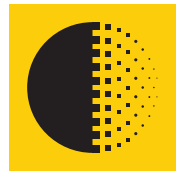


Annual Report 2020

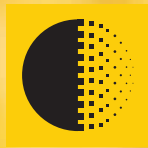


**ODAS**

*If there is energy,*  
**THERE IS LIFE**







**ODAS**

*If there is energy, there is life*



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*If there is energy,*  
**THERE IS  
EMPLOYMENT**





01

SECTION

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**INDEPENDENT AUDIT REPORT  
ON THE BOARD OF DIRECTORS'  
ANNUAL REPORT**



## INDEPENDENT AUDIT REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT

### INDEPENDENT AUDIT REPORT ON ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş. ANNUAL REPORT FOR THE PERIOD ENDING ON 31.12.2020

*To the Board of Directors of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. and its Subsidiaries*

#### 1) Opinion

As part of our independent audit activities, we audited the annual report of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. and its Subsidiaries ("the Group") for the fiscal year ending on 31.12.2020.

In our opinion, the consolidated financial data provided in the annual report of the board of directors and the Board's evaluations on the Group's standing based on the data in the audited consolidated financial statements are consistent with audited full set consolidated financial statements and with the information we gathered during the independent audit and reflect the truth in all material respects.

#### 2) The Basis of Opinion

Our independent audit has been performed in accordance with the Independent Audit Standards (IAS) as part of Turkish Audit Standards published by Public Oversight, Accounting and Audit Standards Authority (POA). Our responsibilities under these Standards have been described in detail within "the Responsibilities of Independent Auditor concerning Independent Audit of Annual Report" section of our report. Pursuant to the Code of Conduct for Independent Auditors issued by POA and the provisions of ethical conduct stipulated in the regulations on independent auditing, we hereby declare that we are independent from the Group. We have complied with the Code of Conduct and fulfilled other ethical responsibilities under the regulations. We believe that the independent audit evidence acquired during the independent audit constitute an adequate and reliable basis for building our opinion.

#### 3) Our Audit Opinion on Full Set Consolidated Financial Statements

We expressed a positive opinion in our audit report dated 15.02.2021 about the Group's full set consolidated financial statements for the fiscal year 01.01.-31.12.2020.



#### 4) Board of Directors' Responsibility for Annual Report

The Group's management is responsible for the following in relation to the annual report, according to the articles 514 and 516 of Turkish Commercial Code (TCC) No. 6102:

- a) Prepares the annual report and submits it to the general assembly within the first three months following the balance sheet date.
- b) Furnishes the annual report in a way to reflect the group's course of activities in the subject year and every aspect of its financial standing in an accurate, exhaustive, straightforward, realistic and truthful manner. The financial standing in this report is evaluated on the basis of consolidated financial statements. The report also indicates clearly the Group's development and potential risks that it may face. The board of directors' evaluations on these issues are also provided in the report.
- c) In addition, the annual report includes the following:
  - Events of particular importance within the Group that occur after the end of the activity year,
  - The Group's research and development works,
  - Pecuniary benefits such as salary, premium and bonus paid to and allowances, travel, accommodation and representation expenses, provisions in kind and in cash, insurances and similar coverages provided to the members of the board and senior executives.

When preparing the annual report, the board of directors takes into consideration the secondary legislative regulations issued by the Ministry of Customs and Trade and the relevant authorities as well.

#### 5) The Responsibility of Independent Auditor for Independent Audit of Annual Report

Our purpose is to provide an opinion on whether the consolidated financial figures in the annual report and the respective evaluations of the Board of Directors based on the data in the audited consolidated financial statements are consistent with the Group's audited consolidated financial statements and the information we acquired during the independent audit and whether they reflect the truth and to issue a report incorporating our opinion in this respect, pursuant to the provisions of TCC and the Communiqué.

Our independent audit has been performed in accordance with the IAS. These standards require compliance with the ethical provisions and planning and carrying out independent audit in order to obtain a reasonable assurance on whether the consolidated financial figures in the annual report and respective evaluations of the Board of Directors based on the data in the audited consolidated financial statements are consistent with consolidated financial statements and the information acquired during the audit and whether they reflect the truth.

*Nazım Hikmet is the cap auditor who conducted and concluded this independent audit.*

EREN Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.  
Member Firm of GRANT THORNTON International

#### Nazım Hikmet

Managing Partner & Cap Auditor  
İstanbul, 15.02.2021

**EREN**  
BAĞIMSIZ DENETİM A.Ş.

*If there is energy,*  
**THERE IS  
INDUSTRY**







02

SECTION

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# AT A GLANCE ODAS



# MILESTONES

## 2012

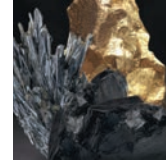
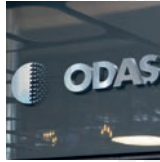
Voytron Enerji Elektrik Perakende Satış A.Ş. was incorporated into ODAŞ Group.

## 2014

- ▶ The 0.25 MW Solar Power Plant was commissioned.
- ▶ Investment in the Çan-2 Thermal Power Plant with an installed capacity of 340 MW was.
- ▶ The Environmental Impact Assessment (EIA) report for the Çan-2 Thermal Power Plant of Çan2 Termik A.Ş. was approved.

## 2010

ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. was founded.



## 2011

The first phase of the Şanlıurfa Natural Gas Combine Cycled Power Plant with an installed capacity of 140 MW was commissioned.



## 2013

- ▶ ODAŞ Doğal Gaz Toptan Satış Sanayi Ticaret A.Ş. was founded.
- ▶ Şanlıurfa Natural Gas Cycle Plant reached an installed capacity of 140 MW.
- ▶ 92% of Çan2 Termik A.Ş. was acquired by ODAŞ Elektrik Üretim A.Ş.
- ▶ ODAŞ shares were listed on the BIST 100 Index of Borsa İstanbul A.Ş.

## 2015

- ▶ ODAŞ began its activities to operate in the fields of Gold and Antimony mining. Accordingly, Anadolu Export Maden Sanayi Ticaret A.Ş. is founded to operate in the field of gold mining.
- ▶ Suda Maden A.Ş., which operates in the field of antimony mining, was wholly acquired by ODAŞ Group.
- ▶ Köprübaşı Hydroelectric Power Plant with an Installed Capacity of 8,2 MW was commissioned.

## 2016

Antimony and Antimony Trioxide production began at Suda Maden A.Ş.



## 2018

Çan2 Thermal Power Plant was commissioned.



## 2020

Initial public process of Çan-2 Termik A.Ş. began



## 2017

- ▶ The production capacity in Antimony and Antimony Trioxide mining was doubled.
- ▶ Prior to gold production planning, an Environmental Impact Assessment (EIA) Report application regarding operations was submitted.
- ▶ The Group started coal sales in line with its coal production and sales planning.

## 2019

- ▶ Çan-2 Thermal Power Plant completed the Ramp-Up process and commenced stable production.
- ▶ Environmental Permit and License granted.

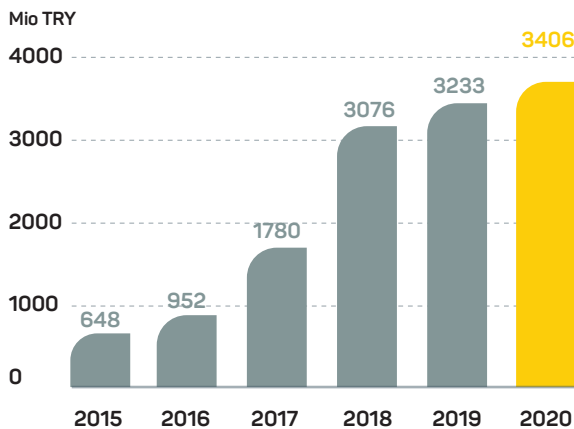


## FINANCIAL HIGHLIGHTS

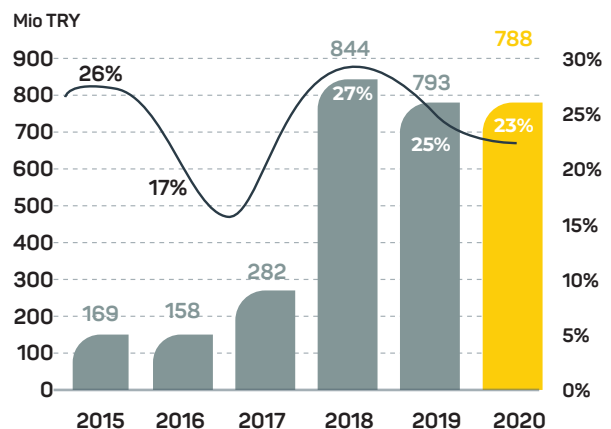
Consolidated Financial Figures (TRY Mio)	2015	2016	2017	2018	2019	2020
Net Sales	485	517	614	886	938	975
Net Profit for the Year	-0.6	-9	100	-251	-187	-247
EBITDA	37	60	54	68	227	284
Cash and Cash Equivalents	62	108	124	7	16	15
Short-Term Financial Liabilities	115	165	341	581	746	607
Long-Term Financial Liabilities	251	473	825	1147	1128	1488
Shareholders' Equity	169	158	282	844	793	788
Total Assets	648	952	1780	3076	3233	3406
Net Debt	305	531	1042	1722	1858	2080

KPIs	2015	2016	2017	2018	2019	2020
EBITDA Margin (%)	8%	12%	9%	8%	24%	29%
Net Debt / Shareholders' Equity (x)	1.8	3.4	3.7	2.0	2.3	2.6
Net Debt / EBITDA (x)	8.2	8.8	19.3	25.4	8.2	7.3
Shareholders' Equity / Total Assets (%)	26%	17%	16%	27%	25%	23%

### Total Assets



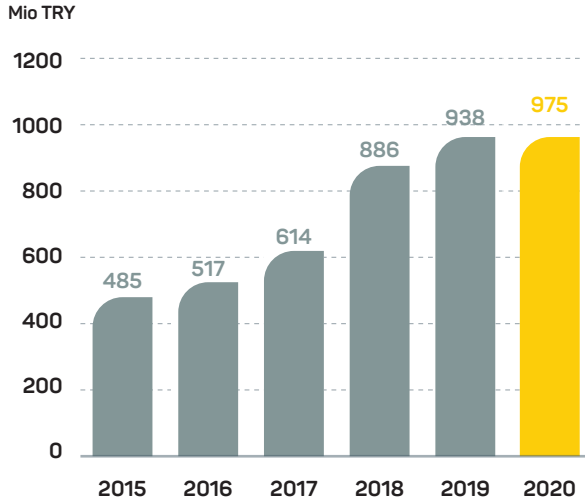
### Shareholders' Equity



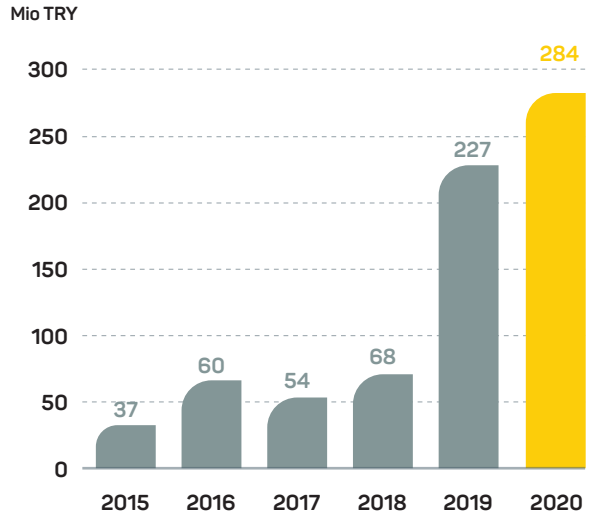
### Shareholders' Equity / Total Assets (%)



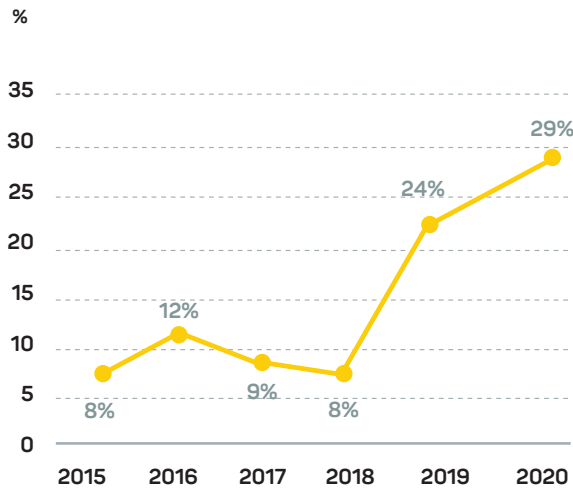
### Consolidated Net Sales



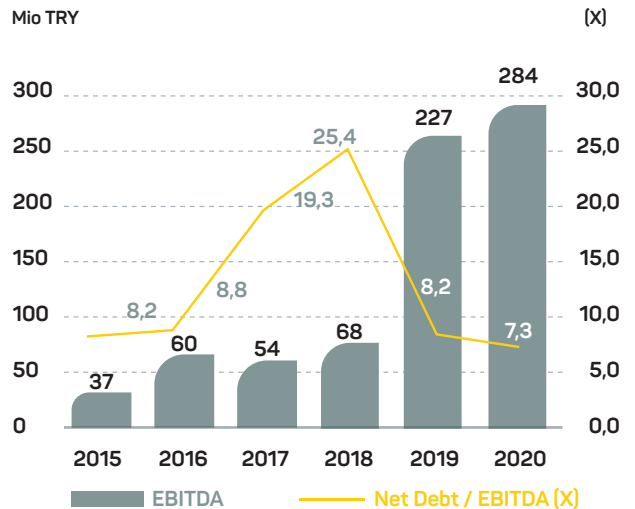
### EBITDA



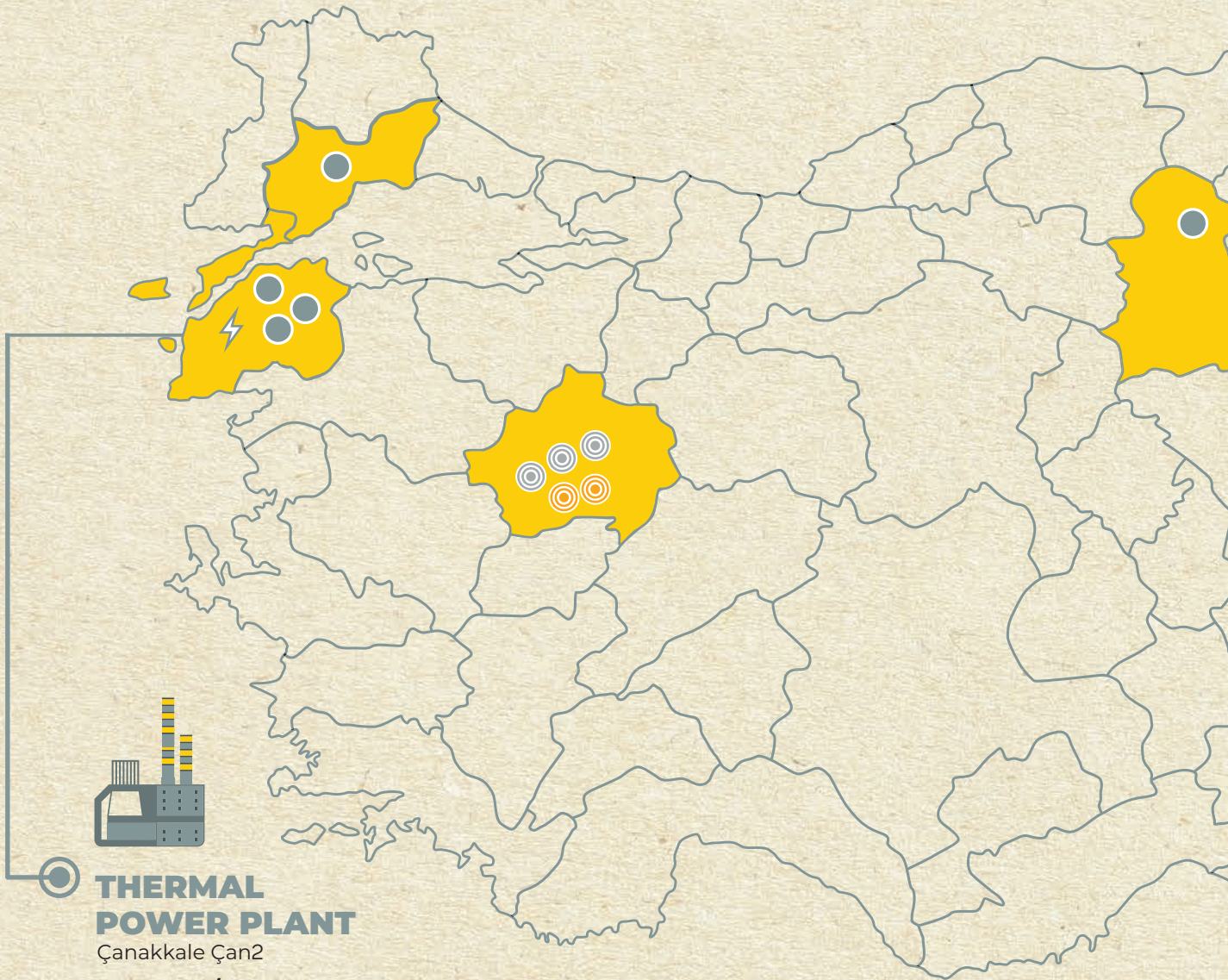
### EBITDA Margin



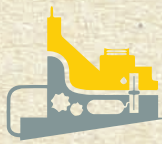
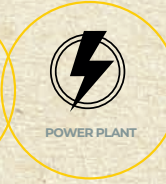
### Net Debt / EBITDA



# CURRENT OPERATIONS







### HES

Trabzon Köprübaşı

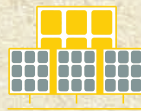
**8.2 MW**



### COMBINED CYCLE NATURAL GAS POWER PLANT

Şanlıurfa

**140 MW**



### SOLAR POWER PLANT

Şanlıurfa

**0,25 MW**



# 340 MW ÇAN2 THERMAL POWER PLANT

The IPO process of Group's flagship company, Çan2 Termik A.Ş., which is included in Odaş Group's energy portfolio, has been launched at Borsa İstanbul.











*If there is energy,*  
**THERE IS  
LIFE**





03

SECTION

# MANAGEMENT

# BOARD MEMBERS

## Abdulkadir Bahattin Özal

### *Chairperson of the Board*

Having completed his primary and secondary education at TED Ankara College, Mr. Özal attended Üsküdar Cumhuriyet High School, followed by ITU Control and Computer Engineering Department in 1985, and Boğaziçi University Physics Engineering Department in 1988. Thereafter, he entered into business life and established and managed numerous enterprises in the construction, import, export and energy industries. He developed several start-up projects in the energy industry with Mr. Burak Altay and they carried out many successful energy investments together. Mr. Özal currently continues to serve as the Chairperson of the Board as a founding partner of ODAŞ Group.

## Burak Altay

### *Deputy Chairperson of the Board*

Having graduated from Koç University Business Administration Department, Mr. Altay lectured as an assistant at Koç University while studying for his master's degree at Marmara University's Faculty of Law. After beginning his career in entrepreneurship as Alstom Power's representative in Turkey, Mr. Altay then developed numerous start-up projects in the energy industry with Mr. Bahattin Özal, leading to successful investments in energy. Mr. Altay continues to serve as the Deputy Chairperson of the Board as a founding partner of ODAŞ Group.

## Hafize Ayşegül Özal

### *Board Member*

Having completed her education in 1972, Ms. Özal began working at Aköz Foundation in 1994, and was appointed as Foundation Director there in 1996. Currently, she is a board member of Aköz Foundation, offering scholarships to 100 students and providing support to many students and people in need. Ms. Özal continues to serve as a board member of the company.

## Umut Apaydın

### *Independent Board Member*

Mr. Apaydın completed his double major in Mechanical Engineering and Business Administration at the Darmstadt Institute of Technology in Germany in 1998. Immediately following his graduation, he began his career as a Debt Markets Analyst in the New York office of JP Morgan Securities between 1998 and 2009 and continued to work there as a Partner and Vice President for Private Equity, Structured Credit Products and Alternative Investments. Mr. Apaydın continued his career as General Manager of Investor Relations and Marketing at Sunrise Securities in 2009, where he was involved in the establishment of the MLP Fund, a private equity fund. From 2009 to 2012, he was Global Marketing and Investor Relations Director at the capital investment and advisory firm Indicus Advisors LP.

Mr. Apaydın continued his career at Koç Holding between 2012 and 2016, where he was actively involved in strategic planning, mergers and acquisitions in the Tourism, Food and Retail arms of the group. From 2014 to 2016, he was Business Development Director at Setur A.Ş., Koç Group's tourism venture. From 2016 to 2019, he served as Senior Director for Financial Services and Insurance Services in international product management, international business development, and global sales and portfolio management for the American and Canadian markets at Brightstar Corp. Mr. Apaydın continued his career as a Financial Advisor at Prudential Advisors Miami in 2019 and at Mass Mutual Miami in 2020. He is fluent in German, French, Italian, English and has advanced knowledge of Spanish.

## Salih Erez

### *Independent Board Member*

Mr. Erez graduated from the Business Administration Department of Koç University and he is currently a Board Member of Haznedar Refrakter, Durer Refrakter Malzemeleri and Haznedar Yatırım ve Pazarlama, along with his board membership in several non-governmental organizations.







## MISSION

---

To develop products and services that will add value for all our stakeholders and the economy thanks to our proactive and innovative approach.



## VISION

---

To be a leading company of strategic importance, engendering sustainable growth and informed investments with a focus on environmental and social responsibilities in the industries in which operate in both the national and international arena.



## OUR STRATEGY

---

To further establish our presence in the energy industry and maintain our efficiency-oriented investments. To apply our engagements and expertise in the mining industry to the relevant business lines through an interdisciplinary approach in order to achieve sustainable growth.





*If there is energy,*  
**THERE IS  
HEALTH**





04

SECTION

---

# OUR ACTIVITIES

# ODAŞ GROUP COMPANIES



# ENERGY





# MINING

# ELECTRICITY GENERATION AND SALES

## ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

ODAŞ embodies a Combined Natural Gas Cycled Plant with an installed capacity of 140 MW and a solar power plant of 0.25 MW at the same location, as part of its Electricity generation activities.

### ► Çan2 Termik A.Ş.

The Group acquired 92% of Çan2 Termik A.Ş.'s share which holds a paid royalty in the Çan district of Çanakkale province in September 2013, focusing on domestic coal resources with high calorific value benefiting from the competitive knowledge of power generation currently available in the industry.

Exploration works were undertaken in accordance with the standards of the Joint Ore Reserves Committee (JORC) on the existing license site. The average calorie of the reserves identified in 2013 was 3.481 kcal/kg, which is actually the highest value among Turkish power plants generating lignite-based electricity.

This translates to a competitive advantage also in terms of production costs compared to their peers. Efforts to put these advantages to good use led to an investment in a 340 MWm/330 Mwe power plant. The commercial operation begun on 01.08.2018 following the approval of the Ministry.

The investment cost of the power plant is rather low relative to similar investments. Çan2 Thermal Power Plant started its stable production as of 24.03.2019, upon the completion of the "Ramp-Up" process in March. As of September 2020, Odaş increased its percentage of shares in Çan2 Termik A.Ş. to 100%. The company currently continues to operate in line with the production plan.

### ► Voytron Enerji Elektrik Perakende Satış A.Ş.

Thanks to the wholesale license received from the Energy Market Regulatory Authority, Voytron Enerji Elektrik Perakende Satış A.Ş., a wholly owned subsidiary of Odaş Enerji, is able to sell the electricity purchased in the market through bilateral agreements to its customers.

### ► Küçük Enerji Üretim ve Ticaret Ltd. Şti.

90% subsidiary of ODAŞ Enerji the Köprübaşı Regulator and Hydroelectric Power Plant with an installed capacity of 8.2 MW is located in Trabzon province. The electro-mechanical equipment used during construction of the power plant was procured from a local company for the first time in Turkey for a power plant of such scale. Thus, the guaranteed purchase price was 9.3 \$cent/KWh for the first five years and 7.3 \$cent/Kwh over the subsequent five years.

### ► ODAŞ Doğal Gaz Toptan Satış Sanayi ve Ticaret A.Ş.

A 90% subsidiary of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. (ODAŞ), ODAŞ Doğal Gaz Toptan Satış Sanayi ve Ticaret A.Ş. was founded to provide long-term reliable natural gas supplies for the ODAŞ Natural Gas Power Plant in Şanlıurfa, and to extend the existing sales network of Voytron Enerji Elektrik Perakende Satış A.Ş. in the electricity industry to the natural gas industry. The company received a natural gas wholesale license from the Energy Market Regulatory Authority as of March 2013.

### ► Hidro Enerji Elektrik Üretim Sanayi A.Ş.

Hidro Enerji, a 50% subsidiary of Odaş, operates in building, commissioning and renting electric power generation plants, as well as generating electric power and selling generated electric power and/or capacity to customers.

### ► Ena Elektrik Üretim Ltd. Şti.

The company which is 80% owned by ODAŞ applied for a generation license for the Hisar Regulator and Hydroelectric Power Plant. A "Share Transfer Contract" was signed with a foreign company to transfer all our shares in Ena Elektrik Üretim Limited Şirketi for the price of approximately TRY 1 million following completion of the licensing procedures before the Energy Market Regulatory Authority.



# ENERGY

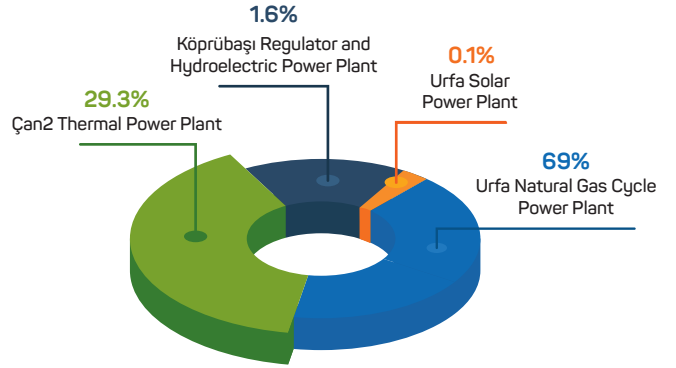


# ENERGY ELECTRICITY GENERATION AND SALES

## ► Total Installed Capacity

The Group has a total installed capacity of 478,45 MW and the breakdown of the installed capacity according to the power generation facilities is shown below.

Breakdown of Total Installed Capacity by Power Generation Facilities	MW	%
<b>Çan2 Thermal Power Plant</b>	330	69%
<b>Urfa Natural Gas Cycle Power Plant</b>	140	29.3%
<b>Köprübaşı Hydroelectric Power Plant</b>	8.2	1.6%
<b>Urfa Solar Power Plant</b>	0.25	0.1%
<b>Total</b>	<b>478.45</b>	<b>100.0%</b>



## ELECTRICITY GENERATION

### ► Çan2 Thermal Power Plant (340 MWm/330 MWe)

Çan2 Thermal Power Plant recorded a Capacity Utilization Rate of 65.1% on average and generated a gross energy generation of 1,865 GWh in total during the period between January and December 2020. The power plant rescheduled the planned work for September 2020, which was originally scheduled for March 2021, due to price advantage. This was mainly because of the forecast that the sales price should follow an upward trend in the next quarters as well in line with price variances on a quarterly basis depending on the exchange rates.

### ► Urfa Natural Gas Cycle Power Plant (140 MW)

The total power generation was 129 GWh as of 31.12.2020.

### ► Köprübaşı HEPP (8,2 MW)

Köprübaşı HEPP (8,2 MW) generated 21,2 GWh of electricity as of 31.12.2020.

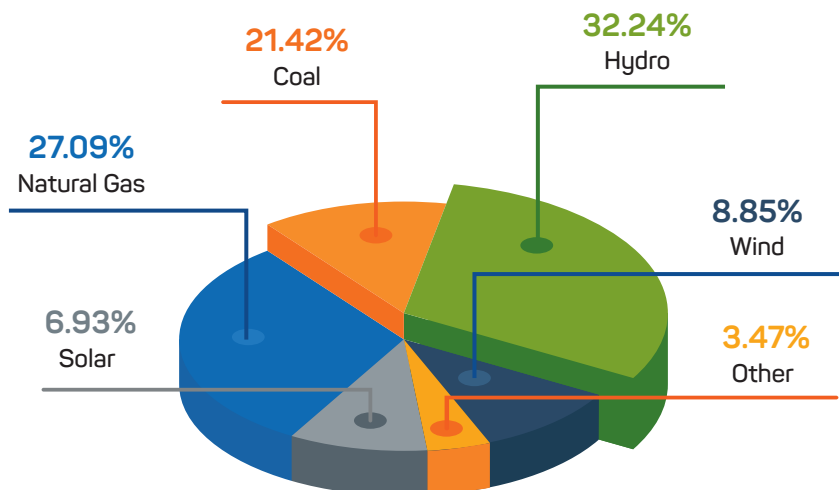
Energy Portfolio Power Generation	2020	2019
<b>Çan2 TPP (340 MW)</b>		
Çan2 TPP Total Power Generation (GW)	1,865	1,509
<b>ODAŞ Urfa CCNGPP (140 MW)</b>		
Urfa Total Power Generation (GW)	129	129
<b>Köprübaşı HEPP (8.2 MW)</b>		
Köprübaşı Total Power Generation (GWh)	21.2	24
<b>Total Power Generation</b>	<b>2,015.2</b>	<b>1,662</b>

### Industry Outlook

Based on the data provided by Energy Market Regulatory Authority and the Ministry of Energy and Natural Resources regarding the Reference Industry Parameters of Power Generation and Consumption for the electricity industry; the power generation of Turkey was comprised of 36.7% natural gas, 31.2% coal, 21.3% hydro, 6.5% wind, 1.8% geothermal energy and 2.6% other resources in 2017. In 2018, the electric power generation was comprised of 35.8% coal, 29.2% natural gas, 21.1% hydro, 7% wind, 2.2% geothermal energy, and 4.7% other resources. In 2019, the electric power generation was comprised of 36.46% coal, 19.21% natural gas, 30.2% hydro, 7.35% wind, 3.03% geothermal energy, and 3.75% other resources. In 2020, the share of coal and lignite power plants in the total generation decreased from 35.8% to 33.39% YoY and the share of natural gas power plants increased from 17.10% to 21.49% YoY. The share of hydroelectric power plants within the total generation decreased from 31.37% to 27.24% YoY in 2019. The renewable energy generation increased from 46.29% to 44.25% in 2020 YoY.

According to the data announced by TEİAŞ; electricity consumption increased by 0.70% YoY to 282.491 TWh as of the end of December 2020 and electricity generation in the same period increased by 0.50% YoY to 282.390 TWh. Based on the data published by TEİAŞ on generation and installed capacity comparison; the total installed capacity in the industry reached to 94.749 MW with an increase of 3.71% YoY corresponding to net 3,397 MW (taking into consideration capacity reductions and shutdown of power plants) at the end of 2020.

### Breakdown of Total Installed Capacity by Energy Resources as of 31.12.2020



The renewable energy portfolio continued to maintain its upward trend at the end of the year 2020 and registered an installed capacity increase of 8.50%. The highest installed capacity increase recorded in renewable energy in 2020 has been 2.048 MW in hydro power plants, followed by wind farms with a 841 MW increase. The capacity increases of solar, biomass and geothermal power plants were 581 MW, 258 MW and 42 MW respectively in the same period. With regards to the installed capacity of thermal power plants; as of 2020 year end, the capacity of coal power plants increased by 16 MW and the capacity of natural gas power plants decreased by 264 MW due to rising costs of natural gas. In conclusion; the renewable energy power plants represent 111.17% of the additional capacity commissioned as of the year-end 2020 (the percentage of fossil fuel power plants decreased within the net capacity commissioned. Therefore, the percentage of renewable energy power plants seems to exceed the additional net capacity.)

In recent years, the total installed capacity of Turkey in solar energy, which recorded a rapid growth especially due to unlicensed plant investments, has reached 6,568 MW by the end of December 2020. As of 31.12.2020, the breakdown of total installed capacity is 32.24% hydraulic, 27.09% natural gas, 21.42% local and imported coal, 8.85% wind, 6.93% solar, 1.64% geothermal and 1.83% other energy resources. 22.40% of installed capacity belongs to EÜAŞ and its subsidiaries, while 3.13% is comprised of plants with the Build-Operate-Transfer model and plants with Build-Operate and transfer of operating rights and 74.47% of free generation companies and unlicensed plants.





## PRECIOUS METALS AND MINING

### ► Suda Maden A.Ş.

As a wholly owned subsidiary of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., the company holds four mining licenses in total, two for operating and two for exploration in Kütahya-Uşak region. Precious metal works carried out under these licenses revealed the existence of gold (Au) and antimony (Sb), as well as copper (Cu) and silver (Ag), leading to the inclusion of all these minerals in the prospecting framework. Antimony and antimony trioxide are currently produced on sites belonging to Suda Maden A.Ş., while the licenses held by the company cover an area around Kütahya and Uşak, near the Karaağaç gold mining license site.

### ► Anadolu Export Maden Sanayi ve Ticaret A.Ş.

Anadolu Export Maden Sanayi which is 96% owned by ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. holds the Karaağaç gold mining license in Kütahya district. Recent works conducted under this license revealed the existence of 348,150 ounces of gold (Au) (167,486 ounces of which indicated and 180,664 ounces of which inferred) and 2,832,036 ounces of silver (Ag) (1,255,604 ounces indicated and 1,576,432 ounces inferred).

### ► YS Madencilik Sanayi Ticaret Ltd. Şti.

52% of this company which is active in mining is owned by ODAŞ. YS Madencilik San. ve Tic. Ltd. License No. IR:1521, with attached royalty rights, in the district of Balya in Balıkesir was made as YS Madencilik San. ve Tic. Ltd. Şti. acquired the royalty rights pertaining to this license from Kömür İşletmeleri A.Ş. (KİAŞ). Furthermore, the company executed a 10-year royalty agreement with Kömür İşletmeleri A.Ş. (KİAŞ) for the coal mining site in Dodurga District of Çorum Province under the operating license no. IR:2600.

### ► Suda Stratejik Metal Dış Ticaret A.Ş.

ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. indirectly owns 100% of the company.

# MINING

# INVESTOR RELATIONS

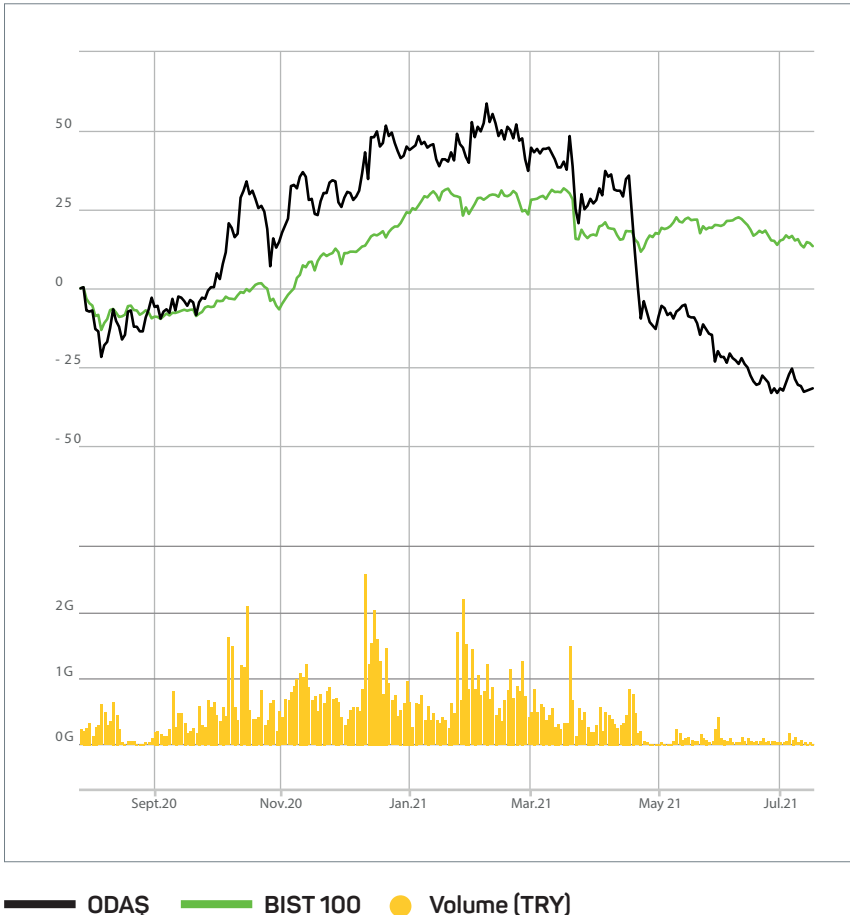
The ODAŞ Investor Relations Department aims to ensure performance of necessary operations in line with the principles of honesty, accountability, transparency, and reliability and according to the Corporate Governance Principles of the Capital Markets Board (CMB) by providing smooth communications between the Board of Directors and existing potential shareholders, local and foreign analysts, portfolio managers by enabling complete fulfilment of the Company's obligations to capital markets.

## Investor Relations Activities

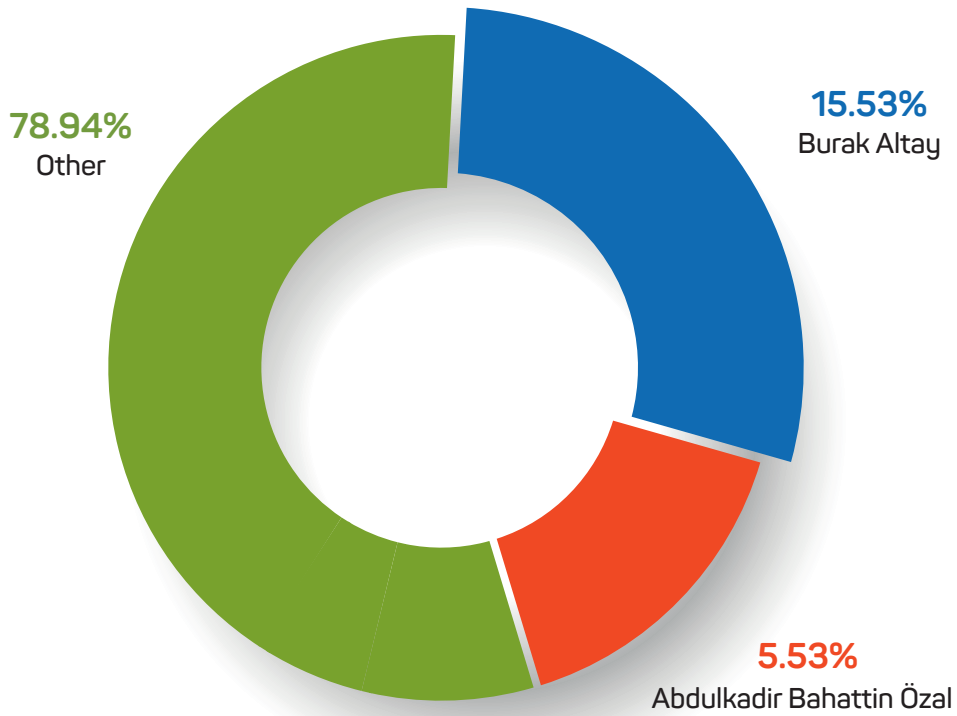
In 2020, the Investor Relations team, together with senior executives of the Company, held meetings with a total of 25 local and foreign investors, analysts and portfolio managers. As part of these meetings, a picture of the Company's existing operations and investments discussed with reference to actual financial and operational data.

## Investor Relations & Share Performance

As of 31.12.2020, 73.31% of 600,000,000 shares, each worth a nominal value of TRY 1, are listed on the BIST Stars Borsa Istanbul.



# SHAREHOLDING STRUCTURE



ODAS Shareholding Structure	Number of Shares	Share Percentage
Burak Altay	93,170,353.15	15.53%
Abdulkadir Bahattin Özal	33,198,318.24	5.53%
Other	473,631,328.61	78.94%
Total	600,000,000	100.00%



# HUMAN RESOURCES

ODAŞ elaborately carries out all organizational development activities, the training and remuneration system, and internal communication activities starting from recruitment process, bearing in mind that "humans" are the most significant resource that supports its sustainable success.

Our human resources policies are developed on the basis of "Creativity and Flexibility", "Transparency and Sustainability", "Social and Environmental Consciousness", and "Focus on Occupational Health and Safety".

The fundamental principle of ODAŞ human resources function is to recruit qualified and eligible people in terms of job description and organizational culture, to develop knowledge, skills and competencies of employees and to empower systems that can boost employee satisfaction and commitment.

In the course of its progress, Odaş puts emphasis on maintaining and improving its agility, which is one of the most significant advantages of the company. Accordingly, the company prioritizes supporting its employees to become competent by enhancing their knowledge and skills as well as helping the managers make quick and right decisions by reinforcing their leadership qualities.

Odaş carries out its activities with its 1184 employees and 8% of its human resources work as administrative staff and 92% in production and field positions.

Furthermore, ODAŞ adopts as a principle in all industries of operation to recruit socially and environmentally conscious employees and contribute to the employment in our country.

## ► Recruitment Activities

The dynamism of ODAŞ becomes sustainable through agility, resilience and innovative perspective of every individual employed.

Therefore, the compatibility of every individual to be recruited is appraised in detail in terms of relevant job and values and culture of the organization.

Various recruitment methods are used to ensure a proper appraisal (case studies, group interviews, presentations based on professional knowledge, competency-based personal interviews, foreign language tests, personality inventory, etc.). Recruitment methods vary according to positions and they are communicated to candidates at the beginning of recruitment process during when attention is paid to maintain a proper communication. One of the critical targets of the recruitment process is to ensure that every candidate has a positive experience.

## ► Training and Development Activities

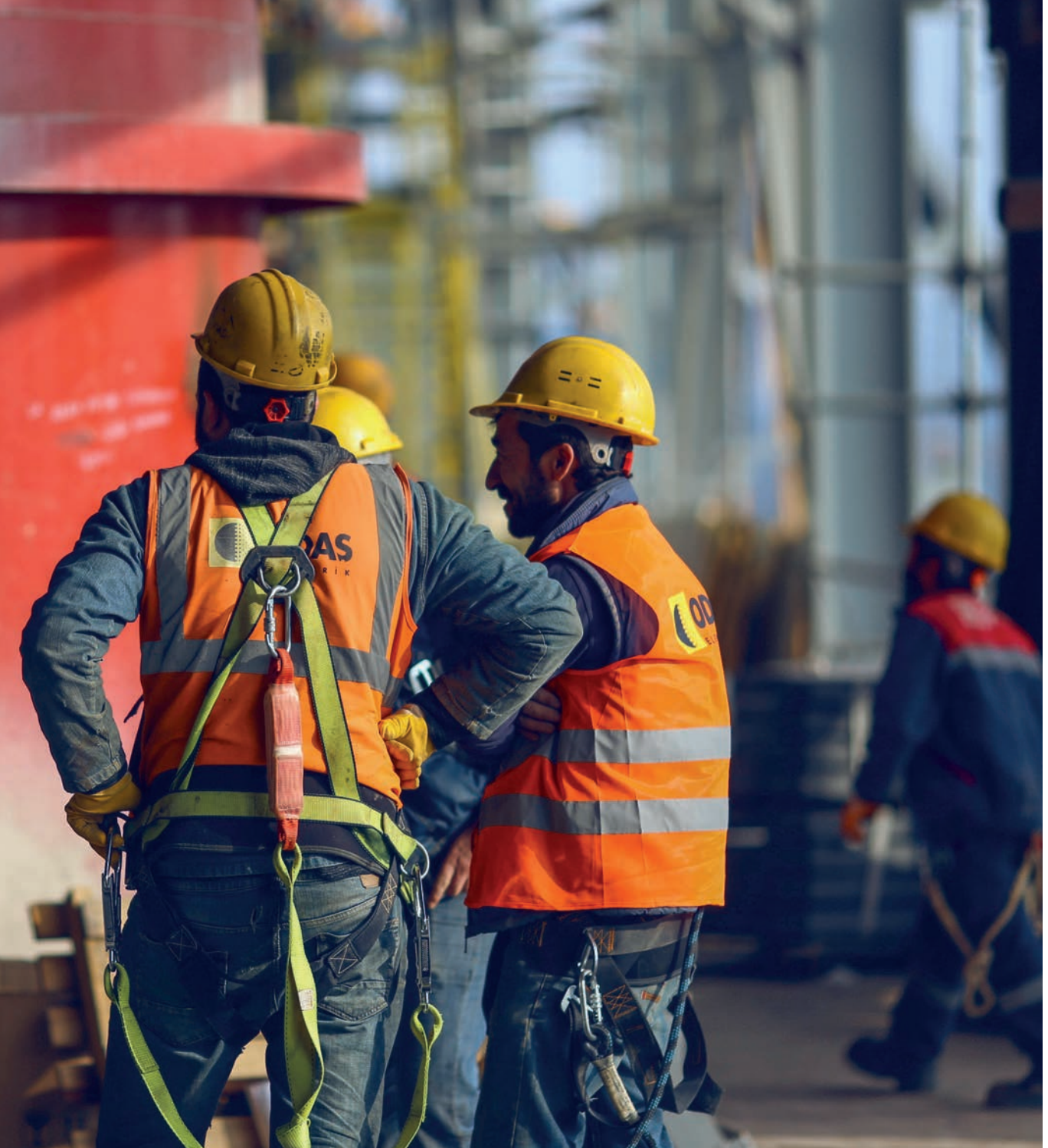
ODAŞ considers professional and personal development of all its employees as one of its primary objectives while implementing its activities to meet training and development needs. In addition to this, the company encourages maintaining a feedback culture within the organization through performance and competence assessment systems and builds individual development plans of managers and employees accordingly.

By encouraging participation of employees working in every level to function-based professional development trainings and of field workers to technical development trainings particularly on occupational safety, their professional qualifications are reinforced. Furthermore, all employees are encouraged to attend seminars and conventions regarding their areas of expertise, with the aim of creating professional awareness.

Another aspect of ODAŞ learning and development activities involves development of leadership qualities. Its leadership manifesto helps support the development of every leader within the organization and internal practices aim to embed this mentality into all business processes.

## ► Performance Management

ODAŞ makes use of two parameters, namely key performance indicators of the department and competencies, to measure the performance of its employees throughout a year. Performance results are measured through a well-balanced scoring methodology and calibrated taking into account the success of the company and the relevant department.





The assessment process is finalized with the support of feedbacks. The outcomes of performance assessment process is used to plan career management and learning & development activities.

### ► Remuneration and Fringe Benefits Management

While evaluating positions in various lines of business, ODAŞ Remuneration Policy benefits from the research and studies of subject matter expert independent consulting firms. The company applies a fair and competitive remuneration and fringe benefits policy, taking into consideration periodic market analyses conducted in this respect.

Another major input for the Remuneration Management System is the results of performance management system. An objective and fair system is in place where annual performance of employees are taken into consideration.

### ► Internal Communications Activities

Events are organized to share informative contents with employees, as part of annual internal communications plan that is designed to boost employee engagement and satisfaction.

Internal communications activities are integrated into ODAŞ employee experience as well. Accordingly, several activities are carried out to support the well-being of employees also in their professional lives. Within the scope of "ODAŞ Cares for You" brand, networking platforms have been built on topics such as sports, health, diet, psychology, etc. where expert advisors and employees meet.



# SOCIAL RESPONSIBILITY

## ► Our Social Responsibility Policy

Awareness of social responsibility is one of the topics that we emphasize in our values and sincerely consider a priority. Our primary management mentality is based on doing business with the awareness of our social and

environmental responsibilities in all operations. We use learning tools required to ensure that all our employees demonstrate such awareness and adopt this attitude and we incorporate them into the rules and procedures.



### Support for Tradesmen

Çan2 Termik A.Ş. provided supplies for the tradesmen, who were adversely affected by the Pandemic, as a sponsor of the campaign run by Çan Chamber of Tradesmen and Craftsmen.



### Support to Education

Çan2 Termik A.Ş. donated tablets to Çan Cumhuriyet Primary School, to be distributed to the students in need during their distance education due to pandemic.

## ODAŞ Always Supports Women through Its Contribution to Mor Çatı Foundation

ODAŞ always supports women through its contribution to Mor Çatı Foundation and as an expression of its support to the elimination of violence against women, ODAŞ cooperated with Mor Çatı Women's Shelter Foundation and presented products designed by women designers as a gift to all its employees on March 8 International Women's Day.



### Support for the "Breathe into the Future" Campaign

Under the leadership of Çan District Directorate of Forestry, the employees of Çan2 Termik A.S. planted saplings in support of the "Breath into the Future" campaign that was launched by the Ministry of Food, Agriculture and Livestock as part of a drive to plant 11 million saplings.



### Support to Education

A contribution was made to the opening of Hacı Fatima Bodur Vocational and Technical Anatolian High School Food Production Facility in the Çan district of Çanakkale. The fixtures for the Catering Facility were procured, assembled and delivered. Additionally, we continued to ensure that food was delivered on wheels to a total of 1,600 students in need.



### Sponsorship for Çanakkale 18 Mart University Students

Çan2 Termik A.S. sponsored Çanakkale 18 Mart University students for the Efficiency Challenge Electric Vehicle Racing organized each year by TUBITAK.





### March 18 Çanakkale Victory

ODAS - Çan2 Thermal Power realized a meaningful initiative on the 106th anniversary of March 18 Çanakkale Victory, one of the crowning victories in the Turkish history. The initiative was called "the pillow of the martyrs" and as part of the initiative, the locals of Çan district and the people who attended the events organized in the city center of Çanakkale received as a gift the pillows with the names of our martyrs on them. The pillows, which were imprinted with the expression "always remember each time you lay your head on this pillow that it represents a heroic martyr who died for you!", were presented to local people as a gift by those wearing the military uniforms of that era, for the commemoration of the 106th anniversary of our Victory with such a meaningful souvenir.



### Support for Sports

Çan2 Termik A.Ş. is already a main sponsor of Çanspor, which is one of the highest shared values of Çan district, and maintains its support for sports also by becoming the main sponsor of Çan Youth Kale Sports Club for the Sultans league that will take place within the scope of women's volleyball league organized by Turkish Volleyball Federation.



### Donation to Çan State Hospital

Çan2 Termik A.Ş. displayed an exemplary behavior and donated a high technology lithotripter to the hospital which was expected to be opened soon, with the intention of maximizing the comfort and satisfaction of patients in the district.

### Donation to Soma State Hospital

The provision of supplies required for the hospital due to COVID-19, as determined by the management of Soma State Hospital, was completed.

A close-up photograph of a female scientist wearing a white lab coat, safety goggles, and white gloves. She is focused on her work, holding a small glass vial with a pipette. The background is a clean, bright laboratory setting.

*If there is energy,*  
**THERE IS  
DEVELOPMENT**

05

SECTION

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# CORPORATE MANAGEMENT





# CORPORATE GOVERNANCE COMPLIANCE REPORT

## SECTION I

### CORPORATE GOVERNANCE COMPLIANCE STATEMENT

ODAŞ applies utmost diligence in compliance with the Capital Markets Board's Corporate Governance Principles, and embraces the concepts of equality, transparency, accountability, and responsibility among those principles while proceeding towards its objectives. In 2020, ODAŞ complied completely with the mandatory principles under Communiqué No. II-17.1 on the Identification and Application of Corporate Governance Principles, and presented the best effort to comply with the optional principles. The resolution of CMB dated 10.01.2019 with no.2/49 requires companies to complete Corporate Governance Compliance Report and Corporate Governance Information Form templates through Public Disclosure Platform (KAP), in addition to Corporate Governance Compliance Reporting currently done by companies pursuant to Corporate Governance Communiqué no. II-17.1. In accordance with this CMB resolution, the templates published in KAP by our Company are also attached at the end of the Corporate Governance Compliance Report. Based on these grounds, the company started internally its efforts for compliance with corporate governance principles in 2013 and continued them during 2019. These efforts are still maintained through numerous mechanisms built within the company. In the early phase of the efforts, some changes were put in place to offer an equitable, accountable, responsible and transparent organization to the shareholders. This statement shows ODAŞ's embracement of a transparent and open management style, and its intent to develop a responsible and accountable management perspective with respect to all shareholders, particularly minor shareholders.

#### ► Justification for Delays in the Implementation of Certain Corporate Governance Principles

The Corporate Governance Committee of the company continues its efforts to develop corporate governance practices.

The difficulties experienced with certain principles, and ongoing debates in national, as well as international platforms, regarding compliance with certain principles have so far prevented complete compliance with some principles. That said, the principles which have yet to be implemented have not led to any conflicts of interests between stakeholders. Plans are in place to effect the required structural changes and internal arrangements for the implementation of the limited number of optional principles which have not been implemented so far. Comments on comprehensive work carried out at our company with respect to Corporate Governance Principles, and principles which have yet to be complied with, are noted in the subsequent sections of the report.

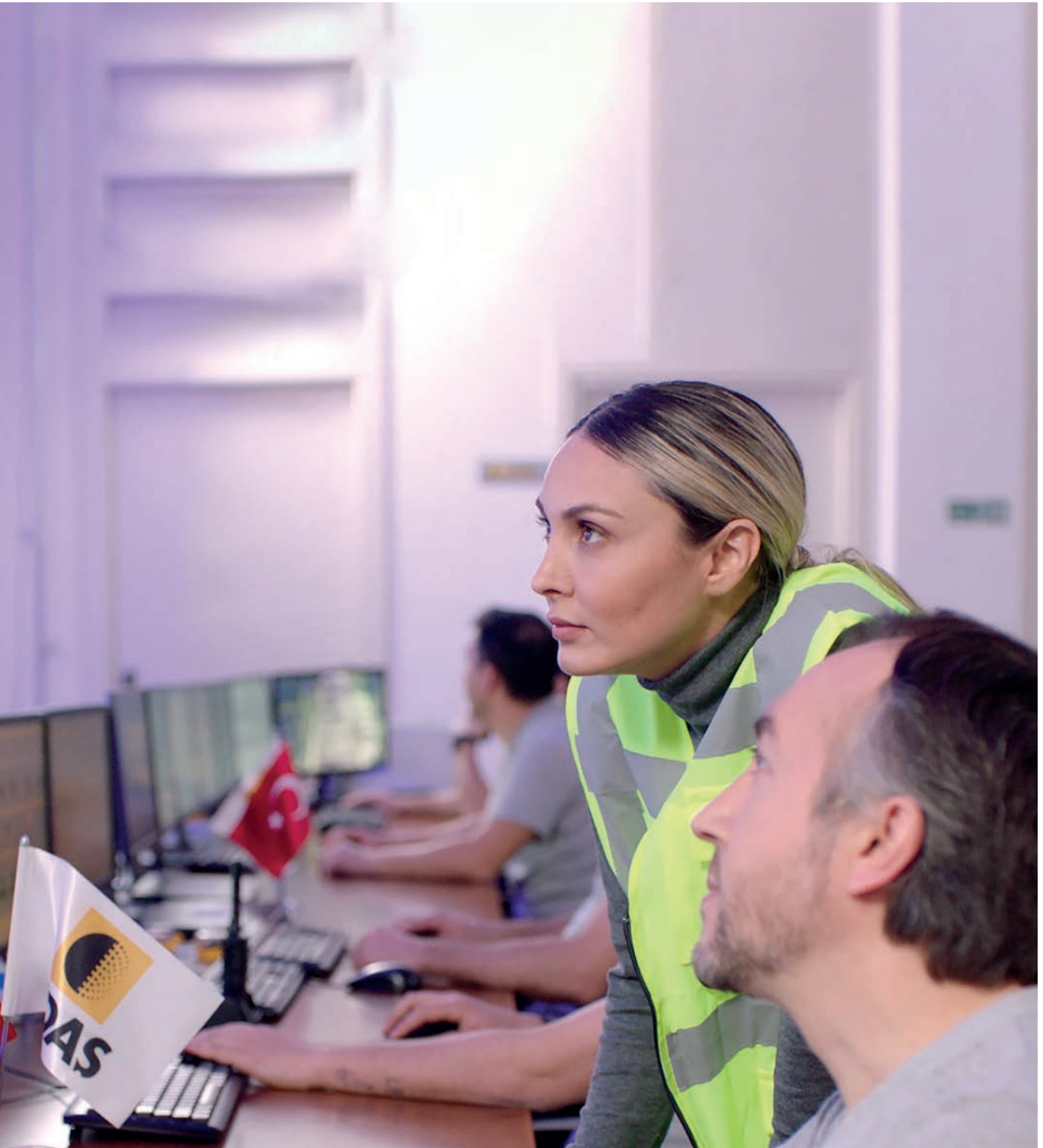
- Even though the Articles of Incorporation do not specify so, no one at the company has unlimited decision-making authority.
- According to Article 4.6.5 of the "Corporate Governance Principles", the remuneration and other benefits provided to the members of the Board of Directors and other senior executives are disclosed to the public through the annual report. However, the disclosure does not provide such information with reference to specific individuals, but rather is based on a distinction between the Board of Directors and senior executives.

## SECTION II

### SHAREHOLDERS

#### ► Investor Relations Department

At our company, the Investor Relations Department serves to facilitate the exercise of shareholder rights, enabling communications between the Board of Directors and existing and potential shareholders, as well as local and foreign analysts and portfolio managers, and executing required procedures in compliance with the CMB's Corporate Governance Principles. The department reports to the Corporate Governance Committee, as well as to Burak Altay, Deputy Chairperson of the Board of Directors and the Chief Executive Officer.



Investor Relations team and senior executives of the Company together held meetings with 25 local and foreign investors, analysts and portfolio managers in total during the year 2020.

### Accordingly, the Investor Relations Department is responsible for;

- ▶ Providing information on the Company's current activities, investments and future expectations to existing and potential local and foreign institutional investors and brokerage houses with a correct understanding of the management's perspective and vision,
- ▶ Responding to requests for information from local and foreign institutional investors and analysts except for non-disclosed confidential business information of the company,
- ▶ Updating shareholders, local and foreign institutional investors about the company proactively and on a regular basis through conferences and investor meetings,
- ▶ Responding to the queries of shareholders with the exception of non-disclosed confidential business information,
- ▶ Conducting comparative analyses on the performance of company's shares and of its peers in the same industry,
- ▶ Ensuring that General Assembly meetings are carried out in accordance with the Articles of Incorporation and other internal regulations, Preparing documents that shareholders can use as a reference in General Assembly meetings, and publishing such documents on the company website three weeks in advance of the General Assembly for investors' review and information,
- ▶ Keeping a record of voting results through the General Assembly minutes and submitting the reports of voting results to shareholders' information,
- ▶ Fulfillment, oversight and monitoring of obligations arising from Financial Reporting, Corporate Governance Practices, Public Disclosure Guidelines and communiqués and all other Capital Markets Regulations applicable to Publicly Listed Corporations,
- ▶ -Reviewing on a regular basis the contents of "Investor Relations" section within the company website and updating it as required,
- ▶ Preparing presentations and briefings on the company's operations and financial standing for the current period on a quarterly basis,
- ▶ Preparing and updating the list of people with access to insider information, as per the Material Event Disclosure Communiqué,
- ▶ Management and monitoring all communications and processes with the Capital Markets Board, Borsa İstanbul A.Ş., Merkezi Kayıt Kuruluşu A.Ş., and any other capital markets agencies,
- ▶ Ensuring the flow of information both ways, between shareholders and the senior management and the company's Board of Directors.

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#### Melih Yüceyurt

*Director of Finance and Investor Relations*

#### Mehmet Erdem Aykın

*Investor Relations Manager*

E- mail: [yatirimciiliskileri@odasenerji.com](mailto:yatirimciiliskileri@odasenerji.com)

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Exercise of the Shareholders' Right to Information  
Every information request submitted to the Investor Relations Department is responded diligently in accordance with the principle of equality and without any discrimination between investors, provided that they do not concern confidential information or trade secrets currently withheld from the public. Accordingly, in 2020, any information requests submitted by the shareholders on various issues were responded clearly and in detail via telephone and e-mail on a verbal and written basis. Every question was answered to the satisfaction of investors, provided that they did not concern trade secrets. Furthermore, the independent section of "Investor Relations" in the Company's website ([www.odasenerji.com](http://www.odasenerji.com)) makes available every data for updating the investors in a complete and accurate manner. Any developments that may have an impact on the exercise of shareholder rights were communicated to the investors through material disclosures via Public Disclosure Platform (KAP) and on the company website in 2019.

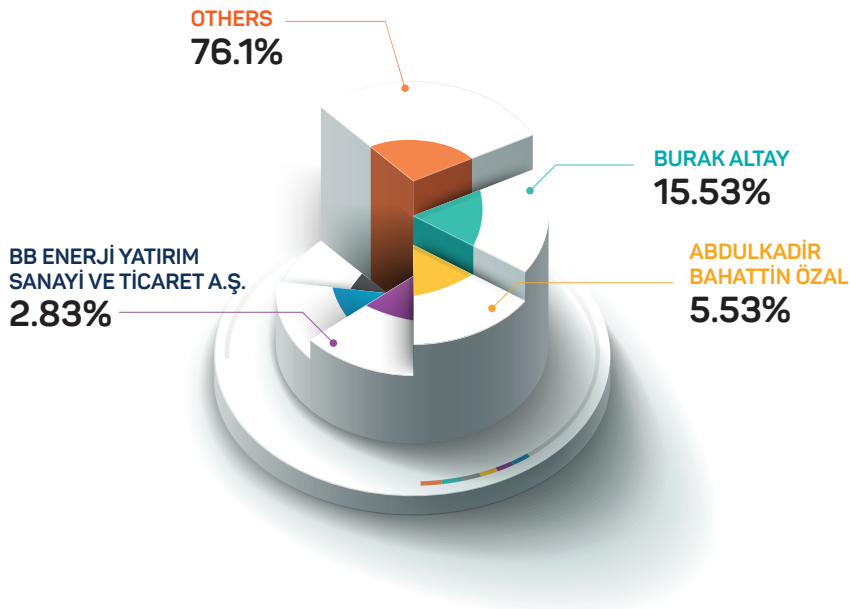


As the shareholders' right to demand appointment of a special auditor is subject to regulations, the Articles of Incorporation does not stipulate any arrangements regarding the appointment of a special auditor. During the year, no request regarding the appointment of a special auditor was received.

## Shareholding Structure

### General Assembly Meetings

The General Assembly meetings are carried out in accordance with the Turkish Code of Commerce, the Capital Markets Law, and the Corporate Governance Principles, in a manner that provides adequate information to and the extensive participation by shareholders. The Ordinary General Assembly of the Company convenes at least once a year, and discusses and decides on the matters on the agenda drawn up by the Board of Directors in accordance with Article 413 of the Turkish Code of Commerce.



**TOTAL: 600,000,000.00**

**TOTAL SHARE PERCENTAGE (%): 100.0%**

The shareholding structure as of 31.12.2020 is as follows.

Full Name / Title	Total Nominal Shares	Share Percentage (%)
Burak Altay	93,170,353.15	15.53%
Abdulkadir Bahattin Özal	33,198,318.24	5.53%
BB Enerji Yatırım Sanayi ve Ticaret Anonim Şirketi	16,979,633.01	2.83%
Other	456,651,695.60	76.1%
<b>Total</b>	<b>600,000,000.00</b>	<b>100.0%</b>

The notices and announcements regarding the general assembly meeting are published through any means of communication including electronic communications, so as to achieve access to the highest number of shareholders, and with the minimum time frames stipulated in Turkish Code of Commerce, the Capital Markets Law, and other regulations in mind. The Company's 2019 Ordinary General Assembly Meeting was held in the registered office of the company at the address Varyap Meridian 3 Toplu Yapısı Barbaros Mahallesi, Al Zambak Sokak, Varyap Meridian Sitesi, A Blok / No : 2 Kat : 51 Ataşehir / İstanbul under the supervision of the Ministry Representative appointed by T.R. Ministry of Customs and Trade at 14:00 on Thursday December 24, 2020.

The agenda, minutes, and attendance sheet for the meeting are available on the Company's website. Invitations to General Assembly meetings are extended by the Board of Directors in accordance with the provisions of Turkish Code of Commerce, the Capital Markets Law, and the Articles of Incorporation. The Board of Directors' resolution for the General Assembly meeting is followed immediately by necessary disclosures to inform the public, via KAP and the Electronic General Assembly Meeting System (EGKS). In addition to the procedures set out by the regulations, the calls for general assembly meetings are made on the company website [www.odasenerji.com](http://www.odasenerji.com) 3 weeks in advance at minimum in order to reach highest number of shareholders possible and the meeting notices are also published in the Turkish Trade Registry Gazette and in the country-wide edition of at least one daily newspaper with high circulation.

Prior to the General Assembly meetings, the disclosure document regarding the items in the agenda is drawn up and announced to the public, in compliance with the legal procedures and regulations regarding all disclosures. Within the framework of the items on the agenda of the General Assembly meeting, financial statements and reports, dividend payment proposals, and independent audit reports including the audited annual report, as well as any proposed amendment texts and justification thereof in case of Articles of Incorporation amendments, the disclosure policy, remuneration policy, dividend policy, personal backgrounds of all prospective Board members including independent ones, and other documents which are to serve as the basis of the items on the agenda, are made easily available for review by shareholders, at the corporate headquarters and on the website.

The General Assembly meetings are held simultaneously in physical and electronic form, at the company headquarters, and via the Electronic General Assembly Meeting System. The venue for General

Assembly meetings is arranged to enable participation by all shareholders.

The agenda of the General Assembly is set clearly to enable the consideration of each proposal under a separate item, so as to prevent different interpretations. At the General Assembly meeting, the agenda items are conveyed to the shareholders in an objective, detailed, clear and understandable way, and the shareholders are given the opportunity to explain their opinions and ask questions under equal conditions.

The questions directed by the shareholders during the general assembly meeting are responded accordingly by the board members and the senior executives of the company. Templates of proxy letters for those who will be represented by a proxy are made available to the shareholders through KAP, newspaper ads and the company's website before general assembly meetings.

The voting procedure applicable at the meeting is presented to shareholders via the website and newspaper ads. The items on the agenda at the General Assembly meetings are voted on by raising hands in an open ballot.

Following the General Assembly meeting, the minutes of the meeting are registered in the company's minute book. The meeting minutes are available at KAP, EGKS (Electronic General Assembly System) and the corporate website. The General Assembly meetings, the attendance sheet, agenda, and announcements are made available for review by all local and foreign investors simultaneously.

The company carried out electronic general assembly meeting preparations for 2019 Ordinary General Assembly in compliance with the statutory regulations as per the article 1527 of Turkish Commercial Code. The notice of the meeting was published on Public Disclosure Platform (KAP) and Electronic General Assembly System (EGKS) of Merkezi Kayıt Kuruluşu A.Ş. (Central Securities Depository) on 23.11.2020, in the issue no. 10212 of Turkish Trade Registry Gazette dated 27.11.2020 as well as on the company website, as stipulated by the Law and the Articles of Incorporation and including the agenda. The chairperson of the council started the general assembly meeting upon the verification based on the list of attendants that out of 600,000,000 shares with nominal value of TRY 1 corresponding to the company's total capital TRY 600,000,000, the shares corresponding to total capital of TRY 156,786,115.811 were represented, TRY 123,421,300.569 capital shares by proxy and TRY 33,364,815.242 capital shares in person, and therefore the quorum was present as stipulated in the Turkish Commercial Code, Capital Markets Law and Articles of Incorporation.

During the General Assembly Meeting for 2019, the board members were elected to serve until 31.12.2021. Furthermore, during the General Assembly meeting, the shareholders were given the opportunity to address questions and their questions were replied to inform them during the "Wishes and Requests" session, which was the last agenda item. There were no written requests submitted by the shareholders of the corporation for inclusion within specific items in the agenda with respect to the Ordinary General Assembly Meeting for 2019.

Donations and grants worth a total of TRY 430,900.74 during the year were presented to the shareholders' information under a separate agenda item. In addition, the maximum amount of donations and grants was set as TRY 1,000,000 for 2020 pursuant to the 5th paragraph of the article 19 of Capital Markets Law. The agenda for the General Assembly meeting, as well as the attendance sheet and meeting minutes are made available for review by shareholders at the corporate headquarters. Furthermore, the documents and records of the general assembly meeting were made available in the Investor Relations section of the Company website for review by the shareholders and all stakeholders.

The controlling shareholders, members of the Board of Directors, executive directors and their spouses and family members (both blood and in-law relatives) up to second degree did not engage in any material transaction which may lead to conflicts of interest with the corporation or subsidiaries.

### ▶ Voting Rights and Minority Rights

The voting procedure for General Assembly meetings is announced to the shareholders at the beginning of the meeting. Minority rights are exercised pursuant to Turkish Commercial Code.

The Company avoids practices which may complicate the exercise of voting rights. At the Ordinary and Extraordinary General Assembly meetings of the Company, group (A) shareholders are accorded 15 votes for each share, while group (B) shareholders are accorded 1 vote for each share.

The shareholders can appoint proxies from both within and outside the shareholders, to represent them at the General Assembly meetings. Proxies who hold shares in their own right as well, are authorized to vote in consideration of the shares of the shareholders they represent, in addition to the shares they themselves hold.

The Board of Directors determines the form of proxy letter in accordance with the regulations of the Capital Markets Board. The proxy appointment letter should be in writing. The proxy is required to cast votes in line with the will of the shareholder who appointed the proxy, provided that such instructions are noted on the proxy

appointment letter. The relevant regulations of the Capital Markets Board shall apply with respect to proxy voting.

The votes in General Assembly meetings are cast by raising hands, showing the documents attesting proxy voting, in line with the regulations of the Capital Markets Board.

However, a secret ballot can be employed, upon the request of shareholders who hold one twentieth of the company's capital, among those shareholders present at the meeting.

Group A shares are privileged in terms of the appointment of the members of the Board of Directors, and the exercise of voting rights at the General Assembly, within the framework of Articles 7, 8, and 10 of the Articles of Incorporation (Board of Directors, nomination for the Board of Directors, election of the Chairperson and the Deputy Chairperson, representation of the company, and right to vote in the General Assembly).

### ▶ Dividend Rights

The Company's dividend payment decisions are made with reference to the Turkish Code of Commerce, Capital Markets Regulations, the Regulations and Decisions by the Capital Markets Board (CMB), Tax Codes, and the provisions of other applicable regulations, as well as the Company's Articles of Incorporation.

The dividend payment is based on a balanced and consistent policy between the interests of shareholders, and the interests of the Company, in line with the Principles of Corporate Governance. Each year, the Board of Directors' resolution regarding dividend payments is submitted for the approval of shareholders at the General Assembly, as a separate item on the agenda. The Company's dividend payment policy is announced in the annual report, as well as on the company website. The Company's Ordinary General Assembly for 2019 discussed the Board of Directors' proposal regarding the dividend payment, and culminated in the decision to withhold dividend payment as no dividends payable arose in the financial statements drawn up for 2019, in accordance with the principles of the Tax Procedure Code.

The Company does not have any preference shares in terms of dividend payment. Every share of the Company is entitled to an equal share of the dividends. The Company can pay out advance dividends to its shareholders within the framework of Article 20 of the Capital Markets Law. The form and timing of dividend payment shall be established by the General Assembly, with reference to the relevant Board of Directors' proposal.

The principles of dividend payments shall abide by the provisions of the Capital Markets Board Communiqué No. II-19.1 and other applicable provisions, with reference to the establishment of the responsibilities and the dividend to be paid.



## ► Share Transfers

The approval of the Energy Market Regulatory Board shall be sought for each instance of direct or indirect acquisition of shares representing 5% or more of the Company's capital, by a natural or legal person, and existing shareholders acquiring additional shares to increase their shareholdings above 5% of the legal person's capital, and/or any share transfers causing a fall of the shareholding of an existing shareholder below the above-mentioned limits. The transfer shall be followed by material disclosures required as per the Capital Markets Regulations.

This provision shall also apply in case of acquisition of voting rights. Even if no share transfers occur, the establishment and removal of concessions on existing shares, or the issuance of dividend shares shall be submitted to the approval of the Energy Market Regulatory Board, regardless of the rates stipulated above.

In the case of transfers of Group (A) shares, the Board of Directors is entitled to withhold approval for the transfer and registration to the share registry, on the grounds of realizing the corporation's objective, and maintaining economic autonomy within the framework of the provision of Article 493 of the Turkish Code of Commerce. No restrictions shall be introduced on the transfer of group (B) shares to be traded at the stock exchange.

In cases where banks and/or financial institutions obtain the control of the company and/or engage in a subsidiary relationship with the company due to default in terms of the requirements of credit agreements within the framework of irrevocable project financing, bringing about a case where the market share limits stipulated in applicable regulations are exceeded, such excess shall be eliminated within the time frame granted to such banks and/or financial institutions by the Energy Market Regulatory Authority. Without prejudice to the provisions above, the transfer of registered shares shall be subject to the applicable provisions of the Turkish Commercial Code, Capital Markets Regulations, and Energy Market Regulatory Authority Regulations.

## SECTION III

### PUBLIC DISCLOSURE AND TRANSPARENCY

#### ► Disclosure Policy

The Corporate Disclosure Policy was established with the Board of Directors' resolution dated 30.12.2013 no. 2013/34, and is published on the website. The Corporate Disclosure Policy was established and

is implemented under the authority of the Board of Directors.

The Board of Directors reserves the right to revise the policy at any time, in line with the applicable regulations. The disclosure policy and any revisions thereof shall be published on the Company's website, following the approval of the Board of Directors. The Investor Relations Department is responsible for overseeing and monitoring the Disclosure Policy.

#### ► Corporate Website and its Contents

The Company's website address is [www.odasenerji.com](http://www.odasenerji.com) and the Investor Relations section of the website contains the considerations specified in the CMB's Corporate Governance Principles. The website is set up to provide open, clear, and simultaneous disclosure to shareholders, stakeholders, and the entire public. The information provided on the website is updated continuously. The information provided on the website is presented in English language as well, to enable it to be accessed by international investors.

#### ► Annual Report

The Company's annual report is drawn up in line with the details required in the Turkish Commercial Code and the Capital Markets Regulations, so as to provide the shareholders, the public, and all other stakeholders with access to complete and accurate information on the company's operations.

## SECTION IV

### STAKEHOLDERS

#### ► Disclosure of Information to Stakeholders

The website was revised as required to provide disclosure to stakeholders on matters concerning them. Any and all information concerning the Company is presented to stakeholders in line with the Corporate Governance Principles.

Stakeholders, investors, and analysts can access the Company's financial reports, annual reports, and other information, using the Company's website. Furthermore, certain material announcements and messages are conveyed to all employees via e-mail. The Audit Committee is responsible for ensuring and overseeing compliance with the regulations, while the Corporate Governance Committee is responsible for reviewing and concluding the complaints received from the shareholders and stakeholders, on matters of concern from a corporate governance perspective.

#### ► Stakeholders' Participation in Management

No model was developed regarding the stakeholders' participation in the company's management.

On the other hand, the requests and proposals voiced in meetings with employees and other stakeholders are taken into consideration by the management, leading to the development of relevant policies and practices.

### ▶ Human Resources Policy

ODAŞ applies a corporate approach in recruiting each employee in line with the principles of sustainable growth mission. Our purpose is to build a team that adds value to our country and the industry and prioritizes synergy and diversification.

**Accordingly, the main purpose when defining the human resources policy is to make and implement plans in a supportive manner for all managers who**

- ▶ Lead to establish systems required for being an agile organization,
- ▶ Engage the employees in a collective mission through performance system and encourage them to work with team spirit,
- ▶ Focus on and support the development of employees in terms of knowledge, skills and competencies,
- ▶ Provide the employees with enough space to use initiative in their roles and responsibilities,
- ▶ Adapt quickly to changing conditions and develop a point of view that reinforces resilience during challenging periods,
- ▶ Ensure job satisfaction and implementation of activities that add value to both employees and the organization by promoting internal entrepreneurship and innovation,
- ▶ Act as the leader of their jobs or teams; to improve their leadership skills required in line with the company strategy.

## CODE OF CONDUCT

### ▶ Code of Conduct and Social Responsibility

The Company's Code of Conduct is drawn up in writing and communicated to the employees.

The Code of Conduct is defined, updated, and published by the Board of Directors. ODAŞ Code of Conduct is an integral part of ODAŞ Policies and Values. All employees including the Boards of Directors and the executives are expected to comply with these rules.

### ▶ ODAŞ Code of Conduct

#### **Honesty**

Integrity and honesty are the values that we cherish most in all our business processes and relations.

#### **Equality**

Channels of communication are available and open to struggle against any discrimination that may arise on the basis of age, language, religion, race, medical status, gender or marital status. The employees communicate their complaints and suggestions to the Human Resources Department in order to maintain this equality.

#### **Confidentiality**

Employees are required to abide by the principles of professional confidentiality stipulated in the law. As ODAŞ Group employees, we take good care of maintaining the privacy and confidentiality of information on our customers, employees, and other persons and entities with whom we deal.

All employees are informed of the mandatory precautions to be taken under the Law on Protection of Personal Data and they are expected to act accordingly in every respect of their remits.

#### **Prevention of Conflicts of Interest**

ODAŞ employees are prohibited from abusing any information and power that they gained as part of their positions within the company for gaining any benefits for themselves, their families or relatives.

When performing their duties, employees take care to protect the interests of the company and avoid any act or behavior that may be construed as deriving personal gains for themselves or their relatives.

Accordingly, the employees are expected to avoid competing against the company and to take all necessary measures in this respect.

The employees should exercise due care in their communication with suppliers, customers, organizations or institutions that they are in contact with as part of their jobs and they should avoid any action for the purpose of deriving personal gains. The employees who do not exercise due care in this regard are reported to fail to comply with our code of conduct.

#### **Social Responsibility**

The company implemented social responsibility projects in 2019, based on the environmental and social requirements of the society in which we live and within the framework of the Social Responsibility Policy.

## SECTION V

### BOARD OF DIRECTORS

#### ► Composition and Formation of the Board of Directors

The Company shall be represented and administered by a board of directors that is composed of at least 5 (five) members to be elected by the general assembly in accordance with the Turkish Code of Commerce, and the Capital Markets Law and Regulations. The following people were elected as the board members of the Company to hold their office until the next ordinary general assembly meeting for review of 2019 company accounts.

Abdulkadir Bahattin Özal  
Burak Altay  
Hafize Ayşegül Özal  
Umut Apaydın  
Salih Erez

#### ► Personal Backgrounds of the Board Members

##### **Abdülkadir Bahattin Özal** *Chairperson of the Board*

He completed his primary and secondary education in TED Ankara College, and then he graduated from high school in Üsküdar Cumhuriyet High School. Following his graduation from ITU Control and Computer Engineering Department in 1985 and from Boğaziçi University Physics Engineering Department in 1988, he started his career and worked as a manager in various companies in the construction, import-export and energy industries. Mr. Özal is a founding partner of the Company and he continues to serve as the Chairperson of the Board of the company. Apart from this position, he is also a shareholder and board member in several companies operating in the energy, construction, manufacturing and trade industries.

##### **Burak Altay** *Deputy Chairperson of the Board*

After his graduation from Koç University Business Administration Department in 1999, he lectured as an assistant in the field of cost accounting in Koç University while he studied for master's degree at the department of financial law at Marmara University. Mr. Altay is a founding partner of the Company and he continues to serve as the Deputy Chairperson of the Board/CEO of the company. Apart from this position, he is also a shareholder and board member in several companies operating in the energy, construction, manufacturing and trade industries.

##### **Hafize Ayşegül Özal** *Board Member*

Having completed her education in 1972, Ms. Özal began working at Aköz Foundation in 1994, and was appointed as Foundation Director there in 1996. Currently, she is a board member of Aköz Foundation, offering scholarships to 250 students and providing support to many students and people in need. Apart from his position as a board member of the company, Mr. Özal also serves as a member of the board of directors at several companies operating in the energy, construction, manufacturing and trade sectors.

##### **Umut Apaydın** *Independent Board Member*

Mr. Apaydın completed his double major in Mechanical Engineering and Business Administration at the Darmstadt Institute of Technology in Germany in 1998. Immediately following his graduation, he began his career as a Debt Markets Analyst in the New York office of JP Morgan Securities between 1998 and 2009 and continued to work there as a Partner and Vice President for Private Equity, Structured Credit Products and Alternative Investments.

Mr. Apaydın continued his career as General Manager of Investor Relations and Marketing at Sunrise Securities in 2009, where he was involved in the establishment of the MLP Fund, a private equity fund. From 2009 to 2012, he was Global Marketing and Investor Relations Director at the capital investment and advisory firm Indicus Advisors LP. Mr. Apaydın continued his career at Koç Holding between 2012 and 2016, where he was actively involved in strategic planning, mergers and acquisitions in the Tourism, Food and Retail arms of the group. From 2014 to 2016, he was Business Development Director at Setur A.Ş., Koç Group's tourism venture. From 2016 to 2019, he served as Senior Director for Financial Services and Insurance Services in international product management, international business development, and global sales and portfolio management for the American and Canadian markets at Brightstar Corp. Mr. Apaydın continued his career as a Financial Advisor at Prudential Advisors Miami in 2019 and at Mass Mutual Miami in 2020. He is fluent in German, French, Italian, English and has advanced knowledge of Spanish.



**Salih Erez****Independent Board Member**

Mr. Erez graduated from the Business Administration Department of Koç University and he is currently a Board Member of Haznedar Refrakter, Durer Refrakter Malzemeleri and Haznedar Yatırım ve Pazarlama, along with his board membership in several non-governmental organizations.

Burak ALTAY is the Deputy Chairperson of the Board and also serves as the Chief Executive Officer of the company. In its meeting dated 30.07.2020 no. 2019/01, in the capacity of the Nomination Committee, the Corporate Governance Committee submitted to the Board of Directors the report drawn up with respect to independent members of the Board of Directors. Accordingly, Mr. Umut Ayaydın and Mr. Salih Erez, who were found to have met the independence criteria stipulated in the Corporate Governance Principles of the Capital Markets Board, were elected as the independent members of the Board.

Written statements submitted by each independent board member, with respect to their independent status, stipulate the following:

- i. That they neither personally, nor through their spouses or relatives by blood or marriage up to third degree, have been involved in the last five years in an executive employment relationship assuming substantial duties and responsibilities, or held, individually or jointly, more than 5% of the capital or voting rights or preferred shares, or engaged in any substantial commercial relationship with any affiliates of ODAŞ Elektrik Üretim ve Ticaret A.Ş. ("ODAŞ Energy") or any corporations in which the company has management control or substantial influence, or shareholders which maintain the company's management control or substantial influence in the company, and legal persons which hold management control of such shareholders,
- ii. That they have not been a shareholder (5% or more) or executive with significant duties and responsibilities, or board member in the companies which have provided or bought significant amounts of services or products within the framework of agreements, including but not limited to the auditing (including tax audits, statutory audits, internal audits), rating, and consulting of the company, during the last five years, in the time frame of such provision or purchase of services or products,
- iii. That they have the professional training, expertise and experience to duly perform the duties to be assumed on the grounds of being an Independent Member of the Board of Directors,
- iv. That they are not a full-time employee of a government agency or entity,
- v. That they are considered a resident of Turkey as per the Income Tax Law,
- vi. That they have robust ethical standards, the professional reputation and the experience to enable free decision-making, taking into account the rights of stakeholders, and contributing positively to the operations of ODAŞ Energy, while maintaining impartiality in conflicts of interest which may arise between the shareholders,
- vii. They will be able to spare adequate time for the company's affairs, so as to fully perform the requirements of the roles assumed, and to monitor ODAŞ Energy's course of business,
- viii. They have not served as a board member of the company for more than six years in the last ten years,
- ix. They are not an independent board member for more than three companies where the Company or its controlling shareholders hold the control of management and/or more than five corporations whose shares are listed in the stock exchange.

During the reporting period, no events to abolish the independent status of the independent board members took place. No restrictions regarding the assumption of duties or positions outside the company are imposed on the board members. The members of the Board of Directors do not currently engage in any business which would lead to any conflicts of interest with the company, and do not engage in operations to compete with the company in the same fields of operation.

**► The Basis of the Board's Activities**

The frequency of the board meetings of the Company, as well as the quorum for meeting and resolution are established in the Articles of Incorporation. Accordingly, the Board of Directors shall convene with a simple majority of the members, as the company's affairs and operations require.

The Board resolutions are made with the majority of the members present at the meeting. The Board of Directors meetings are held at the company headquarters, or in an available facility in the city where the corporate headquarters is located. The Board of Directors can also convene in another city, on the basis of a board resolution for doing so.

The secretariat services for the Board of Directors meetings are provided by the legal department.

The agenda of the Board of Directors is set through consultations the Chairperson has with other members of the board, and with the General Director and/or Chief Executive Officer. The managers' requests will be taken into consideration when setting the agenda.

In 2020, the Board of Directors convened 26 times in total. No dissenting comment was registered in the resolution minutes against any resolutions made in such meetings. However, should such a dissent arise, all aspects to reflect the dissenting opinion shall be registered in the minutes.

Where the Capital Markets Regulations require so, important resolutions of the Board of Directors are announced to the public through Material Disclosures.

None of the members of the Board of Directors, including the Chairperson, weighted voting rights and/or veto powers. In the meetings, each member has one vote.

No insurance has yet been procured to cover the losses that the company may incur due to the negligence of the Board members under the article 4.2.8. of Corporate Governance Principles.

### ► Number, Structure and Independence of Committees Formed under the Board of Directors

Two committees, the Audit Committee and the Corporate Governance Committee, were established through the Board of Directors' resolution dated 21.03.2013. Furthermore, Early Detection of Risk Committee was established through the Board resolution dated 25.12.2013. The Corporate Governance Committee have also assumed the authorities, duties, and responsibilities regarding the performance of the duties of the Nomination Committee and the Remuneration Committee. The duties and working principles of the committees established within the framework of the Corporate Governance Principles, entered into force through the Board of Directors' resolution dated 25.12.2013, and were announced on the Public Disclosure Platform. Furthermore, the Duties and Working

Principles establishing the general procedures regarding the activities to be performed by all committees were updated as of 12.06.2015 and announced to stakeholders on the Public Disclosure Platform and the corporate website.

### ► Audit Committee

The Audit Committee was structured in accordance with the Corporate Governance Principles of the Capital Markets Board. The committee is composed of at least two members. The committee is composed of two non-executive independent board members. Mr. Salih Erez serves as the committee member, while Mr. Umut Apaydin serves as the committee chair. Special attention was paid to ensure that the Committee Chair had previously served in a similar capacity, and has the expertise to analyze financial statements, as well as a strong grasp of accounting standards, and substantial qualifications.

The purpose of the committee reporting to the Board of Directors is to assist the Board of Directors with respect to the company's accounting system, public disclosure of financial data, independent audits, and overseeing the operation and effectiveness of the internal control system in line with the Capital Markets Regulations and the principles stipulated therein, as well as to consider and report to the Board of Directors any issues it observes during its assessments. The arrangement that requires the convening of the committee at least on a quarterly basis was implemented through the Duties and Working Principles of the Audit Committee.

### ► Corporate Governance Committee

The Corporate Governance Committee is set up to support and assist the Board of Directors by working on monitoring the company's compliance with the corporate governance principles in accordance with the Capital Markets Regulations, implementing the principles, identifying any failure of implementation, working to improve its efficiency, identifying the candidates to be elected to the Board of Directors, establishing the company's perspective, principles, and applications regarding remuneration, assessing the performance and career planning of the board members and executive staff, overseeing investor relations activities, and making applicable proposals to the Board of Directors.

The committee is set up in accordance with the Articles of Incorporation. It is composed of at least two members. If the committee is composed of two members, both shall be appointed among the non-executive board members. In cases where the committee is composed of more than two members, the majority will be non-executive board members. The chief executive officer / managing director of the company cannot be a member of the committee.

The Committee Chair shall be appointed from among the independent Board members. The director of the Investor Relations Department shall be appointed as a member of the Corporate Governance Committee. Furthermore, individuals who are subject matter experts but not Board members, can also be appointed as members of the Corporate Governance Committee. The Board of Directors appoints the members of the Corporate Governance Committee in the first Board meeting to follow the General Assembly which elected the Board of Directors. The Corporate Governance Committee shall serve until the election of the next Board of Directors. The Corporate Governance Committee shall convene at least three times per year. Where necessary, the committee shall convene at the corporate headquarters, upon an invitation issued by the Committee Chair through the secretariat of the Board of Directors. The committee shall convene with a simple majority and shall resolve with a majority. Once taken, decisions shall be registered in written form, to be signed by the committee members during the next meeting, and duly archived. The Corporate Governance Committee shall be composed of a total of three members, two independent non-executive board members, and one official of the company.

### ► Members of the Corporate Governance Committee

The Corporate Governance Committee carried out activities for improvement of Investor Relations activities and identification of candidates who were proposed to be elected as board members in 2020.

In this context, the Corporate Governance Committee was informed about the investor meetings organized in the country and abroad for enhancement of the investor profile and about activities in relation to other investor relations practices. Furthermore, the Corporate Governance Committee submitted to the Board of Directors for consideration and for further submission to the approval of the shareholders during 2020 Ordinary General Assembly the candidates who were deemed to be eligible for Independent Board Membership based on the assessment conducted by the Nomination Committee operating within its scope, in line with the criteria specified under the Corporate Governance Communiqué of Capital Markets Board.

### ► Early Detection of Risk Committee

Early Detection of Risk Committee is composed of at least two non-executive members of the Board. The committee is composed of two independent Board members. Mr. Salih Erez serves as the Committee Chair, while Mr. Umut Apaydin serves as a committee member.

The Early Detection of Risk Committee is set up in line with the Turkish Code of Commerce, the Articles of Incorporation, and the Corporate Governance Principles

Communiqué of the Capital Markets Board, with a view to submitting recommendations to the Board of Directors, with respect to the early detection of risks which could threaten the existence, development, and continuation of the company, as well as the application of the measures regarding identified risks, and the management of the risks. The committee reports to the Board of Directors.

The committee examined and provided its opinion on risk-related activities of Finance, Accounting, Reporting and Human Resources Departments in 2020. The decision was made concerning the improvement of such activities for the upcoming periods. The arrangements regarding the convening of the committee are established in the duties and working principles of the Early Detection of Risk Committee.

### ► Risk Management and Internal Control Mechanism

In line with its nature, ODAŞ issues its financial statements on a consolidated basis in accordance with the regulations. For the operating group covering electricity generation, electricity wholesale, and mining operations, UFRS based financial statements are drawn up on a quarterly basis. At ODAŞ level, on the other hand, transactions between electricity generation and electricity wholesale are written off, with consolidated financial statements being produced.

The periodical financial results and performance of the companies included in the consolidation framework are analyzed, leading to consolidated financial reporting. ODAŞ's internal control operations are executed within the framework of the regulations, under the responsibility of the Audit Committee. In quarterly periods when financial statements are disclosed to the public, the consolidated financial statements are submitted to the Board of Directors of the company, after being checked and approved by the committee for audit.

The new Turkish Code of Commerce which entered into force on July 1, 2012 rendered risk management activities a requirement for publicly traded corporations. The Early Detection of Risk Committee reporting to the Board of Directors was set up through the Board of Directors' resolution dated 25.12.2013, with a view to submitting comments and recommendations to the Board of Directors, with respect to the early detection of the risks that could threaten the existence, development, and continuation of the company, as well as the application of measures regarding identified risks, and the management of the risks.

### ► Strategic Objectives of the Company

ODAŞ intends to establish a bidirectional strategy to reinforce its position in the industry. Thanks to this two-way strategy, the material values accumulated will lead to an expansion of the areas of operations,



generating additional synergies through vertical and horizontal integration. Accordingly, precious metal and minor mining production and direct sales activities were integrated into our current main area of activity which is electricity generation and sales.

### ► Remuneration

In accordance with the Corporate Governance Principles, the "Remuneration Policy" applicable to the members of the Board of Directors and senior executives was developed in written form and approved in the Board of Directors meeting held on 25.12.2013, followed by announcement to shareholders through KAP and publication on the corporate website.

According to the Articles of Incorporation, the monthly salaries and per diem fees for members of the Board of Directors are set by the General Assembly. In the Ordinary General Assembly Meeting for the year 2019 which was held on 24.12.2020, the decision was taken to pay TRY 17,500 net salary to the Board members. The following financial benefits were provided to the board members and senior executives of the company in 2020.

### ► Total Financial Benefits (TRY)

	Total Financial Benefits (TRY)
Board of Directors	1,891,048.21
Senior Executives	9,180,850.83

Payments to the Board members cover monthly salaries. The remunerations payable to the Board members are the cash payments set with reference to the company's profitability, performance, and internal positions, and effected regularly and continuously at certain periods of each month.

The payments to senior executives cover monthly salaries. The salaries payable to senior executives are set based on the position and the nature of the work, competence, experience, performance and remuneration policies applied in the same industry for similar positions, the company's internal positions, inflation, and the company's achievement of the financial targets set for the year. When setting the remuneration policies, care is taken to exclude incentive systems which would harm the interests of the shareholders, employees and customers.

The salaries are reviewed and updated once a year. The Company does not extend any credits or loans to any board members or executives, nor does it extend personal loans through a third party. Furthermore, no guarantees or underwriting is extended for such persons. The salaries are reviewed and updated once a year. The Company does not extend any credits or loans to any board members or executives, nor does it extend personal loans through a third party. Furthermore, no guarantees or underwriting is extended for such persons.

## GOVERNMENT SUBSIDIES AND GRANTS

### ► Çan2 Termik A.Ş.

#### **Investment incentive certificate**

The Investment Incentive Certificate was issued for the completely new investment carried out in Çanakkale province's Çan2 area, and covers the period 13.08.2014- 12.02.2019. The certificate provides incentives including the Subsidy for Employer Insurance Contributions, Tax Rate Reduction Subsidy, VAT Exemption and Customs Duty Exemption. The total amount of the investment is TRY 801,789,866. The procedures for the completion of the Incentive Certificate were finalized by the letter no. 401.06 dated 10.08.2020 from the Ministry of Industry and Technology. (Completion Visa granted.)

In addition, the Ministry of Industry and Technology issued an investment incentive certificate dated 08.04.2020 with certificate no. 510216 and ID no. 1013731. The subsidy category is Regional-Priority Investment and the incentive elements include VAT Exemption, Interest Subsidy, Tax Reduction, Employer Insurance Contributions and Allocation of Investment Area. The underlying investment is the modernization of the local coal-based power plant with an installed capacity of 340 MW (Çan2 Thermal Power Plant) and the incentive certificate has been issued as per the Generation License dated 28.01.2016 with no. ÜE/6083-2/03428, which has been granted by Energy Market Regulatory Authority.

### ► YS Madencilik San. Ve Tic. Ltd. Şti.

The company holds an Investment Incentive Certificate dated 24.07.2017 and numbered 131389, issued by the Ministry of Economy's General Directorate of Incentive Implementation and Foreign Investment. Pit coal mining constitutes the subject matter of this document. The Investment Incentive Certificate was issued for the completely new investment carried out in Corum province's Dodurga district, and covers the period 16.06.2017 - 16.06.2020. The certificate extends the subsidy elements of employer support for insurance premium, interest subsidy, VAT exemption, and customs duty exemption, as well as tax discount. The application, which was made for the Incentive Certificate completion visa on 08.10.2019, is still pending.

### ► Suda Maden A.Ş.

The company holds an Investment Incentive Certificate dated 06.10.2017 and numbered 132950, issued by the Ministry of Economy's General Directorate of Incentive Implementation and Foreign Investment.

Sand, clay and stone quarrying is the subject matter of the certificate. The Investment Incentive Certificate was issued for the modernization project carried out

in Kutahya province's Gediz district, and covers the period 08.09.2017 - 08.09.2020. The certificate extends the subsidy elements of employer support for insurance premium, interest subsidy, VAT exemption, and tax discount.

## DIVIDEND PAYMENT POLICY

The profits of the company are measured and distributed in accordance with the Turkish Code of Commerce, the Capital Markets Regulations, and widely recognized accounting principles. The net profits established once the amounts the Company is required to pay or set aside, such as overhead expenses and various elements of depreciation, as well as the taxes the company is required to pay as a legal entity, and any and all financial liabilities, are deducted from the revenues identified as of the end of the operating period, as shown in the annual balance sheet, shall be allocated as follows in the respective order, once losses for previous years, if any, are deducted.

### ► Primary Legal Reserves:

5% legal reserves shall be retained as per the applicable provision of the Turkish Commercial Code.

### ► Primary Dividend:

The primary dividends shall be allocated in line with the Turkish Commercial Code and the Capital Markets Regulations, from the remaining figure, with reference to the amount to be calculated with the addition of donations, if any, made during the year. Once the above-mentioned figures are deducted, the General Assembly shall be entitled to decide on the payment of the dividends to the Board members, officials, servants, laborers, foundations established for various purposes, and similar persons and entities.

### ► Secondary Dividend:

The General Assembly shall be entitled to pay the amount remaining after the deduction of the amounts specified in Sub-Paragraphs (a), (b), and (c) out of the net profits, in full or in part, as secondary dividend, or as extraordinary reserves.

### ► Secondary Legal Reserves:

e) One tenth of the amount established after the deduction of a dividend figure amounting to 5% of the paid-in capital, from the portion decided to be paid out to shareholders and other persons entitled to profits, shall be set aside as the secondary statutory reserves as per the article 519, paragraph 2 of the Turkish Commercial Code.

Unless the legal reserves are retained and the primary dividends for shareholders are allocated in cash and/or in the form of shares as specified in the articles of incorporation; no resolution can be taken with respect to any additional reserves, retained earnings and

dividend payments to the board members, employees, foundations of various causes and similar persons and/or entities.

The dividends for the shares shall be paid out to all existing shares as of the term of operations, regardless of the issuance and acquisition dates of the shares, and without the application of the per diem principle.

The Company can pay out advance dividends to its shareholders within the framework of Article 20 of the Capital Markets Law.

If there is any profit available for distribution in accordance with the applicable communiqués, the annual distributable profit of the company and the relevant board resolution to be taken for dividend payment shall be submitted to the general assembly for approval and dividend payments shall be completed within statutory timeframes upon the approval of the general assembly. The General Assembly shall take the decision, on the basis of the proposal of the Board of Directors, on the date on which the dividend shall be paid to shareholders. Dividend payments shall be made within the statutory time frame. The CMB's applicable regulations, communiqués and provisions shall be observed for other dividend payment methods.

In accordance with the General Assembly resolution, the dividend payment can be in the form of fully cash, or fully in bonus issues, or partly in cash and partly in bonus issues.

An equilibrium between the interests of the shareholders and those of the company shall be sought with respect to the implementation of the dividend payment policy. The Board of Directors shall inform the shareholders at the General Assembly if dividends shall not be paid and if so, the reason for this and where the retained profits shall be used instead.

### ► Legal Actions

During the period 01.01.2020 - 31.12.2020; Anadolu Export Maden Sanayi ve Ticaret A.Ş. filed an appeal following the judgement of Kütahya Administrative Court with docket no. 2019/348 and decree no. 2019/738 concerning Yıldız Gold and Silver Mine project and the 6th Chamber of State Council decided to affirm the judgement of Kütahya Administrative Court. A revised EIA report shall be issued in accordance with the EIA regulation and applicable legislation and submitted to the ministry, after evaluation of the missing points in the EIA report. The assessment by the Ministry will consist of one meeting by the Inspection and Survey Commission and the process for making the final decision.

## CORPORATE GOVERNANCE COMPLIANCE STATEMENT

Corporate Governance Compliance Report		Compliance Status					
1.1.	FACILITATION OF THE USE OF SHARE OWNERSHIP RIGHTS	Yes	Partially	No	Exempt	Not applicable	Comment
	1.1.2 - Information and disclosures which may affect the use of Share Ownership rights are made available for investors in an up-to-date fashion on the company's corporate website.	X					
1.2.	RIGHT TO DEMAND AND REVIEW INFORMATION	Yes	Partially	No	Exempt	Not applicable	Comment
	1.2.1- Company management avoided execution of any transaction that may complicate a private audit.	X					
1.3.	GENERAL ASSEMBLY	Yes	Partially	No	Exempt	Not applicable	Comment
	1.3.2- The company ensured that the agenda of the General Assembly was expressed explicitly and every proposal was provided under a separate title.	X					
	1.3.7- Persons who have the opportunity to access the partnership information in a privileged way have informed the Board of Directors to be included in the agenda in order to provide information to the General Assembly on the transactions carried out on behalf of themselves within the scope of the partnership's area of activity.					X	
	1.3.8 - Board Members who are subject matter experts in the special items in the agenda, other related people and officials and auditors with responsibility for preparing financial statements were present at the general assembly meeting.	X					
	1.3.10- The amounts and beneficiaries of all donations and grants were provided in a separate item in the agenda of the General Assembly.		X				All donations and grants made during the year were shared as per the agenda of the General Assembly.
	1.3.11- The General Assembly meeting was held open to the public, including stakeholders and media, provided that those should not have a right to speak.	X					
1.4.	VOTING RIGHTS	Yes	Partially	No	Exempt	Not applicable	Comment
	1.4.1- There are no restrictions or practices that make it difficult for shareholders to exercise their voting rights.	X					
	1.4.2- The company does not have any shares with privileged voting rights.			X			The company does not have any privileged shares. However, Group A shares are privileged. The privileged shareholders are Abdulkadir Bahattin Özal and Burak Altay with voting rates of 12.93% and 21.26%, respectively.



Corporate Governance Compliance Report		Compliance Status					
	1.4.3- The company did not exercise its voting rights in the General Assembly of any partnership in which they have cross-ownership associated with any controlling relationship.					X	
<b>1.5.</b>	<b>MINORITY RIGHTS</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	1.5.1- The company has paid maximum attention to the exercise of minority rights.	X					
	1.5.2- Minority rights were vested in shareholders who hold less than one twentieth of the capital, based on the articles of association. The scope of minority rights had extended in the articles of association.			X			Minority rights in our company are identified based on the ratio regulated by the Turkish Commercial Code.
<b>1.6.</b>	<b>DIVIDEND RIGHTS</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	1.6.1- The dividend payment Policy approved by the General Assembly was disclosed to the public on the company's corporate website.	X					
	1.6.2- The Dividend Payment Policy incorporates minimum explicit information required to enable the shareholders to make predictions on the procedures and principles regarding the distribution of profit by the company in the future.	X					
	1.6.3- The reasons for not distributing dividends and the use of retained earnings were stated in the related agenda item.	X					
	1.6.4- The Board of Directors reviewed the dividend payment policy with respect to the protection of balance between shareholders' interests and the company's interests.	X					
<b>1.7.</b>	<b>TRANSFER OF SHARES</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	1.7.1- There is no restriction which complicates the transfer of the shares.	X					
<b>2.1.</b>	<b>CORPORATE WEBSITE</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	2.1.1- The corporate website of the company contains all items relevant to corporate governance principle no. 2.1.1.	X					
	2.1.2- Shareholding structure (names, privileges and number and ratio of shares of the real person shareholders who own more than 5% of issued capital) is updated on the corporate website at least every 6 months.	X					
	2.1.4- Information on the corporate website of the company has been provided in the foreign languages chosen according to need, provided that their content should be the same as the Turkish version.	X					
<b>2.2.</b>	<b>ANNUAL REPORT</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	2.2.1- The Board of Directors ensures that the annual report includes complete and true information with respect to the activities of the company.	X					
	2.2.2- The annual report contains all elements under principle no. 2.2.2.	X					

Corporate Governance Compliance Report		Compliance Status					
3.1.	COMPANY POLICY ON STAKEHOLDERS	Yes	Partially	No	Exempt	Not applicable	Comment
	3.1.1- The rights of stakeholders are protected within the framework of relevant regulations, contracts and bona fides principles.	X					
	3.1.3- Policies and procedures regarding the rights of stakeholders are published on the corporate website of the company.	X					
	3.1.4- Necessary mechanisms have been established for stakeholders to report transactions that are contrary to the legislation and which are unethical.	X					
	3.1.5- The company approaches conflicts of interest between stakeholders in a balanced manner.	X					
3.2.	PROMOTING THE PARTICIPATION OF STAKEHOLDERS IN THE COMPANY MANAGEMENT	Yes	Partially	No	Exempt	Not applicable	Comment
	3.2.1- The participation of employees in management has been regulated by the articles of incorporation or the internal regulations.		X				Ad hoc committees were formed for investment activities of the company in the related periods and the participation of employees in the management was ensured.
	3.2.2- In case of significant decisions that may bear consequences for stakeholders, methods such as surveys and consultation have been applied to obtain the opinions of stakeholders.		X				In case of important decisions that may lead to results for some of the stakeholders, requests, suggestions and complaints of the stakeholders are received and considered.
3.3.	HUMAN RESOURCES POLICY OF THE COMPANY	Yes	Partially	No	Exempt	Not applicable	Comment
	3.3.1- The company has adopted an employment Policy offering equal opportunities and a succession plan for all key management positions.	X					
	3.3.2- Recruitment criteria has been determined in writing.	X					
	3.3.3- The company has a Human Resources Development Policy and organizes training sessions for employees as part of this policy.	X					
	3.3.4- Meetings have been held to inform employees on issues such as the financial status of the company, remuneration, career planning, education and health.	X					
	3.3.5- Decisions which may affect employees have been notified to the employees and their representatives. The opinions of relevant unions about such issues have been taken as well.		X				The Human Resources Department is responsible for relations with all employees. However, there is no union in our company.
	3.3.6- Job definitions and performance criteria have been prepared in detail for all employees and have been provided to them. They have been utilized in the determination of remuneration.	X					Job descriptions are made for parent companies and revisions are ongoing in all other group companies.

Corporate Governance Compliance Report		Compliance Status					
	<b>3.3.7-</b> Measures, such as procedures, training sessions, awareness raising, objectives, monitoring and complaint mechanisms, have been taken in order to prevent discrimination among employees and to protect the employees against any physical, mental and emotional mistreatment within the company.	X					
	<b>3.3.8-</b> The company supports the recognition of freedom to establish associations and the right to collective bargaining efficiently.		X				Although there are no associations or unions in the company, there is no restrictive practice.
	<b>3.3.9-</b> A safe working environment is ensured for employees.	X					
<b>3.4.</b>	<b>RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	<b>3.4.1-</b> The company measured customer satisfaction and operates on the understanding of unconditional customer satisfaction.	X					
	<b>3.4.2-</b> Any delay in handling customers' requests regarding the goods and services purchased by them is notified to customers.	X					
	<b>3.4.3-</b> The company complies with quality standards related to goods and services.	X					
	<b>3.4.4-</b> The company has control processes for maintaining the confidentiality of the commercial secrets of customers and suppliers.	X					
<b>3.5.</b>	<b>CODE OF CONDUCT AND SOCIAL RESPONSIBILITY</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	<b>3.5.1-</b> A Code of Conduct determined by the Board of Directors has been published on the corporate website of the company.	X					
	<b>3.5.2-</b> The company is aware of its social responsibilities. It has taken measures to prevent corruption and bribery.	X					
<b>4.1.</b>	<b>FUNCTION OF THE BOARD OF DIRECTORS</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	<b>4.1.1-</b> The Board of Directors ensures that strategies and risks do not threaten the long-term interests of the company and effective risk management procedures are in place.	X					
	<b>4.1.2-</b> The meeting agenda and minutes demonstrate that the Board of Directors discusses and approves the strategic objectives of the company, determines the required Resources and oversees the performance of management.	X					
<b>4.2.</b>	<b>THE BASIS OF THE BOARD OF DIRECTOR'S ACTIVITIES</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	<b>4.2.1-</b> The Board of Directors documented its activities and submitted them to the information of the shareholders.	X					
	<b>4.2.2-</b> The duties and powers of the Board members were provided in the annual report.	X					
	<b>4.2.3-</b> The Board of Directors has established an internal control system in accordance with the scale of the company and the complexity of its activities.		X				Internal control activities are performed by the Audit Committee. Company directors carry out assessments on a departmental basis.



Corporate Governance Compliance Report		Compliance Status					
	4.2.4- Information regarding the functioning and efficiency of the internal control system is given in the annual report.	X					
	4.2.5- The authorities of the Chairperson of the Board and the Chief Executive Officer (General Manager) are separated and defined.	X					
	4.2.7- The Board of Directors has facilitated effective functioning of the Investor Relations department and the corporate governance committee and has been in close cooperation with the Investor Relations department and the corporate governance committee in resolving disputes between the company and shareholders, and in communications with the shareholders.	X					
	4.2.8- Regarding the losses that the members of the Board of Directors may cause in the company due to any faults in the course of their duties, the company has taken out executive liability insurance for a price exceeding 25% of the capital.			X			No executive liability insurance for a price exceeding 25% of the company capital has been taken out regarding the losses that the Board members may cause in the company due to any faults in the course of their duties.
4.3.	<b>STRUCTURE OF THE BOARD OF DIRECTORS</b>	Yes	Partially	No	Exempt	Not applicable	Comment
	4.3.9- The company determined an objective of a minimum percentage of 25% for female Board members and established a relevant policy to achieve this objective. The structure of the Board of Directors is reviewed annually and determination of candidates is carried out in accordance with this policy.		X				The Board of Directors has one female member. There is no policy relating to the minimum target of 25% for female members.
	4.3.10- At least one of the committee members responsible for auditing has 5-years experience in auditing/accounting and finance.	X					
4.4.	<b>PROCEDURE FOR THE BOARD OF DIRECTORS MEETINGS</b>	Yes	Partially	No	Exempt	Not applicable	Comment
	4.4.1- All Board members physically attended most of the Board of Directors' meetings.	X					
	4.4.2- The Board of Directors has determined a minimum period of time for the sending of information and documents relating to the agenda items to all members before the meeting.	X					
	4.4.3- The opinions of the members who could not attend the meeting, but who expressed their opinions in writing to the Board of Directors were submitted for the information of other members.					X	
	4.4.4- Each Board member has one vote.	X					
	4.4.5- The procedure for the Board meetings has been documented in written form in accordance with the internal regulations of the company.	X					

Corporate Governance Compliance Report		Compliance Status					
	4.4.6- Minutes of the Board meetings reveal that all agenda items were discussed. Minutes for decisions are prepared in such a way that dissenting opinions are also included.	X					
	4.4.7- The external duties of the Board members have been restricted. The external duties conducted by the Board members were submitted for the information of shareholders at the General Assembly meeting.			X			No restrictions regarding the assumption of duties or positions outside the company are imposed on the Board Members.
<b>4.5.</b>	<b>COMMITTEES FORMED UNDER THE BOARD OF DIRECTORS</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	4.5.5- Each Board member is assigned to only one committee.			X			Board members are not assigned to only one committee.
	4.5.6- The Committees invited people to the meetings as deemed necessary to consult with and obtained their opinion.	X					
	4.5.7- Information regarding the independence of the person/institution that provides consultancy services to the committee is given in the annual report.					X	
	4.5.8- A report has been issued and submitted to Board members regarding the results of the meetings held by the committees.	X					
<b>4.6.</b>	<b>FINANCIAL RIGHTS PROVIDED TO THE BOARD MEMBERS AND EXECUTIVES WITH ADMINISTRATIVE RESPONSIBILITIES</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>	<b>Exempt</b>	<b>Not applicable</b>	<b>Comment</b>
	4.6.1- The Board of Directors conducted a performance evaluation for the board to appraise whether they fulfilled their responsibilities effectively or not.			X			Performance evaluation of Board of Directors has not been made.
	4.6.4-The Company did not provide credit facilities, grant loans or extend the term of a loan granted, improve the underlying conditions, supply credit through third parties as a personal credit to any of its board members or its executives with administrative responsibilities or provide securities such as a guarantee in favor of them.	X					
	4.6.5- Remuneration provided to members of the Board of Directors and executives with administrative responsibilities has been disclosed for each person in the annual report.		X				Remunerations provided to the Board members and executives with administrative responsibilities have been disclosed based on a total figure in the annual report.

# CORPORATE GOVERNANCE INFORMATION FORM

CORPORATE GOVERNANCE INFORMATION FORM		
<b>1.</b>	<b>SHAREHOLDERS</b>	
<b>1.1.</b>	<b>Facilitation of the Use of Share Ownership Rights</b>	
	Number of investor conferences and meetings held by the company during the year	25
<b>1.2.</b>	<b>Right to Demand and Review Information</b>	
	Number of requests for private auditors	-
	Number of requests for private auditors approved at the General Assembly meeting	-
<b>1.3.</b>	<b>General Assembly</b>	
	Link to the KAP (Public Disclosure Platform) announcement for the information requested as part of principle 1.3.1 (a-d)	<a href="https://www.kap.org.tr/tr/Bildirim/893257">https://www.kap.org.tr/tr/Bildirim/893257</a>
	Whether or not documents in English related to the General Assembly meeting were presented simultaneously with Turkish versions	The related documents are presented in Turkish and English on the website of the company.
	Links to the KAP announcements for the processes which were not approved by the majority of independent members or do not have unanimous consent, as part of the principle 1.3.9	N/A
	Links to the KAP announcements for the processes of related parties performed as part of Article 9 of the Corporate Governance Communiqué (II-17.1)	Such a process is not available as part of the Article 9.
	Links to the KAP announcements for the common and continuous processes performed as part of Article 10 of the Corporate Governance Communiqué (II-17.1)	N/A
	Name of the section on the corporate website of the company that describes the policy on donations and grants	Investor Relations / Corporate Governance / Our Policies / Donation Policy
	Link to the KAP announcement for the minutes of the general assembly in which the policy on donations and grants was approved	<a href="https://www.kap.org.tr/tr/Bildirim/526892">https://www.kap.org.tr/tr/Bildirim/526892</a>
	Number of the article which regulates participation of stakeholders in the general assembly in the articles of association	N/A
	Information about stakeholders who attended the General Assembly	Company employees
<b>1.4.</b>	<b>Voting Rights</b>	
	Whether or not voting rights have privilege	Yes
	Privileged shareholders and their vote rates if votes are privileged	Group A shares are privileged. The privileged shareholders are Abdulkadir Bahattin Özal and Burak Altay with voting rate of 12.93% and 21.26%, respectively.
	Share percentage of the largest shareholder	15.53%
<b>1.5.</b>	<b>Minority Rights</b>	
	Whether or not minority rights have been extended (with regard to content or ratio) in the articles of association of the company	No
	Specify the number of the relevant articles of association item if minority rights have been extended with regard to content and ratio.	-



<b>1.6.</b>	<b>Dividend Rights</b>	
	Name of the section on the corporate website that describes the dividend payment policy	Investor Relations / Corporate Governance / Our Policies / Dividend Payment Policy
	In the event that the Board of Directors proposed the General Assembly that dividends not be distributed, minutes of the relevant general assembly agenda item regarding the reasons for not distributing dividends and the use of retained earnings	As a result of the discussion on the resolution of the company's Board of Directors dated 23.11.2020 no. 2020/18, the question that dividends shall not be paid was unanimously accepted, as there is no distributable profit in the consolidated financial statements for the accounting period between 01.01.2019 and 31.12.2019 prepared and subject to an independent audit as per the provisions of the Communiqué on the Rules of Financial Reporting in Capital Market no. (II-14.1) issued by the Capital Markets Board, and in the financial statements prepared in accordance with the rules of the Tax Procedure Law as part of the statements about the activities of our Company in 2019 which were formed again in accordance with the rules of the Tax Procedure Law.
	Link to the KAP announcement for the relevant general assembly minutes, in the event that the Board of Directors proposed the General Assembly not to distribute the profit	<a href="https://www.kap.org.tr/tr/Bildirim/894798">https://www.kap.org.tr/tr/Bildirim/894798</a>
<b>2.</b>	<b>PUBLIC DISCLOSURE AND TRANSPARENCY</b>	
<b>2.1.</b>	<b>Corporate Website</b>	
	Names of the sections on the corporate website that provide the information requested by corporate governance principle 2.1.1.	Investor Relations / Corporate Governance, Annual Reports, Material Disclosures, Financial Reports, Capital and Shareholding Structure, Articles of Incorporation, Policies
	The section on the corporate website that gives the list of real person shareholders who directly or indirectly own more than 5% of the shares	Investor Relations / Corporate Governance / Capital and Shareholding Structure
	Languages in which the corporate website has been prepared	Turkish and English
<b>2.2.</b>	<b>Annual Report</b>	
	<b>Page numbers or name of the sections in the annual report that contain the information requested by corporate governance principle no.2.2.2</b>	
	<b>a)</b> The page number or section name that describes the external duties of the members of the Board of Directors and executives and declarations of independence of the members	Corporate Governance Compliance Report / Board of Directors / Composition and Formation of the Board
	<b>b)</b> The page number or section name that indicates the information on the committees formed under the Board of Directors	Corporate Governance Compliance Report / Board of Directors / Number, Structure and Independence of Committees Formed under the Board of Directors
	<b>c)</b> The page number or section name that contains the information on the number of board meetings in a year and the attendance of the members at these meetings	Corporate Governance Compliance Report / Board of Directors / Operating Principles of the Board
	<b>d)</b> The page number or section name that includes the information on amendments to legislation which may significantly affect the activities of the company	-
	<b>e)</b> The page number or section name that demonstrates the information on significant lawsuits filed against the company and the likely outcomes thereof	Corporate Governance Compliance Report / Legal Actions
	<b>f)</b> The page number or section name that contains the information on conflicts of interest between the company and the institutions from which it purchases services such as investment consulting and rating and the measures taken to avoid such conflicts of interest	-
	<b>g)</b> The page number or section name that includes the information on the cross-ownerships in which direct contributions to the capital exceed 5%	-
	<b>h)</b> The page number or section name that demonstrates the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the company activities that give rise to social and environmental outcomes	Corporate Governance Compliance Report / Stakeholders / Code of Conduct and Social Responsibility

3. STAKEHOLDERS		
<b>3.1. Company's Policy on Stakeholders</b>		
Name of the section on the corporate website that describes the compensation policy		Investor Relations / Corporate Governance / Our Policies / Compensation Policy
The number of final judicial decisions against the company on the grounds of breaching employee rights		-
Title of the person responsible for the notification mechanism		Human Resources Director
Contact details of the company's notification mechanism		info@odasenerji.com - ik@odasenerji.com
<b>3.2. Promoting the Participation of Stakeholders in Company Management</b>		
Name of the section on the corporate website that provides the internal regulations about the participation of employees in management bodies		-
Management bodies where employees are represented		-
<b>3.3. Human Resources Policy of the Company</b>		
Role of the Board of Directors in the development of a succession plan for the key management positions		-
Name of the section on the corporate website that demonstrates the human resources policy covering equal opportunities and recruitment criteria, or a summary of the relevant articles of the policy		Human Resources / Human Resources Policy
Whether or not there is a stock ownership plan		There Is No Stock Ownership Plan
Name of the section on the corporate website that describes the human resources policy which covers the measures against discrimination and mistreatment, or a summary of the relevant articles of the policy		Human Resources / Human Resources Policy
Number of final judicial decisions against the company due to responsibility for work related accidents		-
<b>3.5. Code of Conduct and Social Responsibility</b>		
Name of the section on the corporate website that describes the code of conduct policy		Human Resources / Code of Conduct
Name of the section on the corporate website that demonstrates the corporate social responsibility report. The measures taken on environmental, social and corporate governance issues, if no corporate social responsibility report exists		Social Responsibility
The measures taken to fight any kind of corruption including extortion and bribery		The sanctions to be applied against any kind of corruption including extortion and bribery are included in the disciplinary procedure of the company
<b>4. BOARD OF DIRECTORS-I</b>		
<b>4.2. The Basis of the Board's Activities</b>		
Date on which the last performance evaluation of the Board of Directors was conducted		-
Any referral to the independent subject matter experts during the performance evaluation of the board		No
Whether or not all Board members have been released		Yes
Names of the members of the Board of Directors with delegated powers through distribution of duties, and descriptions of such powers		A. Bahattin Özal - Chairperson of the Board, Burak Altay - Deputy Chairperson of the Board, Hafize Ayşegül Özal - Board Member, Umut Apaydın - Independent Board Member, Salih Erez - Independent Board Member
Number of reports presented by the internal control unit to the audit committee or any relevant committee		-
Name or page number of the section in the annual report that provides a review of the effectiveness of the internal control system		Corporate Governance Compliance Report / Board of Directors / Risk Management and Internal Control Mechanism
Name of the Chairperson of the Board		Abdulkadir Bahattin Özal

	Name of the Chief Executive Officer/General Manager	Burak Altay
	Link to the KAP announcement on the rationale behind the fact that the Chairperson of the Board of Directors and Chief Executive Officer/General Manager are the same person	Not the same person.
	Link to the KAP announcement for the fact that an insurance for a price exceeding 25% of the company capital has been taken out regarding the losses that the Board members may cause in the company due to any faults in the course of their duties	-
	Name of the section on the corporate website that gives information about the diversity policy for increasing the rate of female Board members	-
	Number and percentage of female members	1 - 20%
<b>4.</b>	<b>BOARD OF DIRECTORS-II</b>	
<b>4.4.</b>	<b>Meeting Procedures of the Board of Directors</b>	
	Number of the physical board meetings in the reporting period	26
	Average attendance rate at board meetings	100%
	Whether or not an electronic portal is used to facilitate the works of the Board of Directors	No
	Number of minimum days ahead of the board meeting to provide information and documents to members as per working principles of the Board of Directors	Changes Based on the Agenda.
	Name of the section on the corporate website that demonstrates information about the internal regulations which cover board meeting procedures	Investor Relations / Corporate Governance / Articles of Association / Article 7
	The upper limit determined in the policy that restricts the members from assuming external duties	There is no restriction for the members to assume external duties.
<b>4.5.</b>	<b>The Committees Formed under the Board of Directors</b>	
	The page number or section name in the annual report that provides information about the board committees	Corporate Governance Compliance Report / Board of Directors / Number, Structure and Independence of Committees Formed under the Board of Directors
	Link to the KAP announcement about the working principles of the committee	<a href="https://www.kap.org.tr/tr/Bildirim/445299">https://www.kap.org.tr/tr/Bildirim/445299</a>
<b>4.</b>	<b>BOARD OF DIRECTORS-III</b>	
<b>4.5.</b>	<b>The Committees Formed under the Board of Directors-II</b>	
	Specify the section in the annual report or on the corporate website where the activities of the audit committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Audit Committee / Duties and Working Principles of the Audit Committee
	Specify the section in the annual report or on the corporate website where the activities of the corporate governance committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Corporate Governance Committee / Duties and Working Principles of the Corporate Governance Committee
	Specify the section in the annual report or on the corporate website where the activities of the nomination committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Corporate Governance Committee / Duties and Working Principles of the Corporate Governance Committee
	Specify the section in the annual report or on the corporate website where the activities of the early detection of risk committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Early Detection of Risk Committee / Duties and Working Principles of the Early Detection of Risk Committee
	Specify the section in the annual report or on the corporate website where the activities of the remuneration committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Corporate Governance Committee / Duties and Working Principles of the Corporate Governance Committee



4.6.	Financial Rights Provided to Members of the Board of Directors and Executives with Administrative Responsibilities	
	The page number or section name in the annual report that gives information about the operational and financial performance targets and their achievement status	Annual Report / Operational Status During the Period
	Name of the section on the corporate website that covers the remuneration policy for executive and non-executive directors.	Investor Relations / Corporate Governance / Policies / Remuneration Policy
	The page number or section name in the annual report that describes the individual remuneration and all other benefits for the members of the Board of Directors and executives with administrative responsibilities	Corporate Governance Compliance Report / Financial Rights

## GENERAL ASSEMBLY MEETINGS

Date of the General Assembly	Number of requests for annotations sent to the company with regard to the agenda of General Assembly	Participation rate of shareholders in General Assembly	Ratio of the shares represented directly	Ratio of the shares represented by proxy	Name of the section on the corporate website of the company that contains the minutes of the general assembly meeting, including the positive and negative votes for every agenda item	Name of the section on the corporate website that includes all questions asked at the general assembly meeting and their answersNumber	of the article or paragraph in the minutes of the general assembly meeting that describes the related parties	Number of persons who report to the Board of Directors and have the opportunity to access the company information in a privileged way (The list of insiders)	Link to the general assembly statement published in KAP
24.12.2020	0	26.13%	20.57%	5.56%	Investor Relations / Corporate Governance / General Assembly Meetings / 2017 General Assembly Meeting / Minutes	Investor Relations / Corporate Governance / General Assembly Meetings/ 2017 General Assembly Meeting / Minutes	17	22	<a href="https://www.kap.org.tr/t/ Bildirim/889605">https://www.kap.org.tr/t/ Bildirim/889605</a>

## STRUCTURE OF THE BOARD

Full Name of the Board Member	An Executive Member or Not	An Independent Member or Not	The Date of Election as a Board Member for the First Time	Link to the KAP Announcement for Declaration of Independence	Independent Whether or Not the Member was Evaluated by the Nomination Committee	Whether Any of the Members Lost Their Independence or not	Whether or Not He/She Has at Least 5-Years Experience in Auditing, Accounting and/or Finance
Abdulkadir Bahattin Özal	Non-Executive	Not Independent Member	23.05.2011				
Burak Altay	Executive	Not Independent Member	23.05.2011				
Hafize Ayşegül Özal	Non-Executive	Independent Member	06.03.2013				
Umut Apaydin	Non-Executive	Independent Member	24.12.2020	<a href="https://www.kap.org.tr/Bildirim/893257">https://www.kap.org.tr/Bildirim/893257</a>	Evaluated	No	Yes
Salih Erez	Non-Executive	Independent Member	28.04.2016	<a href="https://www.kap.org.tr/Bildirim/893257">https://www.kap.org.tr/Bildirim/893257</a>	Evaluated	No	Yes

## COMMITTEES UNDER THE BOARD

Names of the Committees under the Board	Name of the Committee Indicated As "Other" in the First Column	Full Name of Committee Members	Committee Chair or Not	Board Member or Not
Audit Committee		Umut Apaydin	Yes	Board Member
Audit Committee		Salih Erez	No	Board Member
Corporate Governance Committee		Umut Apaydin	Yes	Board Member
Corporate Governance Committee		Salih Erez	No	Board Member
Corporate Governance Committee		Melih Yüceyurt	No	Not a Board Member
Early Detection of Risk Committee		Salih Erez	Yes	Board Member
Early Detection of Risk Committee		Umut Apaydin	No	Board Member

## COMMITTEES UNDER THE BOARD II

Names of the Committees under the Board	Name of the Committee Indicated As "Other" in the First Column	The Percentage of Non-Executive Directors	The Percentage of Independent Members in the Committee	Number of Physical Meetings Held by the Committee	Number of Reports Submitted to the Board of Directors by the Committee about Its Activities
Audit Committee		100%	100%	5	5
Corporate Governance Committee		100%	66%	3	3
Early Detection of Risk Committee		100%	100%	6	6

*If there is energy,*  
**THERE IS  
EDUCATION**





A blurred background image showing two people, a woman in a light pink top and a man in a maroon shirt, standing in a modern office or hallway. They appear to be looking at something together. The background is out of focus, emphasizing the text in the foreground.

**06**

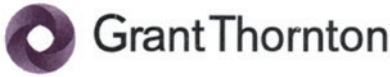
SECTION

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# **CONSOLIDATED FINANCIAL STATEMENTS**

# INDEPENDENT AUDIT REPORT

To Odaş Elektrik Üretim Sanayi Ticaret A.Ş.  
Board of Directors



## 1. Opinion

We have audited the consolidated financial position statement of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. ("the Company") and its subsidiaries (to be referred together as "the Group") issued as of December 31, 2020 as well as their consolidated income, comprehensive income, changes in equity and cash flow statements for the year ending on the same date and their attached consolidated financial statements which include the summary of key accounting policies and other comments.

In our opinion, the consolidated financial statements attached reflect truthfully the consolidated financial standing of the Group as of 31.12.2020 as well as its consolidated financial performance and consolidated cash flows during the accounting period ending on the same date in accordance with Turkish Financial Reporting Standards ("TFRS") in all material respects.

## 2. The Basis of Opinion

Our independent audit has been performed in accordance with the independent audit standards published by Capital Markets Board as well as the Independent Audit Standards (IAS) as part of Turkish Audit Standards published by Public Oversight, Accounting and Audit Standards Authority (POA). Our responsibilities under these Standards have been described in detail within "the Responsibilities of Independent Auditor concerning Independent Audit of Financial Statements" section of our report. Pursuant to the Code of Conduct for Independent Auditors issued by POA and the provisions of ethical conduct stipulated in the regulations on independent audit of financial statements, we hereby declare that we are independent from the Company. We have complied with the Code of Conduct and fulfilled other ethical responsibilities under the regulations. We believe that the independent audit evidence acquired during the

independent audit constitute an adequate and reliable basis for building our opinion.

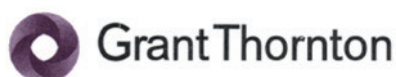
## 3. Considerations

The consolidated financial statements of the Group for the fiscal year ending on 31.12.2019 were audited by another independent auditor and they expressed a positive opinion on those consolidated financial statements on 10.03.2020.

### *Business Continuity*

As of December 31, 2020, the consolidated financial statements of the Group indicate losses from the previous years in an amount of TRY (326,903,703) (December 31, 2019 :TRY 127,047,540) and a net loss for the fiscal year ended in an amount of TRY (249,114,897) (December 31, 2019 :TRY 215,194,032). Also, as of the same date, the short term liabilities of the Group exceed its current assets by TRY 587,576,783 (31.12.2019: TRY 671,395,460). TRY 420,115,119 (31.12.2019: TRY 586,803,729) out of the aforementioned amount represents the short term portions of the loans borrowed from the banks by the Group. The total shareholders' equity of the Group is TRY 788,185,391 (December 31, 2019: TRY 792,249,388) and TRY 728,846,503 (December 31, 2019: TRY 728,846,503) of this amount comes from revaluation gains as a result of the revaluation of tangible fixed assets.

The net losses of the Group for the year resulted from the exchange differences calculated for short and long term loans (31.12.2020: TRY 601,671,020, 31.12.2019: TRY 316,548,164). As of 29.12.2020, the Group signed an agreement with the banks concerning the restructuring of the terms of the loans until 2030.



The total amount of foreign currency financial liabilities of the Group has been indicated as TRY 1,437,244,403 in its consolidated financial statements for the period ending on December 31, 2020. Accordingly, the article 376 paragraph 2 of Turkish Commercial Code (new TCC) applies to the Group.

Pursuant to the article 376 of Turkish Commercial Code ("TCC"); the Group is required to take corrective actions, submit them to its Board of Directors and inform the general assembly accordingly, in case of losing more than 50% of its shareholders' equity. The Communiqué on the Procedures and Principles for applying the article 376 of TCC has been published in the official gazette on September 15, 2018. This communiqué states that in case of capital losses incurred due to recent depreciation of Turkish Lira, the capital adequacy calculations shall not take into account the foreign exchange losses arising from foreign currency financial liabilities not redeemed yet, until January 1, 2023. The amount of unrealized exchange difference expenses incurred due to the foreign currency financial liabilities and interest accruals of the Group is approximately TRY 397,871,388 as of December 31, 2020. So, this amount may not be taken into consideration during the capital adequacy calculation pursuant to TCC.

The comments of the Group on going concern are explained under the Footnote 2.c.

#### **Deferred Tax Asset**

As of 31.12.2020, the Group has TRY 171,470,932 deferred tax asset and TRY 10,655,111 deferred tax liability. The Group holds investment incentive

certificates granted by T.R. Ministry of Industry and Technology for the facilities owned by Çan Kömür and YS Madencilik. Under those incentive certificates, the machinery, equipment, software and intangible rights are entitled to tax reduction pursuant to the Corporate Tax regulations. Accordingly, the Group recognized TRY 354,596,461 deferred tax asset in its consolidated financial statements dated December 31, 2020, based on the corporate tax reduction that it will enjoy under the investment incentive in the future periods (Footnote 40).

The recoverability of deferred tax assets depends on the potential positive performance of future projections and may be subject to the changes in such projections. The Group envisages to generate sustainable operational profit and benefit from deferred tax asset, in accordance with its 10-year budget.

#### **4. Key Audit Points**

The key audit points refer to the points of highest concern in our professional opinion during the independent audit of consolidated financial statements for the current period. The key audit points have been addressed as a whole within the scope of the independent audit of consolidated financial statements and during formation of our opinion on the consolidated financial statements. We do not provide a further opinion on those points.

We identified and indicated in our report the following items as the key audit points, in addition to the consideration detailed under the section Material Uncertainty Regarding the Business Continuity:



#### 4. Key Audit Points (Continued)

Key Audit Point	How It is Addressed during Our Audit
<b>Capitalized Mine Assets</b>	
<p>The Group capitalizes the costs incurred under the following circumstances;</p> <p>The development costs incurred for mining sites; if the subject mining site has a strong potential for deriving an economic benefit in the future, if such economic benefit can be defined for certain mining sites and their cost can be estimated in a reliable manner,</p> <p>Direct costs incurred within the period during stripping works, which facilitate access to the identified part of the ore within each open pit ore deposit, and general production expenses that can be attributed to the stripping works,</p> <p>The costs incurred for development, rehabilitation and closure of mining sites based on their current status, depending on the open pit mining site development activities and production in the open pit. This has been considered a key audit point, taking into consideration the reduced costs of provision as of the balance sheet date for the most likely expenses to be made during the closure and rehabilitation of the mines, the share of capitalized development costs within the financial statements as of 31.12.2020 and the management assumptions applied during the capitalization of those costs.</p> <p>The details of capitalized mine assets are provided under the Notes 2 and 17.</p>	<p>The audit procedures applied in this respect include the following:</p> <p>The composition of capitalized development costs for each mining site has been evaluated,</p> <p>The conformity of the management's assessments has been tested,</p> <p>The managers of the departments responsible for the Group's mining sites have been interviewed,</p> <p>Elaborative tests have been conducted on the development costs,</p> <p>The economic benefit projections have been analyzed in comparison with the Group's estimations and the previous performance,</p> <p>The rehabilitation costs have been tested in comparison with the previous periods.</p>

Key Audit Point	How It is Addressed during Our Audit
<b>Recognition of inventories</b>	
<p>The inventories with a balance sheet figure of TRY 193,712,243, as shown in the consolidated financial statements as of 31.12.2020, have the risk of impairment because of reasons such as being damaged, losing their value in whole or in part due to external factors or becoming unrecoverable as a result of a decrease in their sales price, and the economic factors.</p> <p>Further details on the inventories are provided under the Note 10.</p> <p>Based on the management's estimations and assumptions, no provision has been allocated in the current period for impairment of inventories. Those estimation and assumptions involve the treatment of inventories with a lower turnover rate as well as dead and damaged inventories. Therefore, the inventories are a key point for our audit.</p>	<p>We applied the following audit procedures for inventories during our audit:</p> <p>The disclosure and consistency of the accounting policy on the inventory impairment provision has been reviewed.</p> <p>A meeting was held with the Group management concerning the fact that the inventories have the risk of impairment because of reasons such as being damaged, losing their value in whole or in part due to external factors or becoming unrecoverable as a result of a decrease in their sales price.</p> <p>The inventory turnover rate has been compared with the previous year.</p> <p>Due consideration has been given to the fact that no provision has been allocated in the current period for impairment of inventories based on the management's estimations and assumptions.</p> <p>The discounts applied during the calculation of net realizable value have been deducted and the sales prices have been tested through sampling.</p>

#### 4. Key Audit Points (Continued)

Key Audit Point	How It is Addressed during Our Audit
<b>Short and Long Term Financial Liabilities</b>	
<p>The Group has TRY 606,654,819 short term financial liabilities representing 55% of its total short term liabilities and TRY 1,487,720,037 long term financial liabilities accounting for 98% of its total long term liabilities, as reflected in the Group's consolidated financial statements as of 31.12.2020.</p> <p>The Note 47 provides further details on the short and long term financial liabilities.</p> <p>The Group discloses its financial liabilities in terms of their discounted book value which has been calculated using exchange rate valuations and effective interest rate method. We considered the calculation and reconciliation of financial liabilities as a key audit point.</p>	<p>Our audit procedures have been designed so as to validate the financial liabilities.</p> <p>The accounting policies applied by the Group for financial liabilities and the respective implementation fundamentals have been reviewed,</p> <p>The financial liabilities have been verified externally with the banks and financial institutions,</p> <p>The exchange rate valuations, discounting and accrual treatments by the Group for financial liabilities have been tested through recalculation.</p> <p>The remarks in the footnotes of financial statements regarding financial liabilities have been reviewed and the adequacy of their information content has been evaluated.</p>

Key Audit Point	How It is Addressed during Our Audit
<b>Recognition of tangible fixed assets by means of revaluation method</b>	
<p>As detailed under the Footnotes 2 and 14, the Group appraised its plants, machinery and equipment as part of its tangible fixed assets using the revaluation method, based on the valuation reports issued by the independent real estate appraiser company.</p> <p>Due to the fact that the plants, machinery and equipment with a net book value of TRY 2,376,896,353 account for 70% of the Group's total assets as of 31.12.2020 and that the valuation methods applied involve estimations and assumptions to a considerable extent, we considered the valuation of plants, machinery and equipment a key audit point.</p>	<p>During our audit, we conducted an assessment with respect to the suitability of the methods applied by the appraisers within the aforementioned valuation reports which served as a basis for the fair values of the relevant tangible fixed assets, as calculated using revaluation model.</p> <p>In order to crosscheck the consistency of the assumptions applied by the independent appraisers during their valuation with the market data, we referred to the appraisers of another entity within the same audit network as our firm. In this respect, upon conclusion of the studies and reviews conducted by the appraisers on the aforementioned real estate valuation calculations, we carried out an assessment concerning whether the estimations and assumptions in the valuation report and the fair values appraised by the Group's independent appraisers fall within an acceptable range.</p> <p>The valuation method applied has been crosschecked against the intended use of the respective real estates and the square meters used in the calculation of fair value have been compared with the title deed registries of the respective real estates.</p> <p>The sampling method has been applied to the data used in the calculation of average fair value per square meter by the appraiser company and they have been benchmarked against the market conditions. In addition, we also examined the compliance of the information provided in the financial statements and their footnotes with TAS 16, within the context of abovementioned specific accounting treatments.</p> <p>The valuation reports issued in 2018 and 2019 have been examined.</p>

#### 4. Key Audit Points (Continued)

Key Audit Point	How It is Addressed during Our Audit
<b>Recognition of revenue</b>	
<p>The Group's main area of activity is to carry out electricity generation, sales of electricity power generated and sales of coal mines extracted. The sales revenue is the most important indicator for the consolidated performance evaluation of the Group.</p> <p>The Group generated TRY 975,140,238 sales revenue as of 31.12.2020. The sales revenue has critical importance for evaluation of the results of the strategies implemented during the year and for performance monitoring and it is considered a key point for our audit due to the fact that it is the most important financial figure in terms of the income statement for the fiscal year ending on 31.12.2020.</p> <p>The remarks on the Group's accounting policies and sales revenue figures are provided under the Footnotes 2 and 31.</p>	<p>The following audit procedures have been applied for recognition of the sales revenue:</p> <p>The disclosure of the sales processes and the design and the efficient functioning of controls with respect to those processes have been reviewed.</p> <p>The suitability of the Group's accounting policy concerning the recognition of sales revenue has been evaluated. Analytical procedures have been performed to identify whether the sales revenue figure in the consolidated financial statements is at the expected levels.</p> <p>Sampling has been applied to the customer invoices to validate them and those invoices have been matched with the delivery notes (coal sales) and the collections from the customers.</p> <p>The sales agreements of the Group with its customers have been reviewed and the timing of the sales revenue recognition for different delivery methods has been examined.</p> <p>The purchase and sales amounts, which have been recognized as cost and revenue due to situations specific to the energy market operation, have been validated using the invoices issued and received during the following period. If such invoices do not exist, the recognized amounts have been validated by obtaining information from the business units that will make the estimations conclusive,</p>

Key Audit Point	How It is Addressed during Our Audit
<b>Recognition of Lawsuit Provisions</b>	
<p>As detailed under the Footnote 25, when making lawsuit provisions, the likelihood of losing the relevant lawsuits and their implications if they are lost are taken into consideration based on the opinions of the Group's legal advisors and the Group Management makes provision as they deem necessary based on their best estimations using available data.</p> <p>Calculation of lawsuit provisions involves considerable estimations and therefore it is considered a key audit point.</p>	<p>We applied the following audit procedures for recognition of provisions during our audit:</p> <p>The study prepared for lawsuit provisions has been received from the Group Management,</p> <p>We have obtained signed lawyer letters explaining in detail the current status of the lawsuits from the Group's lawyers,</p> <p>The amounts in the provision study and the provision figures mentioned in the lawyer letters and recognized have been crosschecked,</p> <p>We have evaluated the qualifications, competencies and impartiality of the lawyers appointed by the management,</p> <p>The financial statement remarks on lawsuit provisions have been reviewed and the adequacy of their information content has been evaluated.</p>

## 5. Responsibilities of the Management and the Senior Executives for Financial Statements

The Group management is responsible for preparation of consolidated financial statements in accordance with TFRSs, their fair presentation and their internal control as deemed necessary for their preparation free of any material misstatement either by error or fraud.

During the preparation of consolidated financial statements, the management is responsible for the evaluation of the Group's capability to maintain its continuity, the disclosure of matters concerning the continuity and the adoption of going concern principle unless there is any intention or obligation to dissolve or terminate the Group.

The senior executives are responsible for the oversight of the Group's consolidated financial reporting process.

## 6. Responsibilities of the Independent Auditor for the Independent Audit of the Financial Statements

Our purpose is to have a reasonable assurance on whether the financial statements as a whole contain any misstatement either by error or fraud and to issue an independent audit report incorporating our opinion accordingly. The reasonable assurance, which is provided in conclusion of an audit performed in accordance with IASs, is a high level of assurance. However, it does not ensure that an existing material misstatement can always be identified. Misstatements may be by error or fraud. The misstatements are considered material if they are expected to a reasonable extent to influence the economic decisions to be taken by financial statement users based on such statements.

As a matter of course for an independent audit performed in accordance with IASs, we refer to our professional reasoning and maintain our professional skepticism during independent audits. We also:

- Identify and assess the risk of "material misstatements" in the consolidated financial statements either by error or fraud, design and implement audit procedures addressing such risks and collect sufficient and proper audit evidence to constitute a basis for our opinion. As fraud may involve acts such as collusion, forgery, willful neglect, misrepresentation or violation of internal control, the risk of failure to identify a material misstatement by fraud is higher than the risk of failure to identify a misstatement by error.

- An assessment for internal control is carried out within the context of audit, not for the purpose of providing an opinion for the efficiency of the Group's internal control but in order to design audit procedures that are appropriate for the existing conditions.

- The suitability of the accounting policies adopted by the management and the plausibility of the explanations concerning the accounting estimations applied is evaluated.

- Whether the general layout, composition and contents of the consolidated financial statements including their remarks reflect the transactions and events, that constitute their basis, so as to ensure a fair presentation is evaluated.

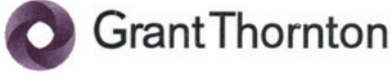
- A conclusion is drawn on whether there is a significant uncertainty in terms of any event or conditions that may cause a suspicion concerning the capability of the Group to maintain its continuity and on the proper adoption of the going concern principle by the management, based on the audit evidence collected. When we conclude that there is a significant uncertainty, we should either draw attention in our report to the remarks provided in the consolidated financial statements or express a different opinion other than a positive opinion if such remarks are not adequate. Our conclusions are based on the audit evidence obtained until the date of independent audit report. On the other hand, the future events or circumstances may end the Group's continuity.

- Sufficient and proper audit evidence is obtained on the financial information within the Group or about the business units, in order to form an opinion on the consolidated financial statements. We are responsible for leading, monitoring and performing the audit of the Group.

In addition to other issues, we inform the senior executives about the planned scope of timeline of the independent audit and key audit findings, including material internal control deficiencies that we identified during the audit.

We have informed the senior executives about our compliance with the code of conduct with respect to being independent. We have also communicated to the senior executives all relations and other issues, that may be considered to influence the independence, and relevant precautions, if any.





## 6. Responsibilities of the Independent Auditor for Independent Audit of the Financial Statements (Continued)

We identify the most critical points, in other words, the key audit points, among the points reported to the senior executives during the independent audit of the consolidated financial statements for the period. When the regulations forbid the disclosure of a point to the public or in case of exceptional situations where the negative consequences of its disclosure to the public are reasonably expected to exceed the public interest that may result from its disclosure, we may decide not to mention such point in our independent audit report.

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



**Nazım Hikmet**  
 Cap Auditor

**İstanbul, 15.02.2021**

## B) The Report on Other Liabilities Imposed by the Regulations

Pursuant to the article 402 paragraph 4 of Turkish Commercial Code ("TCC") no. 6102, we have not found any significant issue concerning noncompliance of the Group's bookkeeping with the provisions of the law and its articles of association about financial reporting during the accounting period 01.01. - 31.12.2020.

Pursuant to the article 402 paragraph four of TCC, the Board of Directors provided us with the explanations and documents required within the scope of the audit.

Nazım Hikmet is the cap auditor who conducted and concluded this independent audit.



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## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED DECEMBER 31, 2020 (TRY)

(Currency is TRY unless otherwise is indicated.)

ASSETS	Notes	Current Period	Prior Period
		Not Audited Consolidated	Audited Consolidated
		December 31, 2020	December 31, 2019
<b>Current Assets</b>			
Cash and cash equivalents	53	15.431.240	16.355.919
Trade Receivables	6-7	159.705.970	131.834.270
<i>Trade receivables from related parties</i>	6	--	--
<i>Trade receivables from third parties</i>	7	159.705.970	131.834.270
Other receivables	6-9	61.308.182	62.845.101
<i>Due from related parties</i>	6	40.826.451	43.689.767
<i>Due from third parties</i>	9	20.481.731	19.155.334
Inventories	10	193.712.243	143.337.545
Prepaid expenses	12	20.118.368	27.411.475
Assets Related to Current Term Tax	40	339.428	--
Other Current Assets	29	64.895.761	171.315.883
Fixed Assets Classified for Sale	39	596.919	575.305
<b>TOTAL CURRENT ASSETS</b>		<b>516.108.111</b>	<b>553.675.498</b>
<b>Non-current Assets</b>			
Other receivables	9	1.352.461	645.577
<i>Other receivables from related parties</i>	6	--	--
<i>Other receivables from third parties</i>	9	1.352.461	645.577
Investments Valued by Equity Method	4	27.264.636	2.135.535
Tangible fixed assets	14	2.521.085.578	2.478.541.012
Intangible fixed assets	17-18	80.599.342	60.157.548
<i>Goodwill</i>	18	--	--
<i>Other intangible fixed assets</i>	17	80.599.342	60.157.548
Right of Use Assets	20	4.609.858	1.974.892
Prepaid expenses	12	4.679.123	3.760.397
Deferred tax assets	40	171.470.932	32.200.013
Other non-current assets	29	78.912.655	98.705.489
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2.889.974.585</b>	<b>2.678.120.463</b>
<b>TOTAL ASSETS</b>		<b>3.406.082.696</b>	<b>3.231.795.961</b>

Consolidated financial statements regarding the period ending on 31.12.2020, approved by board decision which was dated 15.02.2021 and numbered 2021/02. The accompanying notes are an integral part of financial statements.

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED DECEMBER 31, 2020 (TRY)

(Currency is TRY unless otherwise is indicated.)

		Current Period Not Audited Consolidated	Prior Period Audited Consolidated
LIABILITIES	Notes	December 31, 2020	December 31, 2019
<b>Short Term Liabilities</b>			
Short term loans	47	100.638.111	59.659.824
Short term finance lease liabilities	47	7.637.538	6.848.224
Short-term parts of long term loans	47	420.115.199	586.803.729
Other financial liabilities	47	78.263.971	92.330.497
Trade payables	6-7	275.414.380	288.073.343
<i>Trade payables to related parties</i>	6	--	--
<i>Trade payables to third parties</i>	7	275.414.380	288.073.343
Employee benefit obligations	27	5.582.269	16.895.496
Other payables	6-9	118.810.291	33.965.912
<i>Other payables to related parties</i>	6	95.127.919	11.443.684
<i>Other payables to third parties</i>	9	23.682.372	22.522.228
Deferred income	12	49.912.503	104.488.343
Period income tax liabilities	40	803.764	--
Short-term Provisions	27-25	6.510.828	4.042.971
Short-term provisions for employee benefits	27	4.045.253	2.892.631
Other short term provisions	25	2.465.575	1.150.340
Other short term liabilities	29	39.996.040	31.962.619
<b>TOTAL SHORT TERM LIABILITIES</b>		<b>1.103.684.894</b>	<b>1.225.070.958</b>
Long term liabilities	47	1.487.422.249	1.124.009.828
Long term finance lease liabilities	47	549.788	4.088.745
Other payables	6-9	12.327.731	5.678.453
Other payables to related parties	6	--	--
Other payables to third parties	9	12.327.731	5.678.453
Long term provisions	25-27	1.460.981	833.325
<i>Long term provisions for employee benefits</i>	27	1.275.937	648.281
Other long term provisions	25	185.044	185.044
Deferred tax liabilities	40	10.655.111	77.397.513
Other long term liabilities	29	1.796.551	2.467.750
<b>TOTAL LONG TERM LIABILITIES</b>		<b>1.514.212.411</b>	<b>1.214.475.614</b>

31.12.2020 tarihinde sona eren döneme ilişkin konsolide finansal tablolar 15.02.2021 tarih ve 2021/02 sayılı Yönetim Kurulu Kararı ile onaylanmıştır. İlişikteki yer alan dipnotlar bu finansal tabloların tamamlayıcı parçalarıdır.

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED DECEMBER 31, 2020 (TRY)

(Currency is TRY unless otherwise is indicated.)

		Current Period Not Audited Consolidated	Prior Period Audited Consolidated
LIABILITIES	Notes	December 31. 2020	December 31. 2019
<b>EQUITY</b>			
<b>Equity of Parent Company</b>		<b>795.824.435</b>	<b>806.043.943</b>
Paid-in share capital	30	600.000.000	294.742.950
Share premiums/discounts	30	60.094.073	28.260.507
Not to be reclassified to profit or loss accumulated other comprehensive income or expenses (-)	30	687.441.673	702.505.673
Revaluation and Measurement Gains/Losses		728.846.503	728.846.503
The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control	30	(41.404.830)	(26.340.830)
To be Reclassified to profit or loss accumulated other comprehensive income or expenses	30	(645.109)	(276.526)
<i>Other Gains/Losses</i>	30	<i>(645.109)</i>	<i>(276.526)</i>
Restricted profit reserves	30	639.252	639.252
Other equities	30	21.868.966	21.868.966
Capital Advances	30	--	73.037.136
Retained earnings/losses	30	(326.903.703)	(127.047.540)
Net profit/loss for the period	41	(246.670.717)	(187.686.475)
<b>Non-controlling shares</b>	<b>30</b>	<b>(7.639.044)</b>	<b>(13.794.555)</b>
<b>TOTAL EQUITY</b>		<b>788.185.391</b>	<b>792.249.388</b>
<b>TOTAL LIABILITIES</b>		<b>3.406.082.696</b>	<b>3.231.795.961</b>

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**CONSOLIDATED PROFIT OR LOSS AND COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD**  
**ENDED DECEMBER 31, 2020 (TRY)**

(Currency is TRY unless otherwise is indicated.)

		Current Period Audited Consolidated	Prior Period Audited Consolidated
	Notes	December 31, 2020	December 31, 2019
<b>STATEMENT OF PROFIT/LOSS</b>			
Revenue	31	975.140.238	938.450.745
Cost of sales (-)	28-31	(738.059.056)	(762.339.522)
<b>Gross profit/loss from commercial activities</b>		<b>237.081.182</b>	<b>176.111.223</b>
<b>GROSS PROFIT/LOSS</b>		<b>237.081.182</b>	<b>176.111.223</b>
General administrative expenses (-)	33	(29.036.317)	(21.233.652)
Marketing expenses (-)	33	(19.294.843)	(7.504.974)
Other operating income	34	52.604.995	27.052.093
Other operating expenses (-)	34	(59.013.283)	(49.129.000)
<b>OPERATING PROFIT/LOSS</b>		<b>182.341.734</b>	<b>125.295.690</b>
Income from investing activities	35	368.270	--
Expenses from investing activities	35	--	(764)
Shares from gains/losses of investments valued by equity method	16	25.165.763	1.966.152
<b>FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS</b>		<b>207.875.767</b>	<b>127.261.078</b>
Financial income	37	189.196.751	285.092.867
Financial expenses (-)	37	(851.314.626)	(643.480.674)
<b>PROFIT/LOSS BEFORE ONGOING OPERATIONS TAX</b>		<b>(454.242.108)</b>	<b>(231.126.729)</b>
<b>Ongoing Operations Tax Expense/Income</b>		<b>205.105.597</b>	<b>15.932.697</b>
Period Tax Income/Loss	40	(803.764)	(15.387)
Deferred Tax Income/Loss	40	205.909.361	15.948.084
<b>PROFIT/LOSS FROM ONGOING OPERATIONS</b>		<b>(249.136.511)</b>	<b>(215.194.032)</b>
<b>PROFIT/LOSS FROM DISCONTINUED OPERATIONS</b>		<b>21.614</b>	<b>43.946</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>(249.114.897)</b>	<b>(215.150.086)</b>
<b>Profit/loss distribution for the period</b>			
Non-controlling Shares	30	(2.444.180)	(27.463.611)
Parent Company Shares	30	(246.670.717)	(187.686.475)
<b>Earnings Per Share</b>			
Earnings per share from continuing operations	41	(0,443150)	(0,636780)
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Not to be reclassified to profit or loss</b>		<b>(368.583)</b>	<b>(83.511.001)</b>
Tangible assets revaluation losses and earnings		--	(106.780.355)
Actuarial losses and earnings calculated under employee benefits	38	(472.542)	(285.031)
Tax Effect	40	103.959	23.554.385
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(368.583)</b>	<b>(83.511.001)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(249.483.480)</b>	<b>(298.661.087)</b>
<b>DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME</b>			
Non-controlling shares		(2.447.796)	(38.123.675)
Parent company shares		(247.035.684)	(260.537.412)

Consolidated financial statements regarding the period ending on 31.12.2020, approved by board decision which was dated 15.02.2021 and numbered 2021/02. The accompanying notes are an integral part of financial statements.



## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2020 (TRY)

(Currency is TRY unless otherwise is indicated.)

	To Be Reclassification of Profit or Loss Accumulated Other Comprehensive Income or Expenses					
	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
<b>Balance at January 1, 2019</b>	135.750.000	21.868.966	(26.340.830)	44.242	(54.201)	639.252
Other Comprehensive Income/Expense	-	-	-	-	(222.325)	-
Minority Share	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	-
Capital Increase	158.992.950	-	-	28.216.265	-	-
Net Profit/Loss For The Period	-	-	-	-	-	-
<b>Balance at December 31, 2019</b>	<b>294.742.950</b>	<b>21.868.966</b>	<b>(26.340.830)</b>	<b>28.260.507</b>	<b>(276.526)</b>	<b>639.252</b>
<b>Balance at January 1, 2020</b>	<b>294.742.950</b>	<b>21.868.966</b>	<b>(26.340.830)</b>	<b>28.260.507</b>	<b>(276.526)</b>	<b>639.252</b>
Other Comprehensive Income/Expense	-	-	-	-	(368.583)	-
Increase / Decrease in Subsidiaries Due to the Change in	-	-	(15.064.000)	-	-	-
Share Ratios that do not result in a loss of control	-	-	-	-	-	-
Minority Share	-	-	-	-	-	-
Transfers	305.257.050	-	-	31.833.566	-	-
Capital Increase	-	-	-	-	-	-
<b>Balance at December 31, 2020</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>

The accompanying notes are an integral part of financial statements.

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2020 (TRY)

(Currency is TRY unless otherwise is indicated.)

Retained Earnings						
Capital Advances	Revaluation Increase Fund	Retained Earnings/Losses	Net Profit/Loss for the Period	Equity of the Parent Company	Non-controlling Interest	Equities
13.200.000	812.135.180	123.285.532	(250.333.074)	830.195.070	13.669.056	843.864.126
	-	-	-	(222.325)	-	(222.325)
	-	-	-	-	-	-
(13.200.000)	-	(250.333.074)	250.333.074	(13.200.000)	-	(13.200.000)
	(83.288.677)	-	-	(83.288.677)	-	(83.288.677)
73.037.136		-	-	260.246.351	-	260.246.351
	-	-	(187.686.475)	(187.686.475)	(27.463.611)	(215.150.086)
<b>73.037.136</b>	<b>728.846.503</b>	<b>(127.047.542)</b>	<b>(187.686.475)</b>	<b>806.043.945</b>	<b>(13.794.555)</b>	<b>792.249.388</b>
<b>73.037.136</b>	<b>728.846.503</b>	<b>(127.047.542)</b>	<b>(187.686.475)</b>	<b>806.043.945</b>	<b>(13.794.555)</b>	<b>792.249.390</b>
-	-	-	-	(368.583)	-	(368.583)
-	-	(12.169.690)	-	(27.233.690)	8.599.692	(18.633.998)
-	-	-	-	-	-	-
(73.037.136)	-	(187.686.474)	187.686.474	(73.037.136)	-	(73.037.136)
-	-	-	-	337.090.616	-	337.090.616
-	-	-	(246.670.717)	(246.670.717)	(2.444.180)	(249.114.897)
-	<b>728.846.503</b>	<b>(326.903.703)</b>	<b>(246.670.718)</b>	<b>795.824.434</b>	<b>(7.639.045)</b>	<b>788.185.388</b>



## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## 01.01.2020-31.12.2020 DÖNEMİNE AİT ÖZET KONSOLİDE NAKİT AKIŞ TABLOSU (TL)

(Tutarlar aksi belirtilmedikçe Türk Lirası ("TL") olarak ifade edilmiştir.)

	Notes	01.01-31.12.2020	01.01-31.12.2019
- Adjustment on Increase / Decrease in Other Debts Related to Activities		<b>86.752.516</b>	<b>39.945.234</b>
Decrease (increase) in prepaid expenses	12	6.374.381	(18.703.657)
Changes in employee benefit provisions	27	(12.637.598)	9.949.882
Changes in other payables	6-9	<b>93.015.733</b>	<b>48.699.009</b>
Increase (Decrease) in Other Debts related to Activities of Related Parties	6	83.684.235	11.064.728
Increase (Decrease) in Other Debts related to Third Party Activities	9	9.331.498	37.634.281
-Adjustments related to other increase/decrease in business capital		<b>(85.775.956)</b>	<b>32.597.533</b>
Increase (Decrease) in deferred income	12	(54.575.840)	54.280.382
Increase (Decrease) in Other Liabilities for Activities	27-29	(31.200.116)	(21.682.849)
<b>Cash Flows from activities</b>		<b>66.611.017</b>	<b>(187.097.378)</b>
Other gain/loss	30	(368.583)	(222.325)
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>(162.448.237)</b>	<b>(95.311.414)</b>
<b>Cash inflows from Purchase of Tangible and Intangible Fixed Assets</b>		<b>(162.448.237)</b>	<b>(95.311.414)</b>
Cash Outflows from Purchase of Fixed Assets	14	(132.378.012)	(75.021.289)
Cash inflows from Purchase of Intangible Assets	17	(26.136.888)	(17.512.738)
Cash Outflows from Right of Use Assets		(3.933.337)	(2.777.387)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>95.281.126</b>	<b>291.853.670</b>
Cash Inflows from the Issuance of Equity and Other Equity-Based Instruments	30	264.053.480	247.046.351
<b>Cash Inflows from Borrowing</b>	<b>37</b>	<b>626.779.746</b>	<b>420.074.946</b>
Cash inflows from loans	37	580.055.692	405.467.520
Cash inflows from factoring transactions	37	42.355.747	12.399.459
Cash Inflows from Loan Payments Arising from Lease Agreements	20	4.368.308	2.194.358
Cash Inflows from Other Financial Borrowings		-	13.609
<b>Cash Outflow Related to Payments of Borrowings</b>		<b>(792.802.458)</b>	<b>(372.774.049)</b>
Cash Outflows Related to Loan Repayments	37	(775.355.859)	(279.417.090)
Cash Outflows from Repayments of Debt Securities Issued	37	-	(51.575.016)
Cash outflows related in debt payments of financial leasing contracts	20	(1.738.620)	(196.124)
Cash outflows from factoring activities	37	(15.687.271)	(41.585.819)
Cash Outflows from Other Financial Debt Payments	37	(20.709)	-
Cash Outflows from Debt Payments Arising from Financial Lease Agreements	37	(2.749.642)	(2.493.578)
<b>BEFORE THE EFFECT OF THE FOREIGN CURRENCY CONVERSION, DIFFERENCES IN CASH AND CASH EQUIVALENTS NET INCREASES/ DECREASES</b>		<b>(924.677)</b>	<b>9.222.553</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>(924.677)</b>	<b>9.222.553</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>53</b>	<b>16.355.919</b>	<b>7.133.365</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>53</b>	<b>15.431.240</b>	<b>16.355.919</b>

The accompanying notes are an integral part of financial statement.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY**

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

The Company has business via 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. At 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. On 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 December 31, 2020 and December 31, 2019 group's capital and share percentages are given below;

Shareholder	31.12.2020		31.12.2019	
	Amount	Rate	Amount	Rate
A. Bahattin Özal	33.198.318	5,53%	30.691.451	10,41%
Burak Altay	93.170.353	15,53%	45.768.844	15,53%
BB Enerji Yatırım San.ve Tic.A.Ş.	16.979.633	2,83%	27.008.100	9,16%
Müjgan Özal Mirası (*)	5.347.275	0,89%	5.347.275	1,81%
Fatimetüz Zehra Özal (**)	3.208.365	0,53%	3.208.365	1,09%
Hafize Ayşegül Özal	2.708.365	0,45%	3.208.365	1,09%
Mustafa Ali Özal	2.708.365	0,45%	3.208.365	1,09%
Mehmet Fatih Özal	1.470.919	0,25%	1.069.455	0,36%
Korkut Enes Özal	1.470.919	0,25%	1.069.455	0,36%
Hafize Büşra Özal	1.069.455	0,18%	1.069.455	0,36%
Public Shares	438.668.033	73,11%	173.093.821	58,73%
<b>Total Capital</b>	<b>600.000.000</b>	<b>100%</b>	<b>294.742.951</b>	<b>100%</b>

*(\*) Due to the death of Mrs. Müjgan Özal on 22.05.2018, the shares in the amount of TRY 5,347,275 at the rate of 3,95% 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.*

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY

The distribution list is as follows;

Shareholder	Share Amount	Share Rate
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 TL was transferred to Gökçe Koşay and Ayşenur Koşay Erbay under the co-ownership.

The distribution list is as follows;

Shareholder	Share Amount	Share Rate
Gökçe Koşay	2.138.910	0,36%
Ayşenur Koşay Erbay	2.138.910	0,36%
<b>Total</b>	<b>4.277.820</b>	<b>0,71%</b>

As of December 31, 2020 in Group's structure , 952 average personnel employed (December 31, 2019: 956).

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 Meridian Sitesi No:1D  
Ataşehir / İstanbul.

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY****Subsidiaries****► Voytron Enerji Elektrik Perakende Satış A.Ş.**

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

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

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

As of December 31, 2020, the capital of the company is TRY 25.000.000 and the shareholding structure is as follows:

	December 31, 2020	December 31, 2019
<b>Odaş Elektrik Üretim Sanayi Ticaret A.Ş.</b>	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 build 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.

As of December 31, 2020, the share capital of Hidro Enerji Elektrik Üretim Sanayi A.S. is TRY 615.000 and the shareholding structure is as follows:

	December 31, 2020	December 31, 2019
<b>Odaş Elektrik Üretim Sanayi Ticaret A.Ş.</b>	100%	100%

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY****► 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 Merdian 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 helded in consolidation.

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:

	December 31, 2020	December 31, 2019
<b>Suda Maden A.Ş.</b>	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 centre 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 December 31, 2020, the share capital of Küçük Enerji Üretim ve Ticaret Ltd. Şti. is TYR 2.650.000 and the shareholding structure is as follows:

	December 31, 2020	December 31, 2019
<b>Odaş Elektrik Üretim Sanayi Ticaret A.Ş.</b>	90%	90%
<b>Abdulkadir Bahattin Özal</b>	5%	5%
<b>Burak Altay</b>	5%	5%

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



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY****► Ena Elektrik Üretim Ltd. Şti.**

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

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

As of December 31, 2020, the shareholding structure of Ena Elektrik Üretim Ltd. Şti. is as follows:

	December 31, 2020	December 31, 2019
<b>Odaş Elektrik Üretim Sanayi Ticaret A.Ş.</b>	80%	80%
<b>Hidayet Büküm</b>	20%	20%

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

As of 31.12.2020, Ena Elektrik has been classified as assets held for sale in the consolidated financial statements.(Note:39)

**► Yel Enerji Elektrik Üretim Sanayi A.Ş.**

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

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

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

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

The Company's shareholders transfer their shares at its nominal value to Çan Kömür ve İnşaat 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.

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY**

As of December 31, 2020, scope of Yel Enerji Elektrik Üretim Sanayi Ticaret A.Ş. has a capital of TRY 600.000 and its shareholding structure is as follows:

	December 31, 2020	December 31, 2019
Çan2 Termik A.Ş.	100%	100%

**► Odaş Doğal gaz 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.Ş. operates in Natural Gas Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) purchasing from the production, import, wholesale companies and other sources of law will be allowed and to wholesale to customers which are exporter distribution, LNG, CNG, wholesale companies, eligible consumers and permitted by law to customers.

Company centre address is Barbaros Mahallesi 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 December 31, 2020, the capital of Odaş Doğal gaz Toptan Satış Sanayi ve Ticaret A.Ş. is TRY 4.312.000 and the shareholding structure is as follows:

	December 31, 2020	December 31, 2019
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90,02%	90,02%
Tahsin Yazan	9,98%	9,98%

**► Çan2 Termik A.Ş. (Eski Unvanıyla "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.

Çan Kömür 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.

Çan Kömür ve İnşaat 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 Çan Kömür ve İnşaat A.Ş. on January 28, 2016.

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY**

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.

As of 31 December 2020, Çan Kömür ve İnşaat A.Ş. has a capital of TRY 252.410.000 and its shareholding structure is as follows:

	December 31, 2020	December 31, 2019
<b>Odaş Elektrik Üretim Sanayi Ticaret A.Ş.</b>	100%	92%
<b>Mustafa Koncağül</b>	-	8%

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 December 31, 2020, the capital of Yel Enerji Elektrik Üretim Sanayi A.Ş. is TRY 10.000 and its shareholding structure is as follows:

	December 31, 2020	December 31, 2019
<b>Süleyman Sarı</b>	48%	48%
<b>Odaş Elektrik Üretim Sanayi A.Ş.</b>	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.

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY**

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

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

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

**► Anadolu Export Maden Sanayi ve Ticaret A.Ş.**

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

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

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

As of December 31, 2020, the capital of Anadolu Export Maden Sanayi ve Ticaret A.S. is TRY 50.000 and its shareholding structure is as follows:

	December 31, 2020	December 31, 2019
<b>Odaş Elektrik Üretim Sanayi Ticaret A.Ş.</b>	96%	96%
<b>Burak Altay</b>	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. Regarding this transfer, application had been made to General Directorate of Mining Affairs. The transfer transaction was completed as of August 19, 2016.

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

**► Suda Maden A.Ş.**

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

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

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



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY**

As of December 31, 2020, the capital of Suda Maden A.Ş. is TRY 44.900.000 and its shareholding structure is as follows:

	December 31, 2020	December 31, 2019
<b>Odaş Elektrik Üretim Sanayi Ticaret A.Ş.</b>	100%	100%

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

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

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 Merdian Sitesi No:1D Ataşehir / İstanbul.

As of December 31, 2020, the capital of CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. is TRY 50.000 and the shareholding structure is as follows:

	December 31, 2020	December 31, 2019
<b>Odaş Elektrik Üretim Sanayi Ticaret A.Ş.</b>	100%	100%

**► Çan2 Trakya Kömür Maden A.Ş.**

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

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

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

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY**

Çan 2 Trakya Kömür Maden A.Ş.'s capital is 550.000 TL as of December 31, 2020, and its partnership structure is as follows:

	December 31, 2020	December 31, 2019
<b>Çan2 Termik A.Ş.</b>	100%	100%

Ana ortaklık ve bağlı ortaklıkların 31.12.2020 tarihi itibari ile sahip olduğu EPDK lisanslarına ilişkin bilgiler aşağıdaki gibidir:

License Owner	License Type	License No	License Duration	Effective Date
<b>VOYTRON ENERJİ</b>	Supply	ETS/2461-2/1599	20 Years	11.03.2010
<b>ODAŞ ELEKTRİK</b>	Production	EÜ/3323-2/2005	49 Years	14.07.2011
<b>KÜÇÜK ENERJİ</b>	Production	EÜ/3769-4/2314	49 Years	12.04.2012
<b>ODAŞ DOĞALGAZ</b>	NATURAL GAS WHOLE SALE	DTS/4318-4/291	30 Years	20.03.2013
<b>ÇAN KÖMÜR</b>	Production	EÜ/6083-2/03428	17 Years	28.01.2016
<b>ENA ELEKTRİK</b>	Production	EÜ/9813-16/04743	49 Years	17.12.2020

Parent Company and consolidated subsidiaries licenses information as of December 31, 2020 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	22.06.2019
SUDA MADEN	IV. Group	Exploration	201200932	22.06.2012	22.06.2019
YS MADENCİLİK	IV. Group	Exploration	201600088	18.02.2016	18.02.2023
YS MADENCİLİK	IV. Group	Exploration	201600084	18.02.2016	18.02.2023
YS MADENCİLİK	IV. Group	Exploration	201600085	18.02.2016	18.02.2023
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	24.12.2020

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)*

## 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 ("TL"). These consolidated financial statements are presented in TL, which is the functional currency of the Group.

As of December 31, 2020 released by the Central Bank of the Republic of Turkey U.S. dollar exchange rate of 1 U.S. dollar = TRY 7,3405 (December 31, 2019: TRY 5,9402), 1 EURO = 9,0079 TRY (December 31, 2019: TRY 6,6506), 1 GBP = TRY 9,9438 (December 31, 2019: 7,7765), 1 PLN = TRY 1,9902 (December 31, 2019: TRY 1,5630).

#### Adjusting financial tables in hyperinflation periods

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

#### 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.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

**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 take into account 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 seperately on financial statements.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)*

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

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

Group has presented the consolidated statement of financial position as of December 31, 2020 comparatively with the date of 31 December 2019. Consolidated profit or loss and other comprehensive income statement and the consolidated cash flow statement for 1 January-31 December 2020 period presented comparatively with consolidated profit or loss and other comprehensive income, consolidated statement of cash flow for 1 January-31 December 2019 period. Consolidated changes in equity statement for the 1 January - 31 December 2020 period presented comparatively with 1 January - 31 December 2019 period.

### Covid - 19 Outbreak Effects

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

### 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.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

### 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, in particular, forward-looking marketing and management strategies for special costs.

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.

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)*

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

### 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.

#### ***Going Concern Plan of the Group Management***

The planned maintenance of the Group, which is planned to be realized in March 2021, was realized as 20 days in September 2020, considering the current market conditions. Average capacity utilization rate for the period January 2020 - December 2020 was 64.91%. The Group's sales and costs are affected by offsetting arising from estimates in the day ahead market. The Group, in its assessment of its future revenue projections, foresees that it will provide sufficient cash inflows in the future and increase its revenue by increasing its sales. The increase in exchange rates in the long-term loans of the Group in foreign currency and with a short maturity affects the net working capital of the Group negatively. The plans of the Group management to fund the net working capital are as follows: The fact that the Group's revenues are mostly indexed to foreign currency will increase revenues and balance the exchange rate effect of foreign currency loan debts. The Group anticipates that the working capital will be positively affected as it plans to pay off the loan debts with the revenues planned to be obtained from the capital increase through public offering.

### 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 December 31, 2020 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.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

**New standard, articles and interpretations which are effective as of 01.01.2020**

### **Defining the business(Changes in TFRS 3)**

The clusters have been reproduced on the pages of the business definition included in the TFRS 3 'Business Combinations' standard in POA May 2019. The purpose of this change is to assist companies in eliminating question marks on the business definition.

The changes are as follows:

- ▶ Clarification of the minimum requirements for the business;
- ▶ Eliminating assessment of market participants to complete missing items;
- ▶ Adding practice guides to help businesses assess whether an acquired process is significant;
- ▶ Restricting business and output definitions; and
- ▶ Introduction of an optional fair value test (density test).

The change will apply for annual accounting periods beginning on and after January 1, 2020.

### **Benchmark Interest Rate Reform (Changes to TFRS 9, TAS 39 and TFRS 7)**

Some facilitating practices have been provided in order to ensure the continuation of hedge accounting regarding the benchmark interest rate reform in TFRS 9 and TAS 39 to be valid in the annual reporting periods starting on or after January 1, 2020. These facilitating practices generally involve the assumption that the benchmark interest rate on which the hedged cash flows or the hedged risk is based, or on which the cash flows for the hedging instrument are based, do not change as a result of the benchmark rate reform.

It is aimed to explain the exemptions applied for the amendment to TFRS 9 and TAS 39 in the financial statements in accordance with the regulation in TFRS 7.

### **Definition of materiality (changes in TAS 1 and TAS 8)**

In June 2019, POA made amendments to "TAS 1 Presentation of Financial Statements" and "TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors" standards. The purpose of these changes is to harmonize the definition of "materiality" across standards and to clarify certain parts of the definition. According to the new definition, information is material if it can be assumed that if the information is stored, inaccurate, or not provided, it can be assumed that financial statements may affect decisions made by primary users based on those statements. Changes will depend on the nature of the information materiality, size, or both. explains. Companies are obliged to evaluate the materiality of the effect of information on financial statements when used alone or in combination with other information.

The amendment will be applied for annual accounting periods starting on January 1, 2020 and after. Early application is allowed.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)*

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

### Privileges Recognized in Lease Payments Regarding Covid-19 (Amendments to TFRS 16)

On June 5, 2020, the POA made changes to the TFRS 16 Leases standard in order to provide an exemption to the lease privileges granted to tenants due to the COVID-19 outbreak to assess whether there was a change in leasing. Lessees benefiting from this exemption are required to account for any change in lease payments in accordance with the provisions of the Standard that apply unless the change is made in the lease. The application will only be applicable for concessions in lease payments recognized due to the COVID-19 outbreak and only if all the following conditions are met:

- ▶ The change in the lease payments causes the rental price to be revised and the revised price is substantially the same or lower than the rental price just before the change,
- ▶ Any reduction in lease payments only affects payments that normally expire on or before 30 June 2021; and
- ▶ No significant change in other terms and conditions of the lease.

Lessee will apply this change in annual accounting periods starting on or after June 1, 2020. Early application is allowed.

### 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 aforementioned 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.

### 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.

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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.

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

In July 2020, the POA made changes to the TFRS operating mergers standard. The amendment was made with the intention of replacing the reference to the old 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 of the changes in TFRS standards that refer to the conceptual framework (March 2018) at the same time or earlier.

### 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.

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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 It 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.

**Indicator Interest Rate Reform - 2nd Stage - Changes to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16**

In December 2020, POA stated that the Benchmark Interest Rate Reform, which introduces temporary exemptions in order to eliminate the effects on financial reporting of changing the benchmark interest rate (IBOR) with an alternative reference rate - Phase 2- TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 He has published his changes. Businesses will apply these changes in annual accounting periods starting on January 1, 2021 or after. Early application is allowed. The changes cover the following topics:

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

Changes include a facilitating practice for treating contractual changes or changes in cash flows directly required by the reform as changes in a variable interest rate equivalent to a market interest rate movement. Within the scope of this facilitating practice, if the interest rates applicable to financial instruments change as a result of the interest rate reform, the situation is not considered as a derecognition or contract change; instead, it is envisaged that cash flows will 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 providing exemption from TFRS 9 Financial Instruments (and therefore TAS 39 Financial Instruments: Classification and Measurement) standard and for the application of TFRS 16 Leases standard for lease changes originating from IBOR Reform.

***Privileges regarding the termination of the Hedge Accounting relationship***

- ▶ The amendments allow the revisions in 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.
- ▶ During the alternative interest rate transition period, companies may attempt to reset the accumulated fair value changes in each hedging relationship while evaluating retrospective efficiency tests in accordance with TAS 39.

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- ▶ 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 risk hedging strategy) due to the revisions required by the IBOR reform. The relevant exemption allows the hedging strategy to be maintained and continued without termination.
- ▶ In the alternative reference interest rate transition, the hedging relationship can be revised more than once. Phase 2 exemptions apply to all revisions made in the hedging relationship arising from the IBOR reform.

### *Separate identification of risk components*

The amendments provide companies with a temporary exemption that, in cases where the alternative reference interest rate is determined as a risk component in the hedging relationship, it will meet the requirement to define risk components separately.

### *Additional Disclosures*

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

These changes are mandatory and early application is allowed. Although the application is retrospective, companies do not need to reorganize previous periods.

### *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.



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### 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 group 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.

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### *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 aiming 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 lead 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.

Fair value difference subsequent valuation of financial assets reflected in other comprehensive income is made 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 amortised cost and fair value of securities computed by expressing the difference between the effective interest method, unrealised profits or losses in equity items "in value of financial assets increase / decrease Fund" under the account are shown. Fair value difference if financial assets reflected in other comprehensive income are disposed of, the value generated in equity accounts as a result of fair value application is reflected in profit/ loss for the period.

### *Registration and derecognition of financial assets*

The Group reflects the financial assets or liabilities in its consolidated 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 rights arising from the contract to which the said assets are subject. The Group derecognizes financial liabilities only if the liability defined in the contract is discharged, canceled or expired.

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### Impairment / expected loss provision in financial assets

At each reporting date, it is evaluated whether there has been a significant increase in the credit risk of the financial instrument within the scope of impairment since it was first included in the consolidated financial statements. While making this assessment, the change in the default risk of the financial instrument is taken into account. The expected loss allowance estimate is unbiased, weighted according to probabilities, and includes supportable information about past events, current conditions and predictions of future economic conditions.

Except for trade receivables whose registered value is reduced by using a provision account, the impairment of all financial assets is deducted directly from the registered value of the relevant financial asset. If the commercial receivables cannot be collected, the amount in question is deleted from the reserve account. Changes in the allowance account are recognized in the period profit and loss. Except for equity instruments whose fair value difference is reflected in other comprehensive income, if the impairment loss decreases in the next period and is attributable to an event that occurred after the impairment loss was recognized, the previously recognized impairment loss on the date when the impairment is reversed, the investment has never been impaired. It is canceled in the consolidated income statement so as not to exceed the amortized cost amount it will reach.

The increase in the fair value of equity instruments whose fair value difference is reflected in the consolidated other comprehensive income after the impairment is directly accounted in equity.

### Trade Receivables

Trade receivables arising as a result of providing products or services to the buyer are recognized over the amortized value of the amounts to be obtained in the following periods of the receivables recorded at the original invoice value, using the effective interest method. Short-term receivables with no determined interest rate are shown from the invoice amount, if the effect of the original effective interest rate is not too great.

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

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

### Financial Liabilities

At the time of its initial accounting, a financial liability is measured at its fair value. During the initial accounting of financial liabilities whose fair value difference is not reflected in profit or loss, the transaction costs directly associated with the undertaking of the relevant financial liability are also added to the said fair value. Financial liabilities are accounted at amortized cost using the effective interest method together with the interest expense calculated over the effective interest rate in the following period..

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### 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 Assets

The Group, in accordance with TAS 16 "Tangible Fixed Assets" standard, based on the fair values determined in the valuation studies carried out by the independent valuation company accredited to the CMB for land and plots, underground and above ground land improvements, buildings, machinery, facilities and devices. It has adopted the "revaluation model" starting from 30 September 2018.

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

In Tangible assets, the increases incurred as a result of such revaluation are recorded after the deferred tax effect is clared on the revaluation fund account in the equity group in the balance sheet. The difference between depreciation and amortization (the depreciation reflected in the profit or loss table) and the depreciation and redemption shares calculated on the costs of obtaining these assets is calculated from the values of the revalued assets. After the year deferred tax effect is clear, the revaluation funds are transferred to the accumulated profit/loss. The same application applies to tangible asset outputs.

There is no applicable amortization method for land in the report because of their nature and useful life is unlimited. Tangible fixed assets are amortized with rates below according to their economic useful life.

	Years
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



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The loss or profit from sales of tangible asset determine with comparison of arranged amounts and collected amounts and it is reflected to income and expense accounts in related period.

Maintenance or repair cost of tangible asset can be recorded as expense under normal conditions. However, in exceptional cases if maintenance and repair are resulted with improvement in tangible assets, the cost in question can be recorded as asset and it will be counted in amortization of related asset with remaining useful life.(Note: 14)

Intangible assets are consists of acquisition rights, information systems, computer software and special costs. These elements record on acquisition cost and after the date of acquisition they will amortize by using normal amortization method according to their expected useful life. Expected useful life of intangible assets is like below;

	<b>Years</b>
Rights	3-49
Computer programs	3
Preparation and Development Activities	License or Royalty Contract Duration

In case of decrease in value, the book value of intangible assets can be discounted to its recovered value. Recovered value is the value that whichever is higher between useful value and net selling price. (Note:17)

**IFRS 16 "Leases" (as lessee)**

At the beginning of a contract, the Group evaluates whether the contract is a lease or whether it contains a lease. If the contract delegates the right to control the use of an asset defined for a price for a specified period, this contract is a lease contract or includes a lease.

The Group considers the following conditions when evaluating whether a contract delegates its right to control the use of a defined asset for a specified period of time:

- ▶ The contract contains a defined asset (an asset is defined explicitly or tacitly in the contract),
- ▶ A functional part of the asset is physically separate or represents nearly all of the asset's capacity (the asset is not defined if the supplier has a substantial right to substitute the asset for the duration of its use and provides economic benefits from it),
- ▶ have the right to receive almost all of the economic benefits from the use of the defined asset,

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- ▶ 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:
  - a. The Group has the right to manage and change how and for what purpose the asset will be used during its lifetime, or
  - b. The decisions regarding how and for what purpose the asset will be used are predetermined.
  - c. The Group has the right to operate the asset (or to direct others to operate the asset as determined by itself) throughout its lifetime and the supplier has no right to change these operating instructions; or
  - d. The Group has designed the asset (or certain features of the asset) to predetermine how and for what purpose the asset will be used during its lifetime.

After the above-mentioned evaluations, the Group reflects a right of use and a lease obligation in the combined financial statements at the date when the lease actually begins.

### Right of use assets

The Group measures the asset's right to use asset at its cost at the date when the rent actually begins. The cost of the right of use asset includes:

- a. The first measurement amount of the lease obligation,
- b. The amount obtained by deducting all lease incentives received from all lease payments made before or before the lease actually started,
- c. The costs incurred by the Group in relation to the initial direct costs incurred by the Group and the restoration of the underlying asset to bring it to the condition required by the terms and conditions of the lease.

While applying the group cost method, the existence of the right to use:

- a. Accumulated depreciation and accumulated impairment losses are deducted and
- b. Measures over the corrected cost of the lease obligation.

The Group applies depreciation provisions in TAS 16 "Property, Plant and Equipment" while depreciating its asset. In order to determine whether the right of use asset has been impaired and to account for any impairment loss, TAS 36 "Impairment in Assets" standard is applied.

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The lease payments included in the measurement of the lease obligation of the Group and not realized on the date when the lease actually started consists of:

- The amount obtained by deducting all kinds of rental incentive receivables from fixed payments,
- Rent payments made using an index or rate on the date when the first measurement is actually started, which is based on an index or rate,
- If the tenant shows that the tenant will use an option to terminate the lease, penalties for termination of the lease.

After the lease actually starts, the Group measures the lease obligation as follows:

- Increases the carrying value to reflect the interest on the lease obligation,
- Reduces the book value to reflect the rent payments made; and
- Re-measures the book value to reflect re-evaluations and reconstructions, if any. The Group reflects the re-measurement amount of the lease obligation to its combined financial statements as a correction in the presence of the right to use.

### Facilitating applications

Short-term rental contracts with a rental period of 12 months or less and information technology equipment leases determined by the group as low value (mainly printers, laptops, mobile phones, etc.) related contracts, TFRS 16 Leases are evaluated within the scope of the exception recognized by the standard, and payments related to these contracts continue to be accounted for as expenses during the period in which they are formed.

### 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.

Group reflects borrowing costs as financing cost during credit period in its comprehensive income statement. Financing cost which is sourced from credits is recorded to comprehensive income statement when they occur.

Energy producing plants can be evaluated as a specialty asset depending on conditions. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset can be capitalized as a part of specialty asset's cost by firms. Firms can book the other borrowing costs as an expense in their occurred period

Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset is added to cost of the asset.

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This kind of borrowing costs is capitalized as a part of specialty asset's cost for a dependable measure and for a possible situation that it can make an economic contribution to company. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset are borrowing costs that will not appear in case that there will be no expense done related to specialty asset.

If a company is get into debt in order to acquire a specialty asset, the borrowing cost amount that will be capitalized will be determined by deducting income that is gained via temporary exploiting aforesaid funds from borrowing cost of the aforesaid borrowing in the related period.

In the case of a company uses a part of the funds that it is get in to debt for general purposes in order to finance a qualifying asset; the borrowing cost amount that can be capitalized; is determined via using capitalizing rate that will be applied to expenses that related asset. This capitalizing rate is the weighted average of the all existing borrowing of the related period to borrowing costs, except the borrowings that is done for acquiring the qualifying asset. The borrowing cost amount that is capitalized for a period, cannot exceed consisted the borrowing cost in related period.

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

In accordance with TAS 23 "borrowing costs", the group has added the principal exchange rate differences of the loans used to finance the construction of the qualifying asset to the capitalisation rate of the assets that are considered to be qualifying assets by taking into consideration the base interest rates prevailing on the date of the borrowings being used as TL. In the calculation made, the base interest rate was based on the representative interest rate at the date of the renewal of the contracts signed in the current period for all investment credits used if the same loans are used in TL under the same conditions.

### Provisions, Contingent Liabilities and Assets

#### Provisions

Provisions which are present in group as of the statement of financial position date can be accounted in case where there is a legal liability sourced from past or a structural liability and it is highly possible to realize exit of resources to fulfil this liability, there is a reliable estimated amount of liability. In cases where here is more than one a like liability, the need for the possibility of exit of resources which can provide economic profit evaluate by taking in account of all same liabilities in same quality. Even if there is a little possibility to realize exit of resources for a liability in same quality, group allocates provision. Group does not allocate provision for operational loss in future. In cases when the value effect of money is important, amount of provision determine with present value of expenses which will be needed to fulfil liability.



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### *Contingent Liabilities and Assets*

Assets and liabilities which are related to the cases whether it will or will not realize one or more than one cases, which are not entirely in group's control to realize in future, and which are sourced from past, can be accepted as contingent liabilities and assets.

Group does not reflect assets and liabilities related to condition to its records. Contingent liabilities are explained in explanatory notes of financial statements during the possibility of exit for an economic profit is not far and contingent assets are explained in explanatory notes of financial statements if the possibility of enter for economic profit is high.

### **Employee Benefits:**

#### *a. Defined Benefit Plan*

Provisions for severance benefit reflect upon to actuarial work according to TAS 19 "employee benefit".

Liability of severance benefit means value of estimated total provisions for possible liabilities which will occur in future cause of ending the agreement between group and its personnel for defined reasons according to Turkish Labour Law or retirement of personnel according to related law as of statement of financial position date.

Group calculates severance benefit by predicting discounted net value of deserved benefits or based on the information from group's experience about fire a personnel or quit of the personnel and reflects to its financial statements.

#### *b. Defined Contribution Proportions*

Group has to pay social insurance premium to Social Insurance Intuition. There will be no other liability if the group Continues to pay the premiums. These premiums reflect to personnel expenses in its accrual periods.

### **Revenue**

Revenue is recognized on accrual basis at the fair value of the amount received or to be received. Net sales are calculated after the sales returns and sales discounts.

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### *Sales Income*

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

- ▶ The group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ▶ The group 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 realised.

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.

### *Free Consumer Electricity Sales*

According to consumer limit is published by EMRA, sales made to all consumers within the definition of 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 group companies are merged to create balance group. The responsible party for the balance distributes this amount of compensation to group members. Group imbalance items contains the amount of positive imbalance receivables, negative imbalance payables and zero balance payable/receivable.

### *Interest Revenue*

Interest revenues are recorded as income on accrual basis.

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## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

### **Rent Revenues**

Rent revenues are recorded as income on periodical accrual basis.

### **Effects of Change in Exchange Rate**

Transactions in foreign currencies are translated to the respective functional currencies of group 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.

### **Calculated Taxed on Corporation Revenue**

Deferred taxes are calculated by taking into account statement of financial position liability. They are reflected considering the tax effects of temporary differences between legal tax base and reflected values of assets and liabilities in financial statements. Deferred tax liability is calculating for all taxable temporary differences however discounted temporary differences which occurs from deferred tax assets is calculated in condition to be highly possible to have benefit from these differences by obtaining taxable profit in future. Receivable and liability for deferred tax occurs where there are differences (which are reducible in future and taxable temporary differences) between book value and tax value of asset and liability sections. Deferred tax asset and liability is recording without considering time where group can use timing differences.

Corporate tax rate in Turkey is 22%. This rate can be applied to tax base which if found out after adding expenses, which are not accepted to reduce from tax according to tax law, to its commercial income and deducting exceptions in law( exception like affiliate income), discounts (like investment discount). In case of not distributing dividends, it will not be necessary to pay another tax.

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% (10% before the date of 22.07.2006). 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.

### **Earnings per Share**

Earnings per share presented at the bottom of the consolidated 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 group 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. TMS 33 also refers to this matter as follows;

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## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Ordinary shares can be issued without any changing at sources or current ordinary shares can be reduced. For Example:

- a. Activation or give ordinary shares (sometimes, ordinary share can be give as dividend too)
- b. Include bonus issued in another issued transaction; for example, include new rights about bonus issued in issued transaction for current shareholders)
- c. Share split and
- d. Reverse share split (consolidation of shares)

Ordinary shares issued to current shareholders without any additional payment in the event of activation or bonus issue or share split. Because of this current ordinary shares increase without any increase in resource. Before mentioned transaction number of current ordinary shares adjust according to proportional change in case of mentioned transaction realised 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 cash flow statement group reports cash flows in period based on classification as operating, investing and financing activities. Cash flows sourced from operating activities shows cash flows sourced from Group's activities. Cash flow related to investing activities shows cash flows that group use at present time or they gain from investing activities such as intangible asset investing and financial investing. Cash flow related to financing activities shows the resources used by group and back payment of these resources for financing activities. Cash and cash equivalents are consist of cash and bank deposit, investment with certain amount at 3 months term or less than 3 months, short term with high liquidity.

### Determination of Fair Value

Several accounting policies and disclosures of the group require determination of fair value of both financial and non-financial assets. Assumptions are used to determine fair value and relevant additional information is presented in the notes specific to asset or liability.



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## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

According to levels, the valuation methods are listed as follows;

**Level 1:** Recorded prices (unadjusted) in active market for identical assets and liability

**Level 2:** Directly (through prices) observable data and indirectly (derived from prices) observable data for assets or liabilities and except recorded prices in Level 1

**Level 3:** Data is not based on observable market data relevant with assets and liabilities (unobservable data)

## 3. BUSINESS COMBINATIONS

A business combination involving the undertakings or businesses subject to joint control is a business combination in which all the merging undertakings or businesses are controlled by the same person or persons before and after the business combination and this control is not temporary.

Since the business combinations subject to joint control are accounted by the combination of rights method, goodwill cannot be included in the financial statements, the amount of 41.404.830 TL goodwill arising from the acquisition of the companies subject to joint control has been shown in the account "The Effect of the Enterprises Subject to Joint Control or Mergers Including the Enterprises" as an account that balances under equity.

## 4. JOINT VENTURES

The company has purchased 200.000 entity shares of EMOC (Energy Market Operating Corporation) with the cost of TRY 200.000 in order to be founding partners as shareholders. The total capital of the company to become a partner organization TRY 61.572.570 shares, equivalent to TRY 61.572.570. The total shares acquired is equivalent to 0,0032% of the total capital. Partnership is only meant to have say in the energy market, is shown with historical cost amounting to TRY 200.000 in the financial statement. (31.12.2019: TRY 200.000)

YS Maden, Ys Batı Anadolu Maden A., one of the subsidiaries covered by the full consolidation. ' it has been a founding partner. YS Batı Anadolu Maden A.Ş. is engaged in coal extraction activities. In the financial statements, the amount of TRY 27.064.636, which is the cost of equity, is shown. (31.12.2019: TRY 1.935.535)



## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 5. SEGMENT REPORTING

Segment reporting as of December 31, 2020 and December 31, 2019:

01.01.2020 - 31.12.2020

PROFIT OR LOSS	Mine	Energy Product	Energy Trade	Other	Total	Elimination Effect	Consolidated Total
Revenue	106.803.403	839.091.623	196.536.353	-	1.142.431.378	(167.291.140)	975.140.238
Cost of Sales (-)	(81.863.954)	(627.434.207)	(196.052.035)	-	(905.350.196)	167.291.140	(738.059.056)
<b>Gross Profit/Loss</b>	<b>24.939.448</b>	<b>211.657.416</b>	<b>484.318</b>	<b>-</b>	<b>237.081.182</b>	<b>-</b>	<b>237.081.182</b>
General Administrative Expenses (-)	(3.379.924)	(25.116.236)	(818.223)	(21.935)	(29.336.318)	300.000	(29.036.317)
Marketing Expenses (-)	(11.686.828)	(7.404.935)	(203.081)	-	(19.294.843)	-	(19.294.843)
Other Real Operating Income	7.258.967	45.453.778	170.106	531	52.883.381	(278.386)	52.604.995
Other Real Operating Expenses (-)	(33.409.738)	(31.872.587)	(29.633.935)	(57.260)	(94.973.520)	35.960.237	(59.013.283)
<b>OPERATING PROFIT/LOSS</b>	<b>(16.278.075)</b>	<b>192.717.436</b>	<b>(30.000.816)</b>	<b>(78.664)</b>	<b>146.359.882</b>	<b>35.981.851</b>	<b>182.341.734</b>
Revenues From Investment Activities	-	368.270	-	-	368.270	-	368.270
Expenses From Investment Activities (-)	-	-	-	-	-	-	-
Shares from Profit/loss of Investments valued by Equity method	25.129.101	36.662	-	-	25.165.763	-	25.165.763
<b>PROFIT/LOSS BEFORE FINANCE EXPENSES</b>	<b>8.851.026</b>	<b>193.122.368</b>	<b>(30.000.816)</b>	<b>(78.664)</b>	<b>171.893.915</b>	<b>35.981.851</b>	<b>207.875.767</b>
Financing Income	29.698.001	418.530.043	14.934.463	55.827	463.218.333	(274.021.582)	189.196.751
Financing Expenses (-)	(49.748.948)	(1.018.254.347)	(21.372.330)	(347)	(1.089.375.971)	238.061.345	(851.314.626)
<b>PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(11.199.921)</b>	<b>(406.601.936)</b>	<b>(36.438.683)</b>	<b>(23.185)</b>	<b>(454.263.723)</b>	<b>21.614</b>	<b>(454.242.108)</b>
Continuing Activity Profit/Loss	(4.683.628)	211.015.139	(1.213.522)	(12.391)	205.105.597	-	205.105.597
Term Tax Expense/Revenue	(803.764)	-	-	-	(803.764)	-	(803.764)
Deferred Tax Expense/Revenue	(3.879.864)	211.015.139	(1.213.522)	(12.391)	205.909.361	-	205.909.361
<b>CONTINUING ACTIVITY PROFIT/LOSS</b>	<b>(15.883.549)</b>	<b>(195.586.797)</b>	<b>(37.652.205)</b>	<b>(35.576)</b>	<b>(249.158.126)</b>	<b>21.614</b>	<b>(249.136.511)</b>
<b>DISCONTINUING ACTIVITY PROFIT/LOSS</b>	<b>-</b>	<b>21.614</b>	<b>-</b>	<b>-</b>	<b>21.614</b>	<b>-</b>	<b>21.614</b>
<b>CURRENT YEAR PROFIT/LOSS</b>	<b>(15.883.549)</b>	<b>(195.565.183)</b>	<b>(37.652.205)</b>	<b>(35.576)</b>	<b>(249.136.512)</b>	<b>21.614</b>	<b>(249.114.897)</b>

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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(Currency is TRY unless otherwise is indicated.)

## 5. SEGMENT REPORTING

31.12.2020

	Mine	Energy Product	Energy Trade	Other	Total	Elimination Effect	Consolidated Total
Current Assets	215.124.034	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>103.367</b>	<b>4.308.345.910</b>	<b>(902.263.213)</b>	<b>3.406.082.696</b>
Short Term Liabilities	379.834.777	1.023.721.617	197.881.357	593.278	1.602.031.028	(498.346.135)	1.103.684.894
Long Term Liabilities	42.792.855	1.450.753.985	20.645.049	20.523	1.514.212.411	-	1.514.212.411
<b>Total Liabilities</b>	<b>422.627.632</b>	<b>2.474.475.601</b>	<b>218.526.406</b>	<b>613.801</b>	<b>3.116.243.440</b>	<b>(498.346.135)</b>	<b>2.617.897.304</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>

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## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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(Currency is TRY unless otherwise is indicated.)

## 5. SEGMENT REPORTING

01.01.2019 - 31.12.2019

PROFIT OR LOSS	Mine	Energy Product	Energy Trade	Other	Total	Elimination Effect	Consolidated Total
Revenue	64.172.675	930.838.509	276.433.340	-	1.271.444.524	(332.993.779)	938.450.745
Cost of Sales (-)	(49.594.614)	(757.649.034)	(285.264.634)	-	(1.092.508.282)	330.168.760	(762.339.522)
<b>Gross Profit/Loss</b>	<b>14.578.061</b>	<b>173.189.476</b>	<b>(8.831.294)</b>	<b>-</b>	<b>178.936.242</b>	<b>(2.825.019)</b>	<b>176.111.223</b>
General Administrative Expenses (-)	(3.103.555)	(17.686.162)	(717.386)	(14.549)	(21.521.653)	288.000	(21.233.652)
Marketing Expenses (-)	(6.381.360)	(872.843)	(250.771)	-	(7.504.974)	-	(7.504.974)
Other Real Operating Income	3.065.340	22.790.366	1.504.820	260	27.360.787	(308.694)	27.052.093
Other Real Operating Expenses (-)	(24.090.860)	(87.384.134)	(21.312.025)	(55.907)	(132.842.926)	83.713.926	(49.129.000)
<b>OPERATING PROFIT/LOSS</b>	<b>(15.932.374)</b>	<b>90.036.703</b>	<b>(29.606.656)</b>	<b>(70.196)</b>	<b>44.427.476</b>	<b>80.868.212</b>	<b>125.295.690</b>
Expenses From Investment Activities (-)	--	-	(764)	-	(764)	-	(764)
Shares from Profit/loss of Investments valued by Equiry method	1.932.410	33.742	-	-	1.966.152	-	1.966.152
<b>PROFIT/LOSS BEFORE FINANCE EXPENSES</b>	<b>(13.999.964)</b>	<b>90.070.445</b>	<b>(29.607.420)</b>	<b>(70.196)</b>	<b>46.392.864</b>	<b>80.868.212</b>	<b>127.261.078</b>
Financing Income	39.167.173	341.292.632	70.528.886	36.911	451.025.603	(165.932.736)	285.092.867
Financing Expenses (-)	(60.832.979)	(595.763.499)	(69.012.044)	(90.961)	(725.699.484)	82.218.810	(643.480.674)
<b>PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(35.665.771)</b>	<b>(164.400.422)</b>	<b>(28.090.578)</b>	<b>(124.245)</b>	<b>(228.281.017)</b>	<b>(2.845.714)</b>	<b>(231.126.729)</b>
<b>Continuing Activity Profit/Loss</b>	<b>(2.515.321)</b>	<b>22.980.695</b>	<b>(4.540.303)</b>	<b>7.626</b>	<b>15.932.697</b>	<b>-</b>	<b>15.932.697</b>
Term Tax Expense/Revenue	(15.387)	-	-	-	(15.387)	-	(15.387)
Deferred Tax Expense/Revenue	(2.499.934)	22.980.695	(4.540.303)	7.626	15,948.084	-	15,948.084
<b>CONTINUING ACTIVITY PROFIT/LOSS</b>	<b>(38.181.092)</b>	<b>(141.419.727)</b>	<b>(32.630.881)</b>	<b>(116.619)</b>	<b>(212.348.320)</b>	<b>(2.845.714)</b>	<b>(215.194.032)</b>
<b>DISCONTINUING ACTIVITY PROFIT/LOSS</b>	<b>--</b>	<b>43.946</b>	<b>-</b>	<b>-</b>	<b>43.946</b>	<b>-</b>	<b>43.946</b>
<b>CURRENT YEAR PROFIT/LOSS</b>	<b>(38.181.092)</b>	<b>(141.375.781)</b>	<b>(32.630.881)</b>	<b>(116.619)</b>	<b>(212.304.374)</b>	<b>(2.845.714)</b>	<b>(215.150.086)</b>



## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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(Currency is TRY unless otherwise is indicated.)

## 5. SEGMENT REPORTING

31.12.2019

	Mine	Energy Product	Energy Trade	Other	Total	Elimination Effect	Consolidated Total
Current Assets	223.925.711	1.004.747.389	192.974.940	82.960	1.421.730.999	(868.055.501)	553.675.498
Fixed Assets	188.313.573	2.698.955.746	1.181.927	--	2.888.451.247	(210.330.784)	2.678.120.463
<b>Total Assets</b>	<b>412.239.284</b>	<b>3.703.703.135</b>	<b>194.156.867</b>	<b>82.960</b>	<b>4.310.182.246</b>	<b>(1.078.386.285)</b>	<b>3.231.795.961</b>
Short Term Liabilities	358.980.623	1.280.438.166	282.897.659	549.686	1.922.866.135	(697.795.177)	1.225.070.958
Long Term Liabilities	7547.312	1.201.555.775	5.364.394	8.133	1.214.475.614	--	1.214.475.614
<b>Total Liabilities</b>	<b>366.527.935</b>	<b>2.481.993.941</b>	<b>288.262.054</b>	<b>557.819</b>	<b>3.137.341.749</b>	<b>(697.795.177)</b>	<b>2.439.546.572</b>
<b>Equity</b>	<b>45.711.348</b>	<b>1.221.709.194</b>	<b>(94.105.183)</b>	<b>(474.862)</b>	<b>1.172.840.497</b>	<b>(380.591.109)</b>	<b>792.249.388</b>

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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## 6. RELATED PARTIES

## i) Balances of the Company with its' related parties as of December 31, 2020 and December 31, 2019:

a) Other receivables from related parties:		
	31.12.2020	31.12.2019
Hidro Kontrol Elektrik Üretim A.Ş.	12.068.466	11.676.694
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	11.189.943	9.687.720
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	9.404.839	8.439.539
Süleyman Sarı	2.389.180	2.389.180
Müjgan Özal	1.575.677	1.414.111
Mustafa Ali Özal	1.263.717	1.132.549
Fatimetüz Zehra Özal	1.261.428	1.130.261
Hafize Ayşegül Özal	1.260.367	1.131.131
Kerem Emir Yazan	1.243.369	1.128.884
Ys Batı Anadolu Maden A.Ş.	765.771	1.750.397
Tahsin Yazan	552.388	552.388
Mehmet Fatih Özal	434.134	372.413
Korkut Enes Özal	429.822	372.413
Hafize Büşra Özal	409.265	372.413
Abdulkadir Bahattin Özal	211.290	211.290
Batı Trakya Madencilik A.Ş.	148.548	235.382
Bb Enerji Yatırım San.Tic.A.Ş.	107.482	76.948
Burak Altay	71.480	82.547
Eylül Elektromekanik Enerji San ve Ltd Şti	57.690	224.176
Tron Enerji Yatırım San. Ve Tic.A.Ş.	43.424	3.738
HK Yatırım Elektrik Üretim San.Tic.Ltd.Şti	--	4.034
Mustafa Koncagül	--	3.490.000
Akra Madencilik San. Ve Tic. A.Ş.	--	4.656
Akra Petrol San.Tic.A.Ş.	--	1.783
Nousen Enerji A.Ş.	--	3.270
Dinçsan İnşaat Paz.Org.Müm.San. Ve Tic.Ltd.Şti	--	34.454
Navis Turizm İnşaat Hizmetleri Tic.Ltd.Şti.	--	2.528
Bahattin Özal&Burak Altay Adi Ortaklık	--	896
Geokoax Jeotermal Enerji Sanayi Ticaret A.Ş.	--	431
Aköz Enerji Elektrik Üretim San. A.Ş.	--	1.888
Kuzen İnş.Pa.Org.Müm.İnş.San. Ve Tic.Ltd.Şti	--	762
B Biotek İlaç Üretim Yatırım Ticaret A.Ş.	--	4.438
<b>TOTAL</b>	<b>44.888.281</b>	<b>45.933.314</b>
<i>Deduction- Unaccrued financial expenses</i>	<i>(4.061.829)</i>	<i>(2.243.547)</i>
<b>TOTAL</b>	<b>40.826.451</b>	<b>43.689.767</b>

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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(Currency is TRY unless otherwise is indicated.)

## 6. RELATED PARTIES

## b) Other payables to related parties:

	31.12.2020	31.12.2019
Burak Altay	86.943.198	122.418
Arsin Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	4.741.886	4.245.545
Bb Enerji Yatırım San.Tic.A.Ş.	1.253.371	1.270.463
Öztay Enerji Elektrik Üretim San. A.Ş.	1.023.982	1.117.606
Batı Trakya Madencilik A.Ş.	756.605	730.199
Ena Elektrik Üretim Ltd.Şti	526.165	--
Kerem Emir Yazan	384.018	317.327
Abdulkadir Bahattin Özal	93.177	93.177
Ys Batı Anadolu Maden A.Ş.	55.418	3.964.512
Akra Petrol San.Tic.A.Ş.	20.526	321.822
Hafize Ayşegül Özal	20.000	20.000
Esin Ersan	20.000	20.000
Bahattin Özal&Burak Altay Adi Ortaklık	4.700	--
Hidayet Büküm	3.673	3.673
Hidro Kontrol Elektrik Üretim A.Ş	2.070	20.703
HK Yatırım Elektrik Üretim San.Tic.Ltd.Şti	--	15.190
<b>TOTAL</b>	<b>95.848.789</b>	<b>12.262.637</b>
<i>Deduction- Unaccrued financial expenses</i>	<i>(720.870)</i>	<i>(818.951)</i>
<b>TOTAL</b>	<b>95.127.919</b>	<b>11.443.684</b>

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

## a) Product sales to related parties

	January 01-31 December 2020	January 01-31 December 2019
Hidro Kontrol Elektrik Üretim A.Ş	115.002	9.021.555
Öztay Enerji Elektrik Üretim Sanayi A.Ş	--	5.484.334
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	--	6.884.936
Ys Batı Anadolu Maden A.Ş	--	445.670
Batı Trakya Madencilik A.Ş	--	500.000
<b>TOTAL</b>	<b>115.002</b>	<b>22.336.495</b>

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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(Currency is TRY unless otherwise is indicated.)

## 6. RELATED PARTIES

## b) Sales of services to related parties

	January 01-31 December 2020	January 01-31 December 2019
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	81.600	99.000
<b>TOTAL</b>	<b>81.600</b>	<b>99.000</b>

## c) Service purchases from related parties

	January 01-31 December 2020	January 01-31 December 2019
Hidro Kontrol Elektrik Üretim A.Ş.	--	76.109
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	2.400	236.760
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	--	78.513
<b>TOTAL</b>	<b>2.400</b>	<b>391.382</b>

## d) Financing expenses from related parties

	January 01-31 December 2020	January 01-31 December 2019
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	523.178	202.720
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	131.124	60.648
Ys Batı Anadolu Maden A.Ş.	85.156	--
Batı Trakya Madencilik A.Ş.	75.870	26.214
Hidro Kontrol Elektrik Üretim A.Ş.	12.327	1.300
Akra Petrol San.Tic.A.Ş.	10.252	9.822
Bb Enerji Yatırım San. Ve Tic.A.ş.	--	1.257.123
<b>TOTAL</b>	<b>837.907</b>	<b>1.557.827</b>

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 6. RELATED PARTIES

e) Financing income from related parties		
	January 01-31 December 2020	January 01-31 December 2019
Hidro Kontrol Elektrik Üretim A.Ş.	1.136.529	1.847.369
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	904.799	1.834.482
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	842.177	2.038.427
Müjgan Özal	161.566	190.933
Mustafa Ali Özal	131.167	152.874
Fatimetüz Zehra Özal	131.167	152.874
Hafize Ayşegül Özal	129.237	152.723
Mehmet Fatih Özal	61.721	50.239
Eylül Elektromekanik Enerji San ve Ltd Şti	60.804	15.717
Korkut Enes Özal	57.409	50.239
Hafize Büşra Özal	36.852	50.239
Ys Batı Anadolu Maden A.Ş.	33.106	437.592
Batı Trakya Madencilik A.Ş.	14.795	233.084
Dinçsan İnşaat Ltd.Şti.	3.620	4.162
Burak Altay	1.433	--
Bahattin Özal	--	144.210
<b>TOTAL</b>	<b>3.706.383</b>	<b>7.355.162</b>



## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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(Currency is TRY unless otherwise is indicated.)

## 6. RELATED PARTIES

f) Fixed assets purchases from related parties		
	January 01 -December 31 2020	January 01-December 31 2019
Öztay Enerji Elektrik Üretim Sanayi A.Ş	23.104	30.176
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	9.140	26.312
Batı Trakya Madencilik A.Ş	--	9.233.802
Hidro Kontrol Elektrik Üretim A.Ş	--	760.441
<b>TOTAL</b>	<b>32.244</b>	<b>10.050.731</b>

Total amount of salary and alike benefits in 12-month fiscal period provided to top management in 2020 is as follows:

**a. Short Term Benefits to Employees:** Total amount of salary and alike benefits in 12-month fiscal period provided to top management in 2020 is TRY 11.071.899 (2019: TRY 8.129.304 )

**b. 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.

**c. Other Long term Benefits:** None.

**d. Benefits due to Dismissal:** None.

**e. Share-based Payments:** None.

## 7. TRADE RECEIVABLES AND PAYABLES

Trade receivables		
	December 31, 2020	December 31, 2019
Customer Current Accounts	136.650.009	104.982.246
- Receivables from related parties	136.650.009	104.982.246
Notes Receivables (*)	28.592.877	32.596.274
Doubtful Receivables	17.762.295	13.012.855
Provision of Doubtful Receivables(-)	(17.762.295)	(13.012.855)
	<b>165.242.886</b>	<b>137.578.520</b>
Deduction: Unaccrued financial expenses	(5.536.915)	(5.744.250)
<b>TOTAL</b>	<b>159.705.970</b>	<b>131.834.270</b>

(\*)As of 31.12.2020, the maturity date of the notes receivable amounting to TRY 28.469.877 (USD 3.032.98 and TRY 6.206.269 equivalent) is 31.07.2021. The maturity date of the notes receivable amounting to TRY 123.000 is 19.01.2021.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 7. TRADE RECIVABLES AND PAYABLES

Provision for doubtful receivables as of December 31, 2020 and as of December 31, 2019. The movement is as follows:

	December 31, 2020	December 31, 2019
Opening Balance	13.012.855	13.366.862
Additional provisions	4.821.105	206.999
Payments (-)	(71.665)	(561.006)
<b>TOTAL</b>	<b>17.762.295</b>	<b>13.012.855</b>

Trade Payables		
	December 31, 2020	December 31, 2019
Seller Current Accounts	174.222.668	230.042.846
-Unrelated party vendor debts	174.222.668	230.042.846
Notes Payables	121.110.811	71.223.028
	<b>295.333.479</b>	<b>301.265.874</b>
Deduction: Unaccrued financial income	(19.919.098)	(13.192.529)
<b>TOTAL</b>	<b>275.414.380</b>	<b>288.073.343</b>

According to the letter of agreement received from a supplier with whom the group is in dispute, there is a difference of TRY 726.175 between the records in unrelated trade payables and the letter of reconciliation arising from the exchange rate valuation of foreign currency debts from previous periods. The Group has not made a foreign currency valuation regarding the trade debt, which has not been finalized and the date and amounts of payment have been submitted to the litigation process.

Maturity distributions for debt securities are as follows;

	December 31, 2020	December 31, 2019
0-3 month	69.072.996	52.824.061
3-6 month	30.351.635	13.648.674
6-12 month	21.686.180	4.750.293
<b>TOTAL</b>	<b>121.110.811</b>	<b>71.223.028</b>

## 8. FINANCIAL INVESTMENTS

None. (31.12.2019: None)

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 9. OTHER RECEIVABLES AND PAYABLES

Short-term Other Receivables		
	December 31, 2020	December 31, 2019
Other receivables from related parties	44.888.280	45.933.314
Other receivables(*)	20.137.675	17.489.334
Deposits and guarantees given	1.432.590	1.685.711
Receivables from personnel	34.886	34.886
Other Doubtful Receivables	1.968.298	--
Provision for other doubtful receivables(-)	(1.968.298)	--
<b>TOTAL</b>	<b>66.493.431</b>	<b>65.143.245</b>
<i>Deduction: Unaccrued finance expenses</i>	<i>(5.185.248)</i>	<i>(2.298.144)</i>
<i>-Other receivables from related parties</i>	<i>(4.061.829)</i>	<i>(2.243.547)</i>
<i>-Other receivables</i>	<i>(1.123.420)</i>	<i>(54.597)</i>
<b>TOTAL</b>	<b>61.308.182</b>	<b>62.845.101</b>

(\*)TRY 16.604.424 of other receivables includes the incentives provided by Migem for YS Madencilik underground employees.r.

Provision for doubtful receivables as of December 31, 2020 and as of December 31, 2019. The movement is as follows;

	December 31, 2020	December 31, 2019
Opening Balance	--	--
Additional Provisions	1.968.298	--
Payments (-)	--	--
<b>TOTAL</b>	<b>1.968.298</b>	<b>--</b>

Long-term Other Receivables		
	December 31, 2020	December 31, 2019
Deposits and guarantees given	1.352.461	645.577
<b>TOTAL</b>	<b>1.352.461</b>	<b>645.577</b>

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 9. OTHER RECEIVABLES AND PAYABLES

Short-term Other Payables		
	December 31, 2020	December 31, 2019
Due to Related Parties	95.848.789	12.262.635
Other Payables	745.144	1.015.094
Taxes and Funds Payables	16.409.545	13.838.124
Deposits and Guarantees Taken	103.742	103.742
Publicly Deferred or Installment Debts	5.708.270	6.941.341
Received Advances	764.149	685.197
	<b>119.579.640</b>	<b>34.846.133</b>
<i>Deduction: Unaccrued Financial Income</i>	<i>(769.349)</i>	<i>(880.221)</i>
- Due to related parties	<i>(720.870)</i>	<i>(818.951)</i>
- Other payables	<i>(48.479)</i>	<i>(61.270)</i>
<b>TOTAL</b>	<b>118.810.291</b>	<b>33.965.912</b>

Details of taxes and funds payables are as follows:

	December 31, 2020	December 31, 2019
TRT Share	1.516.405	1.225.768
Municipality Consumption Tax	1.812.200	1.495.002
Energy Fund	3.093.384	2.804.814
Wage Earners Income Tax Deduction	6.328.848	5.275.453
Value Added Tax	2.981.770	643.463
Other Tax Liabilities	676.939	2.393.623
<b>TOTAL</b>	<b>16.409.545</b>	<b>13.838.124</b>

## Long-term Other Payables

	December 31, 2020	December 31, 2019
Deposits and guarantees received	982.618	125.500
Publicly Deferred or Installment Debts(*)	11.345.113	5.552.953
<b>TOTAL</b>	<b>12.327.731</b>	<b>5.678.453</b>

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

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 10. INVENTORIES

	December 31, 2020	December 31, 2019
Raw materials and supplies	5.267.735	4.259.709
Semi-finished (*)	84.649.344	56.038.587
Finished goods (**)	54.142.172	27.327.042
Trade goods	4.613.342	3.980.476
Other inventories (***)	45.039.650	51.731.731
<b>TOTAL</b>	<b>193.712.243</b>	<b>143.337.545</b>

(\*) The amount TRY 59.177.167 of the group's semi-finished products consist of coal and fuel oils used by Çan Kömür 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.

(\*\*) All of the products of the group consist of gypsum, ash and cruf, which are obtained from electricity generation by Çan Kömür, which is included in the consolidation.

(\*\*\*) The amount of TRY 8.807.924 of the other stocks of the group consists of thermal power plant spare parts of Çan Kömür included in the consolidation, and TRY 27.715.009 of it consists of mineral coal stocks of Ys Mining included in the consolidation.

## 11. BIOLOGICAL ASSETS

Yoktur. (31 Aralık 2019 Yoktur.)

## 12. PRE-PAID EXPENSES AND DEFERRED INCOME

Short-term Pre-paid Expenses		
	December 31, 2020	December 31, 2019
Advances given for purchases (*)	13.768.896	16.302.414
Expenses related to the upcoming months	6.349.472	11.109.061
<b>TOTAL</b>	<b>20.118.368</b>	<b>27.411.475</b>

(\*) The amount of TRY 10.624.213 of the order advances given as of 31.12.2020 consists of the advances given within the scope of the mining operation.

Long-term Pre-paid Expenses		
	December 31, 2020	December 31, 2019
Expenses for the future years(*)	4.679.123	3.760.397
<b>TOTAL</b>	<b>4.679.123</b>	<b>3.760.397</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.



## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 12. PRE-PAID EXPENSES AND DEFERRED INCOME

Deferred Income		
	December 31, 2020	December 31, 2019
Advances Received (*)	49.912.503	104.488.343
<b>TOTAL</b>	<b>49.912.503</b>	<b>104.488.343</b>

(\*) The amount of TRY 41.461.227 includes the advance received from YS Maden coal sales. The amount of TRY 7,346,258 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. (None, December 31, 2019).

## 14. TANGIBLE FIXED ASSETS

	01.01.2020	Addition	Disposal	Transfer	31.12.2020
<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>2.478.541.012</b>	<b>43.383.411</b>	<b>(838.846)</b>	<b>--</b>	<b>2.521.085.578</b>

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***14. TANGIBLE FIXED ASSETS**

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, Çan Kömür and 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, Suda Maden, Çan Kömür, Küçük Enerji and Ys Maden.

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

	01.01.2019	Addition	Disposal	Revaluation	31.12.2019
<b>Cost</b>					
Lands	54.402.829	1.847.750	--	--	56.250.579
Land improvement	150.000	--	--	--	150.000
Buildings	1.143.325	--	--	--	1.143.325
Plant, machinery and equipment	2.544.777.508	87.214.421	--	(108.486.218)	2.523.505.711
Vehicles	5.462.563	1.821.817	(31.864)	1.705.863	8.958.379
Furniture and fixtures	7.726.254	581.715	(5.540)	--	8.302.429
Construction in progress	23.467.446	6.600.257	--	--	30.067.703
Research expenses	259.203	450.057	--	--	709.260
<b>TOTAL</b>	<b>2.637.389.128</b>	<b>98.516.017</b>	<b>(37.404)</b>	<b>--</b>	<b>2.629.087.386</b>
<b>Accumulated Depreciation</b>					
Land improvements	(114.063)	(18.750)	--	--	(132.813)
Buildings	(181.600)	(39.914)	--	--	(221.514)
Special costs	--	--	--	--	--
Plant, machinery and equipment	(68.834.766)	(74.019.301)	--	--	(142.854.067)
Vehicles	(1.863.697)	(1.205.091)	31.864	--	(3.036.924)
Furniture and fixtures	(3.379.072)	(924.472)	2.489	--	(4.301.055)
<b>TOTAL</b>	<b>(74.373.198)</b>	<b>(76.207.528)</b>	<b>34.353</b>	<b>--</b>	<b>(150.546.373)</b>
<b>Net Book Value</b>	<b>2.563.015.928</b>	<b>22.308.489</b>	<b>(3.051)</b>	<b>--</b>	<b>2.478.541.012</b>

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

## 14. TANGIBLE FIXED ASSETS

The total investment expenditure amounts as of 31.12.2020 and the investment project on the subsidiary related to the ongoing investments of the Group are given below.

Company /Subsidiary	Investment Details	Amount
YS Madencilik	Coal Mine Plant	10.274.657
Suda Maden	Enrichment Plant	51.514.368
Çan Kömür	Modernization	13.746.851
<b>TOTAL</b>		<b>75.535.877</b>

Revaluation fund movements are as follows:

31.12.2020	Plant	Building	Land	Total
<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>

31.12.2019	Plant	Building	Land	Total
<b>January 01,2019 Balance</b>	<b>2.275.871.387</b>	<b>920.811</b>	<b>53.581.676</b>	<b>2.330.373.874</b>
Revaluation Value Increase (Gross)	--	--	--	--
Revaluation Impairment	(106.780.355)	--	--	(106.780.355)
Deferred Tax (*)	23.491.678	--	--	23.491.678
<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>

(\*) Deferred Tax rates calculated as 11% for land and buildings and 22% for plants.

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

None. (None, December 31, 2019).

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

*(Currency is TRY unless otherwise is indicated.)***16. INVESTMENTS VALUED BY EQUITY METHOD**

The Shares of the Profit / Loss of Investments Valued by Equity Method for the periods 1 January - 31 December 2020 and 1 January - 31 December 2019 are as follows;

	January 01 -December 31, 2020	January 01 -December 31, 2019
Shares of Profit / Loss of Investments by Equity Method		
<b>TOTAL</b>	<b>25.165.763</b>	<b>1.966.152</b>

**17. INTANGIBLE FIXED ASSETS**

	01.01.2020	Additions	Disposals	Transfer	31.12.2020
<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>26.136.887</b>	<b>--</b>	<b>--</b>	<b>99.191.371</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>

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

**17. INTANGIBLE FIXED ASSETS**

	01.01.2019	Additions	Disposals	Transfer	31.12.2019
<b>Cost</b>					
Rights	9.619.988	408.618	--	--	10.028.606
Other Intangible Assets	6.553.324	18.005	--	--	6.571.329
Preparation and Development Expenses	38.735.332	17.719.217	--	--	56.454.549
<b>TOTAL</b>	<b>54.908.644</b>	<b>18.145.839</b>	<b>--</b>	<b>--</b>	<b>73.054.484</b>
<b>Accumulated Amortization</b>					
Rights	(3.578.224)	(967.201)	--	--	(4.545.425)
Other Intangible Assets	(547.662)	(50.742)	--	--	(598.404)
Preparation and Development Expenses	(4.538.028)	(3.215.080)	--	--	(7.753.107)
<b>TOTAL</b>	<b>(8.663.914)</b>	<b>(4.233.022)</b>	<b>--</b>	<b>--</b>	<b>(12.896.936)</b>
<b>Net Book Value</b>	<b>46.244.728</b>	<b>13.912.817</b>	<b>--</b>	<b>--</b>	<b>60.157.548</b>



## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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(Currency is TRY unless otherwise is indicated.)

## 17. INTANGIBLE FIXED ASSETS

As the date of December 31, 2020, the details of the cost of Intangible Fixed Assets are as follows;

Company/ Subsidiary	Intangible Assets/ Preparation and Development Expenses	31.12.2020	31.12.2019
Anadolu Export	Field License and Mine License Costs	346.204	268.918
Anadolu Export	Preparation and Development Expenses (*)	18.387.229	12.986.930
Çan 2 Trakya	Preparation and Development Expenses (*)	29.992.308	10.587.498
Çan Kömür	Çan 2 Thermal Power Plant License Cost	122.014	122.014
Çan Kömür	Preparation and Development Expenses (*)	3.025.247	2.341.472
Çan Kömür	Computer Software	557.982	557.982
Küçük Enerji	Production License and Modification Costs	22.000	22.000
Odaş Doğalgaz	Natural Gas Wholesale License and Amendment Fees	64.450	64.450
Odaş Elektrik	Production License and Modification Costs	151.758	151.758
Odaş Elektrik	Computer Software	427.969	420.184
Odaş Elektrik	WEB Software	35.935	35.935
Odaş Elektrik	Çan Kömür Asset Purchase Value	5.920.251	5.920.251
Suda Maden	Field License and Mine License Costs	4.716.655	4.637.786
Suda Maden	Computer Software	35.403	35.403
Suda Maden	Preparation and Development Expenses (*)	6.031.568	6.031.568
Voytron Enerji	Electricity Wholesale License	324.567	324.567
Voytron Enerji	Computer Software	156.404	156.404
Voytron Enerji	Web Site	4.600	4.600
Voytron Enerji	Portfolio Rights Usage Fee	454.310	454.310
Yel Enerji	Mine License Cost	3.247.813	3.247.813
Yel Enerji	Preparation and Development Expenses (*)	2.521.418	2.037.355
Yel Enerji	Computer Software	4.001	4.001
Ys Madencilik	Preparation and Development Expenses (*)	22.469.726	22.469.726
Ys Madencilik	Mine License Cost	168.403	168.403
Ys Madencilik	Computer Software	3.156	3.156
<b>TOTAL</b>		<b>99.191.371</b>	<b>73.054.484</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.

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***17. 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 Çan Kömür 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 Çan Kömür 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.

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 22.469.726 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 TRY 41.404.830 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).

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***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 December 31, 2020 the total development expenditure capitalized amount on the basis of the subsidiaries are as follows:

Subsidiaries	The Amount of Preparation and Development Expenditures
Yel Enerji	2.521.418
Çan Kömür	3.025.247
Çan2 Trakya	29.992.308
Anadolu Export	18.387.229
Suda Maden	6.031.568
Ys Madencilik	22.469.727
<b>TOTAL</b>	<b>82.427.497</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 2.521.418 TL as 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.

The amount of preparation and development expenses recorded to assets of Çan Kömür 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 December 31, 2020. Calculated amortisation expenses are associated with production costs of animony mine.

Preparation and Development Expenses of TRY 18.387.229 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.

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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(Currency is TRY unless otherwise is indicated.)

## 19. EVALUATING AND RESEARCHING OF MINE RESOURCES

Preparation and development works at YS Maden with amount of TRY 22.469.727 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

	January 01, 2020	Additions	Disposals	Transfer	December 31, 2020
<b>Cost – Vehicles</b>					
Right of Use Assest	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 Assest	(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>

	January 01, 2019	Additions	Disposals	Transfer	December 31, 2019
<b>Cost – Vehicles</b>					
Right of Use Assest	--	2.144.285	--	--	2.144.285
<b>Total</b>	<b>--</b>	<b>2.144.285</b>	<b>--</b>	<b>--</b>	<b>2.144.285</b>
<b>Accumulated Depreciation - Vehicles</b>					
Right of Use Assest	--	(169.393)	--	--	(169.393)
<b>TOTAL</b>	<b>--</b>	<b>(169.393)</b>	<b>--</b>	<b>--</b>	<b>(169.393)</b>
<b>Net Book Value</b>	<b>--</b>	<b>1.974.892</b>	<b>--</b>	<b>--</b>	<b>1.974.892</b>

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.





**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***23. GOVERNMENT INCENTIVES**

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. (None, December 31, 2019).

**25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

Other long-term provisions	December 31, 2020	December 31, 2019
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.*

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 organized with the following location study and afforestation will be done. After open operation, closed operation will be started. There will be no pickling work on the ground during closed operating 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  $150 \times \text{TRY } 2.000 = \text{TRY } 300.000$ .

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	December 31, 2020	December 31, 2019
Balance at beginning of period	185.044	172.028
Additional Provision / Payment (-)	--	13.016
<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 Yapı Kredi Bank and Kucuk Enerji Üretim ve Tic Ltd Sti, Kucuk Enerji Üretim's partners' signed a Pledge Agreement in Yapı 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.

In accordance with the Commercial Enterprise Agreement signed between Küçük Enerji Üretim ve Ticaret Limited Şirketi and Yapı Kredi Bankası A.Ş., a Commercial Operation Pledge was established in the first place and in the first degree in favor of Yapı Kredi Bankası A.Ş. for the Köprübaşı Hydroelectric Power Plant. The pledge amount is TRY 74.000.000.

In addition, a mortgage was established in favor of Yapı Kredi Bankası A.Ş. and Turkish Halkbank A.Ş. as credit guarantees on the real estates owned by Çan Kömür ve İnşaat A.Ş. within the scope of the loan agreement. The total amount of mortgages is TRY 2.374.500.000 and 534.900.000 Euros.

Within the scope of the loan agreements signed between Suda Maden A.Ş. and Pasha Yatırım Bankası A.Ş., a mortgage was established in favor of Pasha Yatırım Bankası A.Ş. on the operating licenses of Gabriel and Oğurluca Mine Sites. The total value of mortgages is USD 42,000,000. The amounts of the operating manager are TRY 450.000.000.

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

The subject of the Commercial Business Directory is the commercial enterprise and its elements that have been pledged on the machine breakdown, profit loss, fire and so on. risks are taken under protection with insurance policies.

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES****► 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 Çan Kömür ve İnşaat A.Ş., as an assurance of borrowings given, pledge of share agreements are made over all shares of Çan Kömür ve İnşaat 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.

Additionally, with the General Loan Agreement signed between Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan Kömür ve İnşaat A.Ş., the Assignment of Receivables Agreement and the Movable Pledge Agreement has been signed with Çan Kömür ve İnşaat A.Ş. without the delivery of possession, in return for the loan debt. The amount included in the contract for the movable pledge is 244.800.000 Euro in total.

**Warranty**

According to General Loan Contracts signed between the consortium of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan Kömür ve İnşaat A.Ş., as an assurance of borrowings given, Yapı Kredi Bankası A.Ş. as the guarantee of the loan given in accordance with the General Loan Agreement signed between Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch has become a voucher in favor.

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 Voytron 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 TEİAŞ by ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. on behalf of Alternatifbank A.Ş. The conveyance amount is TRY 450.000.000 and the term is 28.04.2026.

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

Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası AŞ Kozyatağı Commercial Branch to Çan Kömür ve İnşaat AS will receive all the rights and revenues for the benefit of Yapı Kredi Bankası AŞ and Halk Bankası AS as a guarantee of the loan given in accordance with the General Loan Agreements signed between Yapı Kredi Bank and Halk Bank The contract is signed. The amount of the conveyance is TRY 78.000.000. The loan period is 05.01.2026.

Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bank A.Ş. Kozyatagi Commercial Branch Consortium and Çan Kömür ve İnşaat A.Ş. signed the EPIAŞ Credit Transfer Agreement in favor of Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bank A.Ş. Kozyatagi Commercial Branch as the guarantee of the loan issued in accordance with the General Loan Agreement signed between Çan Kömür ve İnşaat A.Ş. The amount of the loan is TRY 13.000.000.000 and its duration is 2029.

**Guarantees**

Given guarantees by the group are as follow:

GUARANTEES, PLEDGES, HYPOTHECS		31.12.2020	31.12.2019
<b>A.</b>	Total amount of TRI was given for its own legal entity	7.803.638	6.408.940
<b>B.</b>	Partnerships includes scope of full consolidation	297.711.635	232.541.828
<b>C.</b>	Total amount of TRI was given in order to conduct ordinary business and to guarantee thirty parties debt	--	--
<b>D.</b>	Total Amount of TRI was Other Given	--	--
<i>i.</i>	<i>Total amount of TRI was given on behalf of main partner</i>	--	--
<i>ii.</i>	<i>Total amount of TRI was given to companies except B and C article</i>	--	--
<i>iii.</i>	<i>Total amount of TRI was given to third parties except C article</i>	--	--
<b>TOTAL</b>		<b>305.515.273</b>	<b>238.950.768</b>

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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## 25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The ratio of guarantees, pledges and hypothecs to equity is 0,38. (31.12.2019 : 0,30)

Received guarantees by the group are as follow:

	December 31, 2020	December 31, 2019
Received Guarantee Letters	8.258.849	3.849.210
Received Guarantee Cheques	1.782.509	1.472.945
Received Guarantee Bills	2.859.266	3.525.476
	<b>12.900.624</b>	<b>8.847.631</b>

Given and received guarantees by the group are as follow:

	December 31, 2020	December 31, 2019
<b>Received Guarantee Letters</b>	<b>8.258.849</b>	<b>3.849.210</b>
Voytron	4.828.500	2.811.000
Çan Kömür	3.430.349	1.038.210
<b>Received Guarantee Notes</b>	<b>1.782.509</b>	<b>1.472.945</b>
Çan Kömür	1.782.509	1.472.945
<b>Received Guarantee Bonds</b>	<b>2.859.266</b>	<b>3.525.476</b>
Çan Kömür	2.509.266	3.175.476
Ys Maden	350.000	350.000
	<b>12.900.624</b>	<b>8.847.631</b>

### Favourable Cases:

As of the date of the report, there are 59 cases with a amount of TRY 13.682.626 initiated by the Group, according to the information obtained from the Group's legal consultancy. TRY 6.751.018 belongs to the tax case, TRY 100.000 to compensation lawsuit, TRY 5.644.088 to the debt claims, TRY 1.175.673 to the cancellation case and TRY 11.864 to the administrative fine and other appeals.

With the article dated 28.06.2019, the tax office, Çan2 Termik A.Ş. has accounted for with the incentive certificate and the Value Added Tax law is Temporary 37. He sent a tax/penalty notice to pay the VAT refund of TRY 3.857.725 and the tax loss penalty of TRY 2.893.294. The offset was canceled on the grounds that the power plants were not within the scope of the manufacturing industry. The main amount of the debt related to the canceled offset is in taxes and funds to be paid in the Other Debts account (Note 9). Çan2 Termik A.Ş. has filed a lawsuit against the tax office in the tax court for the cancellation of the aforementioned notices for the cancellation of these notices. As of the date of the report, the case for this review has not yet been concluded.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES*****Unfavourable Cases***

All commercial credit lawsuits filed against the Group are requested to be canceled in accordance with Article 67 of the Executive and Bankruptcy Law ('IKK') of the objections made by the Group in the enforcement proceedings initiated against the Group. These lawsuits are counter-debt lawsuits filed against suppliers and TRY 1.111.203 litigation related to commercial debt litigation is reserved for expenses.

As of 31.12.2020, the Group has allocated TRY 1.354.372 for litigation expenses, taking into account that there is a high probability of losing cases related to personnel reinstatement cases.

Of the lawsuits filed against the Group, TRY 3.441.733 consists of commercial credit lawsuits filed by the suppliers of Çan 2 Termik A.Ş in previous periods. The Group's legal counsel has filed various appeals for these cases and no provision has been allocated since they have decided that it will result in the favor of the Group.

Of the lawsuits filed against the Group, TRY 12.673.734 consists of lost leakage fees, transmission fees, distribution fees, meter reading fees collected from customers who sell electricity to Voytron Enerji Elektrik Perakende Satış A.Ş. There is no provision for the lawsuit as the amounts of the lawsuit related to the lost leakage fees filed by the customers in each case will be reflected to the distribution companies.

As of December 31, 2020, a provision expense of TRY 2.465.575 has been allocated due to the business lawsuits filed by the staff in the group's subsidiaries.

Provision Cases	December 31, 2020	December 31, 2019
Balance per period	1.150.340	845.602
Additional Provision / Payment (-)	1.315.235	304.738
<b>Balance period</b>	<b>2.465.575</b>	<b>1.150.340</b>

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## 26. COMMITMENTS

None. (31 December 2019: None.)

## 27. EMPLOYEES BENEFIT OBLIGATIONS

### a. Short Term

#### *Liabilities within the Scope of Employee Benefits*

	December 31, 2020	December 31, 2019
Due to personnel	3.510.786	4.222.995
Social security premium payables	2.038.013	12.573.024
Other payables	33.470	99.477
<b>TOTAL</b>	<b>5.582.269</b>	<b>16.895.496</b>

The balance of the debts account to the personnel consists of wages and similar debts to the personnel who have accrued but have not yet been paid, and the balances of social security deductions to be paid are accrued by payroll as of the relevant dates and consist of social security premium liabilities belonging to the employee and employer, which will be declared on the twenty-threeth of the following month and paid by the end of the month.

#### *Provision for Vacation*

Between 31.12.2020 and 31.12.2019, the transaction of the provision for vacation is presented below:

	December 31, 2020	December 31, 2019
Cycles	2.892.631	1.155.589
Provision Allocated During the Period	1.152.622	1.737.042
<b>TOTAL</b>	<b>4.045.253</b>	<b>2.892.631</b>

### b. Long Term

#### *Provision for Severance Pay*

In accordance with the existing labor law, companies are obliged to pay a certain amount of severance pay to personnel who leave their jobs due to retirement after serving for at least one year or are terminated for reasons other than resignation and misconduct. The compensation to be paid is the amount of one month's salary for each year of service and as of 31.12.2020, this amount is limited to TRY 7.117,17 (31.12.2019: TRY 6,379.86).

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In accordance with TAS 29 (Employee Benefits), a calculation with actuarial assumptions is required to calculate the obligations of the Group. Using the "Projection Method" in accordance with TAS 29, the Group calculated and reflected the severance pay on the basis of the Group's experience in completing the personnel service period in the past years and qualifying for severance.

The provision for severance is separated by calculating the present value of the possible liability that will have to be paid in the event of the retirement of the employees. Accordingly, actuarial assumptions used to calculate liability as of 31.12.2020 and 31.12.2019 are as follows:

	December 31, 2020	December 31, 2019
Discount rate	%12,31	%16,45
Estimated increase rate	%9	%11,14

Employees benefit obligations movements as of December 31, 2020 - December 31, 2019 are as follows

	December 31, 2020	December 31, 2019
<b>Transfer</b>	648.281	281.307
Payment	717.162	535.541
Interest cost	80.984	30.748
Current service cost	(643.031)	(484.345)
Actuarial gain/(loss)	472.542	285.031
<b>Balance</b>	<b>1.275.937</b>	<b>648.281</b>

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EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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## 28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

The details of the cost of sales for the periods 1 January – 31 December 2020 and 1 January – 31 December 2019 are as follows:

	January 01 - December 31 2020	January 01 - December 31 2019
Cost of Coal Usage	174.355.873	144.107.194
Depreciation and amortisation	82.895.671	74.387.013
Imbalance energy amount	77.012.315	217.512.285
The amount of debt of GIB	55.975.802	44.105.525
Göp system purchase	49.714.791	50.345.262
Natural gas use	49.373.834	52.002.409
Staff expense share	46.561.622	32.746.132
Coal Sales Cost	31.579.945	18.516.081
System Usage Fee	28.419.791	20.502.267
Bilateral Agreements Energy Trade Goods Cost	21.078.691	14.698.677
Product Sales Cost From Production	20.467.471	--
TEİAŞ/EPIAŞ Yek credit amount	15.809.278	10.192.589
Antimuan Sales Cost (-)	15.190.945	17.359.620
Cost of use of distribution companies system	10.633.136	1.977.897
Fuel Oil Cost Use	8.730.275	16.089.398
DGP Debit Amount	6.239.449	13.127.400
Maintenance and repair expense	5.882.295	2.943.242
Insurance expenses	5.051.504	6.550.589
Limestone Usage Cost	4.061.062	3.507.325
Market operating fee	3.997.547	3.096.690
Cost of use motorin	3.876.605	5.096.375
System operating fee	1.141.711	946.032
TEİAŞ/Epiaş other expenses	715.786	2.375.902
Distribution Companies Other Expenses	699.744	103.695
Group Companies Imbalance	448.705	378.927
Cost of Reactive Capacitive Goods (-)	207.838	155.759
Other Expenses	17.937.370	9.515.237
<b>TOTAL</b>	<b>738.059.056</b>	<b>762.339.522</b>

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## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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## 29. OTHER ASSETS AND LIABILITIES

### Other Current Assets

	December 31, 2020	December 31, 2019
Income accruals	41.836.562	92.958.462
Deferred VAT	13.592.939	54.267.711
Work advances	4.629.386	3.488.833
Advances given to personnel	123.186	434.375
Advances given to suppliers	3.052.163	19.929.590
Other Various Current Assets	1.661.525	236.912
<b>TOTAL</b>	<b>64.895.761</b>	<b>171.315.883</b>

The details of income accruals are as follows:

	December 31, 2020	December 31, 2019
Accrued electricity sales income	37.596.630	89.101.802
Accrued natural gas sales income	1.039.932	1.587
Other accrued interest income	3.200.000	3.855.073
<b>TOTAL</b>	<b>41.836.562</b>	<b>92.958.462</b>

### Other Tangible Fixed Assets

	December 31, 2020	December 31, 2019
Given advances (*)	78.912.655	98.705.489
<b>TOTAL</b>	<b>78.912.655</b>	<b>98.705.489</b>

(\*) TRY 77.402.964 of the advances given in the past periods consist of advance amounts given to contractors and suppliers for the purchase of investment materials and services for the Çan2 Thermal Power Plant.

### Other short term liabilities

	December 31, 2020	December 31, 2019
Accrued expenses	39.996.040	31.962.619
<b>TOTAL</b>	<b>39.996.040</b>	<b>31.962.619</b>



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(Currency is TRY unless otherwise is indicated.)

## 29. OTHER ASSETS AND LIABILITIES

Expense accrual details are as follows:

	December 31, 2020	December 31, 2019
Accrued electricity purchase cost	35.000.916	26.849.763
Accrued distribution company cost	324.981	64.238
Accrued interest	2.630.190	2.556.268
Other accrued expenses	2.039.953	2.492.350
<b>TOTAL</b>	<b>39.996.040</b>	<b>31.962.619</b>

### Other long term liabilities

	December 31, 2020	December 31, 2019
Expense accruals (*)	1.796.551	2.467.750
<b>TOTAL</b>	<b>1.796.551</b>	<b>2.467.750</b>

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

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## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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## 30. EQUITY, RESERVES AND OTHER EQUITIES

## Paid-in Capital

Paid-in Capital structure of the Company between December 31, 2020 and December 31, 2019 given on the following table:

The nominal capital of the company is TRY 600.000.000 and the registered capital ceiling is TRY 600.000.000. Details of the group's capital structure are presented below.

Shareholder	31.12.2020		31.12.2019	
	Share Amount	Rate	Share Amount	Rate
A. Bahattin Özal	33.198.318	5,53%	30.691.451	10,41%
Burak Altay	93.170.353	15,53%	45.768.844	15,53%
BB Enerji Yatırım San.ve Tic.A.Ş.	16.979.633	2,83%	27.008.100	9,16%
Müjgan Özal Mirası (*)	5.347.275	0,89%	5.347.275	1,81%
Fatimetüz Zehra Özal (**)	3.208.365	0,53%	3.208.365	1,09%
Hafize Ayşegül Özal	2.708.365	0,45%	3.208.365	1,09%
Mustafa Ali Özal	2.708.365	0,45%	3.208.365	1,09%
Mehmet Fatih Özal	1.470.919	0,25%	1.069.455	0,36%
Korkut Enes Özal	1.470.919	0,25%	1.069.455	0,36%
Hafize Büşra Özal	1.069.455	0,18%	1.069.455	0,36%
Halka Açık Kısım	438.668.033	73,11%	173.093.820	58,73%
<b>Paid-in Capital</b>	<b>600.000.000</b>	<b>100%</b>	<b>294.742.950</b>	<b>100%</b>

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>TOTAL</b>	<b>5.347.275</b>	<b>0,89%</b>

(\*) Due to the death of Mrs. Müjgan Özal on 22.05.2018, the share amounts of TRY 5.347.275 of shares amounting to 0,89% have been transferred to Abdulkadir Bahattin Özal, Mustafa Ali Özal, Fatimetruz Zehra Özal, hafize Ayşegül Özal, Mehmet Fatih Özal, Korkut Enes Özal and hafize Büşra Özal with the property of the company. The distribution list is as follows;

(\*\*) Due to the death of Mr. Fatimetüz Zehra Özal on 04.12.2018, the share amount of 0,71% of TRY 4.277.820 was transferred to Gökçe Koşay and Ayşenur Koşay Erbay under the partnership ownership. The list regarding the distribution is as follows;

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Shareholder	Share Amount	Rate
Gökçe Koşay	2.138.910	0,36%
Ayşenur Koşay Erbay	2.138.910	0,36%
<b>TOTAL</b>	<b>4.277.820</b>	<b>0,71%</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 has been divided into a total of 600,000,000 shares, each with a nominal value of 1 (one) TL, 8,555,640 Group (A) registered shares, 591,444,360 Group (B) registered shares.

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 valids 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 TCC 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 can not be restricted.

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After the capital increase on January 21 - February 04, 2020, the total nominal value of the shares corresponding to the unused new share purchase rights was 24.998.629 shares on 06-07 February 2020 at Borsa İstanbul A.Ş. In the Primary Market, Borsa İstanbul A.Ş. The difference of TRY 31.833.566 arising from the sale of 24.998.629 shares at a price higher than their nominal value, which were offered for sale at the price to be formed in the Primary Market, was accounted as share premium.

In addition, the total nominal value of the shares corresponding to the unused new share purchase rights after the capital increase realized on January 08-23, 2019 was 43,506,439.11 units on 24-25 January 2019 at Borsa İstanbul A.Ş. In the Primary Market, Borsa İstanbul A.Ş. The difference of TRY 28.260.507 due to the sale of 43.506.439.11 shares offered to the public at a price higher than their nominal value was accounted as share premium.

	December 31, 2020	December 31,2019
Share Premium	60.094.073	28.260.507
<b>TOTAL</b>	<b>60.094.073</b>	<b>28.260.507</b>

**Actuarial gain / loss of funds**

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

	December 31, 2020	December 31,2019
Beginning period balance	(276.526)	(54.201)
Current year actuarial gains / (losses)	(368.583)	(222.325)
<b>TOTAL</b>	<b>(645.109)</b>	<b>(276.526)</b>

**Previous Years' Profit/Loss**

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

Previous Years' Profit/Loss	December 31, 2020	December 31,2019
Previous Years' Profit/Loss	(127.047.540)	123.285.532
Share Percentage Not Resulting in Loss of Control in Subsidiaries. Related Increase / Decrease	(12.169.690)	--
Period profit/(loss)	(187.686.473)	(250.333.072)
<b>TOTAL</b>	<b>(326.903.703)</b>	<b>(127.047.540)</b>

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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 installments, if agreed during the general meeting.

As for payments in installments; 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.

**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 December 31, 2020, the amount of restricted reserves is TRY 639.252. (31.12.2019: TRY 73.676.388)  
This all amount consist of legal reserves. The amount of TRY 73.037.136 in the Capital Reserves account as of 31.12.2019 has been added to the capital increase made in the period of February 2020.

**Minority Interest**

Details of minority interest are shown below;

Minority Interest	December 31, 2020	December 31,2019
Capital	282.203	3.852.203
Retained earnings/(loss)	(5.477.068)	9.816.853
Period profit/(loss)	(2.444.180)	(27.463.611)
<b>TOTAL</b>	<b>(7.639.044)</b>	<b>(13.794.555)</b>



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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 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 A.Ş.	15.064.000	--	15.064.000
<b>TOTAL</b>	<b>40.693.316</b>	<b>(711.514)</b>	<b>41.404.830</b>

**Other Equity**

	December 31, 2020	December 31, 2019
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 TFRS 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 recognised at equities.

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### 31. REVENUE AND COST OF GOODS SOLD

Revenue:

	January 01 - December 31 2020	January 01 - December 31 2019
<b>Domestic sales</b>	<b>958.599.716</b>	<b>934.035.118</b>
Free Consumer Electricity Sales	48.609.422	25.908.112
Electricity Sales income from TEİAŞ/Epiaş/ EÜAŞ	436.850.643	575.213.758
Bilateral Agreements Electricity Sales	431.366.824	287.239.433
Solar Energy Sales	361.375	258.989
Income from Natural Gas Sales	1.242.099	986.494
Income from Mining Sales	32.066.014	51.974.872
Product Sales From Production	12.765.300	--
Other Incomes	13.704.980	12.249.923
Sales return	(18.366.942)	(19.768.182)
Sales Discounts	--	(28.280)
<b>Overseas Sales</b>	<b>16.540.522</b>	<b>4.415.628</b>
Antimony Sales Income	16.540.522	4.415.628
<b>TOTAL</b>	<b>975.140.238</b>	<b>938.450.745</b>

	January 01 - December 31 2020	January 01 - December 31 2019
Cost of goods sold (production)	596.774.126	650.595.947
Cost of goods sold (trade)	141.188.680	111.743.575
Other costs	96.250	--
<b>TOTAL</b>	<b>738.059.056</b>	<b>762.339.522</b>

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## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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**32. CONSTRUCTION CONTRACTS**

(None, December 31, 2019.)

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

The details of research and development expenses for the periods 01 January – 31 December 2020 and 1 January – 31 December 2019 are as follows:

	January 01 - December 31 2020	January 01 - December 31 2019
Marketing, sales and distribution expenses	19.294.843	7.504.974
General Administrative Expenses	29.036.317	21.233.652
<b>TOTAL</b>	<b>48.331.160</b>	<b>28.738.626</b>

**Marketing, sales and distribution expenses**

The details of marketing, sales and distribution expenses for the periods 1 January - 31 December 2020 and 1 January - 31 December 2019 are as follows:

	January 01 - December 31, 2020	January 01 - December 31, 2019
Costs of Transport	13.707.364	6.343.416
Customs Expense	3.974.019	--
Consulting Expense	1.141.164	26.739
Other expenses	203.618	24.845
Electricity sales commission expense	190.353	111.950
Personnel expense	70.035	920.539
Annual license costs	8.290	61.873
Cargo expense	--	3.102
Travel expenses	--	12.510
<b>TOTAL</b>	<b>19.294.843</b>	<b>7.504.974</b>

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

#### General Administration Expenses

Details of general administration expenses according to their nature 1 January – 31 December 2020, and 1 January – 31 December 2019, periods are as below:

	January 01 - December 31, 2020	January 01 - December 31, 2019
Personnel expense	15.226.796	9.817.610
Amortization expense	4.865.049	3.123.704
Consultancy expense	2.824.585	1.330.470
Declaration and Agreement Stamp Tax	1.439.217	2.344.614
Other expenses	1.296.998	1.161.920
Office rent expense	1.197.479	2.019.249
Case Provision expense	841.481	--
Travel expenses	434.043	133.430
Dues contribution share	323.178	322.784
Notary expense	168.595	162.129
Insurance expense,	145.312	56.187
Fuel expense	141.394	127.428
Tax expenses	52.777	557.589
Representation and hospitality expenses	47.146	62.347
Shipping expense	32.267	14.191
<b>TOTAL</b>	<b>29.036.317</b>	<b>21.233.652</b>

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## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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**34. OTHER OPERATIONAL INCOME AND EXPENSE****Other Operational Income**

	January 01 - December 31, 2020	January 01 - December 31, 2019
Rediscount interest income	5.299.860	13.980.495
Exchange rate income	13.879.018	8.935.590
Prior Year Revenues and Profits	3.082.607	1.708.237
Other Income and Profits related to operations	821.972	2.196.221
Provisions no longer required	--	5.704
Other Extraordinary Income (*)	29.521.538	225.846
<b>TOTAL</b>	<b>52.604.995</b>	<b>27.052.093</b>

(\*) During the fiscal period that ended on 31.12.2020, the Other Extraordinary Revenues account includes insurance damage amounts and indemnity, guarantee and security charges during the construction phase of the facility.

**Other Operational Expense**

	January 01 - December 31, 2020	January 01 - December 31, 2019
Exchange rate expense	20.104.733	12.194.192
Provision Expenses	7.900.607	206.999
Rediscount interest expense	1.522.076	19.789.266
Other Extraordinary Expenses and Losses	8.037.288	4.913.117
Previous Year Expenses and Losses	7.559.505	1.011.624
Other	1.953.000	1.143.528
Idle Capacity Expenses and Losses (*)	11.936.074	9.870.274
<b>TOTAL</b>	<b>59.013.283</b>	<b>49.129.000</b>

(\*) Depreciation charge for non-operating expenses and losses for the period 01.01.2020 - 31.12.2020 is TRY 765.477.



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EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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(Currency is TRY unless otherwise is indicated.)

### 35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Revenues from investment activities for the periods 1 January - 31 December 2020 and 1 January - 31 December 2019 are as follows;

	January 01 - December 31, 2020	January 01 - December 31, 2019
Investing Activity Revenue	368.270	--
Investment Activity Expenses	--	(764)
<b>TOTAL</b>	<b>368.270</b>	<b>(764)</b>

### 36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES

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

Amortization Expenses	January 01 - December 31, 2020	January 01 - December 31, 2019
Cost of sales	82.895.671	74.387.013
Cost of Sales of Coal and Antimony	7.821.403	2.179.059
General administration expenses	4.865.049	3.123.704
Idle Capacity Expenses and Losses	765.477	481.770
Transferred to Product Cost (*)	479.311	438.395
<b>TOTAL</b>	<b>96.826.911</b>	<b>80.609.941</b>

(\*) There is a depreciation expense of TRY 479.311 in the product account that is transferred to the product cost but not sent to the sales cost.

Personnel expenses	January 01 - December 31, 2020	January 01 - December 31, 2019
Cost of sales	46.561.622	32.746.132
General operating expenses	15.226.796	9.817.610
Marketing, sales and distribution expenses	70.035	920.539
<b>TOTAL</b>	<b>61.858.453</b>	<b>43.484.281</b>

Insurance expenses	January 01 - December 31, 2020	January 01 - December 31, 2019
Cost of sales	5.051.504	6.550.589
General administration expenses	145.312	56.187
<b>TOTAL</b>	<b>5.196.816</b>	<b>6.606.776</b>

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

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**36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES**

Consultancy expenses	January 01 - December 31, 2020	January 01 - December 31, 2019
Marketing, sales and distribution expenses	1.141.164	26.739
General administration expenses	2.824.585	1.330.470
<b>TOTAL</b>	<b>3.965.749</b>	<b>1.357.209</b>

**37. FINANCIAL EXPENSE AND INCOME****Financial Income**

	January 01 - December 31, 2020	January 01 - December 31, 2019
Foreign exchange profits	155.409.920	174.794.599
Interest income	29.880.153	18.269.277
Rediscount interest income	3.652.649	92.025.705
Other	254.029	3.286
<b>TOTAL</b>	<b>189.196.751</b>	<b>285.092.867</b>

**Financial Expenses**

	January 01 - December 31, 2020	January 01 - December 31, 2019
Foreign exchange losses	601.671.020	316.548.164
Interest and commission expense	245.864.426	163.847.031
Rediscount Interest Expense	3.494.505	163.085.479
Other	284.675	--
<b>TOTAL</b>	<b>851.314.626</b>	<b>643.480.674</b>

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**38. ANALYSIS OF OTHER COMPREHENSIVE INCOME**

The Group's other comprehensive income / (expense) breakdown as of 31 December 2020 and 31 December 2019 is as follows:

Not reclassified on gain/(loss)	January 01 - December 31, 2020	January 01 - December 31, 2019
Revaluation Increase / Decrease	--	(106.780.355)
Actuarial gains/(loss) (Note:27)	(472.542)	(285.031)
Deferred tax revenue/(expense) (Note:40)	103.959	23.554.385
<b>TOTAL</b>	<b>(368.583)</b>	<b>(83.511.001)</b>

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

The share transfer agreement was signed with FERRIT S.R.O (Czech Republic) on 29 June 2015 for the sale of all of the shares of Ena Elektrik Üretim Ltd. Şti. The transfer of the shares has not yet taken place and will be realized after the licensing procedures carried out by EMRA. As of 30.06.2015, Ena Elektrik is classified as an asset held for sale in the consolidated financial statements. As of 31.12.2020, the net asset value of Ena Elektrik is TRY 596.919.( 31.12.2019 : TRY 575.305)

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 31.12.2020 about 01 January- 31 December 2020 profit or loss in the consolidated and income from discontinued operations in the other comprehensive income statement.

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

	January 01 - December 31, 2020	January 01 - December 31, 2019
Incomes	191.328	125.604
Expenses (-)	(161.055)	(66.341)
<b>Period income before tax</b>	<b>30.273</b>	<b>59.263</b>
Tax (-)	(8.660)	(15.317)
<b>Period Net Profit/Loss</b>	<b>21.613</b>	<b>43.946</b>

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Tax income / expenses in the income statement for the period between 01 January - 31 December 2020 and 01 January - 31 December 2019 are summarized below:

	January 01 - December 31, 2020	January 01 - December 31, 2019
Tax expense for the period	(803.764)	(15.387)
Deferred tax income/ expense	205.909.361	15.948.084
Deferred tax reflected in equity (*)	103.959	23.554.385
<b>TOTAL</b>	<b>205.209.556</b>	<b>39.487.082</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.

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

There are not taking of withholding tax for corporate who obtain income in Turkey with a base or permanent representative and dividend payment to corporate that has a base in Turkey. Dividend payment except these above is taxable for withholding tax at 15% (10% before July 22nd, 2006). Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

Companies calculate pre-paid corporate tax at 22% on their profit for each 3 months and they declare that amount at fourteenth day of second month in following period and they pay it till evening of seventeenth day of same month. Pre-paid taxes which are paid in the year belong to same year and it will be deducted from corporate tax amount which is calculated according to corporate tax declaration for the following year. Pre-paid corporate tax remained after deduction can be deducted from any financial payables to government.

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

20% corporate 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.

### Current period tax expense:

As at 31 December 2020 and 31 December 2019, the details and calculation of current period tax liability are as follows:

	December 31, 2020	December 31, 2019
Prepaid taxes and funds	339.428	--
<b>TOTAL</b>	<b>339.428</b>	<b>--</b>

### Current period tax expense:

	December 31, 2020	December 31, 2019
Profit/loss before tax	2.043.842	--
Non-deductible expenses	1.828.458	--
To be offset prior year losses	218.826	--
<b>Corporate tax base</b>	<b>3.653.473</b>	<b>--</b>
Tax Expense	803.764	--
Prepaid taxes and other legal liabilities	--	--
<b>Tax Expense For The Period</b>	<b>803.764</b>	<b>15.387</b>

### Ertelenen Vergi

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.

These temporary differences are usually caused by the recognition of income and expenses in different reporting periods in accordance with the CMB communiqué and tax laws. Deferred tax assets and liabilities calculated according to the liability method are applied as 20% over temporary differences after 31 December 2008. However, according to the Law No. 7061, which was adopted on 28 November 2017, "some tax laws and some other laws have been amended", Law No. 5520, corporate tax law No. 32. 20% tax rate specified in the first paragraph of the article 2018, 2019 and 2020 tax periods for corporate earnings as 22% for the provision of temporary article is added.



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## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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

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 December 31, 2020 - December 31, 2019 in the following manner:

	31.12.2020	31.12.2019
Deferred Tax Assets	171.470.932	32.200.013
Deferred Tax Liabilities	(10.655.111)	(77.397.513)
<b>TOTAL</b>	<b>160.815.822</b>	<b>(45.197.500)</b>

The breakdown of cumulative temporary differences and the resulting deferred tax assets / (liabilities) provided at 31 December 2020 and 31 December 2019 using the enacted tax rates is as follows:

Deferred Tax Assets / Liabilities	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Accrued Financial Losses	759.068	--	166.995	--
Fixed Assets	(135.881.915)	(130.004.409)	(29.894.021)	(28.600.970)
Severance Indemnities and Provisions	4.396.313	3.922.475	967.189	862.945
Rediscount	(9.855.877)	(6.083.340)	(2.168.293)	(1.338.335)
Doubtful Receivables	3.518.516	1.590.714	774.074	349.957
Establishment and Formation Expenses	3.949	3.949	869	869
Provisions for Other Payables and Expenses	(13.738.998)	500.309	(3.022.579)	110.068
Tax Deduction from Cash Capital Increase (*)	--	--	38.596.815	12.739.138
Reduced Corporate Tax from Investment (**)	--	--	354.596.461	169.880.515
Revaluation	--	--	(199.201.687)	(199.201.687)
<b>TOTAL</b>			<b>160.815.822</b>	<b>(45.197.500)</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.

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EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

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

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 loses and amortization period by years as of December 31, 2020, and December 31, 2019, is like below;

Amortization Date	December 31, 2020		December 31, 2019	
	Recorded Part	Unrecorded Part	Recorded Part U	nrecorded Part
2019		--	--	5.969.757
2020	--	6.795.798	--	6.971.227
2021	--	9.682.273	--	9.744.086
2022	--	16.301.712	--	16.385.043
2023	--	123.847.003	--	115.796.716
2024	--	124.269.542	--	--

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 Kömür 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, company can benefit the amount of TRY 320.715.946 (40% of total investment which is 801.789.866\*40%) reduced corporate tax related investment gain. If used as an advance, the investment will be available up to 80% of the total amount until the investment is over.

The investment in thermal power plant will commence in 2019 and the company anticipates that the tax base will be available in 2019 and profit from the discounted corporate tax will be used in profit / loss projections.

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

The amount of investment contribution that can be used for this reason is reflected in the financial statements as a tax asset.

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.

In addition, Çan Kömür received a capital increase decision on July 24, 2015 and paid TRY 19.315.160 in cash portion of the capital increase. Article 8 of the "Law on the Amendment of Certain Laws and Decrees on the Decree Law" published in the Official Gazette dated April 7, 2015 and the Article added to the Article 10 entitled "Other Discounts" Tax deduction from the Institutional Tax has been introduced. Accordingly, the corporation has transferred the tax deduction amounting to TRY 5.498.302 for the years 2015,2016 and 2017 but not for the profit, as the tax base does not exist and reflected it as tax assets to its records.

Voytron decided to increase cash capital on 29.02.2016 and paid TRY 24.000.000 cash capital. Accordingly, due to the fact that there is no profit calculated for 2016 and 2017, the Corporation transferred the tax deduction amount of TRY 3.505.975 to the next year and reflected the tax asset to the records.

**41. EARNING PER SHARE**

	January 01 - December 31, 2020	January 01 - December 31, 2019
Net profit /(loss)	(246.670.717)	(187.686.474)
Weighted average number of ordinary share	556.630.146	294.742.951
<b>Profit/(loss) per share with nominal value of 1 TRY</b>	<b>(0,443150)</b>	<b>(0,636780)</b>

**42. SHARE-BASED PAYMENT**

None. (None, December 31, 2019.)

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### 43. INSURANCE CONTRACTS

None. (None, December 31, 2019.)

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

None. (None, December 31, 2019.)

### 45. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES

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

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

### 46. DERIVATIVE INSTRUMENTS

Yoktur. (31 Aralık 2019: Yoktur.)

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## 47. FINANCIAL INSTRUMENTS

## Short-Term Financial Liabilities

	December 31, 2020	December 31, 2019
Bank loans	100.638.111	59.659.824
Financial leasing liabilities	7.941.746	7.444.431
Deferred financial leasing costs (-)	(304.208)	(596.207)
Installments of principal and interest of loans	420.115.199	586.803.729
Current Installments of Bonds	78.263.971	92.330.497
<b>Short-Term Financial Liabilities - Net</b>	<b>606.654.819</b>	<b>745.642.274</b>

## Long-Term Financial Liabilities

	December 31, 2020	December 31, 2019
Bank loans	1.487.422.249	1.124.009.828
Financial leasing liabilities (*)	561.878	4.247.800
Deferred financial leasing costs (-) (**)	(12.090)	(159.055)
<b>Long-Term Financial Liabilities - Net</b>	<b>1.487.972.037</b>	<b>1.128.098.573</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 December 31, 2020 redemption schedule of long-term loan liabilities are as follows:

Long-Term Loans Liabilities	December 31, 2020	December 31, 2019
2021	-	317.881.402
2022	336.273.100	285.500.395
2023	267.192.743	245.746.944
2024	212.228.653	208.285.186
2025	489.594.710	66.595.899
2026	48.373.129	-
2027	41.537.217	-
2028	35.615.994	-
2029	30.531.773	-
2030	26.074.930	-
<b>TOTAL</b>	<b>1.487.422.249</b>	<b>1.124.009.828</b>



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## 47. FINANCIAL INSTRUMENTS

Long-Term Loans Liabilities	December 31, 2020	December 31, 2019
1-2 Years	-	317.881.402
2-3 Years	336.273.100	285.500.395
3-4 Years	267.192.743	245.746.944
4-5 Years	212.228.653	208.285.186
5 Years and Longer	671.727.752	66.595.899
<b>TOTAL</b>	<b>1.487.422.249</b>	<b>1.124.009.828</b>

As of December 31, 2020 redemption schedule of long-term loan liabilities are as follows:

Payment Year	Financial Leasing Liabilities	Deferred Financial Leasing Costs
2021	561.879	(12.090)
<b>TOTAL</b>	<b>561.879</b>	<b>(12.090)</b>

As of December 31, 2019 redemption schedule of long-term loan liabilities are as follows:

Payment Year	Financial Leasing Liabilities	Deferred Financial Leasing Costs
2021	4.247.800	(159.055)
<b>TOTAL</b>	<b>4.247.800</b>	<b>(159.055)</b>

Other Financial Liabilities	December 31, 2020	December 31, 2019
Other financial liabilities (*)	78.263.971	92.330.497
<b>TOTAL</b>	<b>78.263.971</b>	<b>92.330.497</b>

(\*) As of December 31, 2020, the amount of TRY 73.611.809 consists of factoring liabilities, and the amount of TRY 24.241 of company credit card debts and the amount of TRY 4.627.921 of lease borrowings within the scope of TFRS-16.

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

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## 47. FINANCIAL INSTRUMENTS

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

	Annual interest rate %		Exchange Value		TRY	
	December 31 2020	December 31 2019	December 31 2020	December 31 2019	December 31 2020	December 31 2019
TRY Loans	7,5-29%	17-30%	-	-	100.638.111	59.659.824
<b>Short-term Loans</b>					<b>100.638.111</b>	<b>59.659.824</b>
Euro Loans	5,5%-7%	5,5%-7%	27.109.187	66.033.242	244.196.843	439.160.676
USD Loans	6,5 - 8%	6,5 - 8%	2.774.918	2.692.193	20.369.285	15.992.166
TRY Loans	7,5-29%	17-30%	-	-	155.549.071	131.650.886
<b>Short-term payments and interests of loans</b>					<b>420.115.199</b>	<b>586.803.729</b>
					-	-
<b>Total short-term loans</b>					<b>520.753.310</b>	<b>646.463.553</b>
Euro Loans		5,5%-7%	128.412.019	157.247.028	1.156.722.629	1.045.787.081
USD Loans		6,5 - 8%	2.173.646	3.761.264	15.955.646	22.342.663
TRY Loans		17-30%	-	-	314.743.972	55.880.082
<b>Total long-term loans</b>					<b>1.487.422.249</b>	<b>1.124.009.828</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 minize short-term loan liability by equivalent debt structure to holding period of existing investment. Regarding used EURO and USD loan if it is used as TRY , the risks are recorded as stated note:37.

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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

### b) Financial Risk Factors

Group is exposed to market risk (exchange rate risk, fair value interest rate risk, cash flow interest rate risk and price risk) credit risk and liquidity risk due its operations. The Group's overall risk management program focus on the 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.

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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

31.12.2020	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>	-	159.705.970	40.826.451	21.834.192	13.455.893	-	95.733.714
- Maximum amount of risk exposed	-	-	-	2.785.051	-	-	-
- Part of the risk covered by guarantees	-	-	-	-	-	-	-
A. Net value of financial assets neither due nor impaired	-	155.093.893	40.826.451	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 guarantess	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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

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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

31.12.2020	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 guarantess	-	-	-	-	-	-	-
<b>TOTAL</b>	-	<b>4.612.078</b>	-	-	-	-	-

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## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

31.12.2019	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>	-	131.834.270	43.689.767	19.800.911	14.233.128	-	134.937.493
- Maximum amount of risk exposed	-	-	-	2.331.288	-	-	-
- Part of the risk covered by guarantees	-	-	-	-	-	-	-
A. Net value of financial assets neither due nor impaired	-	126.246.082	43.689.767	17.469.623	14.233.128	-	134.937.493
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Past due but not impaired	-	5.588.188	-	-	-	-	-
D. Net book value of Impaired assets	-	13.012.855	-	-	-	-	-
- Past due (gross book value)	-	(13.012.855)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-



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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

31.12.2019	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Overdue 1-30 days	-	231.821	-	-	-	-	-
Overdue 1-3 months	-	4.154	-	-	-	-	-
Overdue 3-12 months	-	5.352.213	-	-	-	-	-
Overdue 1-5 years	-	-	-	-	-	-	-
Overdue above 5 years	-	-	-	-	-	-	-
Part covered by guarantess	-	-	-	-	-	-	-
<b>TOTAL</b>	-	<b>5.588.188</b>	-	-	-	-	-

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020**

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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

### b.3.1) Foreign Currency Risk Management

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

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIE

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

CURRENCY POSITION					
31.12.2020					
	TRY Equivalent (Functional Currency)	USD	EUR	GBP	PLN
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>(37.860.656)</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>(166.333.709)</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>(1.493.915.390)</b>	<b>(3.801.222)</b>	<b>(162.567.467)</b>	<b>(163.051)</b>	<b>189</b>
<b>21. Net asset/liabilities position of foreign currency monetary items.</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>(=1+2a+5+6a-10-11-12a-14-15-16a)</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>

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## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

CURRENCY POSITION					
31.12.2019					
	TRY Equivalent (Functional Currency)	USD	EUR	GBP	PLN
1. Trade Receivables	114.206	19.226	-	-	-
2a. Monetary financial assets (including cash and cash equivalents)	4.260.642	9.155	631.787	540	189
2b. Non-monetary financial assets	16.917.318	722.263	1.886.448	10.405	-
3. Other	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>21.292.165</b>	<b>750.644</b>	<b>2.518.235</b>	<b>10.946</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>21.292.165</b>	<b>750.644</b>	<b>2.518.235</b>	<b>10.946</b>	<b>189</b>
10. Trade payables	(58.546.589)	(1.606.742)	(7.080.821)	(245.677)	-
11. Financial Liabilities	(461.649.981)	(2.692.193)	(67.010.167)	-	-
12a. Monetary financial liabilities	(594.020)	(100.000)	-	-	-
12b. Non-monetary financial liabilities	-	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>(520.790.590)</b>	<b>(4.398.935)</b>	<b>(74.090.988)</b>	<b>(245.677)</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	(1.072.218.490)	(3.761.264)	(157.861.821)	-	-
<b>17. Long Term Liabilities (14+15+16)</b>	<b>(1.072.218.490)</b>	<b>(3.761.264)</b>	<b>(157.861.821)</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>(1.593.009.080)</b>	<b>(8.160.199)</b>	<b>(231.952.810)</b>	<b>(245.677)</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>(1.571.716.914)</b>	<b>(7.409.555)</b>	<b>(229.434.574)</b>	<b>(234.732)</b>	<b>189</b>
<b>21. Net asset/liabilities position of foreign currency monetary items.</b>	<b>(1.588.634.232)</b>	<b>(8.131.818)</b>	<b>(231.321.023)</b>	<b>(245.137)</b>	<b>189</b>
(=1+2a+5+6a-10-11-12a-14-15-16a)					
<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>4.442.471</b>	<b>774.592</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Import</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
31.12.2020				
	Profit / Loss		Equity	
	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>	-	-
Avro'nun TL karşısında % 20 değişmesi halinde;				
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>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>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>TOTAL (3+6+9)</b>	<b>(199.837.861)</b>	<b>199.837.861</b>	-	-

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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

## 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.

Sensitivity Analysis of Foreign Exchange Position				
31.12.2019				
	Profit / Loss		Equity	
	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	(8.891.466)	8.891.466	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
<b>3- Net Effect of U.S. Dollar (1+2)</b>	<b>(8.891.466)</b>	<b>8.891.466</b>	-	-
<b>Change in 20% of the EURO against TRY;</b>				
4 - Net asset / liability of EUR	(275.321.489)	275.321.489	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
<b>6- Net Effect of EURO (4+5)</b>	<b>(275.321.489)</b>	<b>275.321.489</b>	-	-
<b>Change in 20% of the GBP against TRY;</b>				
7- Other foreign currency net asset / liability	(281.678)	281.678	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
<b>9- Net Effect of GBP (7+8)</b>	<b>(281.678)</b>	<b>281.678</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>TOTAL (3+6+9)</b>	<b>(284.494.406)</b>	<b>284.494.406</b>	-	-



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## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### 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. (31.12.2019: 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.

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

### ► Financial Liabilities

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

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

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

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

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

31.12.2020						
	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
<b>Financial Assets</b>						
Cash and Cash Equivalent		15.431.240			15.431.240	53
Trade receivables		159.705.970			159.705.970	6-7
Other receivables		62.660.643			62.660.643	6-9
<b>Financial Liabilities</b>						
Financial payables				2.094.626.856	2.094.626.856	47
Trade payables				275.414.380	275.414.380	6-7
Other payables				131.138.022	131.138.022	6-9

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.****EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD****JANUARY 01, 2020 - DECEMBER 31, 2020***(Currency is TRY unless otherwise is indicated.)***49. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION)**

31.12.2019						
	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
<b>Financial Assets</b>						
Cash and Cash Equivalent		16.355.919			16.355.919	53
Trade receivables		131.834.270			131.834.270	6-7
Other receivables		63.490.678			63.490.678	6-9
<b>Financial Liabilities</b>						
Financial payables				1.873.740.845	1.873.740.845	47
Trade payables				288.073.343	288.073.343	6-7
Other payables				39.644.365	39.644.365	6-9
Financial Assets						

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

**► Türev Finansal Araçlar (Vadeli İşlem Anlaşmaları)**

Grup yabancı para piyasasında vadeli işlem anlaşmaları yapmamaktadır.

**50. RAPORLAMA DÖNEMİNDEN SONRAKİ OLAYLAR**

Grubun bağlı ortaklıklarından Çan2 Termik A.Ş.'nin unvanı 19 Ocak 2021 tarihinde yapılan Olağanüstü Genel Kurul'un İstanbul Ticaret Sicil Müdürlüğü nezdinde 21 Ocak 2021 tarihinde tescili sonrasında Çan2 Termik Anonim Şirketi olarak değişmiştir.

Çan2 Termik A.Ş.'nin paylarının halka arzına yönelik olarak SPK'nın 29.12.2020 tarihli yazısı ile Şirket'in Kayıtlı Sermaye Sistemine geçiş ve Esas Sözleşme Tadil başvurusu onaylanmış olup, söz konusu onaya müteakip olarak yapılan tescil işlemleri ve gerekli güncellemelerle birlikte halka arz izahnamesine yönelik başvuru 25.01.2021'de Sermaye Piyasası Kurulu'na yapılmıştır.

Sermaye Piyasası Kurulu'unun VII-128.8 Sayılı Borçlanma Araçları Tebliği doğrultusunda Türk Lirasıcısından yurt içinde halka arz edilmeksizin sadece nitelikli yatırımcılara satılmak üzere toplam 50 Milyon TL tutarındaki borçlanma aracı ihracına ilişkin Sermaye Piyasası Kurulu'na yapmış olduğu izinbaşvurusu Kurul'un 07.01.2021 tarihli toplantısında onaylanmıştır.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
JANUARY 01, 2020 - DECEMBER 31, 2020**

*(Currency is TRY unless otherwise is indicated.)*

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

None. (31 December 2019: None.)

## 52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARDS

None. (31 December 2019: None.)

## 53. EXPLANATION TO CASH FLOW STATEMENT

### Cash and Cash Equivalents

	December 31, 2020	December 31, 2019
Cash	1.963.840	2.112.116
Bank	13.455.893	14.233.128
-Demand deposit	2.529.963	8.490.193
-Time deposit	10.925.930	5.742.935
Other Current Assets	11.507	10.675
<b>TOTAL</b>	<b>15.431.240</b>	<b>16.355.919</b>

As of December 31, 2020 there is no blocked deposits of the Group (None, December 31, 2019)

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

(Currency is TRY unless otherwise is indicated.)

### 53. EXPLANATION TO CASH FLOW STATEMENT

Amount of time deposits as of December 31, 2020 concerning the details are as follows:

			December 31, 2020	
Currency Time Deposits	Maturity	Interest rate	TRY	
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>TOTAL</b>			<b>8.003.092</b>	

			December 31, 2020	December 31, 2020
Currency Time Deposits	Maturity	Interest rate	USD	TRY
USD	04.01.2021	0,05%	398.180	2.922.837
			<b>398.180</b>	<b>2.922.837</b>

## Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

*(Currency is TRY unless otherwise is indicated.)***53. EXPLANATION TO CASH FLOW STATEMENT**

Amount of time deposits as of December 31, 2019 concerning the details are as follows:

			31.12.2020
Currency Time Deposits	Maturity	Interest rate	TRY
TRY	13.01.2020	10,48%	1.721.701
TRY	02.01.2020	10,50%	1.478.000
TRY	02.01.2020	11,36%	926.031
TRY	02.01.2020	11,36%	518.109
TRY	02.01.2020	11,36%	377.306
TRY	02.01.2020	11,36%	301.312
TRY	02.01.2020	8,25%	145.000
TRY	02.01.2020	10,00%	101.861
TRY	20.02.2020	4,50%	74.908
TRY	06.01.2020	10,48%	60.000
TRY	02.01.2020	11,36%	37.371
TRY	14.01.2020	13,13%	1.016
TRY	02.01.2020	11,23%	320
<b>TOTAL</b>			<b>5.742.935</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.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 01, 2020 - DECEMBER 31, 2020

*(Currency is TRY unless otherwise is indicated.)*

## 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 December 31, 2020 the amount of interest, tax, profit before depreciation is TRY 284.256.202. (December 31, 2019: TRY 227.045.025)





*If there is energy,*  
**THERE IS LIFE**



**a** : Barbaros Mahallesi. Karanfil Sokak. Varyap Meridian Sitesi No:1 1D/Villa 4  
Batı Ataşehir / İstanbul  
**t** : + 90 (216) 474 1 474  
**f** : + 90 (216) 474 0 474  
**w** : [www.odasenerji.com.tr](http://www.odasenerji.com.tr)