

**ODAŞ ELEKTRİK ÜRETİM
SANAYİ TİCARET A.Ş. AND
SUBSIDIARIES**

**Consolidated Financial Statements And
Independent Auditor's Report Regarding
1 January – 31 December 2019 Period**

To Odaş Elektrik Üretim Sanayi Ticaret Anonim Şirketi General Assembly

A) Independent Audit of Consolidated Financial Statements

1) Opinion

Odaş Elektrik Üretim Sanayi Ticaret Anonim Şirketi ("the Company") and its subsidiary (jointly referred to as the "Group") belong to the accounting period ending on the same date as the consolidated statement of financial position dated 31 December 2019; We have audited the consolidated financial statements including the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the summary of significant accounting policies.

In our opinion, the consolidated financial statements of the Group's December 31, 2019 date, the consolidated financial condition and the same date as the end of the fiscal year of consolidated financial performance and consolidated the Turkey Accounting Standards cash flow (to IAS) offers in a fair manner with appropriate as all the important aspects .

2) Basis of Opinion

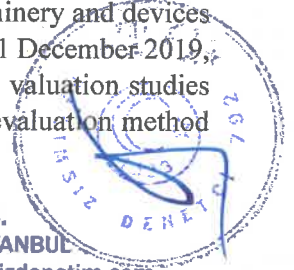
We did the audit, the Capital Markets Board issued by the Auditing Standards and Public Oversight, Accounting and Auditing Standards Agency (CRA) released by Turkey Audit is part of the Standard with Independent Auditing Standards (to IAS) was carried out accordingly. Our responsibilities under these Standards are described in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the ethical provisions in the legislation regarding the independent audit of consolidated financial statements and the Ethical Rules ("Ethical Rules") published by the POA. Ethical responsibilities under the Code of Ethics and other legislation were also fulfilled by us. We believe that the independent audit evidence we obtained during the independent audit constitutes a sufficient and appropriate basis for our opinion.

3) Key Audit Issues

According to our professional judgment, key audit matters are the most important issues in the independent audit of the consolidated financial statements of the current period. Key audit matters are addressed within the framework of the independent audit of the consolidated financial statements as a whole and in forming our opinion on the consolidated financial statements, and we do not express a separate opinion on these issues.

Recognition of Tangible Assets Using the Revaluation Method

As stated in footnote 14 of the financial statement, the Group accounts for certain property, plant and equipment using the revaluation method. The Group has excluded the cost model in IAS 16 regarding the display of the plots, underground and aboveground layouts, buildings, plant machinery and devices with their fair value and chose the revaluation model as the accounting policy. As of 31 December 2019, it continued to account for these assets at fair value, depending on the results of the valuation studies carried out by an independent valuation firm. Values of tangible assets valued by revaluation method





Important amounts in terms of consolidated financial statements. However, important estimates and assumptions were used during the base studies. These assumptions are interest rate profit before tax, long-term production and growth rates, discount rates of cash flows to today. These estimates and assumptions used are very sensitive to changes that may occur in the expected market conditions in the future. Considering for this reason, the complexity of the aforementioned transactions and the inclusion of important judgments and assumptions are important for our audit and are therefore identified as the key audit issue by us.

How the Key Audit Subject Was Handled in the Audit

The audit procedures we apply include: Real estate appraisal experts appointed by the management, evaluating their competencies, competencies and impartiality, evaluating the competencies and impartiality of the Group management, the appropriateness of the valuation methods used, evaluating the appropriateness (growth rate expectations, discount rate, etc.) used during the appraisal. .) comparing with market data and the Company's previous years performance, utilizing expert studies on these valuation calculations by including valuation specialists in the studies, whether the top level estimates, comparisons and appreciated value used in the valuation report are within an acceptable range.

In addition, within the scope of the featured accounting, the suitability of the information in the financial statements and explanatory footnotes has been questioned by us.

Detailed explanations about the tangible assets are made in the footnote 14 of the financial statement.

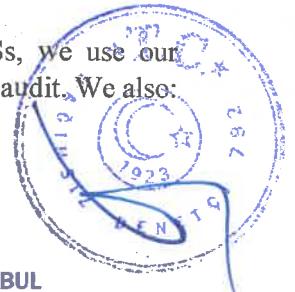
4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Group management is responsible for; the preparation of consolidated financial statements in accordance with Accounting Standards Turkey, truth from error or fraud originating and presentation in an appropriate manner to ensure that the major mistake-free preparation of the consolidated financial statements is responsible for internal control as it deems necessary. While preparing the consolidated financial statements; It is responsible for evaluating the ability of the Group to maintain its continuity, to explain matters related to continuity when necessary, and to use the continuity principle of the business unless it has the intention or obligation to liquidate the Group or terminate the commercial activity. Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Responsibilities of the Independent Auditor Regarding the Independent Audit of the Consolidated Financial Statements

Our goal is to obtain reasonable assurance whether the consolidated financial statements as a whole are free from errors or fraud, and to issue an independent auditor report that includes our opinion. Reasonable assurance as a result of an audit conducted in accordance with the BDSs; it is a high level of assurance, but it does not guarantee that any major faults that exist will always be detected. Inaccuracies can be caused by errors or fraud. If inaccuracies are expected to affect the economic decisions of users of financial statements, individually or collectively, based on these consolidated statements, these inaccuracies are considered significant.

As a requirement of the independent audit conducted in accordance with the BDSs, we use our professional judgment and maintain our professional skepticism during the independent audit. We also:



Risks related to errors or fraud in the consolidated financial statements are identified and evaluated, Audit procedures that respond to these risks are designed and implemented, and adequate and appropriate audit evidence is obtained to provide a basis for our opinion. Trick; The risk of failing to detect a significant fraud caused by fraud is higher than the risk of failing to detect a significant fraud caused by fraud, including fraud, intentional negligence, false statements, or violations of internal control.

- Internal control related to the audit is understood not to express an opinion on the effectiveness of the Group's internal control, but to design appropriate audit procedures under the circumstances.
- The appropriateness of accounting policies used by management and the accounting estimates made by management are considered to be reasonable.
- Based on the audit evidence obtained, conclusions are drawn as to whether there is a significant uncertainty about the events or circumstances that could create serious suspicion about the ability of the Community to continue its continuity and the appropriateness of the continuity of the business. In the event that we conclude that there is a significant uncertainty, we should draw attention to the relevant disclosures in the consolidated financial statements, or in the event that these disclosures are insufficient, we should provide a non-positive opinion. Our conclusions are based on audit evidence obtained up to the date of the independent auditor's report. However, future events or circumstances may end the Community continuity.
- It is evaluated whether the consolidated financial statements, including explanations, reflect the overall presentation, structure and content as well as the transactions and events that form the basis of these statements in a way that will provide a fair presentation.
- Sufficient and appropriate audit evidence is obtained on financial information regarding the businesses or business activities within the Group in order to provide an opinion on the consolidated financial statements.
- We are responsible for steering, execution and oversight of group supervision. We are also responsible for the audit opinion we provide.

Among other things, we report the planned scope and timing of the independent audit and the key audit findings to those charged with governance, including significant internal control deficiencies we identified during the audit.

We have reported to those charged with governance that we comply with relevant ethical requirements for independence. In addition, we have forwarded all relations and other issues that may be considered to have an impact on independence, and, if applicable, relevant measures to those charged with governance.

Among the issues reported to those charged with governance, we identify the issues that are most important in the independent audit of the consolidated financial statements for the current period, ie key audit matters. In cases where the legislation does not allow the public disclosure of the subject, or in exceptional circumstances where it is reasonably expected that the negative consequences of public disclosure will exceed the public interest of public disclosure; we may decide not to report the matter in our independent auditor report.

Other Liabilities Arising from Legislation

The Auditor's Report on the Early Detection of Risk System and Committee, prepared in accordance with the fourth paragraph of article 398 of the Turkish Commercial Code ("TCC") numbered 6102, was submitted to the Board of Directors of the Company on 10 March 2020.

In accordance with Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; The Board of Directors made the required explanations and provided the required documents within the scope of the audit, and no important matter was found that the book keeping order of the Company did not comply





of the provisions of the Company's articles of association regarding financial reporting in the period of 1 January - 31 December 2019.

The responsible auditor who conducts and finalizes this independent audit is Kudret Fikirli.

Rasyonel Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.

Kudret Fikirli, YMM

Responsible Auditor

Istanbul, 10 March 2020



**RASYONEL BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.**
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Consolidated Statement of Financial Position	1-2
Consolidated Profit or Loss and Other Comprehensive Income Statement	3
Consolidated Statement of Changes in Equity	4
Statement of Cash Flow	5
1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY.....	6
2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS.....	14
3. BUSINESS COMBINATIONS.....	322
4. JOINT VENTURES.....	322
5. SEGMENT REPORTING.....	333
6. RELATED PARTIES.....	366
7. TRADE RECEIVABLES AND PAYABLES.....	399
8. FINANCIAL INVESTMENTS.....	40
9. OTHER RECEIVABLES AND PAYABLES.....	40
10. INVENTORIES.....	41
11. BIOLOGICAL ASSETS.....	41
12. PRE-PAID EXPENSES AND DEFERRED INCOME.....	41
13. INVESTMENT PROPERTY.....	42
14. TANGIBLE FIXED ASSETS.....	43
15. RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS.....	46
16. SHARES OF MEMBERS ON BUSINESS COOPERATIVE AND SIMILAR FINANCIAL INSTRUMENTS.....	46
17. INTANGIBLE FIXED ASSETS.....	47
18. GOODWILL.....	49
19. EVALUATING AND RESEARCHING OF MINE RESOURCES.....	49
20. LEASING OPERATIONS.....	50
21. SERVICE CONCESSION ARRANGEMENTS.....	50
22. IMPAIRMENT OF ASSETS.....	50
23. GOVERNMENT INCENTIVES.....	51
24. BORROWING COSTS.....	51
25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	51
26. COMMITMENTS.....	55
27. EMPLOYEES BENEFIT OBLIGATIONS.....	56
28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS.....	58
29. OTHER ASSETS AND LIABILITIES.....	59
30. EQUITY, RESERVES AND OTHER EQUITIES.....	60
31. REVENUE AND COST OF GOODS SOLD.....	64
32. CONSTRUCTION CONTRACTS.....	65
33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES.....	65
34. OTHER OPERATIONAL INCOME AND EXPENSE.....	66
35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES.....	67
36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES.....	67
37. FINANCIAL EXPENSE AND INCOME.....	68
38. ANALYSIS OF OTHER COMPREHENSIVE INCOME.....	69
39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.....	69
40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES).....	69
41. EARNING PER SHARE.....	74
42. SHARE-BASED PAYMENT.....	74
43. INSURANCE CONTRACTS.....	74
44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE.....	74
45. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES.....	74
46. DERIVATIVE INSTRUMENTS.....	75
47. FINANCIAL INSTRUMENTS.....	75
48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....	79
49. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION).....	90
50. SUBSEQUENT EVENTS.....	91
51. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS.....	92
52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARDS.....	92
53. EXPLANATION TO CASH FLOW STATEMENT.....	92
54. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE.....	93
55. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA).....	93



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Consolidated Statement of Financial Position (TRY)
(Currency is TRY unless otherwise is indicated.)

ASSETS	Notes	Current Period	Prior Period
		Audited Consolidated December 31, 2019	Audited Consolidated December 31, 2018
Current Assets			
Cash and Cash Equivalents	53	16.355.919	7.133.365
Financial Investments	8	-	-
Trade Receivables	6-7	131.834.270	84.642.356
Trade receivables from related parties	6	-	-
<i>Trade receivables from third parties</i>	7	131.834.270	84.642.356
Other Receivables	6-9	55.209.315	48.372.532
<i>Due from related parties</i>	6	36.053.981	27.563.400
<i>Due from third parties</i>	9	19.155.334	20.809.132
Derivative Financial Instruments	46	-	-
Inventories	10	143.337.545	86.158.285
Biological Assets	11	-	-
Prepaid Expenses	12	27.411.475	12.164.892
Assets Related to Current Term Tax	25-40	-	-
Other Current Assets	29	178.951.670	125.591.830
SUBTOTAL		553.100.194	364.063.260
Fixed Assets Classified for Sale	39	575.305	531.359
TOTAL CURRENT ASSETS			
Non-current Assets			
Trade Receivables	6-7	-	-
Trade receivables from related parties	6-7	-	-
Trade receivables from third parties	6-7	-	-
Other Receivables	9	645.577	243.643
Other receivables from related parties	6	-	-
<i>Other receivables from third parties</i>	9	645.577	243.643
Derivative Financial Instruments	46	-	-
Investments Valued by Equity Method	4	2.135.535	200.000
Biological Assets	11	-	-
Investment Property	13	-	-
Tangible fixed assets	14	2.478.541.012	2.563.015.928
Intangible Fixed Assets	17	62.132.440	46.244.728
Goodwill	18	-	-
<i>Other intangible fixed assets</i>	17-18	62.132.440	46.244.728
Prepaid Expenses	12	3.760.397	303.323
Deferred Tax Assets	40	32.200.012	39.234.733
Other Non-current Assets	29	98.705.489	62.226.180
TOTAL NON-CURRENT ASSETS		2.678.120.462	2.711.468.535
TOTAL ASSETS		3.231.795.961	3.076.063.154

Regarding consolidated financial statements period ending on 31.12.2019, approved by board decision which was 10.03.2020 dated and 2020/04 numbered.

(The accompanying notes are an integral part of financial statements)

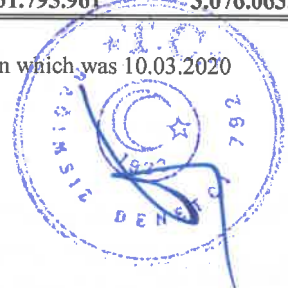


Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Consolidated Statement of Financial Position (TRY)
(Currency is TRY unless otherwise is indicated.)

		Current Period	Prior Period
		Audited	Audited
		Consolidated	Consolidated
LIABILITIES	Notes	December 31, 2019	December 31, 2018
Short Term Liabilities			
Short Term Loans	47	59.659.824	49.542.893
Short Term Finance Lease Liabilities	47	6.848.224	6.210.866
Short-term Parts of Long Term Loans	47	586.803.729	354.706.373
Other Financial Liabilities	47	92.330.497	171.080.031
Trade Payables	6-7	288.073.343	285.547.729
<i>Due to related parties</i>	6	-	-
<i>Trade payables to third parties</i>	7	288.073.343	285.547.729
Employee Benefit Obligations	27	16.895.496	5.126.629
Other Payables	6-9	31.978.245	10.719.123
<i>Other payables to related parties</i>	6	9.456.017	378.956
<i>Other payables to third parties</i>	9	22.522.228	10.340.167
Deferred Income	12	104.488.343	50.207.961
Period Income Tax Liabilities	40	-	83.554
Short-term Provisions	25	1.150.340	845.602
<i>Short-term provisions for employee benefits</i>	25	-	-
<i>Other short term provisions</i>	25	1.150.340	845.602
Other Short Term Liabilities	29	33.950.286	25.325.459
SUBTOTAL		1.222.178.327	959.396.220
Liabilities Related to Assets Classified for Sale	39		
TOTAL SHORT TERM LIABILITIES		1.222.178.327	959.396.220
Long Term Liabilities			
Long Term Finance Lease Liabilities	47	1.124.009.826	1.140.024.004
Other Financial Liabilities	47	4.088.745	7.219.682
Payables For Employee Benefits	47	-	-
Other Payables	6-9	5.678.453	15.500
<i>Due to related parties</i>	6-9	-	-
<i>Other trade payables to third parties</i>	9	5.678.453	15.500
Long Term Provisions	27	3.725.956	1.608.924
<i>Long term provisions for employee benefits</i>	27	3.540.912	1.436.896
<i>Other long term provisions</i>	25	185.044	172.028
Deferred Tax Liabilities	40	77.396.298	123.934.700
Other Long Term Liabilities		2.467.750	-
TOTAL LONG TERM LIABILITIES		1.217.367.028	1.272.802.810
EQUITY			
Equity of Parent Company			
Paid-in Share Capital	30	294.742.950	135.750.000
Positive Distinction from Share Capital Adjustment	30		
Reacquired Shares (-)	30		
Capital Adjustments Due to Cross-ownership	30		
Share Premiums/Discounts	30	28.260.507	44.242
Not to be Reclassification of Profit or Loss Accumulated Other	30	702.505.673	785.794.350
Revaluation and measurement Gains/Loses		728.846.503	812.135.180
The effect of associations including enterprises or enterprises subject to joint control	30	(26.340.830)	(26.340.830)
Reclassification of Profit or Loss Accumulated Other Comprehensive	30	(276.526)	(54.201)
<i>Other Gains/Loses</i>	30	(276.526)	(54.201)
Restricted Profit Reserves	30	73.676.388	13.839.252
Other Equities	30	21.868.966	21.868.966
Retained Earnings/Loses	30	(128.254.325)	123.285.532
Net Profit/Loss for the Period	41	(186.478.476)	(251.539.857)
Non-Controlling Shares	30	(13.794.555)	14.875.841
TOTAL EQUITY		792.250.602	843.864.125
TOTAL LIABILITIES		3.231.795.961	3.076.063.154

Regarding consolidated financial statements period ending on 31.12.2019, approved by board decision which was 10.03.2020 dated and 2020/04 numbered.

(The accompanying notes are an integral part of financial statements)

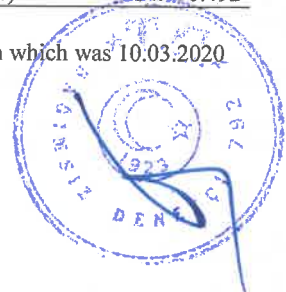


Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited regarding of January-December 31, 2019 period
Consolidated Profit or Loss and Other Comprehensive Income Statement (TRY)
(Currency is TRY unless otherwise is indicated.)

		Current Period Audited Consolidated	Prior Period Audited Consolidated
STATEMENT OF PROFIT/LOSS	Notes	01.01 – 31.12.2019	01.01 – 31.12.2018
Revenue	31	938.450.745	886.644.695
Cost of Sales (-)	28-31	(762.339.522)	(830.719.105)
Gross Profit/Loss from Commercial Activities		176.111.223	55.925.590
GROSS PROFIT/LOSS		176.111.223	55.925.590
General Administrative Expenses (-)	33	(21.233.651)	(17.635.541)
Marketing Expenses (-)	33	(7.504.974)	(15.892.048)
Other Operating Income	34	27.052.093	51.735.507
Other Operating Expenses (-)	34	(49.129.000)	(49.689.902)
OPERATING PROFIT/LOSS		125.295.691	24.443.607
Gain from Investing Activities	35	1.932.410	340.633
Expenses from Investing Activities	35	(764)	(620.430)
Shares from Gains/Losses of Investments Valued by Equity Method	35	33.742	15.303
FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS		127.261.079	24.179.113
Financial Income	37	304.432.358	192.808.522
Financial Expenses (-)	37	(662.820.164)	(436.680.718)
PROFIT/LOSS BEFORE ONGOING OPERATIONS TAX		(231.126.727)	(219.693.083)
Ongoing Operations Tax Loss/Income		15.933.910	(43.203.153)
Period Tax Income/Loss	40	(15.387)	(1.742.592)
Deferred Tax Income/Loss	40	15.949.297	(41.460.561)
PROFIT/LOSS FROM ONGOING OPERATIONS		(215.192.817)	(262.896.236)
PROFIT/LOSS FROM DISCONTINUED OPERATIONS	39	43.946	(206.884)
PROFIT/LOSS FOR THE PERIOD		(215.148.871)	(263.103.120)
Profit/loss distribution for the period			
Non-controlling Shares	30	(28.670.395)	(11.563.263)
Parent Company Shares	30	(186.478.476)	(251.539.857)
Earnings Per Share			
Earnings Per Share from Continuing Operations	41	(0,632682)	(1,852964)
Earnings Per Share from Discounted Operations	41		
OTHER COMPREHENSIVE INCOME			
Not to be Reclassified to Profit or Loss	38	(83.511.001)	812.133.237
Tangible Assets Revaluation Losses and Earnings		(106.780.355)	1.034.828.546
Intangible Assets Revaluation Losses and Earnings		-	-
Actuarial Losses and Earnings Calculated Under Employee Benefit	38	(285.031)	(2.491)
Tax Effect	40	23.554.385	(222.692.818)
OTHER COMPREHENSIVE INCOME		(83.511.001)	812.133.237
TOTAL COMPREHENSIVE INCOME		(298.659.872)	549.030.117
DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME			
Non-Controlling Shares		(39.798.938)	24.129.625
Parent Company Shares		(258.860.934)	524.900.492

Regarding consolidated financial statements period ending on 31.12.2019, approved by board decision which was 10/03.2020 dated and 2020/04 numbered.

(The accompanying notes are an integral part of financial statements)



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Consolidated Statement of Changes in Equity (TRY)
(Currency is TRY unless otherwise is indicated.)

	Paid Capital	Other Equity Shares	Effect of Mergers Involving Entities or Enterprises Subject to Joint Control	Share Issue Premiums / Discounts	Other Earnings / Losses	Reserves on the Retained Earnings	Revaluation Increase Fund	Accumulated Profit/Losses	Net Profit/ Loss for the Period	Shareholders' Equity	Non-Controlling Interests	Equity
	135.750.000	21.868.966	(26.340.830)	44.242	(52.258)	639.252	-	23.859.961	99.745.060	255.514.393	26.439.103	281.953.497
01 January 2018 Balance	135.750.000	21.868.966	(26.340.830)	44.242	(52.258)	639.252	-	23.859.961	99.745.060	255.514.393	26.439.103	281.953.497
Adjustments to Changes in												
Accounting Policies	-	-	-	-	-	-	-	(319.489)	-	(319.489)	-	-
Other Comprehensive	-	-	-	-	(1.943)	-	-	-	-	(1.943)	-	(1.943)
Income / Expense	-	-	-	-	-	-	-	99.745.060	(99.745.060)	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive	-	-	-	-	-	-	812.135.180	-	-	812.135.180	-	812.135.180
Earnings	-	-	-	-	-	13.200.000	-	-	-	13.200.000	-	13.200.000
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/Loss for the	-	-	-	-	-	-	-	-	-	-	-	-
Period	-	-	-	-	-	-	-	-	-	-	-	-
31 Dec. 2018 Balance	135.750.000	21.868.966	(26.340.830)	44.242	(54.201)	13.839.252	812.135.180	123.285.532	(251.539.857)	828.988.283	14.875.840	843.864.125
01 January 2019 Balance	135.750.000	21.868.966	(26.340.830)	44.242	(54.201)	13.839.252	812.135.180	123.285.531	(251.539.858)	828.988.285	14.875.840	843.864.125
Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments to Changes in												
Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive	-	-	-	-	(222.235)	-	-	-	-	(222.235)	-	(222.235)
Income / Expense	-	-	-	-	-	-	-	-	-	-	-	-
Minority Share	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(251.539.858)	251.539.858	-	-	-
Total Comprehensive	-	-	-	-	-	-	(83.288.677)	-	-	(83.288.677)	-	(83.288.677)
Earnings	-	-	-	-	-	59.837.136	-	-	-	59.837.136	-	59.837.136
Capital Increase	158.992.950	-	-	28.216.265	-	-	-	-	-	247.046.351	-	247.046.351
Net Profit/Loss for the	-	-	-	-	-	-	-	-	-	-	-	-
Period	-	-	-	-	-	-	-	-	-	-	-	-
31 Dec. 2019 Balance	294.742.950	21.868.966	(26.340.830)	28.260.507	(276.526)	73.676.388	728.846.503	(128.254.328)	(186.478.476)	(186.478.476)	(13.794.555)	792.250.602

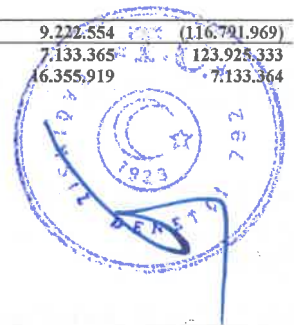


(The accompanying notes are an integral part of financial statements)

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Consolidated Statement of Cash Flow (TRY)
(Currency is TRY unless otherwise is indicated.)

CASH-FLOW STATEMENT	01.01.-31.12.2019	01.01.-31.12.2018
A.CASH-FLOWS FROM OPERATING ACTIVITIES	(187.319.703)	1.567.816.367
Profit/Loss for the Period	(186.478.476)	(251.539.863)
Earnings from Continuing Operations per Share	(186.522.422)	(251.332.979)
Earnings from Discontinuing Operations per Share	43.946	(206.884)
Adjustments related to the Reconciliation of Profit/Loss for the Period	38.972.430	1.756.273.526
Adjustments related to the Depreciation and Amortization Expenses	80.609.942	44.637.891
Impairment Adjustments	(83.849.683)	1.037.834.652
Adjustments for Impairment (Cancellation) of Receivables	(561.006)	3.006.106
Adjustments for Impairment (Cancellation) of Fixed Assets	(83.288.677)	1.034.828.546
Adjustments for Provisions	(4.472.611)	(8.097.475)
Adjustments for Provisions for Employee Benefits	1.818.985	691.537
Adjustments for Litigation Provisions and Penalties	1.150.340	717.602
Adjustments Regarding Provisions Allocated Under Sectoral Requirements	13.016	-
Deferred Finance Expense on Futures	5.798.847	6.800.232
Unearned Finance Income from Forward Sales	(13.253.799)	(16.306.846)
Adjustments for Interest Income and Expenses	116.794.395	(28.882.043)
Adjustments for Interest Expenses and Foreign Exchange Differences	217.388.643	25.325.459
Adjustments for Interest Income	(100.594.248)	(54.207.502)
Adjustments for Unrealized Foreign Currency Translation Differences	-	412.143.228
Adjustments for Tax Expense / Income	(39.503.681)	41.468.699
Adjustments for Losses (Gains) Arising from Disposal of Assets Held for Sale or to Be Distributed to Shareholders	-	(279.797)
Adjustments for Losses / Earnings	-	(206.884)
Adjustments for Losses (Gains) from Disposal of Associates, Joint Ventures and Financial Investments or Changes in Shares	(1.935.535)	269.218.517
Other Adjustments Regarding Profit and Loss Reconciliation	(28.670.396)	(11.563.262)
Transfers	-	-
Minority Shares	(28.670.396)	(11.563.262)
Changes in Working Capital	(39.591.333)	63.069.344
Decrease (Increase) in Financial Investments	-	22.805.174
Adjustments for Increase / Decrease in Inventories	(57.179.260)	(63.070.645)
Adjustments for Increase / Decrease in Trade Receivables	(52.375.158)	(5.788.920)
Adjustments for Increase / Decrease in Trade Receivables from Related Parties	-	-
Adjustments for Increase / Decrease in Trade Receivables from Unrelated Parties	(52.375.158)	(5.788.920)
Adjustments for Increase / Decrease in Other Receivables Related to Operations	3.417.839	41.678.361
Changes in Other Receivables	(7.293.314)	(35.827.154)
Adjustments for Increase / Decrease in Other Receivables from Related Parties	(8.490.581)	(17.182.557)
Adjustments for Increase / Decrease in Other Receivables from Unrelated Parties	1.197.267	(18.644.597)
Increase (Decrease) in Other Assets Related to Operations	10.711.153	77.505.515
Adjustments for Increase (Decrease) in Trade Payables	15.718.143	88.773.444
Adjustments for Increase / Decrease in Trade Payables from Related Parties	-	-
Adjustments for Increase / Decrease in Trade Payables from Unrelated Parties	15.718.143	88.773.444
Adjustments for Increase (Decrease) in Other Payables Related to Operations	18.229.569	23.783.402
Decrease (Increase) in Prepaid Expenses	(18.703.657)	17.809.072
Increase (Decrease) in Employee Payables	9.949.882	2.538.243
Changes in Other Payables	26.983.345	3.436.087
Increase (Decrease) Under Other Payables Related to Activities with Related Parties	9.077.061	(529.662)
Increase (Decrease) Under Other Payables Related to Activities with Unrelated Parties	17.906.284	3.965.749
Adjustments for Other Increase / Decrease in Working Capital	32.597.533	(45.111.471)
Increase / Decrease in Deferred Income	54.280.382	(7.725.182)
Increase / Decrease in Other Operating Liabilities	(21.682.849)	(37.386.289)
Cash Flows from Operations	(187.097.378)	1.567.803.007
Dividends Received	-	15.303
Other Loss / Earnings	(222.325)	(1.943)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES	(95.311.415)	(1.848.915.458)
Cash Outflows on Acquisitions for the Control of Subsidiaries	-	-
Cash Inflows from Sale of Tangible and Intangible Assets	-	802.225
Cash Outflows from Purchase of Tangible and Intangible Fixed Assets	(95.311.415)	(1.849.717.683)
C. CASH FLOWS FROM FINANCING ACTIVITIES	291.853.672	164.307.122
Cash Inflows from the Issue of Shares and Other Equity Instruments	247.046.351	13.200.000
Cash Inflows from Borrowing	420.074.946	823.401.172
Cash Inflows from Loans	405.467.520	393.063.697
Cash Inflows from Factoring Transactions	12.399.459	430.337.475
Cash Inflows from Other Financial Liabilities	2.207.967	-
Cash Outflows on Debt Payments	(372.774.047)	(674.163.191)
Cash Outflows on Loan Repayments	(279.417.088)	(299.123.868)
Cash Outflows on Issued Debt Securities Repayments	(51.575.016)	-
Cash Outflows from Debt Payments Arising from Rental Contracts	(196.124)	-
Cash Outflows from Factoring Transactions	(41.585.819)	(375.039.323)
Cash Outflows on Debt Payments from Financial Leasing Agreements	(2.493.578)	1.869.141
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES	9.000.229	(116.793.912)
D. THE EFFECT OF FOREIGN CURRENCY DIFFERENCES ON CASH AND CASH EQUIVALENTS	9.222.554	(116.791.969)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	7.133.365	123.925.333
E. CASH AND CASH EQUIVALENTS IN PERIOD	16.355.919	7.133.364
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16.355.919	7.133.364

(The accompanying notes are an integral part of financial statement)



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(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, 2019 and December 31, 2018 group's capital and share percentages are given below;

Shareholder	31.12.2019		31.12.2018	
	Amount	Rate	Amount	Rate
A. Bahattin Özal	30.691.451	10,41%	24.027.089	17,67%
Burak Altay	45.768.844	15,53%	20.818.724	15,3%
BB Enerji Yatırım San.ve Tic.A.Ş.	27.008.100	9,16%	21.389.100	15,8%
Müjgan Özal Inheritance (*)	5.347.275	1,81%	5.347.275	3,95%
Fatimetüz Zehra Özal (**)	3.208.365	1,09%	3.208.365	2,37%
Hafize Ayşegül Özal	3.208.365	1,09%	3.208.365	2,37%
Mustafa Ali Özal	3.208.365	1,09%	3.208.365	2,37%
Mehmet Fatih Özal	1.069.455	0,36%	1.069.455	0,79%
Korkut Enes Özal	1.069.455	0,36%	1.069.455	0,79%
Hafize Büşra Özal	1.069.455	0,36%	1.069.455	0,79%
Public Shares	173.093.821	58,73%	51.334.352	37,8%
Total Capital	294.742.950	100%	135.750.00	100%

(*) 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. The distribution list is as follows;

Shareholder	Share Amount	Share Rate
Fatimetüz Zehra Özal	1.069.455	0,36%
Hafize Ayşegül Özal	1.069.455	0,36%
Mustafa Ali Özal	1.069.455	0,36%
Abdulkadir Bahattin Özal	1.069.455	0,36%
Mehmet Fatih Özal	356.485	0,12%
Korkut Enes Özal	356.485	0,12%
Hafize Büşra Özal	356.485	0,12%
Total	5.347.275	1,81%



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

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

(**) Due to the death of Mrs. Fatimetüzzehra Özal on 04.12.2018, the shares in the amount of TRY 3.208.365 at the rate of 2,73% have been unanimously transferred to Gökçe Koşay and Ayşenur Koşay Erbay legally. The distribution list is as follows;

Shareholder	Share Amount	Share Rate
Gökçe Koşay	2.138.910	1,365%
Ayşenur Koşay Erbay	2.138.910	1,365%
Total	4.277.820	2,73%

As of December 31, 2019 in company's structure , 956 average personnel employed (December 31, 2017: 794).

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

Fatih Sultan Mehmet Mh.Poligon Cd.Buyaka 2 Sitesi No: 8B 2.Kule Kat : 17 Tepeüstü, Ümraniye/ İstanbul.

Subsidiaries

Voytron Enerji Elektrik Perakende Satış A.Ş.

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

Head Office is located at Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8B 2.Kule Floors: 17 Tepeüstü Ümraniye / 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, 2019, the capital of the company is TRY 25.000.000 and the shareholding structure is as follows:

	December 31, 2019	December 31, 2018
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

Hidro Enerji Elektrik Üretim Sanayi A.Ş. :

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

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

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8B 2.Kule.Kat:17 Tepeüstü Ümraniye / İstanbul.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

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

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, 2019, the share capital of Hidro Enerji Elektrik Üretim Sanayi A.S. is TRY 615.000 and the shareholding structure is as follows:

	December 31, 2019	December 31, 2018
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

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

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

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

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

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

As of December 31, 2019, capital of Suda Stratejik Metal Dış Ticaret A.Ş. is TRY 12.600.000 and the shareholding structure is as follows:

	December 31, 2019	December 31, 2018
Suda Maden A.Ş.	100%	100%

Küçük Enerji Üretim ve Ticaret Ltd. Şti. :

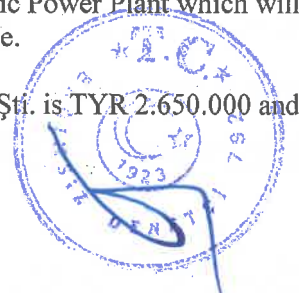
The company bought at the rate of %90 shares of Küçük Enerji Üretim ve Ticaret Ltd. Şti. on December 27, 2012, and Küçük Enerji is included in consolidation.

Küçük Enerji Üretim ve Ticaret Ltd. Şti. (Küçük Enerji) is established on the date of May 1, 2007. Küçük Enerji operates in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / 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 Hidroelectric 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, 2019, the share capital of Küçük Enerji Üretim ve Ticaret Ltd. Şti. is TYR 2.650.000 and the shareholding structure is as follows:



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

	December 31, 2019	December 31, 2018
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90%	90%
Abdulkadir Bahattin Özal	5%	5%
Burak Altay	5%	5%

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

Ena Elektrik Üretim Ltd. Şti. :

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

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

As of December 31, 2019, the shareholding structure of Ena Elektrik Üretim Ltd. Şti. is as follows:

	December 31, 2019	December 31, 2018
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	80%	80%
Hidayet Büküm	20%	20%

The share transfer agreement has been signed regarding the sale of all shares which the company owned by 80% of Ena Elektrik on June 29, 2015. The share transfer has not been actualised yet. It is going to be actualized after the licensing process in the presence of EMRA.

Ena Elektrik has been classified as Non-current Assets Held for Sale and Discontinued Operations at consolidated financial table as of December 31, 2019.(Note:39)

Yel Enerji Elektrik Üretim Sanayi A.Ş. :

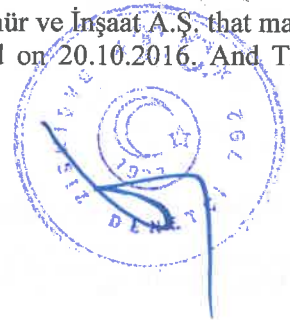
The company bought at the rate of %75 share of Yel Enerji Elektrik Üretim Sanayi A.Ş. as of January 10, 2013, and Yel Elektrik is included in consolidation.

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 Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / 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.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

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

As of December 31, 2019, 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, 2019	December 31, 2018
Çan Kömür ve İnşaat A.Ş.	100%	%100

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

The company is a co-founder at the rate of %80 share of Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. and Odaş Doğalgaz is included in consolidation as of January 11, 2013.

According to Law No: 4646, Energy Market Regulatory Authority (EMRA) issued the notification, the decision and commitments specified in the regulations, and with the adoption of the issues, Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.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 Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / 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, 2019, the capital of Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. is TRY 4.312.000 and the shareholding structure is as follows:

	December 31, 2019	December 31, 2018
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90,02%	90,02%
Tahsin Yazan	9,98%	9,98%

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 Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / 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.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

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

The acceptance of the Ministry of the Çan-2 Thermal Power Plant was made on 01.08.2018. In addition, the current capacity report has been obtained with the Industrial Registration Document no. 720480 dated 26.06.2018 and report no 76 dated 08.06.2018 which is valid until 21.06.2020.

As of 31 December 2019, Çan Kömür ve İnşaat A.Ş. has a capital of TRY 102.000.000 and its shareholding structure is as follows:

	December 31, 2019	December 31, 2018
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	92%	92%
Mustafa Koncagül	8%	8%

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 Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8C 3.Kule Kat:13 Tepeüstü Ümraniye / 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, 2019, the capital of Yel Enerji Elektrik Üretim Sanayi A.Ş. is TRY 10.000 and its shareholding structure is as follows:

	December 31, 2019	December 31, 2018
Süleyman Sarı	48%	48%
Odaş Elektrik Üretim Sanayi A.Ş.	52%	52%

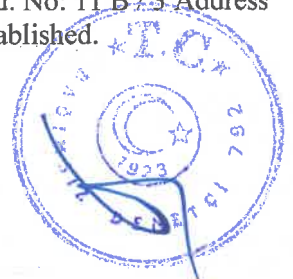
- Signed royalty agreement between KİAŞ and YS Madencilik San. ve Tic. Ltd. Şti. on 14.04.2015. Regarding based Balıksir Province's Balya district coal mine licence which has İR1521-07.09.2006 licence and date number.

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

With the registration made on 25.08.2017 Alpogut 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.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

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

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 Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8C 3.Kule Kat:13 Tepeüstü Ümraniye / İstanbul.

As of December 31, 2019, the capital of Anadolu Export Maden Sanayi ve Ticaret A.S. is TRY 50.000 and its shareholding structure is as follows:

	December 31, 2019	December 31, 2018
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	96%	96%
Burak Altay	4%	4%

License transfer purchase agreement was signed between Stratex International PLC (Stratex) and Anadolu Export to complete the search in the gold field called Karaağaç and decide on business investment based on research results. Reregarding 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 Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8C 3.Kule Kat:13 Tepeüstü Ümraniye / İstanbul.

As of December 31, 2019, the capital of Suda Maden A.Ş. is TRY 44.900.000 and its shareholding structure is as follows:

	December 31, 2019	December 31, 2018
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

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

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



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

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

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

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

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

As of December 31, 2019, the capital of CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. is TRY 50.000 and the shareholding structure is as follows:

	December 27, 2019	December 31, 2018
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

Çan 2 Trakya Kömür Maden A.Ş.

Çan Kömür İnşaat A.Ş. is co-founder at the rate of %100 share of Çan 2 Trakya Kömür Maden A.Ş. and Çan 2 Trakya Kömür Maden A.Ş. is included in consolidation as of June 18, 2019.

Çan 2 Trakya 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 Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

As of December 31, 2019, the capital of Çan 2 Trakya Kömür Maden A.Ş. is TRY 425.000 and the shareholding structure is as follows:

	December 31, 2019	December 31, 2018
Çan Kömür ve İnşaat A.Ş.	100%	100%

Parent Company and consolidated subsidiaries EMRA license information as of December 31, 2019 is as follows :

License Owner	License Type	License No	License Duration	Effective Date
VOYTRON ENERJİ	Supply	ETS/2461-2/1599	20 Years	11.03.2010
ODAŞ ELEKTRİK	Production	EÜ/3323-2/2005	49 Years	14.07.2011
KÜÇÜK ENERJİ	Production	EÜ/3769-4/2314	49 Years	12.04.2012
ODAŞ DOĞALGAZ	Natural Gas Whole sale	DTS/4318-4/291	30 Years	20.03.2013
ÇAN KÖMÜR	Production	EÜ/6083-2/03428	17 Years	28.01.2016



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

Parent Company and consolidated subsidiaries licenses information as of December 31, 2019 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
YS MADENCİLİK	IV. Group	Exploration	201600087	18.02.2016	18.02.2023
YS MADENCİLİK	IV. Group	Exploration	201600086	18.02.2016	18.02.2023
YS MADENCİLİK	IV. Group	Exploration	201600089	18.02.2016	18.02.2023
YS MADENCİLİK	IV. Group	Exploration	201700714	11.10.2017	11.10.2024
YS MADENCİLİK	IV. Group	Exploration	201700715	11.10.2017	11.10.2024
YEL ENERJİ	IV. Group	Operating	17517	05.01.2015	05.01.2025
ANADOLU EXPORT	IV. Group	Operating	85899	24.12.2010	24.12.2020

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a. Basis of Presentation

Accounting Policies Applied

The company maintains its books of account and prepares its statutory financial statements in accordance with Turkish Commercial Practice and Turkish Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. In contrast, the attached financial statements are prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") published Public Oversight Accounting and Auditing Standards Authority.

Financial reports and procedures and principles of preparation and presentation of those financial reports are described in Turkish Commercial Code numbered 6102 dated February 13, 2011.

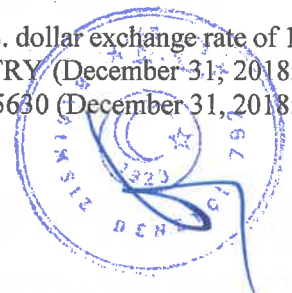
With regards to above mentioned code, companies required to prepare financial reports according to Turkish Accounting and Financial reporting standards (TMS/TFRS).

However, even if there are differences with the European Union adopted by the IAS / IFRS provisions of the International Accounting Standards Board ("IASB"), the IAS / IFRS will be applied until it is announced by and IAS Board ("IASB"). In this context, and are not contrary to the standards published by IASB Turkey Accounting / Financial Reporting Standards will prevail.

Functional and presentation currency

Functional currency of the report is TRY and decimal parts of the amounts were rounded up.

As of December 31, 2019 released by the Central Bank of the Republic of Turkey U.S. dollar exchange rate of 1 U.S. dollar = TRY 5,9402 (December 31, 2018: TRY 5,2609), 1 EURO = 6,6506 TRY (December 31, 2018: TRY 6,0280), 1 GBP = TRY 7,7765 (December 31, 2018: 6,6528), 1 PLN = TRY 1,5630 (December 31, 2018: TRY 1,4034).



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

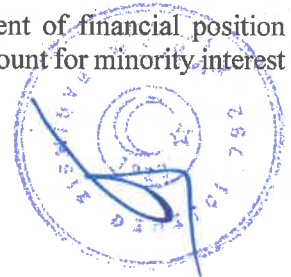
Base of Consolidation

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.

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.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Comparative Information and Restatement of Prior Period Financial Statements

Group has presented the consolidated statement of financial position as of December 31, 2019 comparatively with the date of 31 December 2018. Consolidated profit or loss and other comprehensive income statement and the consolidated cash flow statement for 1 January-31 December 2019 period presented comparatively with consolidated profit or loss and other comprehensive income, consolidated statement of cash flow for 1 January-31 December 2018 period. Consolidated changes in equity statement for the 1 January - 31 December 2019 period presented comparatively with 1 January - 31 December 2018 period.

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.

IFRS 15 "Revenue from customer contracts" Standard

The group transfers a committed asset or service to the customer and transfers revenue to the consolidated financial statements when it fulfils or brings the performance obligation. When control of an asset is transferred (or passed) to the customer, the asset is transferred.

The Group records the proceeds in its financial statements in accordance with the following basic principles:

- Determining contracts with customers
- Determining the performance criteria in the contract
- Determination of transaction price in contract
- Distribution of transaction price to performance obligations in contract
- The recognition of revenue when each performance obligation is satisfied

For each performance obligation, the performance obligation shall be determined at the beginning of the contract in time or at a given time. If the group transfers control of a good or service over time, and therefore fulfils its performance obligations for the related sales, it will measure the progress towards the complete fulfillment of such performance obligations and take the proceeds over time to the consolidated financial statements.

As the group performs or fulfils its performance obligation by transferring a promised good or service to its customer, the group will recognise the transaction cost corresponding to this performance obligation as revenue in the consolidated financial statements. When control of goods or services is transferred (or passed) to the customer's hands, the goods or services are handed over.

The group assesses the transfer of control of the goods or services sold to the customer,

- the right to collect for goods or services
- the customer's legal right to the goods or services
- the transfer of physical possession of the goods



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- ownership of the important risks and benefits of ownership of the goods
- considers the terms of the customer's acceptance of the goods or services.

The group evaluated the cumulative effect of the TFRS 15 “revenue arising from contracts with customers”, which was first applied on January 1, 2018, and accordingly, it did not recognise the cumulative effect of the initial transition to TFRS 15, taking into account the materiality of the financial position of the group. Therefore, there is no need to restate the consolidated financial statements for the previous years, and these consolidated financial statements are presented in accordance with IAS 18.

IFRS 9 “Financial Instruments” Standard Classification and Measurement

The group recognizes the financial assets at amortized cost, carrying at fair value through profit or loss at fair value through profit or loss. The classification is based on the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The group classifies its financial assets at the date of acquisition.

“Financial assets measured at amortized cost” are non-derivative financial assets, which are held under a business model for the purpose of collecting contractual cash flows, and which include cash flows only from the principal and principal balances at certain dates under contract conditions. Financial assets at amortized cost of the group include “cash and cash equivalents” and “trade receivables”. Related assets are measured at fair value at initial recognition in the financial statements.; in subsequent accounts, the effective interest rate is measured at amortized cost using the effective interest rate method. Gains and losses arising from the valuation of non-derivative financial assets measured at amortized cost are recognized in the Consolidated Statement of income.

“Financial assets at fair value through profit or loss” are non-derivative financial assets held under a business model for the purpose of collecting contractual cash flows and selling of the financial asset and include interest payments arising solely from the principal and principal balances at certain dates in the contract. Gains or losses from related financial assets are recognized in other comprehensive income, excluding gains or losses from impairment and foreign exchange losses. If these assets are sold, the valuation differences classified in other comprehensive income are classified in retained earnings.

“Financial assets at fair value through profit or loss”, are measured at amortized cost and fair value reflected in other comprehensive income, except for the difference in financial assets consists of financial assets that are remaining. Gains and losses arising from the valuation of such assets are recognized in the Consolidated Statement of income.

Changes in the classification of financial assets and liabilities within the scope of TFRS 9 are summarised below. These classification differences have no effect on the measurement of financial assets:

Financial Assets	According to TAS 39 Previous Classification	According to TFRS 9 New Classification
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade receivables	Loans and receivables	Amortized cost
Derivative instruments	Fair value change reflected to profit	Fair value change reflected to profit
Financial Investmens	Ready to sell	Fair value change reflected to profit



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Financial Liabilities	According to TAS 39 Previous Classification	According to TFRS 9 New Classification
Derivative instruments	Fair value change reflected to profit	Fair value change reflected to profit
Borrowings	Amortized cost	Amortized cost
Trade Payables	Amortized cost	Amortized cost
Impairment		

IAS 39 "Financial Instruments: Recognition and measurement" in effect before 1 January 2018, "expected credit losses" is defined in TFRS 9 "financial instruments" instead of "actual credit losses" in IAS 39 "Financial Instruments: Recognition and measurement". Expected credit losses are estimated to be weighted by the probability of credit losses during the expected life of a financial instrument. In the calculation of expected credit losses, with past credit loss experience, the group's future projections are taken into consideration.

Trade Receivables

In the consolidated financial statements, the group preferred to apply the "facilitated approach" as defined in IFRS 9 in the context of impairment of trade receivables, which are recognized at amortized cost and which do not contain a significant financial component (less than 1 year). With the said approach, in cases where trade receivables are not impaired for certain reasons (except for impairment losses realized), provision for impairment losses related to trade receivables is "lifetime". It measures expected credit losses from an equal amount. The group uses a provision matrix to measure expected credit losses on trade receivables. In the relevant Matrix, specific provision ratios are calculated depending on the number of days in which the maturities of trade receivables exceed, and these ratios are reviewed and revised in each reporting period and, where appropriate, revised. The change in the provision for loan losses is accounted for under "other income / expenses" in the Consolidated Statement of income. The group has not accounted for the "TFRS 9 Financial Instruments", which supersedes IAS 39 Financial Instruments: Recognition and measurement, on the basis of the significant accounting principle set out in paragraph 7.2.5 of the related standard as of 1 January 2018, effective from the date of first application in the consolidated financial statements. In accordance with the calculation of trade receivables in the current period, try 152.930 has been booked with deferred tax effect and try 119.285 has been made provision deferred tax effect.

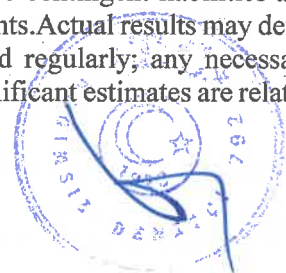
b. Changes and Errors in Accounting Estimates

If the effect of a change in accounting estimate creates a difference in an asset, a foreign source or equity, then the asset must be corrected during the same period as when the book value of the foreign source or equity is adjusted.

The effect of a change in accounting estimate being reflected on financial statements for future reference means that the transactions, events and conditions will be applied to the means happening after the date of the changes.

Except for the errors that cannot be recalculated due to the periodic changes or the cumulative effects, prior period errors are corrected retrospectively.

While preparing the consolidated financial statements, the Group's management must make assumptions and estimations – as of the reporting period from the date of the balance sheet and the contingent liabilities and commitments- on income and expenses, that will effect the asset and liability amounts. Actual results may defer form estimates and assumptions. These estimates and assumptions are reviewed regularly; any necessary corrections are made, and then reflected in the operating results for that period. Significant estimates are related to the tangible and intangible existences' economic lives and provisions.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

c. Continuity of Business

The group prepared the consolidated financial statements in the interim period based on the continuity of the business.

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 continuity of the entity.

As of 31 December 2019, the group's loss for the period of the parent company amounts to TRY (186.478.476) and EBITDA amounts to TRY 227.045.025 as of 31 December 2019. As of 31 December 2019, the group's retained losses amounted to TRY (128.254.325), equity of the parent company amounts to TRY 792.250.602 and their current liabilities exceed their current assets by TRY 668.502.829.

While the group is expected to have a positive effect on the current ratio of its past projects and the increase in the capital of the group in value in 2019, profitability is expected to increase with the contribution of these projects. In addition, the company has increased capital by TRY 158.992.950 as cash and company capital increased from TRY 135.750.000 to TRY 294.742.950.

The fact that most of the group's electricity sales are made at Guaranteed prices on a dollar basis affects gross profit positively. In addition, foreign exchange loss losses arising from foreign currency loans of companies selling USD indexed will be eliminated in a natural way.

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.

Amendments and interpretations in the standards

TAS – IFRS Amendments

New and amended standards and interpretations

The accounting policies adopted in preparation of the yearend financial statements as at December 31, 2019 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRYK interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.



2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

The new standards, amendments and interpretations which are effective as at January 1, 2019 are as follows:

TAS Amendments

The amendments of "IAS 28 Investments in Associates and Joint Ventures" have been published by KGK on December 2017. This amendments clarify long-term investments in an affiliate or business partnership that are part of the net investment in an affiliate or business partnership for enterprises applying "IFRS 9 Financial Instruments".

IFRS Amendments

IFRS 9, "Financial Instruments" does not include investments in participations and business partnerships accounted for in accordance with "IAS 28 Investments in Associates and Joint Ventures". With this amendment KGK clarify IFRS 9 excludes only investments that the company has accounted for using the equity method. Operation will apply IFRS 9 other investments in participations and business partnerships including long-term investments that are not accounted for using the equity method and are part of the net investment in participations and business partnerships related to the core.

IFRS 16 - Leases

KGK published IFRS 16 Leases standard on April, 2018. According to the new standard, operating lease and financial lease distinction are eliminated and many leases are on the balance sheet under a single model for companies. Accounting for companies with lessor status has not changed substantially and the difference between operating lease and financial lease continues. IFRS 16 will replace IAS 17 and the the comments on IAS 17. IFRS 16, "leasing transactions" is effective for annual periods beginning on or after 1 January 2019.

Lessees have the exception of not applying this standard to short-term leases (leases with a rental period of 12 months and less) or leases where the underlying asset is of low value (personal computers, some office equipment, etc.). On the date the leases actually started, lessee measures the present value of lease payments not paid at that time to calculate the lease obligation and as of the same date lessee records a right-of-use asset and allocates amortization during the lease period. If the implicit interest rate in the lease can be easily determined, lease payment are discounted using this rate. If this rate cannot be determined easily lessee uses alternative borrowing interest rate. Lessee must record the interest expense on the lease obligation and the depreciation expense of the right-of-use asset separately.

The lessee re-measures the lease obligation if certain events occur (for example; changes in lease period, changes in future lease payments due to changes in a certain index or rate, etc.). In this case, lessee records the reassessment effect of the lease obligation as a correction on the right-of-use asset.

Transition to IFRS 16

The group implemented IFRS 16 with a simplified backward approach.

The group benefited from as of the date of transition, the lease period that will end in 12 months or less and the facilitating applications that are recognized for low value leases.

The amendment will be applied for annual periods beginning on or after January 1, 2019.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

This standard does not have a significant impact on the financial position and performance of the group in general.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation clarifies how the accounting and measurement requirements in IAS 12 Income Taxes will be applied, if there are uncertainties about income tax treatments. In case of uncertainty about income tax treatments, interpretation explains;

- (a) Whether the entity evaluates uncertain tax treatments separately
- (b) the entity's assumptions about the review of tax treatments by tax authorities
- (c) how the business determines taxable profit (tax loss), the tax assessment, unusual tax losses, unusual tax deductions and tax rates and
- (d) How the business evaluates changes in information and conditions. it does not have a significant impact on the financial position and performance of the group in general.

Standards published as of December 31, 2019 but not enforced and not implemented early

New standards, comments and changes published as of the date of approval of the consolidated financial statements but that have not yet come into force for the current reporting period and not started early by the group are as follows. Unless stated otherwise, the group will make the necessary changes that will affect the consolidated financial statements and footnotes after the new standards and interpretations become effective.

IFRS 10 IAS 28: Sales or contributions of assets between an investor and its associate/joint venture

KGK delayed the validity date of IFRS 10 and IAS 28 in December 2017 indefinitely to be changed depending on the ongoing research project outputs related to the equity method. However, it still allows early implementation.

It does not have a significant impact on the financial position and performance of the group in general.

IFRS 17 Insurance Contracts

KGK released IFRS 17 a comprehensive new accounting standard for insurance contracts that covers accounting and measurement, presentation and disclosure in February 2019. IFRS 17 introduces a model that provides both measurement of liabilities arising from insurance contracts with current balance sheet values and accounting for profit during the period when services are provided. IFRS 17 will be effective for annual periods beginning on or after 1 January 2021. Early application is allowed.

It does not have a significant impact on the financial position and performance of the group in general.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

New and revised standards and interpretations published by the International Accounting Standards Board (IASB) as of 31 December 2019 but not published by the KGK

The new standards, comments and changes to the existing IFRS standards listed below have been published by the IASB but have not yet been put into effect for the current reporting period. However, these new standards, comments and changes have not yet been adapted to IFRS by the KGK and so they do not form part of IFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under IFRS.

Definition of Material (Amendment to IAS 1 and IAS 8)

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

The amendment will be effective for annual periods beginning on or after 1 January 2020. Early application is allowed. It does not have a significant impact on the financial position and performance of the group in general.

Business Combinations (Amendment to IFRS 3)

In May 2019, KGK published amendments regarding the definition of business in “IFRS 3 Business Combinations”. The purpose of this change helps to determine whether an entity will be accounted for as a business combination or as an asset acquisition.

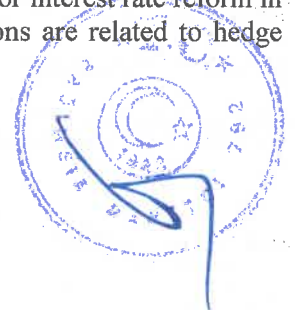
The changes are as follows:

- Clarification of minimum requirements for the business;
- Elimination of the market participants' assessment of the missing items;
- Add application guide to help businesses assess whether the acquisition process is important;
- To limit definitions of business and outputs; and
- Publishing an optional fair value concentration test.

The amendment will be effective for annual periods beginning on or after 1 January 2020. Early application is allowed.

Interest Rate Benchmark Reform (Amendment to IFRS 9, IAS 39 and IFRS 7)

Facilitating implementations were provided in TFRS 9 and TAS 39 regarding indicator interest rate reform in the annual reporting periods starting on or after January 1, 2020. These applications are related to hedge accounting and are briefly;



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- The provision regarding the high probability of transactions
- Forward-looking evaluations
- Retrospective evaluations and
- Separately identifiable risk components

The exemptions applied to the amendment to IFRS 9 and IAS 39 are intended to be disclosed in the financial statements in accordance with the regulation in IFRS 7.

It does not have a significant impact on the financial position and performance of the group in general.

Annual improvements in the period 2015-2017

Annual improvements to 2015-2017 are effective for annual periods beginning on or after 1 January 2019. These improvements include the following changes::

- IAS 12, "income taxes"- The amendments clarify that all income tax effects related to dividends (profit distribution) must be recognized in profit or loss, regardless of how taxes arise.
- IFRS 3 Business Combinations and IFRS 11 Joint Arrangements - The amendments in TFRS 3 clarify that a company should re-measure its shares in the relevant enterprise before controlling it as a result of the control of the enterprise that it recognized as a joint operation. The amendments in TFRS 11 clarify that a company does not need to re-measure its shares before the control as a result of gaining control of the business that it has recognized as a joint operation.

The amendment will be effective for annual periods beginning on or after 1 January 2019.

It does not have a significant impact on the financial position and performance of the group in general.

Plan Amendment, Curtailment or Settlement (Amendment to IAS 19)

In January 2019, KGK published amendment to IAS 19 " Plan Amendment, Curtailment or Settlement". Amendment; the amendment in the plan requires the calculation of the service cost and net interest cost determined for the remainder of the annual accounting period using current actuarial assumptions.

The amendment will be effective for annual periods beginning on or after 1 January 2019.

It does not have a significant impact on the financial position and performance of the group in general.

Prepayment Features with Negative Compensation (Amendments to IFRS 9)

IFRS 9 posted minor changes in Financial Instruments so that it can be measured from the amortized cost of early financial assets.

The entity applying TFRS 9 measures the early payable financial asset as the fair value change reflected as profit or loss. In case certain conditions are met by applying the changes, businesses can measure early payable financial assets with negative compensation from their amortized cost.

The amendment will be effective for annual periods beginning on or after 1 January 2019.

It does not have a significant impact on the financial position and performance of the group in general.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

f. 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 Instrument

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.

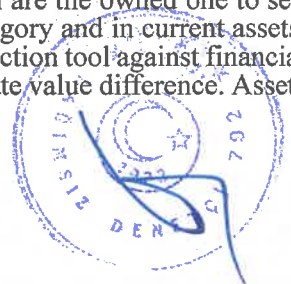
Effective Interest Method

It is the method in which interest income of financial asset distribute to related period and amortized cost of financial asset gain value. Effective interest rate; Estimated future cash value which will be charged in a shorter time period during the expected lifetime of financial instrument or in case in which life time of financial instrument is appropriate, is the reduced rate of net present value of related financial assets.

Financial assets which will keep in hand till maturity, marketable debt instruments, credits and receivables, which are classified as financial assets, and related interest income of these assets are calculated by using effective interest method.

- a) Net realizable value difference of financial assets which recorded as profit/(loss)

Financial assets measured at fair value through profit and loss are the assets which are the owned one to sell or buy. If a financial asset is bought to sell in short term, it will classify in this category and in current assets. Financial assets which constitute derivative products that have not an effective protection tool against financial risk are also considered as financial assets reflected to profit or loss of the appropriate value difference. Assets in this category are classified as current assets.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

b) Financial assets held to maturity

Debt instruments with constant terms which has constant and determinable payment plan, for which group has an intention to keep in hand till its maturity can be classified as financial assets held to maturity. Financial assets held to maturity can be shown in financial statement by the amortized cost according to effective interest method deducted from amount of decrease in value.

c) Assets available for sale

The group has equity instruments which are not open to capital market but ready to be sold. Since their appropriate value could not be defined in an accredited way, they are shown with their cost values.

d) Loans and receivables

Loans and receivables which are not in the capital market and have steady and computable payments are classified in this category. Credits and receivables are shown by deducting loss in value decrease from the cost which was calculated by using effective interest method. (Note:7)

Financial Liabilities

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Agreement which represents right of group on assets after deducting all liabilities can be count as financial instrument on equity. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value difference recorded as profit and loss or other financial liabilities.

a) Financial liabilities at fair value through profit and loss

Financial liabilities at fair value difference recorded as profit and loss are stated at their fair value, and they revalue at financial statement date and every reporting period. Change in fair value record in comprehensive income statement. The net gain or loss recognized in comprehensive income statement incorporates any interest paid on the financial liability.

b) Other financial liabilities

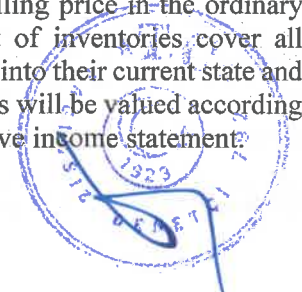
Other financial liabilities, including borrowings, are initially recorded at fair value after deduction of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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

In accordance with IAS 16 "Property, Plant and Equipment" Standard, the group adopted "revaluation model" beginning on 30 September 2018, based on the fair values of land and land improvements, underground and above ground-layouts, buildings, machinery, facilities and devices as determined by the CMB accredited independent valuation appraisal company called "Lal Gayrimenkul Değerleme ve Müşavirlik A.Ş"'s report.

The valuation company Lal Gayrimenkul Değerleme ve Müşavirlik A.Ş. is the real estate appraisal company authorized by the CMB. However, since the valuation of machinery and equipment has not yet been licensed by CMB, valuation has been done by the same company and valuation works have been performed according to International Valuation Standards (IVS).

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

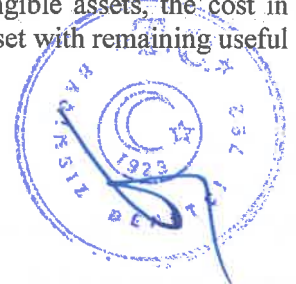
In Tangible assets, the increases incurred as a result of such revaluation are recorded after the deferred tax effect is cleared on the revaluation fund account in the equity group in the balance sheet. The difference between depreciation and amortization (the depreciation reflected in the profit or 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.

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

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)



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Intangible Assets

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;

	<u>Years</u>
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)

Leasing Transactions

Financial Leasing Transactions

The group reflect fixed assets acquired through financial leasing with their current value from the rental start date in statement of financial position or if it's lower than present value they will reflect from their current value of minimum lease payments on statement of financial position date (they added to related fixed assets section in financial statements). Acquisition expenses of fixed assets which are subjected to financial leasing transaction added to its cost. Liability from financial leasing transaction can be split as payable interest and principal debt. Interest expenses calculate from its constant interest rate and it will be added to its related period's account.

As of reporting date, unpaid but accrued financial leasing interest costs recorded as expense and calculated interest provisions have been set off and stated Deferred Financial Leasing Borrowing Costs. (Note:20 Leasing Operations, Note:47 Financial Instruments)

Operational Leasing Transactions

Lease contracts where all the risks and benefits of renting property in the hands of the leaser are known as operational leasing. For an operational lease payments, during the rental period will be recorded as expenses according to the direct method.

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.

Borrowing Costs

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.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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. 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 IAS 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.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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

Rent Revenues

Rent revenues are recorded as income on periodical accrual basis.

Effects of Change in Exchange Rate

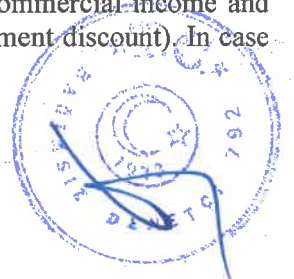
Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates occurred Turkish Republic Central Bank at the dates of the transactions. Monetary assets and liabilities based on foreign currency were valued with exchange rates at the end of 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 20%. 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.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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:

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.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

e. Important Accounting Estimates, Assumptions and Evaluation

Preparing of financial statements make need of using estimates and assumptions which will effect income and expense amount which are reported at account period, explanation of contingent assets and liability and amount of assets and liabilities which are reported as of statement of financial position date. These estimates and assumptions give the most reliable information about group managements' present events and transactions. Although realized results can show differences from assumptions. The estimates and assumptions may cause significant adjustments on book value of assets and liabilities in financial reporting is stated below.

Borrowing cost of credits which are used for financing of natural gas station and hydro electric power is added to cost of natural gas station and by group in scope of TAS-23 "Borrowing Cost".

The Group has issued bonds on February 27, 2017 Valued at cost, measured at amortized cost, is measured at fair value on initial recognition.

Deferred Tax Assets

Group accounted deferred tax and liabilities in order to temporary timing differences arising from diversity between financial tables that determine tax and prepared financial tables in accordance with CMC reporting standards. Assets of deferred tax estimated the amount of recoverable partially or completely. During the assesment, future profit projections and other tax assets expiration dates and potential tax planning strategies were considered.

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.

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

None. (None, December 31, 2018).

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. (31.12.2018: TRY 200.000)



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

4. JOINT VENTURES (Continued)

YS Maden, one of the subsidiaries under full consolidation has been a founding partner at YS Batı Anadolu Maden A.Ş. It is shown in the financial statements with the amount of equity amounting to TRY 1.935.535. (31.12.2018 : TRY 200.000)

5. SEGMENT REPORTING

The classification in Segment reporting is as follows;

Mining Companies		Energy Product Companies	
Suda Maden A.Ş.		Odaş Elektrik Üretim Sanayi A.Ş.	
YS Madencilik San. Ve Tic. Ltd. Şti.		Küçük Enerji Üretim ve Ticaret Ltd. Şti.	
Anadolu Export Maden Sanayi ve Ticaret A.Ş.		Çan Kömür ve İnşaat A.Ş.	
Yel Enerji Elektrik Üretim Sanayi A.Ş.			
Suda Stratejik Metal Dış Ticaret A.Ş.			
Çan2 Trakya Kömür Maden A.Ş.			
Energy Trade Companies		Other Companies	
Voytron Enerji Elektrik Perakende Satış A.Ş.		Hidro Enerji Elektrik Üretim Sanayi A.Ş.	
Odaş Doğalgaz Toptan Satış San. Ve Tic. A.Ş.		CR Proje Geliştirme Yatırım San. Ve Tic. A.Ş.	

Segment reporting as of December 31, 2019 and December 31, 2018:

01.01.2019 - 31.12.2019

PROFIT OR LOSS	Mine	Energy Product	Energy Trade	Other	Total	Elimination Effect	Consolidated Total
Revenue	64.172.676	930.838.509	276.433.340	-	1.271.444.525	(332.993.779)	938.450.745
Cost of Sales (-)	(49.594.615)	(757.649.034)	(285.264.634)	-	(1.092.508.283)	330.168.761	(762.339.522)
GROSS PROFIT / LOSS	14.578.061	173.189.476	(8.831.294)	-	178.936.242	(2.825.018)	176.111.223
General Administrative Expenses (-)	(3.103.554)	(17.686.162)	(717.386)	(14.549)	(21.521.652)	288.000	(21.233.651)
Marketing Expenses (-)	(6.381.360)	(872.843)	(250.771)	-	(7.504.974)	-	(7.504.974)
Research and Development Expenses (-)	-	-	-	-	-	-	-
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)
OPERATING PROFIT / LOSS	(15.932.373)	90.036.703	(29.606.656)	(70.196)	44.427.477	80.868.213	125.295.691
Revenue from Investment Activities	1.932.410	-	-	-	1.932.410	-	1.932.410
Expenses from Investment Activities (-)	-	-	(764)	-	(764)	-	(764)
Shares from Profit / Loss of Investment Value by Equity Method	-	33.742	-	-	33.742	-	33.742
PROFIT / LOSS BEFORE FINANCE EXPENSES	(13.999.963)	90.070.445	(29.607.420)	(70.196)	46.392.865	80.868.213	127.261.079



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

Financing Income	39.167.173	360.632.123	70.528.886	36.911	470.365.094	(165.932.736)	304.432.358
Financing Expenses (-)	(60.832.979)	(615.102.989)	(69.012.044)	(90.961)	(745.038.974)	82.218.810	(662.820.164)
PROFIT / LOSS BEFORE TAX FROM CONTINUING OPERATIONS	(35.665.770)	(164.400.421)	(28.090.578)	(124.245)	(228.281.015)	(2.845.713)	(231.126.727)
Continuing Activity Tax Pay / Revenue	(2.515.321)	22.981.908	(4.540.303)	7.626	15.933.910	-	15.933.910
Term Tax Expense / Revenue	(15.387)	-	-	-	(15.387)	-	(15.387)
Defferred Tax Expense / Revenue	(2.499.934)	22.981.908	(4.540.303)	7.626	15.949.297	-	15.949.297
CONTINUING ACTIVITY PROFIT / LOSS	(38.181.091)	(141.418.513)	(32.630.881)	(116.619)	(212.347.105)	(2.845.713)	(215.192.817)
DISCONTINUING ACTIVITY PROFIT / LOSS	-	43.946	-	-	43.946	-	43.946
CURRENT YEAR PROFIT / LOSS	(38.181.091)	(141.374.567)	(32.630.881)	(116.619)	(212.303.159)	(2.845.713)	(215.148.871)

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	82.961	1.421.731.000	(868.055.501)	553.675.499
Fixed Assets	188.313.573	2.698.955.745	1.181.929	(1)	2.888.451.247	(210.330.784)	2.678.120.462
Total Assets	412.239.284	3.703.703.134	194.156.869	82.960	4.310.182.247	(1.078.386.285)	3.231.795.961
Short Term Liabilities	357.689.177	1.278.836.981	282.897.659	549.687	1.919.973.504	(697.795.177)	1.222.178.327
Long Term Liabilities	8.838.758	1.203.155.745	5.364.392	8.132	1.217.367.028	-	1.217.367.028
Total Liabilities	366.527.935	2.481.992.726	288.262.052	557.819	3.137.340.532	(697.795.177)	2.439.545.354
Equity	45.711.348	1.221.710.408	(94.105.183)	(474.859)	1.172.841.713	(380.591.109)	792.250.602



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

5. SEGMENT REPORTING (Continued)

01.01.2018 - 31.12.2018

Profit or Loss	Mine	Energy Product	Energy Trade	Other	Total	Elimination Effect	Consolidated Total
Revenue	118.149.540	561.836.843	319.355.769	-	999.342.152	(112.697.455)	886.644.695
Cost of Sales (-)	(76.681.149)	(536.899.451)	(328.665.791)	-	(942.246.391)	111.527.285	(830.719.105)
Gross Profit/Loss	41.468.391	24.937.392	(9.310.022)	-	57.095.761	(1.170.170)	55.925.590
General Administrative Expenses (-)	(4.077.601)	(10.400.290)	(3.523.503)	(15.171)	(18.016.565)	381.023	(17.635.540)
Marketing Expenses (-)	(14.094.894)	(148.249)	(1.676.897)	-	(15.920.040)	27.992	(15.892.048)
Research and Development Expenses (-)							
Other Real Operating Income	24.160.151	25.140.632	3.392.559	92	52.693.434	(957.928)	51.735.507
Other Real Operating Expenses (-)	(33.086.974)	(18.104.557)	(9.646.300)	(91.182)	(60.929.013)	11.239.110	(49.689.902)
OPERATING PROFIT / LOSS	14.369.073	21.424.928	(20.764.163)	(106.261)	14.923.577	9.520.027	24.443.607
Revenues from Investment Activities	338.402	525	1.707		340.634	-	340.634
Expenses from Investment Activities (-)	(529.534)	(89.126)	(1.771)		(620.431)	-	(620.431)
Shares from Profit / Loss of Investments Valued by Equity Method		15.303			15.303	-	15.303
PROFIT / LOSS BEFORE FINANCE EXPENSES	14.177.941	21.351.630	(20.764.227)	(106.261)	14.659.083	9.520.027	24.179.113
Financing Income	47.340.404	249.293.391	62.095.435	71.817	358.801.047	(165.992.525)	192.808.522
Financing Expenses (-)	(74.193.444)	(412.698.464)	(104.881.465)	(37.495)	(591.810.868)	155.130.151	(436.680.717)
PROFIT / LOSS BEFORE TAX FROM CONTINUING OPERATIONS	(12.675.099)	(142.053.443)	(63.550.257)	(71.939)	(218.350.738)	(1.342.347)	(219.693.082)
Continuing Activity Tax Pay / Revenue	(957.584)	(38.045.620)	(4.192.362)	(7.588)	(43.203.154)	-	(43.203.154)
Term Tax Expense / Revenue	(740.278)	(947.553)	(54.762)	-	(1.742.593)	-	(1.742.593)
Deferred Tax Expense / Revenue	(217.306)	(37.098.067)	(4.137.600)	(7.588)	(41.460.561)	-	(41.460.561)
CONTINUING ACTIVITY PROFIT / LOSS	(13.632.683)	(180.099.063)	(67.742.619)	(79.527)	(261.553.892)	(1,342,347)	(262.896.236)
DISCONTINUING ACTIVITY PROFIT / LOSS	-	(206.884)	-	-	(206.884)	-	(206.884)
CURRENT YEAR PROFIT / LOSS	(13.632.683)	(180.305.947)	(67.742.619)	(79.527)	(261.760.776)	(1,342,347)	(263.103.120)

31.12.2018

	Mine	Energy Product	Energy Trade	Other	Total	Elimination Effect	Consolidated Total
Current Assets	162.642.379	661.849.639	200.438.839	74.549	1.025.005.406	(660.410.788)	364.594.619
Fixed Assets	159.359.321	2.701.147.609	6.104.829	(1)	2.866.611.758	(155.143.222)	2.711.468.535
Total assets	322.001.700	3.362.997.248	206.543.668	74.548	3.891.617.165	(815.554.010)	3.076.063.154
Short Term Liabilities	209.124.930	1.127.620.668	263.973.459	417.030	1.601.136.087	(641.739.866)	959.396.220
Long Term Liabilities	30.601.108	1.238.141.434	4.044.510	15.758	1.272.802.811	-	1.272.802.810
Total Liabilities	239.726.038	2.365.762.102	268.017.969	432.788	2.873.938.897	(641.739.866)	2.232.199.029
Equity	82.275.661	997.235.146	(61.474.301)	(358.239)	1.017.678.266	(173.814.144)	843.864.125



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

6. RELATED PARTIES

i) Balances of the Company with its' related parties as of December 31, 2019 and December 31, 2018:

a) Other receivables from related parties:

	31.12.2019	31.12.2018
Hidro Kontrol Elektrik Üretim A.Ş	9.903.532	8.433.333
Öztay Enerji Elektrik Üretim Sanayi A.Ş	7.274.815	8.044.588
Abdulkadir Bahattin Özal	-	164.896
Burak Altay	30.156	-
Mustafa Ali Özal	787.660	787.660
Hafize Ayşegül Özal	783.952	783.952
Müjgan Özal	980.082	980.082
Korkut Enes Özal	261.156	261.156
Mehmet Fatih Özal	261.156	261.156
Hafize Büşra Özal	261.156	261.156
Fatimetüz Zehra Özal	787.660	787.660
Tahsin Yazan	552.388	376.850
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	7.830.789	5.482.855
HK Yatırım Elektrik Üretim San.Tic.Ltd.Şti	4.034	2.511
Süleyman Sarı	2.389.180	1.373.199
Mustafa Koncagül	3.490.000	3.490.000
Eylül Elektromekanik Enerji San ve Ltd Şti	197.976	55.590
Akra Madencilik San. Ve Tic. A.Ş	4.656	4.225
Akra Petrol San.Tic.A.Ş.	-	7.397
Nousen Enerji A.Ş.	3.270	36
Bb Enerji Yatırım San.Tic.A.Ş.	10.282	15.505
Diñçsan İnşaat Paz.Org.Müm.San. Ve Tic.Ltd.Şti	28.540	-
Tron Enerji Yatırım San. Ve Tic.A.Ş.	3.738	2.925
Navis Turizm İnşaat Hizmetleri Tic.Ltd.Şti.	2.528	129
Bahattin Özal&Burak Altay Adi Ortaklık	896	-
Ys Batı Anadolu Maden A.Ş.	1.311.089	-
Kerem Emir Yazan	1.128.884	-
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.	4.437	-
Batı Trakya Madencilik A.Ş.	432	-
TOTAL	38.297.528	31.603.920
Deduction: Unaccrued financial expenses	(2.243.547)	(4.040.520)
TOTAL	36.053.981	27.563.400



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

6. RELATED PARTIES (Continued)

b) Other payables to related parties:

	31.12.2019	31.12.2018
Hidro Kontrol Elektrik Üretim A.Ş.	2.192	2.192
Öztay Enerji Elektrik Üretim San. A.Ş.	976.800	215.824
Arsin Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	3.714.737	-
Akra Petrol San.Tic.A.Ş.	312.000	-
Abdulkadir Bahattin Özal	93.177	108.177
Burak Altay	122.418	45.506
Hafize Ayşegül Özal	20.000	20.000
Esin Ersan	20.000	20.000
Hidayet Büküm	3.673	3.673
Ys Batı Anadolu Maden A.Ş.	3.964.512	-
Bb Enerji Yatırım San.Tic.A.Ş.	8.954	-
HK Yatırım Elektrik Üretim San.Tic.Ltd.Şti	15.193	3.898
Kerem Emir Yazan	317.327	-
Batı Trakya Madencilik A.Ş.	703.985	-
TOTAL	10.274.967	419.270
Deduction: Unaccrued financial income	(818.951)	(40.314)
TOTAL	9.456.017	378.956

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

a) Product sales to related parties

	January 01 - December 31 2019	January 01 - December 31 2018
Hidro Kontrol Elektrik Üretim A.Ş.	9.021.555	4.344.494
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	5.484.334	1.203.788
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	6.884.936	3.023.404
Ys Batı Anadolu Maden A.Ş.	445.670	-
Batı Trakya Madencilik A.Ş.	500.000	-
TOTAL	22.336.495	8.571.686

b) Sales of services to related parties

	January 01 - December 31 2019	January 01 - December 31 2018
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	99.000	301.526
Akra Madencilik San. Ve Tic. A.Ş.	-	1.612
HK Yatırım Elektrik Üretim San.Tic.Ltd.Şti	-	1.612
Tron Enerji Yatırım San. Ve Tic.A.Ş.	-	1.612
TOPLAM	99.000	306.362



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

6.RELATED PARTIES (Continued)

c) Service purchases from related parties

	January 01 - December 31 2019	January 01 - December 31 2018
Hidro Kontrol Elektrik Üretim A.Ş	76.109	186.016
Öztay Enerji Elektrik Üretim Sanayi A.Ş	236.760	342.617
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	78.513	90.557
TOTAL	391.382	619.189

d) Financing expenses from related parties

	January 01 - December 31 2019	January 01 - December 31 2018
Hidro Kontrol Elektrik Üretim A.Ş	1.300	-
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	202.720	61.336
Bb Enerji Yatırım San. Ve Tic.A.ş.	1.257.122	-
Batı Trakya Madencilik A.Ş	26.214	-
Akra Petrol San.Tic.A.Ş.	9.822	-
Öztay Enerji Elektrik Üretim Sanayi A.Ş	60.648	25.428
TOTAL	1.557.827	86.764

e) Financing income from related parties

	January 01 - December 31 2019	January 01 - December 31 2018
Bahattin Özal	144.210	232.347
Burak Altay	-	178.631
Hidro Kontrol Elektrik Üretim A.Ş	1.847.369	1.840.584
Mustafa Ali Özal	152.874	190.026
Hafize Ayşegül Özal	152.723	165.604
Müjgan Özal	190.933	237.443
Korkut Enes Özal	50.239	62.058
Mehmet Fatih Özal	50.239	62.058
Hafize Büşra Özal	50.239	62.058
Fatimetüz Zehra Özal	152.874	212.068
Akra Petrol San.Tic.A.Ş.	-	1.783
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	2.038.427	206.872
Mustafa Koncagül	715.741	252.443
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	1.834.482	1.612.074
Eylül Elektromekanik Enerji San ve Ltd Şti	15.717	5.617
Diñçsan İnşaat Ltd.Şti.	4.162	1.753
Bb Enerji Yatırım San.Tic.A.Ş.	-	214.548
Ys Batı Anadolu Maden A.Ş	437.592	-
Batı Trakya	233.084	-
TOTAL	8.070.903	5.537.966



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

6. RELATED PARTIES (Continued)**f) Fixed assets purchases from related parties**

	January 01 - December 31 2019	January 01 - December 31 2018
Hidro Kontrol Elektrik Üretim A.Ş	760.441	-
Öztay Enerji Elektrik Üretim Sanayi A.Ş	30.176	-
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	26.312	-
Batı Trakya Madencilik A.Ş	9.233.802	-
TOTAL	10.050.731	-

Total amount of salary and alike benefits in 12-month fiscal period provided to top management in 2019 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 2019 is TRY 8.129.034 (31.12.2018: TRY 7.568.909)

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.

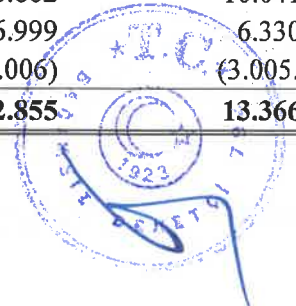
e) **Share-based Payments:** None.

7. TRADE RECEIVABLES AND PAYABLES**Trade receivables**

	December 31, 2019	December 31, 2018
Customer Current Accounts	104.982.246	86.684.764
- Receivables from related parties	-	-
-Other receivables	104.982.246	86.684.764
Notes Receivables	32.596.274	52.389
Doubtful Receivables	13.012.855	13.366.862
Provision of Doubtful Receivables(-)	(13.012.855)	(13.366.862)
	137.578.521	86.737.154
Deduction: Unaccrued financial expenses	(5.744.250)	(2.094.797)
TOTAL	131.834.270	84.642.356

Provision for doubtful receivables as of December 31, 2018 and as of December 31, 2017. The movement is as follows:

	December 31, 2019	December 31, 2018
Opening Balance	13.366.862	10.041.266
Additional provisions	206.999	6.330.821
Payments (-)	(561.006)	(3.005.225)
TOTAL	13.012.855	13.366.862



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

7. TRADE RECIVABLES AND PAYABLES (Continued)

Trade Payables

	December 31, 2019	December 31, 2018
Supplier Current Accounts	230.042.846	237.278.052
-Due to related parties	-	-
-Other supplier payables	230.042.846	237.278.052
Notes Payables	71.223.028	67.317.389
	301.265.873	304.595.441
Deduction: Unaccrued financial incomes	(13.192.529)	(19.047.711)
TOTAL	288.073.343	285.547.729

8. FINANCIAL INVESTMENTS

None. (None, December 31, 2018).

9. OTHER RECEIVABLES AND PAYABLES

Short-term Other Receivables

	December 31, 2019	December 31, 2018
Other receivables from related parties	31.603.920	10.610.706
Other receivables	19.712.824	1.815.977
Deposits and guarantees given	1.109.267	174.264
Receivables from personnel	19.240	1.652
TOTAL	52.445.251	12.602.599
Deduction: Unaccrued finance expenses	(2.298.144)	(4.072.720)
-Other receivables from related parties	(2.243.547)	(4.040.520)
-Other receivables	(54.597)	(32.200)
TOTAL	55.209.315	48.372.532

Long-term Other Receivables

	December 31, 2019	December 31, 2018
Deposits and guarantees given	645.577	243.643
TOTAL	645.577	243.643

Short-term Other Payables

	December 31, 2019	December 31, 2018
<i>Due to Related Parties</i>	10.274.968	419.270
Other Payables	1.015.094	1.202.195
Taxes and Funds Payables	13.838.124	8.551.284
Deposits and Guarantees Taken	103.742	103.742
Matured, Delayed or Deffered Tax by Installments and Other Liabilities	6.941.341	-
Received Advances	685.197	580.337
	32.858.466	10.856.828
Deduction: Unaccrued Financial Incomes	(880.221)	(137.704)
- Due to related parties	(818.951)	(40.314)
- Other payables	(61.270)	(97.390)
TOTAL	31.978.245	10.719.123



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

9. OTHER RECEIVABLES AND PAYABLES (Continued)

Details of taxes and funds payables are as follows:

	December 31, 2019	December 31, 2018
TRT Share	1.225.768	1.165.620
Municipality Consumption Tax	1.495.002	2.544.310
Energy Fund	2.804.814	2.591.838
Wage Earners Income Tax Deduction	5.275.453	704.239
Value Added Tax	643.463	151.369
Other Tax Liabilities	2.393.623	1.393.908
TOTAL	13.838.124	8.551.284

Long-term Other Payables

	December 31, 2019	December 31, 2018
Deposits and guarantees received	125.500	15.500
Deferred or restructured debts of public sector	5.552.953	-
TOTAL	5.678.453	15.500

10. INVENTORIES

	December 31, 2019	December 31, 2018
Raw materials and supplies	4.259.709	387.789
Semi-manufactured	56.038.587	31.558.386
Finished goods	27.327.042	27.358.431
Goods	3.980.476	-
Other inventories	51.731.731	26.853.678
TOTAL	143.337.545	86.158.285

11. BIOLOGICAL ASSETS

None. (None, December 31, 2017).

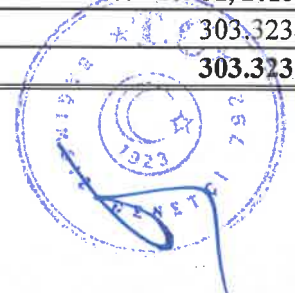
12. PRE-PAID EXPENSES AND DEFERRED INCOME

Short-term Pre-paid Expenses

	December 31, 2019	December 31, 2018
Advances associated with cost	16.302.414	2.957.590
Expenses related to the upcoming months	11.109.061	9.207.302
TOTAL	27.411.475	12.164.892

Long-term Pre-paid Expenses

	December 31, 2019	December 31, 2018
Prepaid Expenses	3.760.397	303.323
TOTAL	3.760.397	303.323



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

Deferred Income

	December 31, 2019	December 31, 2018
Advances Received	104.488.343	50.207.961
TOTAL	104.488.343	50.207.961

13. INVESTMENT PROPERTY

None. (None, December 31, 2018).



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

14. TANGIBLE FIXED ASSETS

	01.01.2019	Addition	Disposal	Revaluation Increases	Transfer	31.12.2019
Cost						
Lands	54.402.829	1.847.750	-	-	-	56.250.579
Land improvements	150.000	-	-	-	-	150.000
Buildings	1.143.325	(0)	-	-	-	1.143.325
Plant, machinery and equipment	2.544.777.508	87.214.422	-	-	(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
Total	2.637.389.128	98.516.017	(37.404)	-	-	2.629.087.386
Accumulated Depreciation						
Lands						
Land improvements	(114.063)	(18.750)	-	-	-	(132.813)
Buildings	(181.600)	(39.914)	-	-	-	(221.514)
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)	(924.473)	2.489	-	-	(4.301.056)
Total	(74.373.198)	(76.207.528)	34.353	-	-	(150.546.373)
Net Book Value	2.563.015.928	22.308.489	(3.051)	-	-	2.478.541.012



14. TANGIBLE FIXED ASSETS (Continued)

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.

Valuation Lal Gayrimenkul Değerleme ve Müşavirlik A.Ş., is the real estate appraisal company authorized by CMB. However, since the valuation of machinery and equipment has not yet been licensed by CMB, valuation has been done by the same company and valuation works have been performed according to International Valuation Standards (IVS).



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

14. TANGIBLE FIXED ASSETS (Continued)

Cost	01.01.2018	Addition	Disposal	Revaluation Increases	Transfer	31.12.2018
Lands	9.453.151	366.220	-	44.583.458	-	54.402.829
Land improvements	150.000	-	-	-	-	150.000
Buildings	569.832	70.000	-	503.493	-	1.143.325
Plant, machinery and equipment	238.036.030	14.618.271	(145.858)	989.251.587	1.303.017.478	2.544.777.508
Vehicles	5.048.994	1.593.695	(1.180.125)	-	-	5.462.563
Furniture and fixtures	6.356.198	1.434.012	(63.956)	-	-	7.726.254
Construction in progress	811.517.325	514.967.599	-	-	(1.303.017.478)	23.467.446
Research expenses	259.203	-	-	-	-	259.203
Total	1.071.390.732	533.049.797	(1.389.939)	1.034.338.537	-	2.637.389.128
Accumulated Depreciation						
Lands						
Land improvements	(95.313)	(18.750)	-	-	-	(114.063)
Buildings	(144.416)	(37.184)	-	-	-	(181.600)
Plant, machinery and equipment	(29.746.050)	(39.133.090)	44.374	-	-	(68.834.766)
Vehicles	(979.804)	(948.812)	64.919	-	-	(1.863.697)
Furniture and fixtures	(2.483.621)	(964.081)	57.485	-	11.144	(3.379.072)
Total	(33.449.203)	(41.101.916)	166.778	-	11.144	(74.373.198)
Net Book Value	1.037.941.530	491.947.881	(1.223.161)	1.034.338.537	11.144	2.563.015.928



14. TANGIBLE FIXED ASSETS (Continued)

The total investment expenditure amounts as of 31.12.2019 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 Preliminary Exploration and License Costs	9.170.525
Suda Maden	Concentration Plant	20.897.178
Total		23.467.446

Revaluation fund movements are as follows :

31.12.2019	Plant	Building	Land	Total
Net book value before valuation	2.275.871.387	920.811	53.581.676	2.330.373.874
Revaluation Value Increase (Gross)	-	-	-	-
Revaluation Impairment	(106.780.355)	-	-	(106.780.355)
Deferred Tax (*)	23.491.678	-	-	23.491.678
Revaluation Amount	2.192.582.710	920.811	53.581.676	2.247.085.197

31.12.2018	Plant	Building	Land	Total
Net book value before valuation	1.286.619.800	417.319	8.913.218	1.295.950.337
Revaluation Value Increase (Gross)	989.656.596	503.493	44.668.459	1.034.828.546
Revaluation Impairment	(405.008)	-	-	(405.008)
Deferred Tax (*)	(217.723.356)	(55.384)	(4.913.530)	(222.692.270)
Revaluation Amount	2.275.871.387	920.811	53.581.676	2.330.373.875

(*) 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, 2018).

16. SHARES OF MEMBERS ON BUSINESS COOPERATIVE AND SIMILAR FINANCIAL INSTRUMENTS

None. (None, December 31, 2018).



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

17. INTANGIBLE FIXED ASSETS

	01.01.2019	Additions	Disposals	Transfer	31.12.2019
Cost					
Rights	9.619.988	2.552.902	-	-	12.172.890
Other intangible assets	6.553.324	18.012	-	-	6.571.336
Preparation and Development Expenses	38.735.332	17.719.209	-	-	56.454.541
Total	54.908.644	20.290.123	-	-	75.198.767
Accumulated Amortization					
Rights	(3.578.224)	(1.136.591)	-	-	(4.714.815)
Other intangible assets	(547.662)	(50.742)	-	-	(598.404)
Preparation and Development Expenses	(4.538.028)	(3.215.080)	-	-	(7.753.107)
Total	(8.663.914)	(4.402.412)	-	-	(13.066.326)
Book Amount	46.244.728	15.887.711	-	-	62.132.440
	01.01.2018	Additions	Disposals	Transfer	31.12.2018
Cost					
Rights	8.112.028	1.507.959	-	-	9.619.988
Other intangible assets	6.497.274	56.050	-	-	6.553.324
Preparation and Development Expenses	26.503.074	12.232.258	-	-	38.735.332
Total	41.112.378	13.796.267	-	-	54.908.644
Accumulated Amortization					
Rights	(2.690.574)	(887.596)	-	(28)	(3.578.198)
Other intangible assets	(455.276)	(92.415)	-	29	(547.662)
Preparation and Development Expenses	(1.970.946)	(2.555.964)	-	(11.145)	(4.538.054)
Total	(5.116.796)	(3.535.975)	-	(11.144)	(8.663.914)
Book Amount	35.995.581	10.260.292	-	(11.144)	46.244.728



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

17. INTANGIBLE FIXED ASSETS (Continued)

As the date of December 31, 2019 the details of intangible assets are as follows :

Company/Subsidiary	Intangible Assets/ Preparation and Development Expenses	Amount
Çan Kömür	Çan 2 Thermal Power Plant License Cost	122.014
Odaş Enerji	Electric Wholesale License	324.567
Odaş Doğalgaz	Natural Gas Wholesale Sales License and Modification Cost	64.450
Küçük Enerji	Production License and Modification Costs	22.000
Odaş Elektrik	Production License and Modification Costs	151.758
Yel Enerji	Mine License Cost	3.247.813
Suda Maden	Field License and Mine License Costs	4.637.786
Odaş Enerji	Computer Software	156.404
Odaş Enerji	Web site	4.600
Odaş Enerji	Portfolio Usage Costs	454.310
Odaş Elektrik	Computer Software	420.184
Odaş Elektrik	WEB Software	35.935
Odaş Elektrik	Çan Kömür Asset Purchase Value	5.920.251
Çan Kömür	Preparation and Development Expenses (*)	2.341.472
Çan Kömür	Computer Software	557.982
Çan2 Trakya	Preparation and Development Expenses (*)	10.587.498
Yel Enerji	Preparation and Development Expenses (*)	2.037.355
Yel Enerji	Computer Software	4.001
Suda Maden	Computer Software	35.403
Suda Maden	Preparation and Development Expenses (*)	6.031.568
Anadolu Export	Field License and Mine License Costs	268.918
Anadolu Export	Preparation and Development Expenses (*)	12.986.930
Çan Kömür	IFRS 16 Leases	1.947.723
Çan 2 Trakya	IFRS 16 Leases	97.179
Odaş Elektrik	IFRS 16 Leases	99.384
Ys Madencilik	Preparation and Development Expenses (*)	22.469.726
Ys Madencilik	Mine License Cost	168.403
Ys Madencilik	Computer Software	3.156
Total		75.198.767

(*) 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.

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.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

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 22.454.200 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

None. (None, December 31, 2018)

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, 2019 the total development expenditure capitalized amount on the basis of the subsidiaries are as follows:

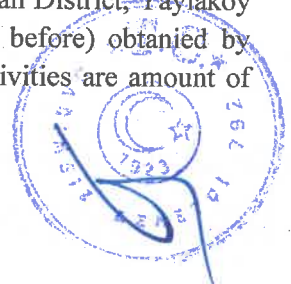
Subsidiaries	The Amount of Preparation and Development Expenditures
Yel Enerji	2.037.355
Çan Kömür	2.341.472
Çan2 Trakya	10.587.498
Anadolu Export	12.986.930
Suda Maden	6.031.568
Ys Madencilik	22.469.726
Total	56.454.541

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 2.037.355 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 TMS-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 2.341.472 as of December 31, 2019.



19. EVALUATING AND RESEARCHING OF MINE RESOURCES (Continued)

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, 2018. Calculated amortisation expenses are associated with production costs of animony mine.

Moreover, regarding the received exploration license 201200931 and 201200932 taken on June 22, 2012, exploration expenses such as preliminary study projections, sampling, section and map preparation is capitalized, the amount of TRY 709.260 is classified as research expenses since no mining license. (Note:14)

Preparation and Development Expenses of TRY 12.986.930 costing capital activated in Anadolu Export are the amounts related to gold-silver mine drilling in Kütahya Karaağaç, analysis and geophysical values. Drilling works are ongoing and will commence when the amortization process reaches the necessary position and condition for the intangible asset to operate as intended by the management.

Preparation and development works at YS Maden with amount of TRY 22.469.726 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 10.587.498 costing capital activated in Çan2 Trakya are the amounts related to coal mine drilling in Tekirdağ Malkara, 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.

20. LEASING OPEATIONS

Operating Leases

	Vehicle Rents
Balance at beginning of period	-
Addition	2.144.286
Disposal (-)	-
Period Depreciation and Amortization Expenses (-)	(169.392)
Balance at the end of the period	1.974.894

The Group included his leases obligated to pay in his consolidated financial statements

Transition effect of the group related to TFRS 16 account is explained in Footnote 2.

21. SERVICE CONCESSION ARRANGEMENTS

None. (None, December 31, 2018).

22. IMPAIRMENT OF ASSETS

None (None, December 31, 2018).



23. GOVERNMENT INCENTIVES

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

Investment Incentive Certificate is given for the full new investment carried out in Çanakkale (Çan 2nd region) and covers the period between 13.08.2014-12.02.2019. With the certificate, employer's share of insurance premiums support, interest support, tax discount rate support, VAT exception and exemption from customs duty incentives are benefited. Total amount of the investment is TRY 340.000.000 based on incentive certificate.

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

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

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

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

24. BORROWING COSTS

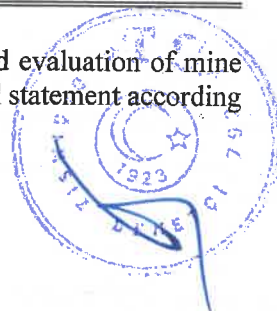
None. (None, December 31, 2018).

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other long-term provisions

	December 31, 2019	December 31, 2018
Other payable and expense provisions	185.044	172.028
TOTAL	185.044	172.028

(*) 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.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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 $150 * \text{TRY } 2.000 = \text{TRY } 300.000$.

Mine Restoration Provision

	December 31, 2019	December 31, 2018
Balance at beginning of period	172.028	170.644
Additional Provision / Payment (-)	13.016	1.384
Balance at the end of the period	185.044	172.028

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 172.028

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

Pledges

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

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

In addition, within the scope of the credit agreement on the property of Çan Kömür ve İnşaat A.Ş., a pledge has been established in favor of Yapi Kredi Bankası A.Ş. and Türkiye Halkbankası A.Ş. as loan collateral. The total amount of mortgages is TRY 1.851.700.000 and 407.400.000 Euro

Under the loan agreements signed between Suda Maden A.Ş. and Pasha Yatırım Bankası A.Ş., mortgages have been established in favor of Pasha Yatırım Bankası A.Ş. on the operating licenses of Cebraill and Oğurluca Mining Fields. The total amount of mortgages is 42.000.000 USD. The amount of the pledge is TRY 450.000.000.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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, snow loss, fire and so on. risks are taken under protection with insurance policies.

- 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 1.020.000 shares with a nominal value of TRY 100. Agreements are valid until liabilities are wholly paid in accordance with pledge of share agreements. Additionally, Receivable Transfer Agreement and Movable Pledge Contract without Surrender is signed between Çan Kömür ve İnşaat A.Ş. in response to credit debt of 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. The amount included in the contract for the Movable Pledge is a total of 244.800.000 Euros.

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.

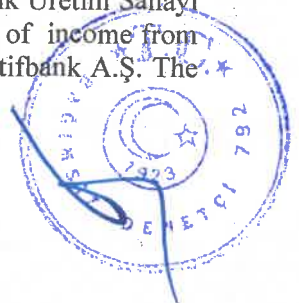
The loan contract signed between Pasha Yatırım Bankası A.Ş. and Suda Maden A.Ş. given according to dated amendment Odaş Elektrik Üretim Sanayi ve Ticaret A.Ş. has been a guarantor of Pasha Investment Bank as a legal entity.

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 assignment amount is TRY 450.000.000 and its duration is 28.04.2026.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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 assignment amount is TRY 78.000.000 and its duration is 05.01.2026.

EPIAŞ Receivables Agreement in favor of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası AŞ Kozyatağı Commercial Branch is signed as the guarantee of the loan according to General Loan Contracts signed between Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and the consortium of Halk Bankası A.Ş. Kozyatağı Commercial Branch and Çan Kömür ve İnşaat A.Ş. The assignment amount is TRY 13.000.000.000 and its duration is 2029.

Guarantees

Given guarantees by the group are as follow:

GUARANTEES, PLEDGES, HYPOTHECS	31.12.2019	31.12.2018
A) Total amount of TRI was given for its own legal entity	6.408.940	5.812.596
B) Partnerships includes scope of full consolidation	232.541.828	194.722.796
C) Total amount of TRI was given in order to conduct ordinary business and to guarantee third parties debt	-	-
D) Total Amount of TRI was Other Given	-	-
i) Total amount of TRI was given on behalf of main partner	-	-
ii) Total amount of TRI was given to companies except B and C article	-	-
iii) Total amount of TRI was given to third parties except C article	-	-
TOTAL	238.950.769	200.535.392

The ratio of guarantees, pledges and hypothecs to equity is 0,30. (31.12.2018 : 0,24)

Received guarantees by the group are as follow:

	31.12.2019	31.12.2018
Received Guarantee Letters	3.849.210	8.894.240
Received Guarantee Cheques	1.472.945	-
Received Guarantee Bills	3.525.476	8.617.269
	8.847.631	17.511.509



25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Given and received guarantees by the group are as follow:

	December 31, 2019	December 31, 2018
Received Guarantee Letters	3.849.210	8.894.240
Voytron	2.811.000	2.646.000
Çan Kömür	1.038.210	6.248.240
Received Guarantee Cheques	1.472.945	-
Çan Kömür	1.472.945	-
Received Guarantee Notes	3.525.476	8.617.269
Çan Kömür	3.175.476	8.267.269
Ys Maden	350.000	350.000
	8.847.631	17.511.509

Unfavourable Cases

As of December 31, 2019, there are lawsuits against group's subsidiaries of Küçük Enerji Üretim ve Ticaret Ltd. Şti regarding damages caused by using of explosives in tunnelling operations. Scout has been doing regarding lawsuits, most of the cases in the expert stage and it not clear yet how the cases will be resulted.

There are various lawsuits against Voytron Enerji Elektrik Perakende Satış A.Ş. ,regarding trade activities (leakage losses, transmission costs, distribution costs, costs of meter reading from customers who previously carried out electricity sales). In accordance with the provisions of the amended legislation, some of these lawsuits resulted in favorable as of 31 December 2019 and others are expected to be favorable. In addition, the total amount of opened cases relating to leakage losses cost is specified by the customer will be reflected in the distribution companies.

The group management does not expect negative results in these cases and these cases are not capable of significantly affecting the group's operating results, financial position or liquidity.

In 2019, TRY 1.150.340 has been recorded as provision expense due to the reemployment lawsuit filed by the personnel in the Group's subsidiaries.

Case Provision

	December 31, 2019	December 31, 2018
Balance at beginning of period	845.602	128.000
Additional Provision / Payment (-)	304.738	717.602
Balance at the end of the period	1.150.340	845.602

26. COMMITMENTS

None. (31 December 2018: None.)



27. EMPLOYEES BENEFIT OBLIGATIONS

Provision for Severance Payment and Provision for Vacation

The Company and its subsidiaries has to make a certain severance payment to its personnel who fires from company for several reasons like retirement after working at least one year at company except reassignment and bad behavior. Compensation which company has to pay is at amount of one month salary for each servicing year and this amount is limited to TRY 6.379,86 as of December 31, 2019. (December 31, 2018: TRY 5.434,42)

As of December 31,201 and December 31,2018, calculated provision for severance payment and provision for vacation as follows.

	December 31, 2019	December 31, 2018
Provision for severance payment	648.281	281.307
Provision for vacation	2.892.631	1.155.589
TOTAL	3.540.912	1.436.896

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

Provisions for severance payment allocates after calculating present value of potential liability which Company will pay to its personnel in case of retirement. As related to this, assumptions, which are used to calculate the liability amount between of December 31, 2019 and December 31, 2018 are depicted below:

	December 31, 2019	December 31, 2018
Discount rate	%16,45	%17,20
Estimated increase rate	%11,14	%11,64

Employees benefit obligations movements as of December 31, 2019 - December 31, 2018 are as follows

Provision for severance payments

	December 31, 2019	December 31, 2018
Opening balance	281.307	161.778
Additional provisions/payment (-)	366.974	119.529
Period-end balance	648.281	281.307



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

27. EMPLOYEES BENEFIT OBLIGATIONS (Continued)

Actuarial gain/(loss) movements as of December 31, 2019 - December 31, 2018 are as follows:

	December 31, 2019	December 31, 2018
Transfer	281.307	161.778
Payment	535.541	1.056.705
Interest cost	30.748	27.825
Current service cost	(484.345)	(967.492)
Actuarial gain/(loss)	285.031	2.491
Balance	648.281	281.307

Provision for vacation as of December 31, 2019 - December 31, 2018 are as follows:

	December 31, 2019	December 31, 2018
Opening balance	1.155.589	633.063
Additional provisions	1.737.042	522.526
Period-end balance	2.892.631	1.155.589

Short time payables within employee benefit

	December 31, 2019	December 31, 2018
Due to personnel	4.222.995	3.361.043
Social security premium payables	12.573.024	1.718.278
Other payables	99.477	47.308
TOTAL	16.895.496	5.126.629

The balance of the payable account to the personnel consists of wage and similar debts to the personnel that has been accrued. Social Security Deductions that will be paid consist of social security of the worker and employer that will be accrued by the date of payroll in the twenty-third of the following month and will be paid by the end of the month .



28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

Cost of sales according to their nature between January 1, 2019 –December 31, 2019 and January 1, 2018 – December 31, 2018 periods are as follows:

	January 01 - December 31 2019	January 01 - December 31 2018
EPIAŞ energy imbalance amount	217.512.285	131.723.095
Coal use cost	144.107.194	18.195.267
Depreciation and amortization expense share	74.387.013	35.626.597
Use of natural gas	52.002.409	80.628.253
GOP purchase price of the system	50.345.262	142.232.415
The amount of debt of EPIAŞ GIB	44.105.525	844.794
Personnel expense share	31.978.700	6.345.181
TEİAŞ system usage fee	20.502.267	9.599.160
Coal sales cost (-)	18.516.081	63.200.315
Fuel oil usage cost	16.089.398	5.546.092
Bilateral agreements energy trade goods cost	14.698.677	42.468.756
Teiaş DGP debt amount	13.127.400	405.537
TEİAŞ Yek receivable amount	10.192.589	136.024.328
Insurance expenses	6.550.589	2.959.198
Diesel Usage Cost	5.096.375	-
Limestone Usage Cost	3.507.325	704.498
TEİAŞ market operation fee	3.096.690	401.917
Maintenance and repair costs	2.943.242	1.591.996
TEİAŞ / Epiaş other expenses	2.375.902	54.740.639
Distribution companies cost of system use	1.977.897	69.515.751
TEİAŞ system operation fee	946.032	1.781.305
Provision for Unused Leave	736.811	-
Group companies imbalance	378.927	673.517
Reactive capacitive goods cost(-)	155.759	2.584.889
Distribution companies other expenses	103.695	865.572
Teiaş retrospective amount	54.120	114.257
Provision for Severance Pay	30.621	-
TEİAŞ accepted load assignment amount	-	3.175.222
Other Cost Price	-	1.433.341
Other expenses	9.461.113	1.614.356
TOTAL	762.339.522	830.719.105



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

29. OTHER ASSETS AND LIABILITIES

Other Current Assets

	December 31, 2019	December 31, 2018
Income accruals(*)	100.594.248	54.207.502
Deferred VAT	54.267.711	63.241.820
Work advances	3.488.833	2.602.950
Advances given to personnel	434.376	688.346
Advances given to suppliers	19.929.590	2.579.236
Other Various Current Assets	236.912	2.271.975
TOTAL	178.951.670	125.591.830

The details of income accrual are as follows :

	December 31, 2019	December 31, 2018
Accrued electricity sales income	87.080.122	47.079.581
Other accrued interest income	9.657.466	3.862.290
Natural gas sales income	1.587	-
Other accrued income	3.855.073	3.265.631
TOPLAM	100.594.248	54.207.502

Other Tangible Fixed Assets

	December 31, 2019	December 31, 2018
Given advances	98.705.489	62.226.180
TOTAL	98.705.489	62.226.180

Other short term liabilities

	December 31, 2019	December 31, 2018
Accrued expenses	33.950.286	25.325.459
TOTAL	33.950.286	25.325.459

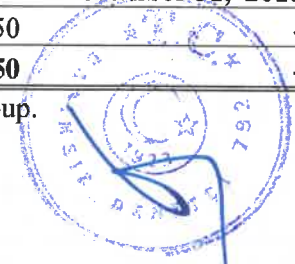
Expense accrual details are as follows:

	December 31, 2019	December 31, 2018
Accrued electricity purchase cost	25.589.146	20.655.117
Accrued distribution company cost	64.238	-
Accrued interest	3.248.285	4.382.753
Other accrued expenses	2.556.268	287.590
Natural gas purchase costs	2.492.350	-
Total	33.950.286	25.325.459

Other long term liabilities

	December 31, 2019	December 31, 2018
Accrued expenses (*)	2.467.750	-
TOPLAM	2.467.750	-

(*)It consists configuration installments of Insurance and Tax debt owned by the group.



30. EQUITY, RESERVES AND OTHER EQUITIES

Paid-in Capital

Paid-in Capital structure of the Company between December 31, 2019 and December 31, 2018 given on the following table:

The nominal capital of the company is TL 294.742.951 and the registered capital ceiling is TL 600.000.000. Details of the group's capital structure are presented below.

Shareholder	31.12.2019		31.12.2018	
	Share Amount	Rate	Share Amount	Rate
A. Bahattin Özal	30.691.451	10,41%	24.027.089	17,67%
Burak Altay	45.768.844	15,53%	20.818.724	15,3%
BB Enerji Yatırım San.ve Tic.A.Ş.	27.008.100	9,16%	21.389.100	15,8%
Müjgan Özal Mirası (*)	5.347.275	1,81%	5.347.275	3,95%
Fatimetüz Zehra Özal (**)	3.208.365	1,09%	3.208.365	2,37%
Hafize Ayşegül Özal	3.208.365	1,09%	3.208.365	2,37%
Mustafa Ali Özal	3.208.365	1,09%	3.208.365	2,37%
Mehmet Fatih Özal	1.069.455	0,36%	1.069.455	0,79%
Korkut Enes Özal	1.069.455	0,36%	1.069.455	0,79%
Hafize Büşra Özal	1.069.455	0,36%	1.069.455	0,79%
Halka Açık Kısım	173.093.821	58,73%	51.334.352	37,8%
Paid-in Capital	294.742.950	100%	135.750.00	100%

(*) Due to the death of Mrs. Müjgan Özal on 22.05.2018, the share amounts of TRY 5.347.275 of shares amounting to 1,81 % 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;

Shareholder	Share Amount	Rate
Fatimetüz Zehra Özal (**)	1.069.455	0,36%
Hafize Ayşegül Özal	1.069.455	0,36%
Mustafa Ali Özal	1.069.455	0,36%
Abdulkadir Bahattin Özal	1.069.455	0,36%
Mehmet Fatih Özal	356.485	0,12%
Korkut Enes Özal	356.485	0,12%
Hafize Büşra Özal	356.485	0,12%
Total	5.347.275	1,81%

(**) Due to the death of Mrs. Fatimetüz Zehra Özal on 04.12.2018, the share amounts of TRY 3.208.365 of shares amounting to 2,73 % have been transferred to Gökçe Koşay and Ayşenur Koşay Erbay with the property of the company. The distribution list is as follows;



30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

Shareholder	Share Amount	Rate
Gökçe Koşay	2.138.910	1,365%
Ayşenur Koşay Erbay	2.138.910	1,365%
Total	4.277.820	2,73%

The company's issued capital is TRY 294.742.950 and in question issued capital is paid in cash and fully by means free collusion. The issued capital is fully paid free all of collusion. TRY 281.542.951 of the issue capital is paid in cash and TRY 13.200.000 is covered from receivables from shareholders.

This capital is divided into 294.742.951 shares, each with a nominal value of 1 (one) TRY, of which 8.555.639,7 is registered (A) Group and 286.187.311 is a registered group (B).

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.

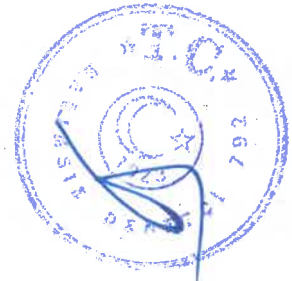
In capital increases, to represent the increased capital (A) Group shares ratio to (A) Group share and (B) Group shares ratio (B) Group share will be issued. In capital increases, when board of directors decided to issue only (B) group, right to receive shares is given to (A) group the ratio of its capital.

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 TTK 493 showing reason for carrying out company's goal and protection of independency of company. To transfer (B) group share will be traded in stock market can not be restricted.



30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

Share Premium

After increase of capital on January 08-23, 2019, nominal value of shares corresponding to new unused share purchase rights (amount of 43.506.439,11) is put on the stock market at a price formed in Borsa İstanbul A.Ş. Primary Market provided that the nominal value of 1 TL shall not be less than 1 TL at Borsa İstanbul A.Ş. Primary Market on January 24-25, 2019 and TRY 28.216.265 difference is occurred 43.506.439,11 shares offered to the public are sold at a price higher than the nominal value accounted for as share premiums

Besides, The amount of TRY 44.241.422 difference occurred as a result of selling of newly issued 5.600.180 shares offered to public higher price than nominal cost has been recognized as share Premium as of April 27, 2015. The amount of TRY 1.182.229 expenses for new issue shares and its process of issuance and selling, in accordance with, have been deducted from share premium and shown at equity.

The amount of TRY 48.000.000 difference occurred as a result of selling of newly issued 12.000.000 shares offered to public higher price than nominal cost has been recognized as share Premium as of May 13 and 14, 2013. The amount of TRY 2.865.131 expenses for new issue shares and its public offer, in accordance with, have been deducted from share Premium

The Company has also used TRY 88.149.820 of the share premium in 2017 for bonus issue.

	December 31, 2019	December 31, 2018
Share Premium	28.260.507	44.242
TOTAL	28.260.507	44.242

Actuarial gain / loss of funds

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

	December 31, 2019	December 31, 2018
Beginning period balance	(54.201)	(52.258)
Current year actuarial gains / (losses)	(222.325)	(1.943)
TOTAL	(276.526)	(54.201)

Previous Years' Profit/Loss

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

Previous Years' Profit/Loss	December 31, 2019	December 31, 2018
Previous Years' Profit/Loss	123.285.532	23.859.962
Change in Accounting Policies	-	(319.488)
Period profit/(loss)	(251.539.857)	99.745.059
TOTAL	(128.254.325)	123.285.532

Dividend Distribution

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



30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

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, 2019, the amount of restricted reserves is TRY 73.676.388. (31.12.2018: TRY 13.839.252). This all amount consist of legal reserves.

Minority Interest

Details of minority interest are shown below;

Minority Interest	December 31, 2019	December 31,2018
Capital	3.852.203	3.852.203
Retained earnings/(loss)	11.023.638	22.586.901
Period profit/(loss)	(28.670.395)	(11.563.263)
TOTAL	(13.794.555)	14.875.841

The Effect of Consolidations Involving Companies Subject to Joint Control

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

Goodwill amounting to TRY 26.340.830 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.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

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
Total	25.629.316	(711.514)	26.340.830

Other Equity

Other Equity details are as follows;

	December 31, 2019	December 31, 2018
Other Equity	21.868.966	21.868.966
TOTAL	21.868.966	21.868.966

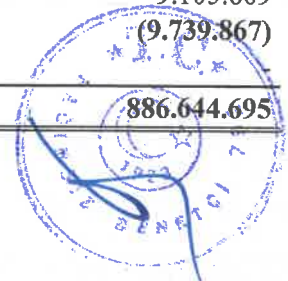
The Suda Maden purchase is evaluated within the scope of IFRS 3 Business Combinations-standard. This process has been determined an acquisition rather than a business combination transaction. The total amount paid for the asset and the difference amount consists of the between assets and liabilities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

31. REVENUE AND COST OF GOODS SOLD

Details of sales are given below:

Revenue:

	January 01 - December 31 2019	January 01 - December 31 2018
Domestic sales	934.035.118	877.538.887
<i>Free Consumer Electricity Sales</i>	25.908.112	400.096.062
<i>Electricity Sales income from TEİAŞ/Epiaş/EÜAŞ</i>	575.213.758	279.059.545
<i>Bilateral Agreements Electricity Sales</i>	255.512.204	83.197.846
<i>Sales to Group Companies</i>	31.727.229	6.017.735
<i>Solar Energy Sales</i>	258.989	229.042
<i>Distribution Companies Income from Natural Gas Sales</i>	986.494	799.199
<i>Income from Mining Sales</i>	51.974.872	108.807.239
<i>Other Incomes</i>	12.249.923	9.072.086
Overseas Sales	4.415.628	9.105.809
<i>Antimony Sales Income</i>	4.415.628	9.105.809
<i>Sales returns (-)</i>	(19.768.182)	(9.739.867)
<i>Sales discounts (-)</i>	(28.280)	
Total	938.450.745	886.644.695



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

31. REVENUE AND COST OF GOODS SOLD (Continued)

	January 01 - December 31 2019	January 01 - December 31 2018
Cost of goods sold (production)	650.595.947	376.422.509
Cost of goods sold (trade)	111.743.575	452.861.774
Other costs	-	1.434.823
TOTAL	762.339.522	830.719.105

32. CONSTRUCTION CONTRACTS

(None, December 31, 2018.)

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

There are no research and development expenses for the periods 1 January – 31 December 2019 and 1 January – 31 December 2018.

	January 01 - December 31 2019	January 01 - December 31 2018
Marketing, sales and distribution expenses	7.504.974	15.892.048
General administration expenses	21.233.651	17.635.541
TOTAL	28.738.625	33.527.589

Marketing, sales and distribution expenses

The details of marketing, sales and distribution expenses for the periods 1 January - 31 December 2019 and 1 January - 31 December 2018 are as follows:

	January 01 - December 31 2019	January 01 - December 31 2018
Costs of transport	6.343.416	14.041.639
Personnel expense	920.539	926.956
Electricity sales commission expense	111.950	211.779
Annual license cost	61.873	89.781
Consulting expense	26.739	1.320
Travel expenses	12.510	21.285
Shipping expenses	3.102	151.062
Advertisement Expense	-	1.287
Fuel expense	-	47.229
Severance pay expense	-	53.806
Notice compensation expense	-	72.359
Car rent expense	-	110.090
Communication expense	-	131.809
Other	24.844	31.647
	7.504.974	15.892.048



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Continued)**General Administration Expenses**

Details of general administration expenses according to their nature 1 January – 31 December 2019, and 1 January – 31 December 2018, periods are as below:

	January 01 - December 31 2019	January 01 - December 31 2018
Personnel expense	8.766.056	4.950.270
Amortization expense	3.123.704	4.728.774
Office rent expense	2.019.249	1.376.357
Declaration and Agreement Stamp Tax	2.344.614	1.235.436
Tax expenses	557.589	1.128.972
Consultancy expense	1.330.470	846.595
Travel expenses	133.430	433.952
Severance payment provisions	51.323	227.770
Provision for unused vacation	1.000.231	215.462
Notary expense	162.129	158.862
Dues contribution share	322.784	150.133
Representation and hospitality expenses	62.347	114.712
Insurance expense	56.187	109.262
Fuel expense	127.428	89.306
Shipping expense	14.191	59.439
Other expenses	1.161.920	1.810.239
TOTAL	21.233.651	17.635.541

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

	January 01 - December 31 2019	January 01 - December 31 2018
Exchange rate income	8.935.590	28.591.614
Rediscount interest income	13.980.495	16.306.846
Cancellation of provisions for doubtful receivables	5.704	2.237.800
Prior Year Revenues and Profits	1.708.237	1.637.731
Other Extraordinary Income	225.846	1.499.460
Other Income and Profits related to operations	2.196.221	1.462.057
TOTAL	27.052.093	51.735.507



34. OTHER OPERATIONAL INCOME AND EXPENSE (Continued)

Other Operational Expense

	January 01 - December 31 2019	January 01 - December 31 2018
Exchange rate expense	12.194.192	30.820.772
Rediscount interest expense	19.789.266	6.800.232
Provision Expenses	206.999	6.330.821
Other Extraordinary Expenses and Losses	4.913.117	2.024.669
Idle Capacity Expenses and Losses	9.870.274	1.512.577
Previous Year Expenses and Losses	1.011.624	1.440.156
Other Ordinary Expenses and Losses	1.143.528	760.675
TOTAL	49.129.000	49.689.902

(*) Depreciation charge for non-operating expenses and losses for the period 01.01.2019 - 31.12.2019 is TL 481.770.

35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Revenues from investment activities for the periods 1 January - 31 December 2019 and 1 January - 31 December 2018 are as follows;

	January 01 - December 31 2019	January 01 - December 31 2018
Investing Activity Revenue	1.932.410	340.633
Investment Activity Expenses	(764)	(620.430)
Profit / Loss from Investments Under Equity Method	33.742	15.303
TOTAL	(1.965.388)	(264.494)

36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES

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

Amortization Expenses	January 01 - December 31 2019	January 01 - December 31 2018
Cost of sales	74.387.013	35.626.597
Cost of Sales of Coal and Antimony	2.179.059	2.597.343
General administration expenses	3.123.704	4.728.774
Idle Capacity Expenses and Losses	481.770	422.660
Transferred to Product Cost (*)	438.395	1.262.517
TOTAL	80.609.942	44.637.891

(*)There is depreciation amounting to TRY 438.395 which is transferred to the cost of coal on YS Maden but is not transferred to the cost of sales.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES (Continued)

Personnel expenses	January 01 - December 31 2019	January 01 - December 31 2018
Cost of sales	31.978.700	6.345.181
General operating expenses	8.766.056	4.950.270
Marketing, sales and distribution expenses	920.539	926.956
TOTAL	41.665.295	12.222.408

Insurance expenses	January 01 - December 31 2019	January 01 - December 31 2018
Cost of sales	6.550.589	2.959.198
General administration expenses	56.187	109.262
TOTAL	6.606.777	3.068.460

Consultancy expenses	January 01 - December 31 2019	January 01 - December 31 2018
Marketing, sales and distribution expenses	26.739	1.320
General administration expenses	1.330.470	846.595
TOTAL	1.357.209	847.915

37. FINANCIAL EXPENSE AND INCOME

Financial Income

	January 01 - December 31 2019	January 01 - December 31 2018
Interest income	18.269.277	82.978.441
Rediscount interest income	111.365.196	33.564.609
Marketable Securities Sales Revenue	3.286	1.300.044
Foreign exchange profits	174.794.600	74.965.428
TOTAL	304.432.358	192.808.522

Financial Expenses

	January 01 - December 31 2019	January 01 - December 31 2018
Loss on sale of marketable securities	-	280.616
Foreign exchange losses	316.548.164	324.162.949
Interest and commission expense	233.728.032	75.104.524
Rediscount Interest Expense	112.543.968	37.132.628
TOTAL	662.820.164	436.680.718



38. ANALYSIS OF OTHER COMPREHENSIVE INCOME

The Group's other comprehensive income / (expense) breakdown as of 31 December 2019 and 31 December 2018 is as follows:

Not reclassified on gain/(loss)	January 01 - December 31 2019	January 01 - December 31 2018
Revaluation Increase / Decrease	(106.780.355)	1.034.828.546
Actuarial gains/(loss) (Note:27)	(285.031)	(2.491)
Deferred tax revenue/(expense) (Note:40)	23.554.385	(222.692.818)
TOTAL	(83.511.001)	812.133.237

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 31.12.2018, the net asset value of Ena Elektrik is TRY 575.305.(31.12.2017 : TRY 531.359)

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 31.12.2019 about 01 January- 31 December 2019 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:

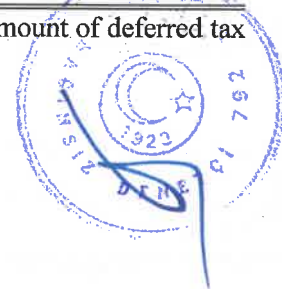
	January 01 - December 31 2019	January 01 - December 31 2018
Incomes	125.604	28.649
Expenses (-)	(66.341)	(276.578)
Period income before tax	59.263	(247.929)
Tax (-)	(15.317)	41.046
Period Net Profit/Loss	43.946	(206.884)

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

Tax income / expenses in the income statement for the period between 01 January - 31 December 2019 and 01 January - 31 December 2018 are summarized below:

	January 01 - December 31 2019	January 01 - December 31 2018
Tax expense for the period	(15.387)	(1.742.592)
Deferred tax income/ expense	15.949.297	(41.460.561)
Deferred tax reflected in equity (*)	23.554.385	(222.692.818)
Deferred Tax Income /Liability	39.488.295	(265.895.971)

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



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

Current Tax

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

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

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

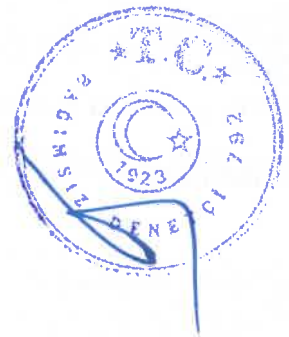
There are not taking of withholding tax for corporate who obtain income in Turkey with a base or permanent representative and dividend payment to corporate that has a base in Turkey. Dividend payment except these above is taxable for withholding tax at 15% (10% before July 22nd, 2006). Adding profit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

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 tax related assets:

There are no current period tax related assets between January 01, 2018 and December 31, 2019.



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

Current period tax expense:

As at 31 December 2019 and 31 December 2018, the details and calculation of current period tax liability are as follows:

	December 31, 2019	December 31, 2018
Profit/loss before tax	(2.253.932)	1.605.703
Non-deductible expenses	2.507.194	293.248
To be offset prior year losses	183.321	-
Corporate tax base	1.898.951	15.584.474
Tax Expense	83.554	623.379
Configuration act numbered as 5024	-	1.659.038
Prepaid taxes and other legal liabilities	-	-
Tax Expense For The Period (*)	15.387	1.742.592

Deferred Tax

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

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.

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 seperately.

The deferred assets and deferred tax liabilities in the consolidated financial statements are reflected as of December 31, 2019 - December 31, 2018 in the following manner:

	31.12.2019	31.12.2018
Deferred Tax Assets	32.200.012	39.234.733
Deferred Tax Liabilities	(77.396.298)	(123.934.700)
Total	(45.196.286)	(84.699.967)



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

The breakdown of cumulative temporary differences and the resulting deferred tax assets / (liabilities) provided at 31 December 2019 and 31 December 2018 using the enacted tax rates is as follows:

Deferred Tax Assets / Liabilities	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Fixed Assets	(129.840.569)	(39.680.492)	(28.564.925)	(34.220.429)
Severance Indemnities and Provisions	3.764.149	1.432.577	828.113	315.167
Rediscount	(6.083.340)	(13.017.900)	(1.338.335)	(2.863.938)
Doubtful Receivables	1.590.714	1.596.418	349.957	351.212
Establishment and Formation Expenses	3.949	3.950	869	869
Provisions for Other Payables and Expenses	500.309	4.424.718	110.068	973.438
Tax Deduction from Cash Capital Increase	-	-	12.739.138	3.556.562
Reduced Corporate Tax from Investment	-	-	169.880.515	169.880.515
Revaluation	-	-	(199.201.687)	(222.693.365)
Total	-	-	(84.699.968)	179.462.097

As of 31 December 2019 and 31 December 2018, the deferred tax movements of Odaş and its Subsidiaries are as follows:

Odaş Deferred Tax Assets / Liabilities	31.12.2019	31.12.2018
Opening balance	(40.304.036)	(13.097.375)
Current year deferred tax gain/(expense)	9.113.186	(7.987.448)
Deferred tax reflected in shareholders' equity	4.436.305	(19.219.212)
Deferred Tax Assets / (Liabilities)	(26.754.544)	(40.304.036)
Subsidiaries Deferred Tax Assets / Liabilities	31.12.2019	31.12.2018
Balance from the previous period, the deferred tax	(44.395.931)	192.559.472
Subsidiary removed from consolidation transferred deferred tax	-	-
Current year deferred tax income / (expense)	6.836.111	(33.473.113)
Deferred tax in equity	19.118.079	(203.482.291)
Deferred Tax Assets / (Liabilities)	(18.441.742)	(44.395.931)

Balances related to subsidiaries' deferred tax assets and liabilities as of December 31, 2019, and December 31, 2018 is as below:

Subsidiaries Deferred Tax Assets	31.12.2019	31.12.2018
Odaş Enerji Elektrik Perakende Satış A.Ş.	832.232	5.531.777
YS Madencilik San. Tic. Ltd. Şti.	30.174.863	30.518.265
Suda Maden A.Ş.	1.192.917	3.184.692
Deferred Tax Assets	32.200.012	39.234.735



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

Subsidiaries Deferred Tax Liabilities	31.12.2019	31.12.2018
Suda Stratejik Metal Dış Ticaret A.Ş.	(6.666)	(7.807)
Hidro Enerji Elektrik Üretim Sanayi A.Ş.	(7.737)	(15.312)
Anadolu Export Maden Sanayi ve Ticaret A.Ş.	(239.044)	(337.339)
Yel Enerji Elektrik Üretim Sanayi A.Ş.	(245.744)	(131.880)
Çan Kömür ve İnşaat A.Ş.	(46.018.999)	(80.197.278)
Çan2 Trakya Kömür Maden A.Ş.	(345.446)	-
CR Proje Geliştirme Yatırım Sanayi ve Ticaret A.Ş.	(394)	(446)
Odaş Doğalgaz Toptan Sat. San. ve Tic. A.Ş.	(271.763)	(431.004)
Küçük Enerji İnşaat Ltd. Şti.	(3.505.962)	(2.509.601)
Deferred Tax Liabilities	(50.641.754)	(83.630.665)

Under this law, deferred tax assets and liabilities in in the consolidated financial statements dated December 31, 2019 are calculated with %22 tax rate for portion of temporary differences that will have a tax effect in 2018, 2019 and 2020, and with %20 tax rate for portion of temporary differences that will have a tax effect in next periods.(December 31, 2017: %20)

The distribution of accumulated financial losses and amortization period by years as of December 31, 2019, and December 31, 2018, is like below;

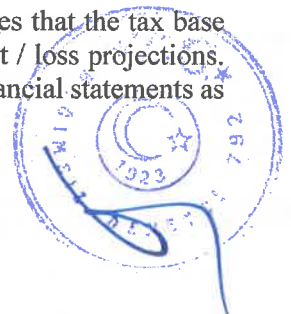
Amortization Date	December 31, 2019		December 31, 2018	
	Recorded Part	Unrecorded Part	Recorded Part	Unrecorded Part
2019	-	5.969.757	-	5.969.757
2020	-	6.971.227	-	6.971.227
2021	-	9.744.086	-	9.744.086
2022	-	16.385.043	-	16.385.043
2023	-	115.796.716	-	115.796.716

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 64.822.544 TRY (40% of total investment which is 340.000.000*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. The amount of investment contribution that can be used for this reason is reflected in the financial statements as a tax asset.



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

Audited as of December 31, 2019

Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

Investment in YS Madencilik 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% = 90.820.000 TRY, 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 = 5.800.000 TRY, 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 19.315.160 TRY 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 5.498.302 TRY 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 2019	January 01 - December 31 2018
Net profit /(loss)	(186.478.476)	(251.539.857)
Weighted average number of ordinary share	294.742.951	135.750.000
Profit/(loss) per share with nominal value of 1TRY	(0,632682)	(1,852964)

42. SHARE-BASED PAYMENT

None. (None, December 31, 2018.)

43. INSURANCE CONTRACTS

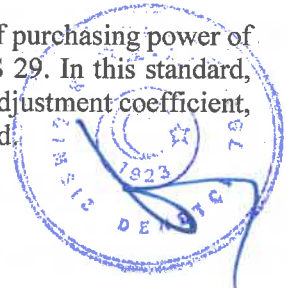
None. (None, December 31, 2018.)

44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE

None. (None, December 31, 2018.)

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.



45. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES (Continued)

CMC 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 CMC (CMC Financial Reporting Standard) proclaimed unnecessary application of inflation accounting as of 01.01.2005. Therefore, conditioning with started on 01.01.2005, Financial Reporting on the high inflation economies standard (TAS 29) that is published by IASC, were not applied.

46. DERIVATIVE INSTRUMENTS

None. (None, December 31, 2018.)

47. FINANCIAL INSTRUMENTS

Short-Term Financial Liabilities

	December 31, 2019	December 31, 2018
Bank loans	59.659.824	49.542.893
Financial leasing liabilities	7.444.431	6.659.540
Deferred financial leasing costs (-)	(596.207)	(448.674)
Installments of principal and interest of loans	586.803.729	354.706.373
Current Installments of Bonds	-	51.575.016
Other Financial Liabilities	92.330.497	119.505.014
Short-Term Financial Liabilities - Net	745.642.274	581.540.163

Long-Term Financial Liabilities

	December 31, 2019	December 31, 2018
Bank loans	1.124.009.826	1.140.024.004
Financial leasing liabilities	4.247.800	7.476.127
Deferred financial leasing costs (-)	(159.055)	(256.445)
Long-Term Financial Liabilities - Net	1.128.098.571	1.147.243.686

(*)*Financial leasing liabilities: Renters and that those who lease term debt not 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.*



47. FINANCIAL INSTRUMENTS (Continued)

Cycle power plant used in the lease is made for motors and transformers.

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

Long-Term Loans Liabilities	December 31, 2019
2021	317.881.402
2022	285.500.395
2023	245.746.944
2024	208.285.186
2025	66.595.899
Total	1.124.009.826

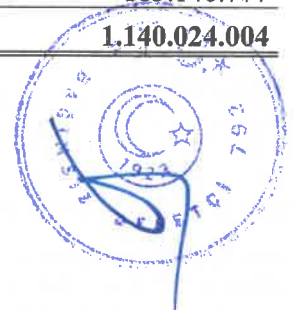
Long-Term Loans Liabilities	December 31, 2019
1-2 Years	317.881.402
2-3 Years	285.500.395
3-4 Years	245.746.944
4-5 Years	208.285.186
5 Years and Longer	66.595.899
Total	1.124.009.826

As of December 31, 2018 redemption schedule of long-term loan liabilities are as follows:

Long-Term Loans Liabilities	December 31, 2018
2020	404.009.320
2021	224.637.726
2022	174.382.384
2023	153.847.796
2024	136.069.574
2025	47.077.203
Total	1.140.024.004

As of December 31, 2018 redemption schedule of long-term loan liabilities is as follows:

Long-Term Loans Liabilities	December 31, 2018
1-2 Years	404.009.320
2-3 Years	224.637.726
3-4 Years	174.382.384
4-5 Years	153.847.796
5 Years and Longer	183.146.777
Total	1.140.024.004



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

47. FINANCIAL INSTRUMENTS (Continued)

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

Payment Year	Financial Leasing Liabilities	Deferred Financial Leasing Costs
2021	4.247.800	159.055
Total	4.247.800	159.055

As of December 31, 2018 redemption schedule of long-term finance lease liabilities is as follows:

Payment Year	Financial Leasing Liabilities	Deferred Financial Leasing Costs
2020	5.838.110	232.355
2021	1.638.017	24.090
Total	7.476.127	256.445

Other Financial Liabilities	December 31, 2019	December 31, 2018
Other financial liabilities (*)	92.330.497	171.080.031
Total	92.330.497	171.080.031

(*) As of December 31, 2019 the amount of TRY 90.306.243 consists of factoring liabilities and the amount of TRY 26.019 consists of borrowings related to the expenditures made with credit cards owned by the company and amount of TRY 1.998.235 IFRS 16 leasing payables.

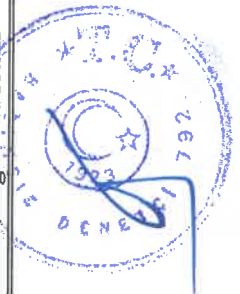


Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

47. FINANCIAL INSTRUMENTS (Continued)

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

	<u>Exchange Value</u>				<u>TRY</u>	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
TRY Loans	17-30%	16-39%	-	-	59.659.824	49.542.893
Short-term Loans			-	-	59.659.824	49.542.893
EURO Loans	5,5%-7%	5,5%-9,5%	66.033.242	26.640.321	439.160.676	160.587.857
USD Loans	6,5 - 8%	6,5 - 8%	2.692.193	2.090.179	15.992.166	10.996.221
TRY Loans	17-30%	16-39%	-	-	131.650.886	183.122.296
Short-term payments and interests of loans					586.803.729	354.706.373
Total short-term loans			-	-	646.463.553	404.249.267
EURO Loans	5,5%-7%	5,5%-9,5%	157.247.028	181.849.294	1.045.787.081	1.096.187.541
USD Loans	6,5 - 8%	6,5 - 8%	3.761.264	5.272.869	22.342.663	27.740.034
TRY Loans	17-30%	16-39%	-	-	55.880.082	16.096.428
Total long-term loans					1.124.009.826	1.140.024.004



48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Capital Risk Management

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

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

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

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

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

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

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

b) Financial Risk Factors

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

b.1) Credit risk

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

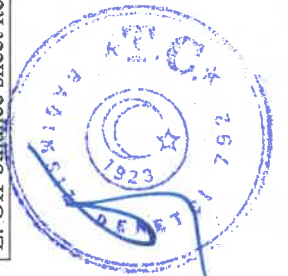


48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

	31.12.2019									
	Receivables					Bank Deposits	Derivatives	Other		
	Trade Receivables		Trade Receivables		Other Parties					
	Related Parties	Other Parties	Related Parties	Other Parties						
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	-	131.834.270	36.053.981	19.155.334	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	36.053.981	16.824.046	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)	-	(13.012.856)	-	-	-	-	-			
-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.



48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

	Receivables						Bank Deposits	Derivatives	Other
	Trade Receivables			Trade Receivables					
	Related Parties	Third Parties	Third Parties	Related Parties	Third Parties	Third Parties			
31.12.2019									
Overdue 1-30 days	-	-	2.331.288	-	-	-	-	-	
Overdue 1-3 months	-	126.246.082	16.824.046	36.053.981	-	14.233.128	-	134.937.493	
Overdue 3-12 months	-	-	-	-	-	-	-	-	
Overdue 1-5 years	-	5.588.188	-	-	-	-	-	-	
Overdue above 5 years	-	13.012.855	-	-	-	-	-	-	
Part covered by guarantess	-	(13.012.856)	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	



48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	31.12.2018							
	Receivables			Trade Receivables		Bank Deposits	Derivatives	Other
	Trade Parties	Other Parties	Related Parties	Trade Parties	Other Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	-	84.642.356	27.563.400	21.052.774	7.120.572	-	64.805.416	
- Maximum amount of risk exposed	-	-	-	1.352.910	-	-	-	
- Part of the risk covered by guarantees	-	-	-	-	-	-	-	
A. Net value of financial assets neither due nor impaired	-	84.642.356	27.563.400	19.699.864	7.120.572	-	64.805.416	
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-	
C. Past due but not impaired	-	645.332	-	-	-	-	-	
D. Net book value of Impaired assets	-	13.366.862	-	-	-	-	-	
-Past due (gross book value)	-	(13.366.862)	-	-	-	-	-	
-Impairment (-)	-	-	-	-	-	-	-	
- Part covered by guarantess	-	-	-	-	-	-	-	
- Undue (gross book value)	-	-	-	-	-	-	-	
- Impairment (-)	-	-	-	-	-	-	-	
- Part covered by guarantess	-	-	-	-	-	-	-	
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	



48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

	Receivables						Bank Deposits	Derivatives	Other
	Trade Receivables			Trade Receivables					
	Related Parties	Third Parties	Third Parties	Related Parties	Third Parties	Third Parties			
31.12.2018									
Overdue 1-30 days	-	-	-	-	-	-	-	-	
Overdue 1-3 months	-	645.332	-	-	-	-	-	-	
Overdue 3-12 months	-	-	-	-	-	-	-	-	
Overdue 1-5 years	-	-	-	-	-	-	-	-	
Overdue above 5 years	-	-	-	-	-	-	-	-	
Part covered by guarantess	-	-	-	-	-	-	-	-	
Total	-	-	645.332	-	-	-	-	-	



48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

The details of credit quality for receivables that is not due, is not subject to impairment and conditions have been met again.

	31.12.2019	31.12.2018
Group 1	1.048.885	7.092.752
Group 2	99.758.510	56.582.290
Group 3	5.328.087	6.834.103
Total	106.135.482	70.509.145

Group 1 – New customers (less than 3 months)

Group 2 – Existing customers have no default in the previous years (customer exist more than 3 months)

Group 3 - Existing customers have default in the previous years but collection is done although delayed.

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

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

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



48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b.3.1) Foreign Currency Risk Management

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

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



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Currency Position					
	31.12.2019				
	TRY (Functional Currency)	USD	EURO	GBP	OTHER
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	-	-	-	-	-
4. Current Assets (1+2+3)	21.292.165	750.644	2.518.235	10.946	189
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-
9. Total Assets (4+8)	21.292.165	750.644	2.518.235	10.946	189
10. Trade payables	(58.546.589)	(1.606.742)	(7.080.821)	(245.677)	-
11. Financial Liabilities	(421.515.219)	(2.473.264)	(61.170.952)	-	-
12a. Monetary financial liabilities	(594.020)	(100.000)	-	-	-
12b. Non-monetary financial liabilities	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	(480.655.828)	(4.180.006)	(68.251.773)	(245.677)	-
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	(1.110.580.977)	(3.818.868)	(163.578.645)	-	-
17. Long Term Liabilities (14+15+16)	(1.110.580.977)	(3.818.868)	(163.578.645)	-	-
18. Total Liabilities (13+17)	(1.591.236.806)	(7.998.874)	(231.830.419)	(245.677)	-
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	-	-	-	-	-
19a. Amount of Hedge Total Asset	-	-	-	-	-
19b. Amount of Hedge Total Liabilities	-	-	-	-	-
20. Net Foreign Currency asset/ (liabilities) Position (9-18+19)	(1.569.944.640)	(7.248.230)	(229.312.183)	(234.732)	189
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.586.861.958)	(7.970.494)	(231.198.632)	246.218	189
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	-	-	-	-	-
23. Export	4.442.471	774.592	-	-	-
24. Import	-	-	-	-	-



Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Audited as of December 31, 2019
Explanatory Notes to the Financial Statements
(Currency is TRY unless otherwise is indicated.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Currency Position					
	31.12.2018				
	TRY (Functional Currency)	USD	EURO	GBP	OTHER
1. Trade Receivables	409.010	77.745		-	
2a. Monetary financial assets (including cash and cash equivalents)	1.021.977	78.940	99.939	540	189
2b. Non-monetary financial assets	10.349.989	302.959	1.439.066	12.245	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	11.780.976	459.644	1.539.005	12.786	189
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-
9. Total Assets (4+8)	11.780.976	459.644	1.539.005	12.786	189
10. Trade payables	(58.190.321)	(1.291.331)	(8.516.891)	(8.559)	
11. Financial Liabilities	(125.580.910)	(1.830.334)	(19.235.519)	-	
12a. Monetary financial liabilities	(526.090)	(100.000)	-	-	
12b. Non-monetary financial liabilities	-	-	-	-	
13. Short Term Liabilities (10+11+12)	(184.297.321)	(3.221.665)	(27.752.409)	(8.559)	-
14. Trade Payables	-	-	-	-	
15. Financial Liabilities	(1.183.930.168)	(5.362.640)	(191.724.926)	-	
17. Long Term Liabilities (14+15+16)	(1.183.930.168)	(5.362.640)	(191.724.926)	-	
18. Total Liabilities (13+17)	(1.368.227.490)	(8.584.306)	(219.477.335)	(8.559)	
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	-	-	-	-	
19a. Amount of Hedge Total Asset	-	-	-	-	
19b. Amount of Hedge Total Liabilities	-	-	-	-	
20. Net Foreign Currency asset/ (liabilities) Position (9-18)	(1.356.446.514)	(8.124.661)	(217.938.331)	4.227	189
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.366.796.503)	(8.427.620)	(219.377.396)	9.099	189
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	-	-	-	-	
23. Export	9.102.252	1.716.250	-	-	
24. Import	-	-	-	-	



48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

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

Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
31.12.2019				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	(8.697.877)	8.697.877	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
3- Net Effect of U.S. Dollar (1+2)	(8.697.877)	8.697.877	-	-
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(275.174.620)	275.174.620	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
6- Net Effect of EURO (4+5)	(275.174.620)	275.174.620	-	-
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	(281.678)	281.678	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
9- Net Effect of GBP (7+8)	(281.678)	281.678	-	-
Change in 20% of the PLN against TRY;				
7- Net asset / liability of other exchange	227	(227)	-	-
8- Amount hedged for other exchange risk (-)	-	-	-	-
12- Net Effect of PLN (7+8)	227	(227)	-	-
TOTAL (3+6+9)	(284.153.948)	284.153.948	-	-

Other Issues

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



48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Sensitivity Analysis of Foreign Exchange Position				
31.12.2018				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	(9.749.594)	9.749.594	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
3- Net Effect of U.S. Dollar (1+2)	(9.749.594)	9.749.594	-	-
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(261.525.997)	261.525.997	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
6- Net Effect of EURO (4+5)	(261.525.997)	261.525.997	-	-
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	5.072	(5.072)	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
9- Net Effect of GBP (7+8)	5.072	(5.072)	-	-
Change in 20% of the PLN against TRY;				
7- Net asset / liability of EUR	227	(227)	-	-
8- Amount hedged for EUR risk (-)	-	-	-	-
12- Net Effect of PLN (4+5)	227	(227)	-	-
TOTAL (3+6+9)	(271.270.291)	271.270.291	-	-

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. (31.12.2018: None)



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

Fair Value

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

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

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

Financial Assets

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

Financial Liabilities

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

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

First Level: Financial assets and liabilities are 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.

31.12.2019

	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
Financial Assets						
Cash and Cash Equivalent	-	16.355.919	-	-	16.355.919	53
Trade receivables	-	131.834.270	-	-	131.834.270	6-7
Other receivables	-	55.854.892	-	-	55.854.892	6-9
Financial Liabilities						
Financial payables				1.873.740.845	1.873.740.845	47
Trade payables	-	-	-	288.073.343	288.073.343	6-7
Other payables	-	-	-	37.656.698	37.656.698	6-9



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

31.12.2018

	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
Financial Assets						
Cash and Cash Equivalent	-	7.133.365	-	-	7.133.365	53
Trade receivables	-	84.642.356	-	-	84.642.356	6-7
Other receivables	-	48.616.175	-	-	48.616.175	6-9
Financial Liabilities						
Financial payables						
Trade payables	-	-	-	1.728.783.849	1.728.783.849	47
Other payables	-	-	-	285.547.729	285.547.729	6-7
Financial Assets	-	-	-	10.734.623	10.734.623	6-9

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

Derivative Financial Instruments (Futures Agreements)

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

50. SUBSEQUENT EVENTS

Paid Capital Increase

Based on the authorization of article 6 of the Company's Board of Directors, in the registered capital ceiling determined as TRY 600.000.000, provided that issued capital of TRY 294.742.951 is increased TRY 305.257.049 to TRY 600.000.000 all by cash, it has been decided to paid capital increase and it has been approved at board meeting of Capital Markets Board (CBM) dated 16.01.202 and with no 2020/06. Use of right to preference for the said capital increase has been completed dated January 21,2020-February,4 2020.

In return for shares representing the capital increased TRY 305.257.049, mature credits from the company occurred with funds in cash TRY 72.800.886 of company main partners have been deducted for the capital commitment. TRY 207.457.534,03 cash inflow has been occurred on January 21,2020 and February 04,2020, which are the period of exercising new share purchase rights. Shares with nominal value of TRY 24.998.629 remaining in the capital increase has been sold in Borsa İstanbul A.Ş. Primary Market between February 06-07, 2020 for 2 working days and TRY 56.594.374,53 fund inflow has been provided.

In this way, total funds provided with capital increase are gross TRY 336.852.794,56.

Foreign Currency Loans

In the exception statement dated 12.02.2020, an information is shared. According to the this information; 20 Million Euro of the 175 Million Euro long-term project finance loan used by Çan Kömür ve İnşaat A.Ş. for the Çan-2 Thermal Power Plant Project has been converted into Turkish Liras with the same terms and payment terms and The demand, evaluation and negotiation process with the banks to be converted into Turkish Lira under the appropriate conditions for the remaining part of the loan continues



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

None.

52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARDS

None.

53. EXPLANATION TO CASH FLOW STATEMENT

Cash and Cash Equivalents

	December 31, 2019	December 31, 2018
Cash	2.112.116	3.721
Bank	14.233.128	7.120.572
-Demand deposit	8.490.193	3.341.452
-Time deposit	5.742.935	3.779.120
Other Current Assets	10.675	9.072
TOTAL	16.355.919	7.133.365

As of December 31, 2019 there is no blocked deposits of the Group (None, December 31, 2018)

Amount of time deposits as of December 31, 2019 concerning the details are as follows:

Currency Time Deposits	Maturity	Interest rate	December 31, 2019 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%	1.015
TRY	02.01.2020	11,23%	320
TOTAL			5.742.935

Amount of time deposits as of December 31, 2018 concerning the details are as follows:



53. EXPLANATION TO CASH FLOW STATEMENT (Continued)

Currency Time Deposits	Maturity	Interest rate	December 31, 2018 TRY
TRY	31.01.2019	17,70%	1.746.304
TRY	02.01.2019	18,55%	1.100.000
TRY	02.01.2019	16,00%	643.098
TRY	02.01.2019	23,99%	211.067
TRY	12.02.2019	16,24%	60.862
TRY	02.01.2019	23,99%	14.091
TRY	02.01.2019	23,99%	3.699
TOTAL			3.779.121

54. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE

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

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

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, 2019 the amount of interest, tax, profit before depreciation is TRY 227.045.025. (December 31, 2017: TRY 67.875.750)

