Şti.	--	25.613	--	--
Kısrakdere Maden A.Ş.	--	236.415	--	5.039
<b>TOTAL</b>	<b>3.806.072</b>	<b>2.533.045</b>	<b>2.013.893</b>	<b>946.774</b>

**Sales to related parties**

	<b>January 01 -June 30, 2021</b>	<b>January 01 - June 30, 2020</b>	<b>April 01 -June 30, 2021</b>	<b>April 01 -June 30, 2020</b>
Kısrakdere Maden A.Ş.	19.323.650	37.520	901.290	--
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	396.297	130.974	215.554	--
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	57.320	49.632	31.177	857
Batı Trakya Madencilik A.Ş.	--	2.320.785	--	--
Akra Petrol San. Tic. A.Ş.	--	10.253	--	--
<b>TOTAL</b>	<b>19.777.266</b>	<b>2.549.164</b>	<b>1.148.020</b>	<b>857</b>

**Total amount of salary and alike benefits in 6-month fiscal period provided to top management in 2021 is as follows:**

- Short Term Benefits to Employees:** Total amount of salary and alike benefits in 6-month fiscal period provided to top management in 2021 is TRY 3,654,036 (2020 : TRY 11,071,899)
- Post-separation benefits:** Severance payment is made to personnel in case of earning it according to applicable law. There is no extra payment other than Labor Law.
- Other Long term Benefits:** None.
- Benefits due to Dismissal:** None.
- Share-based Payments:** None.

## 7. TRADE RECEIVABLES AND PAYABLES

### Trade receivables

	June 30, 2021	December 31, 2020
Trade receivables	160.477.557	169.520.408
- Trade receivables from related parties	36.803.754	32.870.398
- Trade receivables from third parties	123.673.803	136.650.010
Notes Receivables (*)	32.533.466	28.592.877
Doubtful Receivables	19.729.392	17.762.295
Provision of Doubtful Receivables (-)	(19.729.392)	(17.762.295)
	<b>193.011.023</b>	<b>198.113.285</b>
<i>Deduction: Unaccrued financial expenses</i>	<i>(8.552.910)</i>	<i>(9.511.399)</i>
- Receivables from related parties	(3.672.963)	(3.974.482)
- Other receivables	(4.879.947)	(5.536.917)
<b>TOTAL</b>	<b>184.458.113</b>	<b>188.601.886</b>

(\*) As of 30.06.2021, the maturity date of the notes receivable amounting to TRY 32,533,466 (USD 3,032,982 and TRY 6,206,269 equivalent) is 10.04.2022.

Provision for doubtful receivables as of June 30, 2021 and as of December 31, 2020. The movement is as follows:

	June 30, 2021	December 31, 2020
Opening Balance	17.762.295	13.012.855
Additional provisions	1.969.460	4.821.105
Payments (-)	(2.363)	(71.665)
<b>TOTAL</b>	<b>19.729.392</b>	<b>17.762.295</b>

### Trade Payables

	June 30, 2021	December 31, 2020
Trade Payables	201.765.781	180.132.875
-Trade payables to related parties	7.784.725	5.910.209
- Trade payables to third parties	193.981.056	174.222.666
Notes Payables	123.749.492	121.110.811
	<b>325.515.273</b>	<b>301.243.686</b>
<i>Deduction: Unaccrued financial income</i>	<i>(25.430.372)</i>	<i>(20.553.918)</i>
-Trade payables to related parties	(896.400)	(634.821)
- Trade payables to third parties	(24.533.972)	(19.919.097)
<b>TOTAL</b>	<b>300.084.901</b>	<b>280.689.768</b>

Maturity distributions for debt securities are as follows;

	June 30, 2021	December 31, 2020
0-3 month	65.211.226	69.072.996
3-6 month	47.032.774	30.351.635
6-12 month	11.505.492	18.749.980
1-5 year	--	2.936.200
<b>TOTAL</b>	<b>123.749.492</b>	<b>121.110.811</b>

## 8. FINANCIAL INVESTMENTS

None. (31.12.2020 : None).

## 9. OTHER RECEIVABLES AND PAYABLES

### Short-term Other Receivables

	June 30, 2021	December 31, 2020
Other receivables from related parties	11.925.337	12.017.882
Other receivables(*)	20.221.841	20.172.561
Deposits and guarantees given	1.557.090	1.432.590
Other Doubtful Receivables	561.852	1.968.298
Provision for other doubtful receivables(-)	(561.852)	(1.968.298)
<b>TOTAL</b>	<b>33.704.268</b>	<b>33.623.033</b>
Deduction: Unaccrued finance expenses	(737.375)	(1.210.767)
-Other receivables from related parties	(731.670)	(87.347)
-Other receivables	(5.705)	(1.123.420)
<b>TOTAL</b>	<b>32.966.893</b>	<b>32.412.266</b>

(\*) TRY 16,604,424 of other receivables includes the incentives provided by Migem for YS Madencilik underground employees.

Provision for doubtful receivables as of June 30, 2021 and as of December 31, 2020. The movement is as follows;

	June 30, 2021	December 31, 2020
Opening Balance	1.968.298	--
Additional Provisions	--	1.968.298
Payments (-)	(1.406.446)	--
<b>TOTAL</b>	<b>561.852</b>	<b>1.968.298</b>

### Long-term Other Receivables

	June 30, 2021	December 31, 2020
Deposits and guarantees given	1.259.143	1.352.461
<b>TOTAL</b>	<b>1.259.143</b>	<b>1.352.461</b>

### Short-term Other Payables

	June 30, 2021	December 31, 2020
Due to Related Parties	11.244.885	89.938.580
Other Payables	1.323.263	745.144
Taxes and Funds Payables	33.596.186	16.409.545
Deposits and Guarantees Taken	103.742	103.742
Publicly Deferred or Installment Debts	9.110.704	5.708.270
Received Advances	900.635	764.150
	<b>56.279.415</b>	<b>113.669.431</b>
<i>Deduction: Unaccrued Financial Income</i>	<i>(104.524)</i>	<i>(134.528)</i>
- Due to related parties	<i>(69.042)</i>	<i>(86.049)</i>
- Other payables	<i>(35.482)</i>	<i>(48.479)</i>
<b>TOTAL</b>	<b>56.174.891</b>	<b>113.534.903</b>

## 9. OTHER RECEIVABLES AND PAYABLES (CONTINUED)

Details of taxes and funds payables are as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
TRT Share	1.714.777	1.516.405
Municipality Consumption Tax	1.650.513	1.812.200
Energy Fund	3.285.801	3.093.384
Wage Earners Income Tax Deduction	4.585.797	6.328.848
Value Added Tax	19.670.651	2.981.770
Other Tax Liabilities	2.688.647	676.938
<b>TOTAL</b>	<b>33.596.186</b>	<b>16.409.545</b>

### Long-term Other Payables

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Deposits and guarantees received	1.567.969	982.618
Publicly Deferred or Installment Debts (*)	9.071.532	11.345.113
<b>TOTAL</b>	<b>10.639.501</b>	<b>12.327.731</b>

(\*)It includes the long-term portion of the Group's Tax Office and Insurance debt restructuring installments.

## 10. INVENTORIES

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Raw materials and supplies	6.519.744	5.267.735
Semi-finished (*)	108.714.023	84.649.344
Finished goods (**)	76.400.135	54.142.172
Trade goods	4.488.616	4.613.342
Other inventories (***)	47.065.652	45.039.650
<b>TOTAL</b>	<b>243.188.170</b>	<b>193.712.243</b>

(\*) The amount TRY 83,436,113 of the group's semi-finished products consist of coal and fuel oils used by Çan2 Termik for electricity production, which is included in the consolidation.

The amount of TRY 15,267,368 of the semi-finished products consists of Tuvenan coal extracted from the mine by YS Maden, which is included in the consolidation.

(\*\*) TRY 73,167,149 of the Group's products consists of gypsum, ash and cruf obtained by Çan2 Termik from electricity generation.

(\*\*\*) The amount of TRY 10,795,441 of the other stocks of the group consists of thermal power plant spare parts of Çan2 Termik included in the consolidation, and TRY 27,698,345 of it consists of mineral coal stocks of Ys Madencilik included in the consolidation.

## 11. BIOLOGICAL ASSETS

None. (31.12.2020 : None).

## 12. PRE-PAID EXPENSES AND DEFERRED INCOME

### Short-term Pre-paid Expenses

	June 30, 2021	December 31, 2020
Advances given for purchases (*)	16.341.259	13.768.896
Expenses related to the upcoming months	10.923.079	6.349.472
<b>TOTAL</b>	<b>27.264.338</b>	<b>20.118.368</b>

### Long-term Pre-paid Expenses

	June 30, 2021	December 31, 2020
Expenses for the future years (*)	3.929.408	4.679.123
<b>TOTAL</b>	<b>3.929.408</b>	<b>4.679.123</b>

(\*)The group follows the expenses of the insurance that it has made in the prepaid expenses account in accordance with the principle of periodicity.

### Deferred Income

	June 30, 2021	December 31, 2020
Advances Received (*)	79.217.957	49.912.503
<b>TOTAL</b>	<b>79.217.957</b>	<b>49.912.503</b>

(\*) The amount of TRY 44,242,716 includes the advance received from YS Maden coal sales. The amount of TRY 18,677,054 is the amount related to advances received from EPIAŞ. In the following period, it was deducted from commercial receivables and closed.

## 13. INVESTMENT PROPERTY

None. (31.12.2020: None.)

**14. TANGIBLE FIXED ASSETS**

	<b>01.01.2021</b>	<b>Addition</b>	<b>Disposal</b>	<b>30.06.2021</b>
<b>Cost</b>				
Lands	56.918.004	125.000	--	57.043.004
Land improvements	150.000	--	--	150.000
Buildings	1.143.325	--	--	1.143.325
Plant, machinery and equipment	2.606.711.523	8.800.352	(1.247.523)	2.614.264.352
Vehicles	10.103.930	149.837	(65.869)	10.187.898
Furniture and fixtures	10.698.061	631.525	--	11.329.586
Construction in progress	75.535.877	54.928.555	--	130.464.432
Research expenses	--	167.381	--	167.381
<b>Total</b>	<b>2.761.260.720</b>	<b>64.802.650</b>	<b>(1.313.392)</b>	<b>2.824.749.978</b>
<b>Accumulated Depreciation</b>				
Land improvements	(150.001)	--	--	(150.001)
Buildings	(261.428)	(19.956)	--	(281.384)
Plant, machinery and equipment	(229.815.170)	(41.964.905)	526.435	(271.253.640)
Vehicles	(4.583.496)	(851.129)	65.869	(5.368.756)
Furniture and fixtures	(5.365.047)	(678.824)	--	(6.043.870)
<b>Total</b>	<b>(240.175.142)</b>	<b>(43.514.814)</b>	<b>592.304</b>	<b>(283.097.651)</b>
<b>Net Book Value</b>	<b>2.521.085.578</b>	<b>21.287.836</b>	<b>(721.088)</b>	<b>2.541.652.328</b>

In accordance with the standard TAS 16 "Tangible Fixed Assets", group adopted "revaluation model" starting September 30, 2018 by basing on reasonable values detected in revaluation studies by CMB licensed independent valuation company, Lal Gayrimenkul Değerleme ve Müşavirlik A.Ş., for land, underground and aboveground layouts, buildings, machinery, plants and equipment.

"Precedent Comparison Method" and "Cost Approach" have been used in determining the fair value of the real estate belonging to the Suda Maden, Çan2 Termik ve Küçük Enerji from subsidiaries. "Analysis of Income Capitalization" and "Cost Method" are used in determining the fair values of the facilities belonging to the Odaş Elektrik, Çan2 Termik ve Küçük Enerji.

These valuations were made according to International Valuation Standards (IVSC) by the valuation company authorized by the CMB.

**14. TANGIBLE FIXED ASSETS (CONTINUED)**

	<b>01.01.2020</b>	<b>Addition</b>	<b>Disposal</b>	<b>Transfer</b>	<b>31.12.2020</b>
<b>Cost</b>					
Lands	56.250.579	667.425	--	--	56.918.004
Land improvements	150.000	--	--	--	150.000
Buildings	1.143.325	--	--	--	1.143.325
Plant, machinery and equipment	2.523.505.711	83.205.812	--	--	2.606.711.523
Vehicles	8.958.379	1.478.859	(333.308)	--	10.103.930
Furniture and fixtures	8.302.429	2.396.588	(956)	--	10.698.061
Construction in progress	30.067.703	45.468.174	--	--	75.535.877
Research expenses	709.260	--	(709.260)	--	--
<b>Total</b>	<b>2.629.087.386</b>	<b>133.216.858</b>	<b>(1.043.524)</b>	<b>--</b>	<b>2.761.260.720</b>
<b>Accumulated Depreciation</b>					
Land improvements	(132.813)	(17.188)	--	--	(150.001)
Buildings	(221.514)	(39.914)	--	--	(261.428)
Plant, machinery and equipment	(142.854.067)	(86.961.103)	--	--	(229.815.170)
Vehicles	(3.036.924)	(1.750.348)	203.776	--	(4.583.496)
Furniture and fixtures	(4.301.055)	(1.064.893)	901	--	(5.365.047)
<b>Total</b>	<b>(150.546.373)</b>	<b>(89.833.446)</b>	<b>204.677</b>	<b>--</b>	<b>(240.175.142)</b>
<b>Net Book Value</b>	<b>2.478.541.013</b>	<b>43.383.412</b>	<b>(838.847)</b>	<b>--</b>	<b>2.521.085.578</b>

The total investment expenditure amounts as of 31.06.2021 and the investment project on the subsidiary related to the ongoing investments of the Group are given below.

<b>Company /Subsidiary</b>	<b>Investment Details</b>	<b>Amount</b>
YS Madencilik	Coal Mine Plant	10.640.331
Suda Maden	Enrichment Plant	53.098.151
Çan2 Termik	Modernization	21.142.547
Odaş Enerji CA	Natural Gas Power Plant	45.583.403
<b>Total</b>		<b>130.464.432</b>

Revaluation fund movements are as follows :

<b>30.06.2021</b>	<b>Plant</b>	<b>Building</b>	<b>Land</b>	<b>Total</b>
<b>January 01,2021 Balance</b>	<b>2.192.582.710</b>	<b>920.811</b>	<b>53.581.676</b>	<b>2.247.085.197</b>
Revaluation Value Increase (Gross)	--	--	--	--
Revaluation Impairment	--	--	--	--
Deferred Tax (*)	--	--	--	--
<b>Revaluation Amount</b>	<b>2.192.582.710</b>	<b>920.811</b>	<b>53.581.676</b>	<b>2.247.085.197</b>

**14. TANGIBLE FIXED ASSETS (CONTINUED)**

<b>31.12.2020</b>	<b>Plant</b>	<b>Building</b>	<b>Land</b>	<b>Total</b>
<b>January 01,2020 Balance</b>	<b>2.192.582.710</b>	<b>920.811</b>	<b>53.581.676</b>	<b>2.247.085.197</b>
Revaluation Value Increase (Gross)	--	--	--	--
Revaluation Impairment	--	--	--	--
Deferred Tax (*)	--	--	--	--
<b>Revaluation Amount</b>	<b>2.192.582.710</b>	<b>920.811</b>	<b>53.581.676</b>	<b>2.247.085.197</b>

**15. RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS**

None. (None, December 31, 2019).

**16. INVESTMENTS VALUED BY EQUITY METHOD**

The Shares of the Profit / Loss of Investments Valued by Equity Method for the periods 1 January - 30 June 2021 and 1 January – 30 June 2020 are as follows;

	<b>01.01 -30.06 2021</b>	<b>01.01 -30.06 2020</b>	<b>01.04 -30.06 2021</b>	<b>01.04 -30.06 2020</b>
Shares of Profit / Loss of Investments by Equity Method	5.507.345	9.430.644	4.043.201	4.821.069
<b>TOTAL</b>	<b>5.507.345</b>	<b>9.430.644</b>	<b>4.043.201</b>	<b>4.821.069</b>

(\*) Consists of profit/loss shares of Kırakdere Maden Corp.

**17. INTANGIBLE FIXED ASSETS**

	<b>01.01.2021</b>	<b>Addition</b>	<b>Disposal</b>	<b>30.06.2021</b>
<b>Cost</b>				
Rights	10.192.546	612.750	--	10.805.296
Other Intangible Assets	6.571.329	11.525	--	6.582.854
Preparation and Development Expenses	82.427.496	964.179	(295.325)	83.096.351
<b>Total</b>	<b>99.191.371</b>	<b>1.588.454</b>	<b>(295.325)</b>	<b>100.484.501</b>
<b>Accumulated Amortization</b>				
Rights	(5.453.603)	(399.678)	--	(5.853.282)
Other Intangible Assets	(624.686)	(11.348)	--	(636.035)
Preparation and Development Expenses	(12.513.738)	(3.982.855)	--	(16.496.595)
<b>Total</b>	<b>(18.592.027)</b>	<b>(4.393.881)</b>	<b>--</b>	<b>(22.985.912)</b>
<b>Net Book Value</b>	<b>80.599.344</b>	<b>(2.805.427)</b>	<b>(295.325)</b>	<b>77.498.590</b>



**ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**  
**Explanatory Notes to the Consolidated Financial Statements**  
**Limited Audited for the Period January 01, 2021 - June 30, 2021**  
(Currency is TRY unless otherwise is indicated.)

**17. INTANGIBLE FIXED ASSETS (CONTINUED)**

	<b>01.01.2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>31.12.2020</b>
<b>Cost</b>					
Rights	10.028.606	163.940	--	--	10.192.546
Other Intangible Assets	6.571.329	--	--	--	6.571.329
Preparation and Development Expenses	56.454.549	25.972.948	--	--	82.427.497
<b>Total</b>	<b>73.054.484</b>	<b>26.136.888</b>	<b>--</b>	<b>--</b>	<b>99.191.372</b>
<b>Accumulated Amortization</b>					
Rights	(4.545.425)	(908.178)	--	--	(5.453.603)
Other Intangible Assets	(598.404)	(26.282)	--	--	(624.686)
Preparation and Development Expenses	(7.753.107)	(4.760.631)	--	--	(12.513.738)
<b>Total</b>	<b>(12.896.936)</b>	<b>(5.695.091)</b>	<b>--</b>	<b>--</b>	<b>(18.592.027)</b>
<b>Net Book Value</b>	<b>60.157.548</b>	<b>20.441.796</b>	<b>--</b>	<b>--</b>	<b>80.599.342</b>

## 17. INTANGIBLE FIXED ASSETS (CONTINUED)

As the date of June 30, 2021, the details of the cost of Intangible Fixed Assets are as follows;

<b>Company/Subsidiary</b>	<b>Intangible Assets/ Preparation and Development Expenses</b>	<b>Amount</b>
Anadolu Export	Field License and Mine License Costs	346.204
Anadolu Export	Preparation and Development Expenses (*)	19.351.408
Çan 2 Trakya	Preparation and Development Expenses (*)	29.992.308
Çan2 Termik	Çan 2 Thermal Power Plant License Cost	122.014
Çan2 Termik	Preparation and Development Expenses (*)	3.025.247
Çan2 Termik	Computer Software	451.556
Küçük Enerji	Production License and Modification Costs	22.000
Odaş Doğalgaz	Natural Gas Wholesale License and Amendment Fees	64.450
Odaş Elektrik	Production License and Modification Costs	151.758
Odaş Elektrik	Computer Software	427.971
Odaş Elektrik	WEB Software	196.767
Odaş Elektrik	Çan Kömür Asset Purchase Value	5.920.251
Suda Maden	Field License and Mine License Costs	4.716.655
Suda Maden	Computer Software	35.403
Suda Maden	Preparation and Development Expenses (*)	6.031.568
Voytron Enerji	Electricity Wholesale License	324.567
Voytron Enerji	Computer Software	231.660
Voytron Enerji	Web Site	156.404
Voytron Enerji	Portfolio Rights Usage Fee	4.600
Voytron Enerji	Mine License Cost	454.310
Yel Enerji	Preparation and Development Expenses (*)	3.247.813
Yel Enerji	Computer Software	2.600.110
Yel Enerji	Preparation and Development Expenses (*)	4.001
Ys Madencilik	Mine License Cost	22.213.658
Ys Madencilik	Computer Software	388.661
Ys Madencilik	Çan Kömür Asset Purchase Value	3.157
<b>TOTAL</b>		<b>100.484.501</b>

(\*) The Group's capital expenditures for the preparation and development of existing mineral resources (drilling operations, valuation, and topographical, geological studies) were capitalized as intangible fixed assets.

At Yel Enerji, IR:4327 (17517) license of the coal mine has been realized on 15.07.2015 and the amortization has started when the intangible asset is ready for use (as of the date of transfer of the license), ie the position required for the management to operate as intended and when it comes to the situation.

Amounts incurred as development expenses in Çan2 Termik are as follows: The amount that is paid as development expenses is related to the operation rights agreement of the mining coal area in Yayaköy Village in Canakkale province with permit number 17448 and Çan2 Termik has been capitalized as expense development expenses such as pre-operated mine field measurement, testing and drilling, architectural engineering, land damages, work machine leasing service, and it has begun to amortized according to royalty agreement duration.

## **17. INTANGIBLE FIXED ASSETS (CONTINUED)**

Preparation and Development Expenses which have been capitalized at Suda Maden consist of expenditures related to drilling, sampling, and mining development studies on antimony sites regarding operating licenses numbered 34412 and 43169.

Preparatory and Development Expenses that have been capitalized at Anadolu Export are the amounts related to gold-silver mine drilling in Kütahya Karaağaç, analysis and geophysical values. Sounding studies are ongoing and will commence when the amortization process reaches the position and condition necessary for the intangible asset to operate as intended by the management.

Preparation and development work amounting to TRY 22.213.659 was carried out regarding YS Maden Corum Dodurga mine plant closed operation. Since the beginning of April 2018, the closed-pit operation has started and the depreciation process has started due to the commencement of the coal extraction process.

## **18. GOODWILL**

Since goodwill cannot be included in the financial statements due to the fact that business combinations subject to joint control are accounted by the combination of rights method, the goodwill amount of 43.688.798 TRY (31.12.2020: 41.404.830 TRY) arising from the acquisition of the enterprises subject to joint control is shown in the account "The Effect of the Enterprises Subject to Joint Control or Mergers Including the Enterprises" as an offsetting account under equity (Note 30).

## **19. EVALUATING AND RESEARCHING OF MINE RESOURCES**

Expenditures made for the preparation and development of the Group's already existing mineral resources are capitalized as Intangible Assets.

As of June 30, 2021 the total development expenditure capitalized amount on the basis of the subsidiaries are as follows:

<b>Subsidiaries</b>	<b>The Amount of Preparation and Development Expenditures</b>
Yel Enerji	2.482.161
Çan Kömür	3.025.247
Çan2 Trakya	29.992.308
Anadolu Export	19.351.408
Suda Maden	6.031.568
Ys Madencilik	22.213.659
<b>Total</b>	<b>83.096.351</b>

Amounts related to amortization of capitalized amounts and net book value amounts as preparation and development expense are included in Note:17.

At Yel Enerji, the capitalized amount of TRY 2.482.161 has development expenditures is regarding the amount of drilling activities for coal mine license which is IR:17517 number and 1.205,11 hectares located in Bayramiç district in Çanakkale.

Transferring of mine license has realized at July 15, 2015 and preparation and development expenditures have been activated in accordance with the TAS-38 Intangible Assets standard and the accounting policy applied by the Group. Amortization process will be began when intangible assets is ready to use (taken over the license) means required conditions available for management's aim. Therefore development expenses is capitalized and mortization begun to be calculated.

## 19. EVALUATING AND RESEARCHING OF MINE RESOURCES (CONTINUED)

The amount of preparation and development expenses recorded to assets of Çan2 Termik consist of land measure, test and drilling, engineering and architectural works, property damage fees, construction equipment rental fees in July 09, 2013. Development costs belong to coal mining area located in Çanakkale, Çan District, Yaylaköy Village with license number IR 17448. The operating rights of coal mining (existed before) obtained by operating agreement called 'royalty agreement'. Total expenditures for coal mining activities are amount of TRY 3.025.247 as of December 31, 2020.

Suda Maden has 2 exploration license and 2 operating license. Regarding 34412 and 43169 numbered operating license, the total expenditures such as drilling, mapping, shaft drilling is TRY 6.031.568 as of June 30, 2021. Calculated amortization expenses are associated with production costs of antimony mine.

Preparation and Development Expenses of TRY 19.351.408 costing capital activated in Anadolu Export are the amounts related to gold-silver mine drilling in Kütahya Karaağaç, analysis and geophysical values. Drilling works are ongoing and will commence when the amortization process reaches the necessary position and condition for the intangible asset to operate as intended by the management.

Preparation and development works at YS Maden with amount of TRY 22.213.659 consist of Preparation and Development Expenses related to underground coal mine at Çorum Dodurga. As of April 2018, Company started to calculate amortization expense for these expenses due to the start of mining operation.

Preparation and Development Expenses of TRY 29.992.308, which are activated in Çan 2 Trakya, are amounts related to coal mine drilling, analysis, and geophysical costs in Tekirdag Malkara. Drilling is ongoing and the amortization will begin when the intangible asset is in the position and condition necessary for management to operate as intended.

## 20. RIGHT OF USE ASSETS

	01.01.2021	Addition	Disposal	Transfer	30.06.2021
<b>Cost – Vehicles</b>					
Right of Use Asset	6.077.623	420.695	--	--	6.498.318
<b>Total</b>	<b>6.077.623</b>	<b>420.695</b>	<b>--</b>	<b>--</b>	<b>6.498.318</b>
<b>Accumulated Depreciation - Vehicles</b>					
Right of Use Asset	(1.467.764)	(897.538)	--	--	(2.365.301)
<b>Total</b>	<b>(1.467.764)</b>	<b>(897.538)</b>	<b>--</b>	<b>--</b>	<b>(2.365.301)</b>
<b>Net Book Value</b>	<b>4.609.859</b>	<b>(476.843)</b>	<b>--</b>	<b>--</b>	<b>4.133.017</b>
	<b>01.01.2020</b>	<b>Addition</b>	<b>Disposal</b>	<b>Transfer</b>	<b>31.12.2020</b>
<b>Cost – Vehicles</b>					
Right of Use Assets	2.144.285	3.933.337	--	--	6.077.622
<b>Total</b>	<b>2.144.285</b>	<b>3.933.337</b>	<b>--</b>	<b>--</b>	<b>6.077.622</b>
<b>Accumulated Depreciation - Vehicles</b>					
Right of Use Assets	(169.393)	(1.298.371)	--	--	(1.467.764)
<b>Total</b>	<b>(169.393)</b>	<b>(1.298.371)</b>	<b>--</b>	<b>--</b>	<b>(1.467.764)</b>
<b>Net Book Value</b>	<b>1.974.892</b>	<b>2.634.966</b>	<b>--</b>	<b>--</b>	<b>4.609.858</b>

## **20. RIGHT OF USE ASSETS (CONTINUED)**

The Group has consolidated its leasing debts, which represent the operational lease payments which are obliged to pay rent. Details of the group's accounting in accordance with the TFRS 16 Leases standard are described in Note 2.

## **21. SERVICE CONCESSION ARRANGEMENTS**

None. ( None, December 31, 2020).

## **22. IMPAIRMENT OF ASSETS**

As of 30.06.2021 and 31.12.2020, the Group has a decrease in its trade receivables and the impairment amounts are shown in the relevant financial statement items (Note 7).

## **23. GOVERNMENT INCENTIVES**

Çan 2 Termik A.Ş. has Investment Incentive Certificate is 06.02.2015 dated and 117824 numbered, prepared by Ministry of Economy of the Republic of Turkey and General Directorate of Foreign Capital and Incentives Implementation. Mentioned certificate was revised by new numbered 18.09.2017 and C117824 dated. Aforesaid investment is power plant based on domestic coal (Çan 2 Thermic Plant) with 340 MW installed capacity and incentive certificate is arranged according to EMRA's ÖN/5117-5/03070 associate license number and dated 10.07.2014.

Investment Incentive Certificate is given for the full new investment carried out in Çanakkale (Çan 2nd region) and covers the period between 13.08.2014-12.02.2019. With the certificate, employer's share of insurance premiums support, interest support, tax discount rate support, VAT exception and exemption from customs duty incentives are benefited. Total amount of the investment is TRY 801.789.866 based on incentive certificate. With the letter of the Ministry of Industry and Technology dated 10.08.2020 dated 401.06, the closing of the Incentive Certificate has been completed. (Completion visa)

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 is to modernization of a domestic coal-based electricity generation power plant with an installed power of 340 MW, and the incentive certificate is issued in accordance with EMRA's Generation License dated 28.01.2016 and numbered UE/6083-2/03428.

Suda Maden A.Ş. Republic of Turkey Ministry of Economy and Foreign Capital General Directorate of Incentives and Implementation, organized by date 06/10/2017, No. 132950 investment incentive certificates are available. Investments on the subject "Antimony ore Enrichment Facility" regulated with regard to license numbered IR:34412.

The investment incentive certificate was issued for the modernization investment carried out in the 4th district of Kütahya Gediz and covers the periods of 08.09.2017-08.09.2020. The certificate utilizes Employer's Share Support, Interest Support, Tax Discount Rate Support and VAT exemption incentives. Total amount of investment is TRY 14.500.000.

YS Madencilik San. ve Tic.Ltd.Şti. Republic of Turkey Ministry of Economy and Foreign Capital General Directorate of Incentives and Implementation, organized by dated 07/24/2017, No. 131389 investment incentive certificates are available. The documentary investment "Pit Coal Mining" : was regulated with regard to licence numbered IR:80272.

The investment incentive certificate Çorum Dodurga is given for the new investment in Section 4 and covers the period of 16.06.2017-16.06.2020. VAT exemption, Customs Tax Exemption, Insurance Premium Employer Income Support, Interest Support and Tax Discount incentives are benefited from the document.

## 24.BORROWING COSTS

None. (December 31,2020:None.).

## 25.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

### Other long-term provisions

	30 June 2021	31 December 2020
Other payable and expense provisions	185.044	185.044
<b>TOTAL</b>	<b>185.044</b>	<b>185.044</b>

(\*) At 11th paragraph of TFRS 6 stated: When a company assume the investigation and evaluation of mine resources, it reflects removal and restoration liabilities resulting in given period at financial statement according to 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 Licence no: 17448 field will be operated both closed and open operation. Extension projects including this scope were submitted to Migem for approval. There will be no stripping work on the surface during the closed operation periods.

Within the scope of the Çan 2 thermal power plant, the area to be picked up in the open operation will be used as an ash storage area as stated in the EIA report. After completing the economic life of the site, it will be arranged with a subsequent location study and afforestation will be abandoned. The estimated cost for terraces and trees will be around TRY 300.000.

About 150.000 acres will be stripped. Because of the extension project, 100 tree is needed per acres. Due to regional soil structure, the cost of plantation is expected around 2.000 TRY per acres. The total cost for 150 acres is calculated as 150\* TRY 2.000 = TRY 300.000.

### Mine Restoration Provision

	30 June 2021	31 December 2020
Balance at beginning of period	185.044	185.044
Additional Provision / Payment (-)	--	--
<b>Balance at the end of the period</b>	<b>185.044</b>	<b>185.044</b>

This work will be done after completion of the open operating economic life and will be estimated at the end of 20 years.

Reduced amount of TRY 300.000 total cost to present value is TRY 185.044.

Yel Enerji and Suda Mine, it is foreseen that no pickling work will be done on the evaluation made by the technical team. For this reason no provisions have been made.

### Pledges

As the guarantee of the loan on the General Loan Agreements signed between Yapi Kredi Bank and Kucuk Enerji Uretim ve Tic Ltd Sti, Kucuk Enerji Uretim's partners' signed a Pledge Agreement in Yapi Kredi Bank's benefit. The total value of the pledged amount is 2.650.000 shares with a nominal value of TRY 1. Share pledge agreement stays valid until the obligations under guarantee by the pledge agreements are paid in full.

## **25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)**

In addition, Yapı Kredi Bankası A.Ş. and Türkiye Halkbank A.Ş. mortgage has been established. The total amount of the mortgages is 2.374.500.000 TRY and 546.900.000 Euro.

Suda Mining Inc. and Pasha Investment Bank A.Ş. Pasha Yatırım Bankası A.Ş. on the operating licenses of Cebrail and Oğurluca Mining Fields within the scope of the loan agreements signed between mortgage has been established. The total value of the mortgages is 42,000,000 USD. The amount of the business pledge is 450.000.000 TRY.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. and Alternatifbank A.Ş. In accordance with the Commercial Enterprise Pledge Agreement signed between Alternatifbank A.Ş. In favor of the Urfa Natural Gas Power Plant, the first- and first-degree Commercial Enterprise Pledge was established.

The commercial enterprise and its elements, subject to the Commercial Enterprise Pledge, on which the pledge is established, are also subject to machine breakage, loss of profit, fire, etc. It is protected by insurance policies that guarantee risks.

Shares Pledge Agreement Signed With The Consortium of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch.

In accordance with General Loan Contracts signed between the consortium of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch and Çan2 Termik A.Ş as an assurance of borrowings given, pledge of share agreements are made over all shares of Çan2 Termik A.Ş's shareholders on behalf of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch. The total value of the amount pledged 2.524.100 shares with a nominal value of TRY 100. Agreements are valid until liabilities are wholly paid in accordance with pledge of share agreements.

In addition, 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 general loan agreement signed between Çan2 Termik A.Ş. and the Assignment of Receivables and the Movable Pledge Agreement without surrendering the possession. The total amount included in the contract for the Movable Pledge is 244.8 million 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.

The Credit Agreement signed between Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Küçük Enerji Üretim ve Ticaret Ltd. Şti and as a guarantee of the loan given in accordance with the Tadili Contract dated in 26.01.2016, Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch Odaş Enerji Elektrik Perakende Satış A.Ş. has been a guarantor of legal personality.

The loan contract signed between Pasha Yatırım Bankası A.Ş. and Suda Maden A.Ş. given according to dated amendment Odaş Elektrik Üretim Sanayi ve Ticaret A.Ş. has been a guarantor of Pasha Investment Bank as a legal entity.

Odaş Elektrik Üretim Ticaret AŞ can also be a guarantor for all non-cash loans with the cash loans required for short-term operating capital needs of group companies which are in the status of subsidiary.

### **Conveyances**

Transfer of claim between Alternatifbank A.Ş and PMUM;

According to General Loan Agreement made between Alternatifbank A.Ş. and ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., as an assurance of given borrowings, conveyances are signed about transferring of income from energy sales to EPIAŞ by ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. on behalf of Alternatifbank A.Ş. The conveyances signed totally TRY 450.000.000 and the period is 28.04.2026

**25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)**

Transfer of claim between Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and EPIAŞ:

Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Küçük Enerji Elektrik Üretim Tic. Ltd. Sti. Yapı Kredi Bankası A.Ş. for the benefit of Küçük Enerji Elektrik Üretim ve Tic. Ltd. A contract has been signed regarding the transfer of the receivables of EPIAŞ, including all rights and income, to Yapı Kredi Bank. The amount of assignment is TRY 78,000,000. The assignment period is 05.01.2026.

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. EPIAŞ Receivables Assignment Agreement was signed in favor of Kozyatağı Commercial Branch. The amount of the assignment is 13.000.000.000 TRY and the period is 2029.

**Guarantees**

Given guarantees by the group are as follow:

<b>GUARANTEES, PLEDGES, HYPOTHECS</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
A) Total amount of TRI was given for its own legal entity	9.595.947	7.803.638
B) Partnerships includes scope of full consolidation	11.934.347.006	10.077.972.265
Total amount of TRI was given in order to conduct ordinary business and to guarantee third parties debt		
C)	--	--
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	--	--
Total amount of TRI was given to third parties except C article		
iii)	--	--
<b>TOTAL</b>	<b>11.943.942.953</b>	<b>10.085.775.903</b>

The ratio of guarantees, pledges and hypothecs to equity is 11,67 (December 31, 2017: 0,39). (31.12.2020: 12,67).

Received guarantees by the group are as follow:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Received Guarantee Letters	8.715.015	8.258.849
Received Guarantee Cheques	2.051.563	1.782.509
Received Guarantee Note	3.610.692	2.859.266
	<b>14.377.270</b>	<b>12.900.624</b>



## 25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

Given and received guarantees by the group are as follow:

	30.06.2021	31.12.2020
<b>Received Guarantee Letters</b>	<b>8.715.015</b>	<b>8.258.849</b>
Voytron	7.989.500	4.828.500
Çan2 Termik	725.515	3.430.349
<b>Received Checks Received</b>	<b>2.051.563</b>	<b>1.782.509</b>
Çan2 Termik	2.051.563	1.782.509
<b>Received Guarantee Notes</b>	<b>3.610.692</b>	<b>2.859.266</b>
Çan2 Termik	3.260.692	2.509.266
Ys Maden	350.000	350.000
	<b>14.377.270</b>	<b>12.900.624</b>

### Favorable Cases:

As of the report date, there are various lawsuits initiated by the Group, of which 6.751.018 TRY is tax lawsuits.

With the letter dated 28.06.2019, the tax office was informed that the tax refund amounting to 3.857.725 TRY and the tax loss penalty amounting to 2.893.294 TRY, which was accounted by Çan2 Termik A.Ş. sent a tax/penalty notice. The deduction was canceled on the grounds that power plants are not within the scope of the manufacturing industry. The principal amount of the debt related to the canceled deduction is included in the taxes and funds payable in the other payables account (Note 8). Çan2 Termik A.Ş. has filed a lawsuit against the tax office in the tax court for the cancellation of these notices. The case was concluded in favor of the group in June 2021, and the relevant Tax Office appealed. It has been utilized within the scope of the "Law No. 7326 on Restructuring Some Receivables and Amending Some Laws" published in the Official Gazette dated 9 June 2021 and numbered 31506.

### Unfavorable Cases

As of 30.06.2020, there are various commercial debt lawsuits and personnel lawsuits filed against the Group.

12,673,734 TRY of the lawsuits filed against the Group consists of loss and theft fees, transmission fees, distribution fees, meter reading fees collected from customers to whom Voytron Enerji Elektrik Perakende Satış A.Ş. No provision has been made for the lawsuit, since in any case, the amounts of the lawsuits filed by the customers regarding the loss and theft costs will be reflected to the distribution companies.

All of the trade receivable lawsuits filed against the Group require cancellation of the objections made by the Group in the enforcement proceedings initiated against the Group in accordance with Article 67 of the Execution and Bankruptcy Law ("İKK"). These lawsuits are counter-debt lawsuits filed against suppliers, and 1.111.203 TRY provision for litigation expenses has been set aside for commercial debt lawsuits.

As of 30.06.2021, considering the high probability of losing the lawsuits due to personnel lawsuits, the Group has set aside 1,284,471 TRY provision for litigation expenses.

As of 30 June 2021, a provision expense of 1.106,083 TRY has been allocated due to the labor lawsuits filed by the personnel in the subsidiaries of the group.

### **Provision for Litigation**

	June 30, 2021	December 31, 2020
Balance at the beginning of the period	2.465.575	1.150.340
Additional provision/payment (-) (Note 34)	(75.021)	1.315.235
<b>Period-end balance</b>	<b>2.390.554</b>	<b>2.465.575</b>

## 26.COMMITMENS

None. (31 December 2020 None.)

## 27. EMPLOYEES BENEFIT OBLIGATIONS

### a. Short Term

#### *Payables within employee benefit*

	June 30, 2021	December 31, 2020
Due to personnel	3.757.728	3.510.786
Social security premium payables	2.206.247	2.038.013
Other payables	41.942	33.470
<b>TOTAL</b>	<b>6.005.917</b>	<b>5.582.269</b>

The salaries of the employees and their employers, which are to be paid by the end of the month and which are to be declared at the end of the following month and which have been accrued on the payroll basis as of the relevant dates, Premium debts.

#### *Provision for vacation*

Provision for vacation as of June 30, 2021 - December 31, 2020 are as follows:

	June 30, 2021	December 31, 2020
Transfer	4.045.253	2.892.631
Provision for the period	2.534.365	1.152.622
<b>Total</b>	<b>6.579.618</b>	<b>4.045.253</b>

### b. Long term

#### *Provision for Severance Payment*

The Company and its subsidiaries has to make a certain severance payment to its personnel who fires from company for several reasons like retirement after working at least one year at company except reassignment and bad behavior. Compensation which company has to pay is at amount of one month salary for each servicing year and this amount is limited to TRY 7.638,96 as of June 30, 2021 (December 31, 2020: TRY 7.117,17)

It needs a calculation which can be doing with some assumptions for calculation of company's liabilities in accordance with TAS 19 (Benefits Provided to Personnel). Company is calculated severance payment based on completion of personnel service time in past years at company and experience about having rights to have severance pay, by using projection method in accordance with TAS 19 and Company is reflected this amount to its financial statements.

Provisions for severance payment allocates after calculating present value of potential liability which Company will pay to its personnel in case of retirement. As related to this, assumptions, which are used to calculate the liability amount between of June 30, 2021 and December 31, 2020 are depicted below:

	June 30, 2021	December 31, 2020
Discount rate	% 12,31	% 12,31
Estimated increase rate	% 9	% 9

## 27. EMPLOYEES BENEFIT OBLIGATIONS (CONTINUED)

The movement of the severance pay provision account between 30.06.2021 and 31.12.2020 is presented below:

	June 30, 2021	December 31, 2020
<b>Transfer</b>	1.275.937	648.281
Payment	401.836	717.161
Interest cost	78.307	80.984
Current service cost	(178.483)	(643.031)
Actuarial gain/(loss)	218.403	472.542
<b>Balance</b>	<b>1.796.000</b>	<b>1.275.937</b>

## 28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

Cost of sales according to their nature between January 1, 2021 – June 30, 2021 and January 1, 2020 – June 31, 2020 periods are as follows:

	01 January- 30 June 2021	01 January- 30 June 2020	01 April- 30 June 2021	01 April – 30 June 2020
Coal usage cost	145.128.622	93.562.827	75.662.745	49.574.928
GIB debt amount	52.954.764	29.539.571	27.354.750	15.520.373
Energy imbalance amount	45.201.870	37.143.155	22.251.122	13.509.540
Depreciation and amortization	43.252.071	39.893.726	22.675.712	20.243.593
GOP purchase price of the system	33.007.135	21.700.029	18.235.062	6.890.930
Personnel expense	26.568.425	22.437.208	14.511.841	10.467.801
Coal Sales Cost	16.067.056	5.547.619	8.345.891	1.813.485
TEİAŞ/Epiaş Yek receivable amount	14.364.408	7.026.936	8.561.584	3.754.590
Market operating fee	10.466.625	3.175.201	5.274.017	1.834.691
Distribution companies' system usage cost	9.843.160	4.083.624	5.344.045	1.831.286
System Usage Fee	8.976.153	14.313.349	4.532.840	8.491.188
Cost of selling the product from production	7.698.731	1.980.439	5.470.967	1.980.439
Cost of energy trade from bilateral agreements	6.560.001	9.862.141	2.003.367	9.862.141
Diesel usage cost	5.208.678	1.808.964	2.497.026	655.562
The amount of debt of DGP	4.859.167	3.408.309	1.618.741	842.845
Insurance expense	4.715.398	2.895.788	2.366.176	1.404.624
Fuel Oil usage cost	4.382.140	3.180.397	1.661.840	1.601.849
Cost expense of antimony (-)	4.151.872	7.472.560	3.054.937	3.299.864
Other expenses	4.025.291	5.218.666	1.952.982	2.317.613
Imbalance of group companies	2.336.434	40.628	1.663.968	40.628
Limestone usage cost	2.317.150	1.786.576	773.975	989.685
Maintenance expenses	2.020.874	713.371	1.443.941	291.053
Usage of natural gas	1.496.554	32.694.197	5.254	26.075.447
TEİAŞ/Epiaş other expenses	481.975	4.790.040	263.884	4.649.349
System operating fee	436.969	681.317	217.533	408.114
Distribution Companies Other Expenses	302.645	357.627	171.275	175.147
Cost of Reactive Capacitive Property	167.004	51.977	120.116	38.024
Adjustments for previous period	83.823	40.948	16.831	323
<b>Total</b>	<b>457.074.995</b>	<b>355.407.190</b>	<b>238.052.422</b>	<b>188.565.112</b>

**29. OTHER ASSETS AND LIABILITIES**

**Other Current Assets**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Income accruals	67.410.919	41.836.562
Deferred VAT	11.984.487	13.592.939
Work advances	5.285.352	4.629.386
Advances given to personnel	71.906	123.185
Advances given to suppliers	2.906.708	3.052.163
Other various current assets	14.213.890	1.661.526
<b>TOTAL</b>	<b>101.873.262</b>	<b>64.895.761</b>

The details of income accrual are as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Accrued electricity sales income	64.419.761	37.596.630
Natural gas sales revenue accruals	--	1.039.932
Other accrued income	2.991.158	3.200.000
<b>TOTAL</b>	<b>67.410.919</b>	<b>41.836.562</b>

**Other Tangible Fixed Assets**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Given advances (*)	110.711.357	78.912.655
<b>TOTAL</b>	<b>110.711.357</b>	<b>78.912.655</b>

(\*) 98.486.778 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.

**Other short term liabilities**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Accrued expenses	38.570.507	39.996.040
<b>TOTAL</b>	<b>38.570.507</b>	<b>39.996.040</b>

Accrued expenses details are as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Accrued electricity purchase cost	31.845.982	35.000.916
Accrued distribution company cost	449.648	324.981
Other accrued expenses	6.274.877	2.630.190
Natural gas purchase costs	--	2.039.953
<b>Total</b>	<b>38.570.507</b>	<b>39.996.040</b>

## 29. OTHER ASSETS AND LIABILITIES (CONTINUED)

### Other Long Term Liabilities

	June 30, 2021	December 31, 2020
Accrued expenses (*)	1.668.270	1.796.551
<b>Total</b>	<b>1.668.270</b>	<b>1.796.551</b>

(\*) It consists of the interest of the group's insurance and tax debt restructuring installments.

## 30. EQUITY, RESERVES AND OTHER EQUITIES

### Paid-in Capital

Paid-in Capital structure of the Group between June 30, 2021 and December 31, 2020 given on the following table:

Nominal capital of the company is TRY 600.000.000 and the upper limit of registered capital is TRY 600.000.000. The company's application to registration of capital system is accepted by Capital Market Board.

Shareholder	30.06.2021		31.12.2020	
	Share Amount	Rate	Share Amount	Rate
A. Bahattin Özal	33.198.318	%5,53	33.198.318	%5,53
Burak Altay	93.170.353	%15,53	93.170.353	%15,53
BB Enerji Yatırım San. ve Tic. A.Ş.	16.979.633	%2,83	16.979.633	%2,83
Müjgan Özal Mirası (*)	5.347.275	%0,89	5.347.275	%0,89
Fatimetüz Zehra Özal Mirası (**)	3.208.365	%0,53	3.208.365	%0,53
Hafize Ayşegül Özal	2.708.365	%0,45	2.708.365	%0,45
Mustafa Ali Özal	2.708.365	%0,45	2.708.365	%0,45
Mehmet Fatih Özal	1.470.919	%0,25	1.470.919	%0,25
Korkut Enes Özal	1.470.919	%0,25	1.470.919	%0,25
Hafize Büşra Özal	1.069.455	%0,18	1.069.455	%0,18
Public Share	438.668.033	%73,11	438.668.033	%73,11
<b>Paid-in Capital</b>	<b>600.000.000</b>	<b>%100</b>	<b>600.000.000</b>	<b>%100</b>

(\*) Due to the death of Ms. Müjgan Özal on 22.05.2018, 0.89% of the shares amounting to 5.347.275 TRY were jointly owned by Abdulkadir Bahattin Özal, Mustafa Ali Özal, Fatimetüz Zehra Özal, Hafize Ayşegül Özal, Mehmet Fatih Özal, It was legally passed to Korkut Enes Özal and Hafize Büşra Özal. The list regarding the distribution is as follows;

Shareholder	Share Amount	Rate
Fatimetüz Zehra Özal (**)	1.069.455	%0,18
Hafize Ayşegül Özal	1.069.455	%0,18
Mustafa Ali Özal	1.069.455	%0,18
Abdulkadir Bahattin Özal	1.069.455	%0,18
Mehmet Fatih Özal	356.485	%0,06
Korkut Enes Özal	356.485	%0,06
Hafize Büşra Özal	356.485	%0,06
<b>Paid-in Capital</b>	<b>5.347.275</b>	<b>%0,89</b>

### **30. EQUITY, RESERVES AND OTHER EQUITIES (CONTINUED)**

(\*\*) Due to the death of Ms. Fatimetüzzehra Özal on 04.12.2018, 0.71% of the shares amounting to 4,277,820 TRY were transferred to Gökçe Koşay and Ayşenur Koşay Erbay legally, with co-ownership. The list regarding the distribution is as follows;

<b>Shareholder</b>	<b>Share Amount</b>	<b>Rate</b>
Gökçe Koşay	2.138.910	%0,36
Ayşenur Koşay Erbay	2.138.910	%0,36
<b>Total</b>	<b>4.277.820</b>	<b>%0,72</b>

The company's issued capital is TRY 600.000.000 and in question issued capital is paid in cash and fully by means free collusion.

This capital is divided into a total of 600.000,000 shares, with a nominal value of 1 (one) TRY each, of which amount of 8.555,640 nominative (A) Group and 3 (three) pieces amount of 591.444,360 nominative (B) Group.

In the framework of this agreement's 7,8, and 10 articles (The Board of Directors, nominate to the Board, president and vice president elected, representing the company and right to vote in the General Assembly), (A) group shares has the right of determination of board member and use of the right to vote in the General Assembly. (B) group shares has no special rights and privileges.

In capital increases, to represent the increased capital (A) Group shares ratio to (A) Group share and (B) Group shares ratio (B) Group share will be issued. In capital increases, when board of directors decided to issue only (B) group, right to receive shares is given to (A) group the ratio of its capital.

The Board of Directors is authorized to take decisions to increase the issued share capital, limiting the right to buy new shares to be issued, preference shares to be issued and The issue of share issue premium by issuing new shares of (A) and / or ( B) group up to the registered capital in accordance with Capital Market Law and Capital Market Board's regulations between the years 2018-2022. The shares representing the capital are monitored in records within the framework of dematerialization principles.

Authority to restrict the right to buy new shares is not used in a manner to cause inequality among shareholders. New shares cannot be issued unless issued shares are fully sold.

When shares representing five per cent or more of the Company's capital with direct or indirect acquisition by a natural or legal person or as a result of the acquisition of shares that does not exceed five percent of the share capital of the entities belonging to a common or transfer of shares results of falling below ratio compared to above belonging to one common share EMRA approval will be received each time and required disclosures will be stated in accordance with the Capital Market Legislation. This provision also valid if the voting rights is acquisitioned. Board of Directors is authorized to take decisions for not given approval to transfer and refusing from registration in the share register while transferring (A) group share within the framework of TTK 493 showing reason for carrying out company's goal and protection of independency of company. To transfer (B) group share will be traded in stock market cannot be restricted.

#### **Stock Issue Premium**

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 186.569.716 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.

### 30. EQUITY, RESERVES AND OTHER EQUITIES (CONTINUED)

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.

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Share Premium	246.663.789	60.094.073
<b>TOTAL</b>	<b>246.663.789</b>	<b>60.094.073</b>

#### Actuarial gain / loss of funds

Actuarial gain / loss of movement of funds are as follows.

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Beginning period balance	(645.109)	(276.526)
Current year actuarial gains / (losses)	(168.170)	(368.583)
<b>TOTAL</b>	<b>(813.279)</b>	<b>(645.109)</b>

#### Previous Years' Profit/Loss

Accumulated profit/loss except net profit for the period is shown like below.

<b>Retained earnings</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Retained earnings/(loss)	(326.903.703)	(127.047.540)
Increase/decrease due to share ratio change that does not result in loss of control in subsidiaries	24.635.011	(12.169.690)
Period profit/(loss)	(246.670.717)	(187.686.473)
<b>TOTAL</b>	<b>(548.939.409)</b>	<b>(326.903.703)</b>

#### Dividend Distribution

Publicly trading companies distribute its dividends according to the regulations that came into force by the CMB on February 1st, 2014, dividend notification code II-19.1

The partners distribute their profits according to the profit distribution policy and legislative provisions determined by the general assembly. A minimum distribution rate under the declared notification has not been determined. Companies pay dividends based on their contacts or based on dividend distribution policies. Dividend can be paid in fixed or varying instalments, if agreed during the general meeting.

As for payments in instalments, dividend notification No. II-19.1 of the provisions contained in Article 5 shall be complied with. In addition to that, partnerships whose shares are traded in the stock exchange can distribute cash dividends in advance, according to their earnings obtained on their interim financial statements.

According to the TCC, as long as the reserves to be set aside and the dividend rate stated in the real agreement or dividend distribution policy are not separated; another reserve cannot be set aside, any profit cannot be transferred to the following year, and the usufruct of their prospective owners, board members, partners and everyone else other than shareholders will not be given any dividends from the obtained profit, just as well as if the shareholders are not paid their determined dividend fully in cash.

### 30. EQUITY, RESERVES AND OTHER EQUITIES (CONTINUED)

#### Legal Reserves

According to Turkish Commercial Code, legal reserves divided into two; I. and II. Legal Reserves. According to Turkish Commercial Code, primary reserve is 5% of statutory profit until reached 20% of paid capital. Secondary reserve is 10% of distributed profit which exceeds 5% of paid capital. According to Turkish Commercial Code, until legal reserves doesn't exceed 50% of paid capital, can be used just to clarify losses. There is no possibility to use in another way.

As of March 31, 2021 the amount of restricted reserves is TRY 639.252. (December 31, 2020: TRY 639.252). This all amount consist of legal reserves.

#### Capital Advances

There is a capital advance of TRY 128.413.939 paid in cash by the shareholders for the capital increase that the Company will realize in 2021. After the capital increase occurs, this amount will be transferred to the capital.

	June 30, 2021	December 31, 2020
Capital Advances	128.413.940	--
<b>TOTAL</b>	<b>128.413.940</b>	<b>--</b>

#### Minority Interest

Details of minority interest are shown below:

Minority Interest	June 30, 2021	December 31, 2020
Capital	74.631.203	282.204
Retained earnings/(loss)	(32.556.262)	(5.477.068)
Period profit/(loss)	(49.746.870)	(2.444.180)
<b>TOTAL</b>	<b>(7.671.929)</b>	<b>(7.639.044)</b>

#### The Effect of Consolidations Involving Companies Subject to Joint Control

A business combination involving undertaking or businesses subject to Joint Control, is a business combination in which all merging entities 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 43.688.798 (31.12.2020: TRY 41.404.830) arising from the acquisition of entities subject to common control has been shown under the account of "Effect of Associations Including Enterprises or Enterprises Subject to Joint Control" as a balancing account, since the financial statements cannot be used for the recognition of entities under common control subject to jointly controlled entities.

Below are the amounts due to the merger of entities subject to joint control, which are included in the "Effect of Joint Ventures or Associations under Joint Control" account:

Corporate Name	Actual Cost	Acquired Equity Share Value	The Impact of Associations Including Enterprises or Enterprises Subject to Joint Control
Voytron	23.342.950	729.287	24.072.237
Hidro Enerji	150.490	(51.398)	99.092
Suda Stratejik Metal	70.000	(20.616)	49.384
Küçük Enerji	2.065.876	(44.768)	2.021.108
Yel Enerji	--	96.256	96.256
Anadolu Export	--	2.753	2.753
Çan2 Termik	17.347.968	--	17.347.968
<b>Total</b>	<b>42.977.284</b>	<b>711.514</b>	<b>43.688.798</b>



### 30. EQUITY, RESERVES AND OTHER EQUITIES (CONTINUED)

#### Other Equity

	June 30, 2021	December 31, 2020
Other Equity	21.868.966	21.868.966
<b>TOTAL</b>	<b>21.868.966</b>	<b>21.868.966</b>

The Suda Maden purchase is evaluated within the scope of IFRS 3 Business Combinations-standard. This process has been determined an acquisition rather than a business combination transaction. The total amount paid for the asset and the difference amount consists of the between assets and liabilities are calculated by taking the book values of the company's into account, the difference amount of TRY 21.868.966 is recognized at equities.

### 31. REVENUE AND COST OF GOODS SOLD

#### Revenue:

	01 January - 30 June 2021	01 January - 30 June 2020	01 April - 30 June 2021	01 April - 30 June 2020
<b>Domestic Sales</b>	<b>594.131.138</b>	<b>477.835.367</b>	<b>319.248.930</b>	<b>283.110.969</b>
Free Consumer Electricity Sales	39.764.229	15.245.893	22.899.926	6.587.708
Electricity Sales income from TEİAŞ	248.854.272	278.993.070	125.929.096	126.090.835
Bilateral Agreements Electricity Sales	279.869.828	172.233.320	152.370.541	145.077.580
Solar Energy Sales	163.914	168.422	91.521	107.947
Natural Gas Sales Income	16.145	641.662	--	638.882
Income from Mining Sales	8.651.417	9.539.262	7.535.308	1.648.043
Product Sales from Production	10.357.864	2.003.203	5.811.354	2.003.203
Other Income	6.211.912	1.226.120	3.804.951	1.025.593
Sales Returns	241.557	(2.215.585)	806.233	(68.822)
<b>Overseas Sales</b>	<b>4.565.742</b>	<b>776.407</b>	<b>2.289.390</b>	<b>330.552</b>
Antimony Export Sales	4.565.742	776.407	2.289.390	330.552
<b>Total</b>	<b>598.696.880</b>	<b>478.611.774</b>	<b>321.538.320</b>	<b>283.441.521</b>

	01 January - 30 June 2021	01 January - 30 June 2020	01 April - 30 June 2021	01 April - 30 June 2020
Cost of goods sold (production)	378.798.840	276.934.033	190.836.172	137.693.593
Cost of goods sold (trade)	78.276.155	78.376.907	47.216.250	50.871.519
Other costs	--	96.250	--	--
<b>TOTAL</b>	<b>457.074.995</b>	<b>355.407.190</b>	<b>238.052.422</b>	<b>188.565.112</b>

### 32. CONSTRUCTION CONTRACTS

None. (December 31, 2020: None.)

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

There is no Research and Development Expenses belong to date of 1 January - 30 June 2021 and 1 January - 30 June 2020.

	<b>01 January - 30 June 2021</b>	<b>01 January – 30 June 2020</b>	<b>01 April - 30 June 2021</b>	<b>01 April - 30 June 2020</b>
Marketing, selling and distribution expenses	3.796.974	1.446.025	1.931.185	1.303.867
General operating expenses	18.367.994	14.838.242	11.438.554	7.621.668
<b>TOTAL</b>	<b>22.164.968</b>	<b>16.284.267</b>	<b>13.369.739</b>	<b>8.925.535</b>

#### **Marketing, Sales and Distribution Expenses**

The details of marketing, sales, and distribution expenses for the periods 1 January – 30 June 2021 and 1 January – 30 June 2020 are as follows:

	<b>01 January - 30 June 2021</b>	<b>01 January - 30 June 2020</b>	<b>01 April - 30 June 2021</b>	<b>01 April - 30 June 2020</b>
Cost of transportation	2.991.556	1.307.449	1.798.622	1.261.297
Customs expense	448.274	--	7.001	--
Consultancy expense	213.104	--	62.677	--
Other	126.098	4.645	60.186	526
Annual license costs	16.209	2.980	1.832	1.485
Electricity sales commission expense	1.733	60.000	867	40.000
Personnel expense	--	70.035	--	--
Shipping expense	--	916	--	559
<b>TOTAL</b>	<b>3.796.974</b>	<b>1.446.025</b>	<b>1.931.185</b>	<b>1.303.867</b>

#### **General Administration Expenses**

Details of general administration expenses according to their nature 1 January – 30 June 2021, and 1 January – 30 June 2020, periods are as below:

	<b>01 January - 30 June 2021</b>	<b>01 January - 30 June 2020</b>	<b>01 April - 30 June 2021</b>	<b>01 April - 30 June 2020</b>
Personnel expense	9.094.119	7.427.363	5.445.487	3.357.601
Amortization expense	2.707.677	2.256.918	1.405.626	1.130.328
Tax expense	2.053.592	1.773.051	2.012.116	1.492.381
Consultancy expense	1.282.043	1.087.371	698.049	670.548
Public offering expense	1.230.227	--	1.230.227	--
Case provision expense	784.911	116.852	155.885	116.852
Other expense	564.135	755.643	292.529	163.556
Travel expense	175.851	26.961	81.976	589
Contribution expense	168.338	250.977	34.187	48.115
Insurance expense	76.986	25.361	27.123	15.028
Representation and hospitality expenses	70.161	11.491	14.592	5.627
Fuel expense	59.741	51.796	31.337	19.383
Notary expense	56.578	68.061	26.573	59.154
Rent expense	23.179	977.966	(31.803)	537.119
Shipping expense	20.456	8.431	14.650	5.387
<b>TOTAL</b>	<b>18.367.994</b>	<b>14.838.242</b>	<b>11.438.554</b>	<b>7.621.668</b>

### 34. OTHER OPERATIONAL INCOME AND EXPENSE

#### Other Operational Income

	01 January - 30 June 2021	01 January - 30 June 2020	01 April - 30 June 2021	01 April - 30 June 2020
Rediscount Interest Income	5.463.009	14.545.035	2.821.300	(755.294)
Exchange Rate Income	6.616.935	7.402.850	4.006.652	1.096.821
Prior Year Revenues and Profits	7.733.442	1.283.920	4.882.313	22.269
Other Income and Profits Related to Operations	74.524	86.467	--	55.867
Provision No Longer Required (Note 6-9)	1.486.712	--	5.766	--
Compensation and Penalty Income	--	--	--	(12.161)
Other Extraordinary Income	2.080.424	5.253.884	1.839.534	5.179.162
<b>TOTAL</b>	<b>23.455.046</b>	<b>28.572.156</b>	<b>13.555.565</b>	<b>5.586.664</b>

#### Other Operational Expense

	01 January - 30 June 2021	01 January - 30 June 2020	01 April - 30 June 2021	01 April - 30 June 2020
Idle Capacity Expenses and Losses (*)	9.810.426	2.265.527	3.526.815	369.399
Provision Expenses	1.969.460	--	1.969.459	--
Exchange rate expense	7.424.288	10.401.696	4.565.727	2.278.026
Other Extraordinary Expenses and Losses	3.428.398	4.426.042	1.676.395	2.129.976
Prior Period Expenses and Losses	6.890.914	17.727.990	5.275.900	5.508.148
Rediscount Interest Expense	783.201	14.466.147	(120.969)	(105.248)
Other Ordinary Expenses and Losses	1.125.367	--	295.333	(630.994)
Provisions No Longer Required	--	1.867.042	--	1.867.042
Compensation and Penalty Expenses	--	--	--	(12.161)
<b>TOTAL</b>	<b>31.432.053</b>	<b>51.154.444</b>	<b>17.188.660</b>	<b>11.404.188</b>

(\*) Depreciation charge for non-operating expenses and losses for the period 01.01.2021 - 30.06.2021 is TRY 2.679.388.

### 35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Expenditures and revenues from investment activities for the periods 1 January - 30 June 2021 and 1 January - 30 June 2020 are as follows:

	01 January - 30 June 2021	01 January - 30 June 2020	01 April - 30 June 2021	01 April - 30 June 2020
Investing Activity Revenue	391.981	51.695	25.984	--
Investment Activity Expenses	--	--	--	--
<b>TOTAL</b>	<b>391.981</b>	<b>51.695</b>	<b>25.984</b>	<b>--</b>

### 36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES

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

<b>Amortization Expenses</b>	<b>01 January - 30 June 2021</b>	<b>01 January - 30 June 2020</b>	<b>01 April - 30 June 2021</b>	<b>01 April - 30 June 2020</b>
Cost of Sales	43.252.071	39.893.726	22.675.712	20.243.593
Cost of Sales of Coal and Antimony	--	3.169.074	(1.506.386)	1.518.336
General Administration Expenses	2.707.677	2.256.918	1.405.626	1.130.328
Idle Capacity Expenses and Losses	2.679.388	281.824	1.339.336	146.041
Previous Year Expenses and Losses	41.975	--	--	--
Transferred to Product Cost (*)	125.122	371.861	(3.767)	198.126
<b>TOTAL</b>	<b>48.806.233</b>	<b>45.973.403</b>	<b>23.910.521</b>	<b>23.236.424</b>

(\*) There is a depreciation expense of TRY 125.122 in the product account that is transferred to the product cost but not sent to the sales cost.

<b>Personnel Expenses</b>	<b>01 January - 30 June 2021</b>	<b>01 January - 30 June 2020</b>	<b>01 April - 30 June 2021</b>	<b>01 April - 30 June 2020</b>
Cost of sales	26.565.640	22.311.928	14.511.841	10.467.801
General operating expenses	9.094.119	6.591.948	5.445.487	3.357.601
Marketing, sales, and distribution expenses	--	70.035	--	--
<b>TOTAL</b>	<b>35.659.759</b>	<b>28.973.911</b>	<b>19.957.328</b>	<b>13.825.402</b>

<b>Insurance Expenses</b>	<b>01 January - 30 June 2021</b>	<b>01 January - 30 June 2020</b>	<b>01 April - 30 June 2021</b>	<b>01 April - 30 June 2020</b>
Cost of sales	4.715.398	2.895.788	2.366.176	1.404.624
General administration expenses	76.986	25.361	27.123	15.028
<b>TOTAL</b>	<b>4.792.384</b>	<b>2.921.149</b>	<b>2.393.299</b>	<b>1.419.652</b>

<b>Consultancy expenses</b>	<b>01 January - 30 June 2021</b>	<b>01 January - 30 June 2020</b>	<b>01 April - 30 June 2021</b>	<b>01 April - 30 June 2020</b>
Marketing, sales, and distribution expenses	1.282.043	1.087.371	698.049	670.548
General administration expenses	213.104	--	62.677	--
<b>TOTAL</b>	<b>1.495.147</b>	<b>1.087.371</b>	<b>760.726</b>	<b>670.548</b>

### 37. FINANCIAL EXPENSE AND INCOME

#### Financial Income

	01 January - 30 June 2021	01 January - 30 June 2020	01 April - 30 June 2021	01 April - 30 June 2020
Foreign exchange profit	44.748.166	19.814.792	18.305.774	1.968.349
Marketable securities sales revenue	20.588.345	--	20.478.518	--
Interest income	8.951.244	5.803.086	4.840.517	591.349
Rediscount interest income	2.883.907	44.137.805	(1.644.912)	375.112
Other	--	253.425	--	163.680
<b>TOTAL</b>	<b>77.171.662</b>	<b>70.009.108</b>	<b>41.979.897</b>	<b>3.098.490</b>

#### Financial Expenses

	01 January - 30 June 2021	01 January - 30 June 2020	01 April - 30 June 2021	01 April - 30 June 2020
Foreign exchange losses	258.750.960	237.800.749	102.667.818	103.711.763
Interest and commission expense	156.651.133	111.353.529	24.983.052	50.964.473
Rediscount interest expense	1.284.312	42.965.861	558.911	(888.800)
Loss on sale of marketable securities	539.150	--	420.092	--
Other	--	284.623	--	133.204
<b>TOTAL</b>	<b>417.225.555</b>	<b>392.404.762</b>	<b>128.629.873</b>	<b>153.920.640</b>

### 38. ANALYSIS OF OTHER COMPREHENSIVE INCOME

The Group's other comprehensive income / (expense) breakdown as of 30 June 2021 and 30 June 2020 is as follows:

	01 January - 30 June 2021	01 January - 30 June 2020	01 April - 30 June 2021	01 April - 30 June 2020
<b>Not reclassified on gain/(loss)</b>				
Actuarial gains/(loss) (Note 27)	218.403	(388.835)	43.539	(379.747)
Deferred tax revenue/(expense) (Note 40)	(50.233)	85.544	(11.763)	83.544
<b>TOTAL</b>	<b>168.170</b>	<b>(303.291)</b>	<b>31.776</b>	<b>(296.203)</b>

### 39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The share transfer agreement regarding the sale of all of the shares of Ena Elektrik Üretim Ltd.Şti which is included in the group portfolio and which has an 80% share included in the consolidation was signed on 29 June 2015. The transfer of shares has not yet taken place and will take place after the licensing transactions with EPDK. As of 30.06.2015, Ena Elektrik has been classified as assets held for sale in the Consolidated Financial Statements. As of June 30, 2021, the net asset value of Ena Elektrik is TRY 663.768. (31.12.2020: TRY 596.919)

The sale transaction is accounted for as a discontinued operation in accordance with TFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" and the net profit / loss after the operations of Ena Elektrik Üretim Ltd.Şti on June 30, 2021 about 01 January- 30 June 2021 profit or loss in the consolidated and income from discontinued operations in the other comprehensive income statement.

### 39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

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

	<b>01 January - 30 June 2021</b>	<b>01 January - 30 June 2020</b>	<b>01 April - 30 June 2021</b>	<b>01 April - 30 June 2020</b>
Incomes	279.784	85.049	72.595	(11.581)
Expenses (-)	(157.250)	(111.504)	(3.615)	(504)
<b>Period income before tax</b>	<b>122.534</b>	<b>(26.455)</b>	68.980	<b>(12.085)</b>
Tax (-)	(55.685)	4.233	(16.191)	2.025
<b>Period Net Profit/Loss</b>	<b>66.849</b>	<b>(22.221)</b>	<b>52.790</b>	<b>(10.060)</b>

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

Tax income / expenses in the income statement for the period between 01 January - 30 June 2021 and 01 January - 30 January 2020 are summarized below:

	<b>01 January - 30 June 2021</b>	<b>01 January - 30 June 2020</b>	<b>01 April - 30 June 2021</b>	<b>01 April - 30 June 2020</b>
Tax expense for the period	(263.373)	(294.500)	(207.943)	(294.500)
Deferred tax income/ expense	1.701.151	2.014.903	(9.432.327)	(2.606.253)
Deferred tax reflected in equity (*)	(50.233)	85.544	(11.763)	83.544
<b>TOTAL</b>	<b>1.387.545</b>	<b>1.805.947</b>	<b>(9.652.033)</b>	<b>(2.817.209)</b>

(\*)TAS 19 Employee benefits changes made to the standard actuarial gains / losses is the amount of deferred tax on the amount.(Note 38)

#### 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.

Company 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 corporate tax rate of 2021 was increased from 20% to 25% in accordance with the "Law on the Collection Procedure of Public Receivables and Amendments to Some Laws" No. 7316 published in the Official Gazette No. 31462 dated April 22, 2021. for 2021, this rate will be applied from the date of the 2.Temporary tax return. For 2022, the corporate tax rate will be applied at 23%.

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

**Current Period Tax Assets:**

As at 30 June 2021 and 31 December 2020, the details of current period tax assets are as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Prepaid taxes and funds	193.603	339.428
<b>TOTAL</b>	<b>193.603</b>	<b>339.428</b>

**Current Period Tax Expense:**

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Profit/loss before tax	1.233.938	427.331
Non-deductible expenses	54.062	911.305
To be offset prior year losses	(234.510)	--
<b>Corporate tax base</b>	<b>1.053.490</b>	<b>1.338.636</b>
Tax Expense	263.373	294.500
Prepaid taxes and other legal liabilities	--	--
<b>Tax Expense For The Period</b>	<b>263.373</b>	<b>294.500</b>

**Deferred Tax**

Company calculates deferred tax assets and liabilities with recorded values in statement of financial position items by considering difference effects which occurs as a result of evaluation for values in statement of financial position items and Tax Procedure Law.

20% tax rate stated in the first paragraph of Article 32 of the Corporate Tax Law no. 5520 shall be applied as 22% for corporate profits of taxation periods of 2018, 2019 and 2020 with provisional article added with Law No. 7061 "Amendments to Certain Tax Laws and Some Other Laws" accepted on 28 November 2017. But 20% tax rate stated in the first paragraph of Article 32 of the Corporate Tax Law no. 5520 shall be applied as 22% for corporate profits of taxation periods of 2018, 2019 and 2020 with provisional article added with Law No. 7061 "Amendments to Certain Tax Laws and Some Other Laws" accepted on 28 November 2017. In accordance with the provisional Article 13 of the Corporate Tax Code No. 5520, it will be applied at a rate of 25% for corporate earnings in 2021 and 23% for corporate earnings in 2022.

Turkish tax legislation makes possible that the main partner of company can organize tax statement via financial statement of its consolidated subsidiaries and affiliates. Therefore, with company has deferred tax assets and company has deferred liabilities are not net off their tax position. It is stated separately.

The deferred assets and deferred tax liabilities in the consolidated financial statements are reflected as of June 30, 2021 - December 31, 2020 in the following manner.

	<b>30.06.2021</b>	<b>31.12.2020</b>
Deferred Tax Assets	172.828.808	171.470.932
Deferred Tax Liabilities	(10.266.243)	(10.655.111)
<b>Total</b>	<b>162.562.565</b>	<b>160.815.821</b>

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

The breakdown of cumulative temporary differences and the resulting deferred tax assets / (liabilities) provided at 30 June 2021 and 31 December 2020 using the enacted tax rates is as follows:

Deferred Tax Assets / (Liabilities)	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Tax Deduction from Cash Capital Increase (*)	--	--	38.596.815	38.596.815
Fixed Assets	(128.828.474)	(135.881.915)	(29.630.549)	(29.894.021)
Severance Indemnities and Provisions	6.587.072	4.396.313	1.515.026	967.189
Rediscount	(15.084.399)	(9.855.877)	(3.469.412)	(2.168.293)
Reduced Corporate Tax from Investment (**)	--	--	354.596.461	354.596.461
Doubtful Receivables	8.677.685	3.518.516	1.995.868	774.074
Establishment and Formation Expenses	3.950	3.949	908	869
Accrued Financial Losses	--	759.068	--	166.995
Provisions for Other Payables and Expenses	(5.148.524)	(13.738.998)	(1.184.160)	(3.022.579)
TAS 21 Currency Change Effects	(2.855.240)	--	(656.705)	--
Revaluation	--	--	(199.201.687)	(199.201.687)
<b>TOTAL</b>			<b>162.562.565</b>	<b>160.815.823</b>

(\*) A tax advantage of TRY 38.596.815 has been provided within the scope of the incentives related to the capital increases realized by the Group in the previous periods.

(\*\*) Group's investment in thermal power plant II. It is located in the region, but it is stated in the Special Conditions section of the Special Conditions of the YTB that the investment subject to the document is among the priority investments and will benefit from the 5th region supports. Accordingly, the Investment Contribution Rate is 40% and the Reduced Corporate Tax Rate is 80%. Accordingly, it will be possible to benefit from the reduced corporate tax application regarding the income obtained from the investment of TRY 320,715,946, which is 40% of the total investment of TRY 801,789,865.

According to the incentive certificate received within the scope of hard coal mining, the investment contribution rate is 40% and the reduced corporate tax rate is 80%. Accordingly, it will be possible to benefit from the reduced corporate tax application in relation to the earnings obtained in the amount of TRY 90,286,925, which is 40% of the total investment of TRY 227,050,000 and remaining after being subject to tax deduction. TRY 30,296,753 of this amount has been subjected to deferred tax.

According to the incentive certificate received within the scope of Antimony Ore Enrichment Facility Investment, the rate of Contribution to the Investment is 40% and the rate of reduced corporate tax is 80%. Accordingly, it will be possible to benefit from the reduced corporate tax application regarding the earnings of TRY 3.583.762, which is 40% of the total investment of TRY 14.500.000 and remaining after being subject to tax deduction.

The distribution of accumulated financial losses and amortization period by years as of June 30, 2021, and December 31, 2020, is like below:

Amortization Date	June 30, 2021		December 31, 2020	
	Recorded Part	Unrecorded Part	Recorded Part	Unrecorded Part
2020	--	--	--	6.795.798
2021	--	9.623.397	--	9.682.273
2022	--	16.301.712	--	16.301.712
2023	--	123.789.577	--	123.847.003
2024	--	123.075.668	--	124.269.542
2025	--	436.172.734	--	--



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

Subsidiaries have deductible tax losses that can be net off from taxable income for the next period (oncoming 5 years) as of balance sheet date, is shown above table. Deferred tax assets consisting of tax losses which was predicted to be unusable losses is not recorded.

Besides, the subsidiary of Çan 2 Termik has useable reduced corporate tax related investment incentive certificate which details are given "23. Government Incentives".

The investment of Çan Kömür is on stage II but because investment involves primary investment subjects according to fifth article of special conditions of investment incentive certificate, it will take advantage from 5. Zone support. Accordingly, the investment contribution rate is 40% and Reduced Corporate Tax is 80%. This means that a discounted corporate tax application can be used in relation to the profit from the investment in the amount of  $801.789.866 * 40\% = 320.715.946$  TRY, which is 40% of the total investment amount. If it is used as an advance, up to 80% of the total amount will be available until the end of the investment.

Investment in YS Mining IV. It is located in the district. The amount of contributions invested rate is 40% and the Discounted Institution Tax rate is 80%. This means that 40% of the total investment amount,  $227.050.000 * 40\% =$  TRY 90.820.000, can be utilized by the application of the discounted corporation tax on the income obtained from the investment. If used as an advance, the investment will be available up to 80% of the total amount until the investment is over.

Investment of Suda Maden is at fourth zone. It is located in the district. The amount of contributions invested rate is 40% and the Discounted Institution Tax rate is 80%. This means that 40% of the total investment amount  $14.500.000 * 40\% =$  TRY 5.800.000, can be utilized by the application of the discounted corporation tax on the income obtained from the investment. If used as an advance, the investment will be available up to 80% of the total amount until the investment is over.

#### **41. EARNING PER SHARE**

	<b>January 01 – June 30 2021</b>	<b>January 01 – June 30 2021</b>	<b>April 01 – June 30 2021</b>	<b>April 01 – June 30 2020</b>
Net profit loss	(171.423.160)	(212.172.619)	19.330.679	(64.604.329)
weighted average number of ordinary share	600.000.000	512.783.700	600.000.000	512.783.700
<b>Profit/(loss) per share with nominal value of 1 TRY</b>	<b>(0,285705)</b>	<b>(0,413766)</b>	<b>0,032218</b>	<b>(0,125987)</b>

#### **42. SHARE-BASED PAYMENT**

None. (None, December 31, 2020.)

#### **43. INSURANCE CONTRACTS**

None. (None, December 31, 2020.)

#### **44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE**

None. (None, December 31, 2020.)

#### **45. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES**

Prepared financial tables before the period of January 01,2005, 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.

**45.FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES (CONTINUED)**

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.

**46. DERIVATIVE INSTRUMENTS**

None. (December 31, 2020: None.).

**47. FINANCIAL INSTRUMENTS**

**Short-Term Financial Liabilities**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Bank loans	129.350.454	100.638.111
Financial leasing liabilities	5.744.516	7.941.746
Deferred financial leasing costs (-)	(118.872)	(304.208)
Installments of principal and interest of loans	365.637.177	420.115.199
Current Installments of Bonds	44.805.000	--
Other Financial Liabilities	69.668.719	78.263.971
<b>Short-Term Financial Liabilities - Net</b>	<b>615.086.994</b>	<b>606.654.819</b>

(\*) Consists of the principal currencies of the September 08, 2021 futures bonds issued by the Company on March 8, 2021.

**Long-Term Financial Liabilities**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Bank loans	1.504.470.163	1.487.422.249
Financial leasing liabilities (*)	--	561.878
Deferred financial leasing costs (-) (**)	--	(12.090)
<b>Long-Term Financial Liabilities - Net</b>	<b>1.504.470.163</b>	<b>1.487.972.037</b>

(\*) 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 June 30, 2021, and December 31, 2020 as of the repayment schedule of long-term loan obligations are as follows:

<b>Long-Term Loans Liabilities</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
2022	296.740.796	336.273.100
2023	278.838.597	267.192.743
2024	222.221.536	212.228.653
2025	180.436.327	164.903.076
2026	148.885.794	128.605.092
2027	133.424.016	113.456.679
2028	119.577.935	99.894.794
2029	107.210.139	87.871.913
2030	17.135.023	76.996.199
<b>Total</b>	<b>1.504.470.163</b>	<b>1.487.422.249</b>

**47.FINANCIAL INSTRUMENTS (CONTINUED)**

<b>Long-Term Loans Liabilities</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
2-3 Years	296.740.796	336.273.100
3-4 Years	278.838.597	267.192.743
4-5 Years	222.221.536	212.228.653
5 Years and Longer	706.669.234	671.727.753
<b>Total</b>	<b>1.504.470.163</b>	<b>1.487.422.249</b>

<b>Other Financial Liabilities</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Other financial liabilities (*)	69.668.719	78.263.971
<b>Total</b>	<b>69.668.719</b>	<b>78.263.971</b>

(\*) As of June 30, 2021, the amount of TRY 65.644.636 consists of factoring liabilities, and the amount of TRY 2.223 of company credit card debts and the amount of TRY 4.021.860 of lease borrowings within the scope of TFRS-16.

**47.FINANCIAL INSTRUMENTS (CONTINUED)**

The maturity of the Group's loans and interest rates are as follows:

	<u>Annual interest rate %</u>		<u>Currency value</u>		<u>TRY</u>	
	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>
TRY Loans	10,5-30%	7,5-29%	-	-	129.350.454	100.638.111
<b>Short-term Loans</b>			<b>-</b>	<b>-</b>	<b>129.350.454</b>	<b>100.638.111</b>
EURO Loans	5%-7,5%	5,5%-7%	16.023.709	27.109.187	165.741.233	244.196.843
USD Loans	6,5 – 7,5%	6,5 - 8%	3.065.331	2.774.918	26.655.810	20.369.285
TRY Loans	10,5-30%	7,5-29%	-	-	173.240.134	155.549.071
<b>Short-term payments and interests of loans</b>					<b>365.637.177</b>	<b>420.115.199</b>
<b>Total short-term loans</b>			<b>-</b>	<b>-</b>	<b>494.987.626</b>	<b>520.753.310</b>
EURO Loans	5%-7,5%	5,5%-7%	116.247.784	128.412.019	1.202.408.954	1.156.722.629
USD Loans	6,5 – 7,5%	6,5 - 8%	1.421.652	2.173.646	12.362.544	15.955.646
TRY Loans	10,5-30%	7,5-29%	-	-	289.698.665	314.743.974
<b>Total long-term loans</b>					<b>1.504.470.163</b>	<b>1.487.422.249</b>

## **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 minis 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. Previously mentioned 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 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 minimize 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.

**48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

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

June 30, 2021	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
<b>As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *</b>	<b>33.130.791</b>	<b>151.327.322</b>	<b>11.193.667</b>	<b>23.032.369</b>	<b>47.123.548</b>	<b>-</b>	<b>119.422.482</b>
- Guarantee of maximum risk, etc. the part secured with	-	-	-	2.816.233	-	-	-
A.Net value of financial assets neither due nor impaired	33.130.791	148.073.254	11.193.667	20.216.136	47.123.548	-	119.422.482
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Past due but not impaired	-	3.254.068	-	-	-	-	-
D. Net book value of Impaired assets	-	19.729.392	-	-	-	-	-
- Past due (gross book value)	-	(19.729.392)	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantees	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantees	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

\* In determining the amount, the increase in credit reliability such as guarantees received are not considered.

**48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

Aging of assets that is overdue but is not impairment as follows:

June 30, 2021	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Overdue 1-30 days	-	296.271	-	-	-	-	-
Overdue 1-3 months	-	2.907.791	-	-	-	-	-
Overdue 3-12 months	-	50.006	-	-	-	-	-
Overdue 1-5 years			-	-	-	-	-
Overdue above 5 years	-	-	-	-	-	-	-
Part covered by guarantees	-	-	-	-	-	-	-
<b>Total</b>	-	<b>3.254.068</b>	-	-	-	-	-

**48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

December 31, 2020	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
<b>As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *</b>	<b>28.895.916</b>	<b>159.705.970</b>	<b>11.930.535</b>	<b>21.834.192</b>	<b>13.455.893</b>	<b>--</b>	<b>95.733.714</b>
- Guarantee of maximum risk, etc. the part secured with	--	--	--	2.785.051	--	--	--
A. Net value of financial assets neither due nor impaired	28.895.916	155.093.892	11.930.535	19.049.141	13.455.893	--	95.733.714
B. Conditions renegotiated, otherwise to be classified as past due or impaired	--	--	--	--	--	--	--
C. Past due but not impaired	--	4.612.078	--	--	--	--	--
D. Net book value of Impaired assets	--	17.762.295	--	--	--	--	--
- Past due (gross book value)	--	(17.762.295)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--	--	--



**48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

Aging of assets that is overdue but is not impairment as follows;

December 31, 2020	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Overdue 1-30 days	--	1.106.847	--	--	--	--	--
Overdue 1-3 months	--	177.068	--	--	--	--	--
Overdue 3-12 months	--	3.328.163	--	--	--	--	--
Overdue 1-5 years	-	--	--	--	--	--	--
Overdue above 5 years	--	--	--	--	--	--	--
Part covered by guarantees	--	--	--	--	--	--	--
<b>Total</b>	--	<b>4.612.078</b>	--	--	--	--	--

#### **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 computable 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 exposure or methods that management or measurement of exposure 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

**48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

<b>CURRENCY POSITION</b>					
	<b>30.06.2021</b>				
	<b>TRY Equivalent (Functional Currency)</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>PLN</b>
1. Trade Receivables	16.991.974	1.630.450	--	--	
2a. Monetary financial assets (including cash and cash equivalents)	1.604.219	149.978	5.985	280	189
2b. Non-monetary financial assets	49.656.883	1.448.349	3.982.708	10.977	-
3. Other	-	-	--	--	
<b>4. Current Assets (1+2+3)</b>	<b>68.253.076</b>	<b>3.228.776</b>	<b>3.988.693</b>	<b>11.257</b>	<b>189</b>
5. Trade Receivables	-	-	--	--	
6a. Monetary financial assets	-	-	--	--	
6b. Non-monetary financial assets	-	-	--	--	
7. Other	-	-	--	--	
<b>8. Non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>--</b>	<b>--</b>	
<b>9. Total Assets (4+8)</b>	<b>68.253.076</b>	<b>3.228.776</b>	<b>3.988.693</b>	<b>11.257</b>	<b>189</b>
10. Trade payables	(72.016.620)	(4.113.822)	(3.388.413)	--	
11. Financial Liabilities	(175.764.070)	(3.065.331)	(16.566.177)	--	
12a. Monetary financial liabilities	(11.377.850)	(1.100.000)	--	--	
12b. Non-monetary financial liabilities	-	-	--	--	
<b>13. Short Term Liabilities (10+11+12)</b>	<b>(259.158.539)</b>	<b>(8.279.153)</b>	<b>(19.954.590)</b>	<b>--</b>	<b>-</b>
14. Trade Payables	-	-	--	--	
15. Financial Liabilities	(1.025.823.814)	(1.421.652)	(116.247.784)	--	
<b>17. Long Term Liabilities (14+15+16)</b>	<b>(1.025.823.814)</b>	<b>(1.421.652)</b>	<b>(116.247.784)</b>	<b>--</b>	
<b>18. Total Liabilities (13+17)</b>	<b>(1.284.982.353)</b>	<b>(9.700.805)</b>	<b>(136.202.374)</b>	<b>--</b>	
<b>19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>--</b>	<b>--</b>	
19a. Amount of Hedge Total Asset	-	-	--	--	
19b. Amount of Hedge Total Liabilities	-	-	--	--	
<b>20. Net Foreign Currency asset/ (liabilities) Position (9-18+19)</b>	<b>(1.216.729.277)</b>	<b>(6.472.029)</b>	<b>(132.213.681)</b>	<b>11.257</b>	<b>189</b>
<b>21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1.266.386.160)</b>	<b>(7.920.377)</b>	<b>(136.196.388)</b>	<b>280</b>	<b>189</b>
<b>22. Fair Value of Financial Instruments used for foreign Exchange Hedge</b>	<b>-</b>	<b>-</b>	<b>--</b>	<b>--</b>	
<b>23. Export</b>	<b>9.471.821</b>	<b>1.296.889</b>	<b>--</b>	<b>--</b>	
<b>24. Import</b>	<b>-</b>	<b>-</b>	<b>--</b>	<b>--</b>	

**48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

<b>CURRENCY POSITION</b>					
	<b>31.12.2020</b>				
	<b>TRY Equivalent (Functional Currency)</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>PLN</b>
1. Trade Receivables	30.161.598	4.108.930	--	--	--
2a. Monetary financial assets (including cash and cash equivalents)	344.725	18.986	22.411	319	189
2b. Non-monetary financial assets	41.528.563	1.049.116	3.743.831	10.405	--
3. Other	--	--	--	--	--
<b>4. Current Assets (1+2+3)</b>	<b>72.034.886</b>	<b>5.177.032</b>	<b>3.766.242</b>	<b>10.724</b>	<b>189</b>
5. Trade Receivables	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--
7. Other	--	--	--	--	--
<b>8. Non-current assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets (4+8)</b>	<b>72.034.886</b>	<b>5.177.032</b>	<b>3.766.242</b>	<b>10.724</b>	<b>189</b>
10. Trade payables	(79.570.116)	(3.929.690)	(5.439.252)	(173.775)	--
11. Financial Liabilities	(312.418.045)	(2.774.918)	(32.421.403)	--	--
12a. Monetary financial liabilities	(734.050)	(100.000)	--	--	--
12b. Non-monetary financial liabilities	--	--	--	--	--
<b>13. Short Term Liabilities (10+11+12)</b>	<b>(392.722.211)</b>	<b>(6.804.608)</b>	<b>(37.860.655)</b>	<b>(173.775)</b>	<b>--</b>
14. Trade Payables	--	--	--	--	--
15. Financial Liabilities	(1.173.228.064)	(2.173.646)	(128.473.053)	--	--
<b>17. Long Term Liabilities (14+15+16)</b>	<b>(1.173.228.064)</b>	<b>(2.173.646)</b>	<b>(128.473.053)</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>(1.565.950.275)</b>	<b>(8.978.254)</b>	<b>(166.333.708)</b>	<b>(173.775)</b>	<b>--</b>
<b>19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
19a. Amount of Hedge Total Asset	--	--	--	--	--
19b. Amount of Hedge Total Liabilities	--	--	--	--	--
<b>20. Net Foreign Currency asset/ (liabilities) Position (9-18+19)</b>	<b>(1.493.915.389)</b>	<b>(3.801.222)</b>	<b>(162.567.466)</b>	<b>(163.051)</b>	<b>189</b>
<b>21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1.535.443.953)</b>	<b>(4.850.338)</b>	<b>(166.311.299)</b>	<b>(173.456)</b>	<b>189</b>
<b>22. Fair Value of Financial Instruments used for foreign Exchange Hedge</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>23. Export</b>	<b>16.540.521</b>	<b>2.200.075</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>24. Import</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**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*

<b>Sensitivity Analysis of Foreign Exchange Position</b>				
<b>30.06.2021</b>				
	<b>Profit / Loss</b>		<b>Equity</b>	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
<b>Change in 20% of the U.S. Dollar against TRY;</b>				
1 - Net asset / liability of USD	(7.766.434)	7.766.434	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
<b>3- Net Effect of U.S. Dollar (1+2)</b>	<b>(7.766.434)</b>	<b>7.766.434</b>	<b>--</b>	<b>--</b>
<b>Change in 20% of the EURO against TRY;</b>				
4 - Net asset / liability of EUR	(158.656.417)	158.656.417	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
<b>6- Net Effect of EURO (4+5)</b>	<b>(158.656.417)</b>	<b>158.656.417</b>	<b>--</b>	<b>--</b>
<b>Change in 20% of the GBP against TRY;</b>				
7- Other foreign currency net asset / liability	13.508	(13.508)	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
<b>9- Net Effect of GBP (7+8)</b>	<b>13.508</b>	<b>(13.508)</b>	<b>--</b>	<b>--</b>
<b>Change in 20% of the PLN against TRY;</b>				
7- Net asset / liability of other exchange	227	(227)	--	--
8- Amount hedged for other exchange risk (-)	--	--	--	--
<b>12- Net Effect of PLN (7+8)</b>	<b>227</b>	<b>(227)</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6+9)</b>	<b>(166.409.116)</b>	<b>166.409.116</b>	<b>--</b>	<b>--</b>

**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

**48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

<b>Sensitivity Analysis of Foreign Exchange Position</b>				
<b>31.12.2020</b>				
	<b>Profit / Loss</b>		<b>Equity</b>	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
<b>Change in 20% of the U.S. Dollar against TRY;</b>				
1 - Net asset / liability of USD	(4.561.466)	4.561.466	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
<b>3- Net Effect of U.S. Dollar (1+2)</b>	<b>(4.561.466)</b>	<b>4.561.466</b>	<b>--</b>	<b>--</b>
<b>Change in 20% of the EURO against TRY;</b>				
4 - Net asset / liability of EUR	(195.080.961)	195.080.961	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
<b>6- Net Effect of EURO (4+5)</b>	<b>(195.080.961)</b>	<b>195.080.961</b>	<b>--</b>	<b>--</b>
<b>Change in 20% of the GBP against TRY;</b>				
7- Other foreign currency net asset / liability	(195.661)	195.661	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
<b>9- Net Effect of GBP (7+8)</b>	<b>(195.661)</b>	<b>195.661</b>	<b>--</b>	<b>--</b>
<b>Change in 20% of the PLN against TRY;</b>				
7- Net asset / liability of EUR	227	(227)	--	--
8- Amount hedged for EUR risk (-)	--	--	--	--
<b>12- Net Effect of PLN (4+5)</b>	<b>227</b>	<b>(227)</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6+9)</b>	<b>(199.837.861)</b>	<b>199.837.861</b>	<b>--</b>	<b>--</b>

**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. (31.12.2020: None).

#### **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 aplicated from stock price traded in active market for similar assets and liabilities.
- Second Level: Financial assets and liabilities are aplicated 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 aplicated 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.

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

**30.06.2021**

	<b>Financial Assets with Fair Value</b>	<b>Loans and Receivables (Includes Cash and Cash Equivalent)</b>	<b>Financial Assets Available for Sale</b>	<b>Financial Liabilities with Amortized Value</b>	<b>Book Value</b>	<b>Notes</b>
<b>Financial Assets</b>						
Cash and Cash Equivalent	--	51.903.030	--	--	51.903.030	53
Trade receivables	--	184.458.113	--	--	184.458.113	6-7
Other receivables	--	34.226.036	--	--	34.226.036	6-9
<b>Financial Liabilities</b>						
Financial payables						
Trade payables	--	--	--	2.119.557.157	2.119.557.157	47
Other payables	--	--	--	300.084.901	300.084.901	6-7
<b>Financial Assets</b>	--	--	--	66.814.392	66.814.392	6-9

**31.12.2020**

	<b>Financial Assets with Fair Value</b>	<b>Loans and Receivables (Includes Cash and Cash Equivalent)</b>	<b>Financial Assets Available for Sale</b>	<b>Financial Liabilities with Amortized Value</b>	<b>Book Value</b>	<b>Notes</b>
<b>Financial Assets</b>						
Cash and Cash Equivalent	--	15.431.240	--	--	15.431.240	53
Trade receivables	--	188.601.886	--	--	188.601.886	6-7
Other receivables	--	33.764.727	--	--	33.764.727	6-9
<b>Financial Liabilities</b>						
Financial payables						
Trade payables	--	--	--	2.094.626.856	2.094.626.856	47
Other payables	--	--	--	280.689.768	280.689.768	6-7
<b>Financial Assets</b>	--	--	--	125.862.634	125.862.634	6-9

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

**Derivative Financial Instruments (Futures Agreements)**

The Group does not engage in derivative transactions in the foreign exchange markets.

**50.SUBSEQUENT EVENTS**

**CMB Application for Paid Capital Increase**

The Prospectus prepared for the shares with a nominal value of 800,000,000 Turkish Liras to be issued in order to increase the company's paid-in capital of 600,000,000 Turkish Liras to 1,400,000,000 Turkish Liras by being fully covered in cash, is issued by the Capital Markets Board ("CMB") dated 29.07.2021 and 2021. It was approved at the Board meeting numbered /37 and communicated with the letter dated 30.07.2021 and numbered E-29833736-105.01.01.01-9172

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

None. (December 31, 2020: None.)



**52.FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARDS**

None. (December 31,2020: None.)

**53.EXPLANATION TO CASH FLOW STATEMENT**

**Cash and Cash Equivalents**

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Cash	4.660.297	1.963.840
Bank	47.123.548	13.455.893
- <i>Demand deposit</i>	17.851.835	7.712.958
- <i>Time deposit</i>	29.271.713	5.742.935
Other Current Assets	119.185	11.507
<b>TOTAL</b>	<b>51.903.030</b>	<b>15.431.240</b>

As of June 30, 2021 there is no blocked deposits of the Group (None, June 30, 2021)

Amount of time deposits as of June 30, 2021 concerning the details are as follows:

<b>Currency Time Deposits</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>June 30, 2021</b>
			<b>TRY</b>
TRY	2.08.2021	19,00%	16.000.000
TRY	1.07.2021	17,00%	4.000.000
TRY	1.07.2021	18,00%	3.440.118
TRY	1.07.2021	19,03%	2.378.803
TRY	1.07.2021	18,00%	2.000.000
TRY	1.07.2021	19,03%	315.489
TRY	1.07.2021	19,03%	303.193
TRY	1.07.2021	19,03%	303.048
TRY	1.07.2021	6,50%	290.000
TRY	27.09.2021	18,50%	91.216
TRY	13.07.2021	11,11%	64.465
TRY	1.07.2021	1,00%	56.767
TRY	12.07.2021	5,00%	10.806
TRY	12.07.2021	17,00%	10.801
TRY	1.07.2021	19,03%	3.835
TRY	1.07.2021	19,03%	2.009
TRY	2.08.2021	12,94%	1.163
			<b>29.271.713</b>

**53. EXPLANATION TO CASH FLOW STATEMENT (CONTINUED)**

Amount of time deposits as of June 30, 2021 concerning the details are as follows:

<b>Currency Time Deposits</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>June 30, 2021</b>	
				<b>TRY</b>
TRY	04.01.2021	17,00%		3.500.000
TRY	01.01.2021	8,00%		1.750.000
TRY	04.01.2021	17,97%		1.573.478
TRY	04.01.2021	17,97%		302.870
TRY	04.01.2021	17,97%		240.957
TRY	04.01.2021	17,97%		175.548
TRY	04.01.2021	17,97%		172.776
TRY	04.01.2021	17,97%		112.684
TRY	15.03.2021	14,00%		84.028
TRY	01.02.2021	5,25%		61.438
TRY	18.01.2021	12,00%		10.260
TRY	18.01.2021	11,50%		10.260
TRY	18.01.2021	11,50%		7.702
TRY	15.01.2021	9,83%		1.091
				<b>8.003.092</b>

<b>Currency Time Deposits</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>June 30, 2021</b>	<b>June 30, 2021</b>
			<b>USD</b>	<b>TRY</b>
USD	04.01.2021	0,05%	398.180	2.922.837
			<b>398.180</b>	<b>2.922.837</b>

**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 profit/loss retrospective which is shown in other comprehensive income are shown that equity change table.

**55.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.

As the date of June 30, 2021 the amount of interest, tax, profit before depreciation is TRY 165.416.664. (June 30, 2021: TRY 152.240.035)