

ODAS



ANNUAL REPORT
2019

TABLE OF CONTENTS

ANNUAL REPORT | 01

08-Independent Audit Report for the Board of Directors' Annual Report

ODAŞ AT A GLANCE | 02

12-Milestones of ODAŞ

14-Financial Highlights

16-Current Operations and Ongoing Investments

18-Highlights of 2019

MANAGEMENT | 03

22-Board Members

23-Our Vision, Mission and Strategy

OPERATIONS | 04

- 26-ODAŞ Group Companies
- 28-ENERGY
- 29-Electricity Generation & Sales
- 32-MINING
- 33-Precious Metals and Mining
- 34-Investor RELATIONS
- 36-Human Resources

CORPORATE GOVERNANCE | 05

- 40-Corporate Governance Compliance Report

CONSOLIDATED FINANCIAL STATEMENTS | 06

- 68-Independent Audit Report on Financial Statements
- 74-Financial Statements
- 82-Remarks

CONTACT | 07

- 162-Contact



URFA //
GÖBEKLİTEPE

INDEPENDENT
AUDIT REPORT
FOR THE BOARD
OF DIRECTORS'
ANNUAL
ACTIVITY
REPORT

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

To the General Assembly of Odaş Elektrik Üretim Sanayi Ticaret Anonim Şirketi

1) Opinion

We have audited the annual report of Odaş Elektrik Üretim Sanayi Ticaret Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the fiscal year 01.01.2019-31.12.2019.

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

2) The Basis of Opinion

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

3) Our Audit Opinion on Full Set Consolidated Financial Statements

We expressed a positive opinion in our audit report dated 10.03.2020 about the Group's full set consolidated financial statements for the fiscal year 01.01.2019-31.12.2019.

4) Board of Directors' Responsibility for Annual Activity Report

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

- a) Prepares the annual activity report and submits it to the general assembly within the first three months following the balance sheet date.
- b) Furnishes the annual activity report in a way to reflect the group's course of activities in the subject year and every aspect of its consolidated financial standing in an accurate, exhaustive, straightforward, realistic and truthful manner. In this report, consolidated financial

standing is evaluated on the basis of consolidated financial statements. The report also indicates clearly the group's development and potential risks that it may face. The board of directors' evaluations on these issues are also provided in the report.

c) In addition, the activity report includes the following:

- Events of particular importance within the group that occur after the end of the activity year,
- The Group's research and development works,
- Pecuniary benefits such as salary, premium and bonus paid to and allowances, travel, accommodation and representation expenses, provisions in kind and in cash, insurances and similar coverages provided to the members of the board and senior executives.

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

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

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

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

Kudret Fikirli is the cap auditor who conducted and concluded this independent audit.

Rasyonel Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.

Kudret Fikirli, CPA
Cap Auditor
Istanbul, March 10, 20:





TRABZON //
SUMELA MONASTERY

ODAŞ AT A
GLANCE

ODAŞ

MILESTONES

2011

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



2013

- ▶ Odaş Doğal Gaz Toptan Satış Sanayi Ticaret A.Ş. was founded.
- ▶ Şanlıurfa Natural Gas combined cycled Power Plant reached 140MW installed capacity.
- ▶ 92% of Çan Kömür ve İnşaat AŞ was acquired by Odaş Elektrik Üretim AŞ.



ODAŞ

2010

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



2012

Voytron Enerji Elektrik Perakende Satış A.Ş. was included in ODAŞ Group.



2014

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

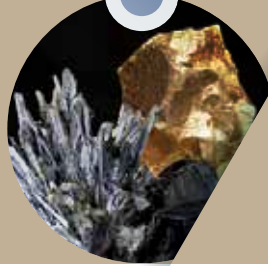
2015

- ▶ ODAŞ began its activities to operate in the fields of Gold and Antimony mining. As part of this, Anadolu Export Maden Sanayi Ticaret A.Ş. was established to operate in the field of gold mining, and Suda Maden A.Ş., which operates in the field of Antimony mining, was acquired to be a wholly owned subsidiary of ODAŞ Group.
- ▶ Köprübaşı Hydroelectric Power Plant with an Installed Capacity of 8.2 MW was commissioned.
- ▶ ODAŞ shares were listed on the BIST 100 Index of Borsa İstanbul A.Ş.



2017

- ▶ The production capacity in Antimony and Antimony Trioxide Mining was doubled.
- ▶ The Group started coal sales in line with its coal production and sales planning.



2019

- ▶ Çan-2 Thermal Power Plant completed the Ramp-Up process and commenced stable production.
- ▶ As of December 2019, Çan-2 Thermal Power Plant obtained an Environmental Permit and License for 5 years, which only a few thermal power plants were granted in terms of environmental regulations.



2016

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



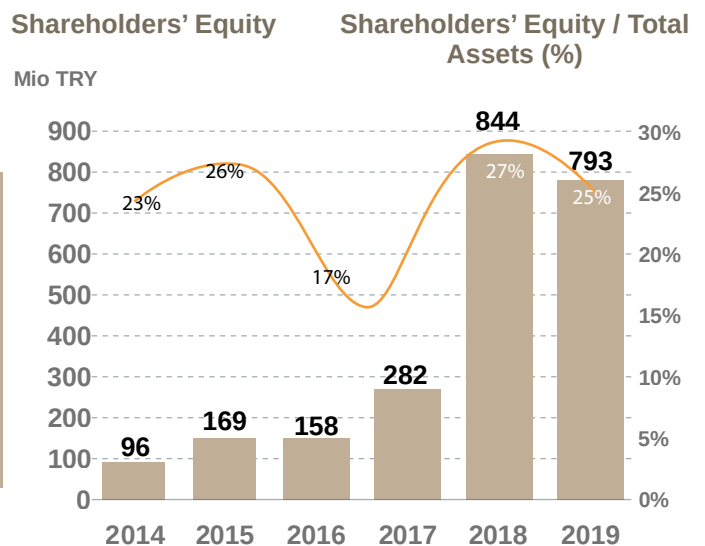
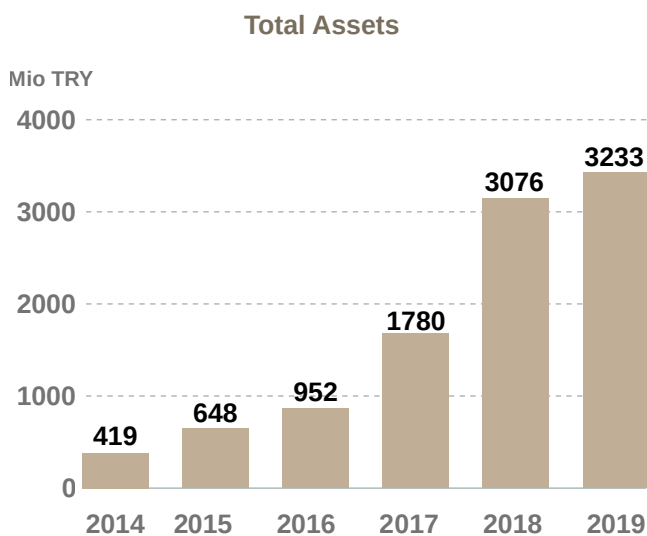
2018

Çan-2 Thermal Power Plant was commissioned.

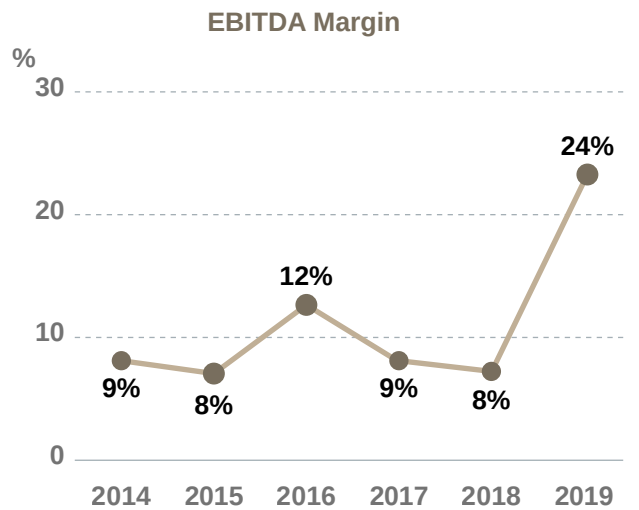
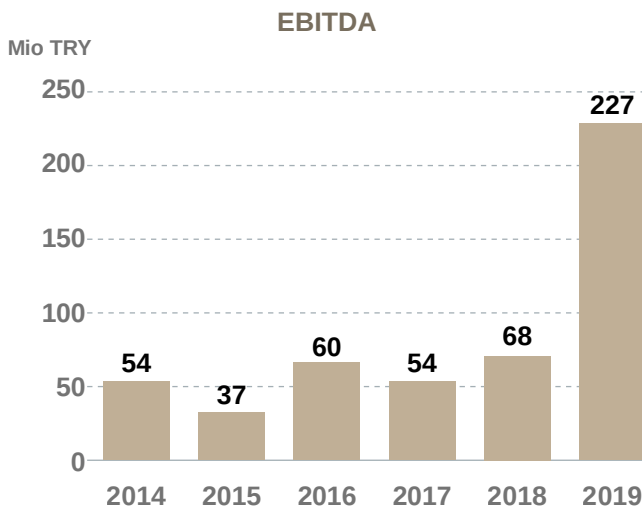
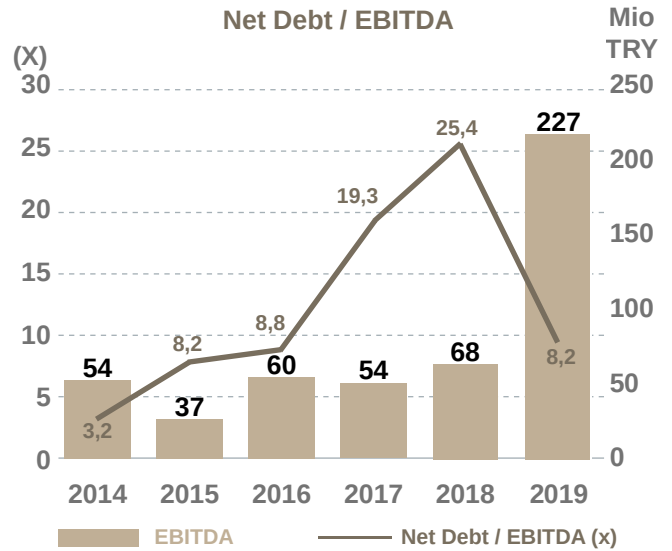
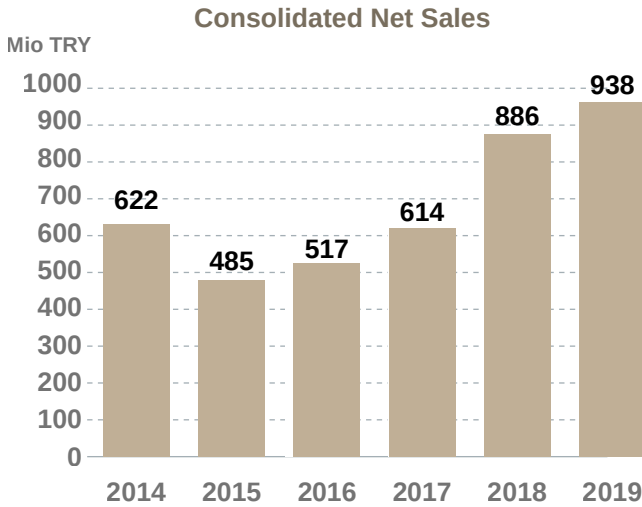


FINANCIAL HIGHLIGHTS

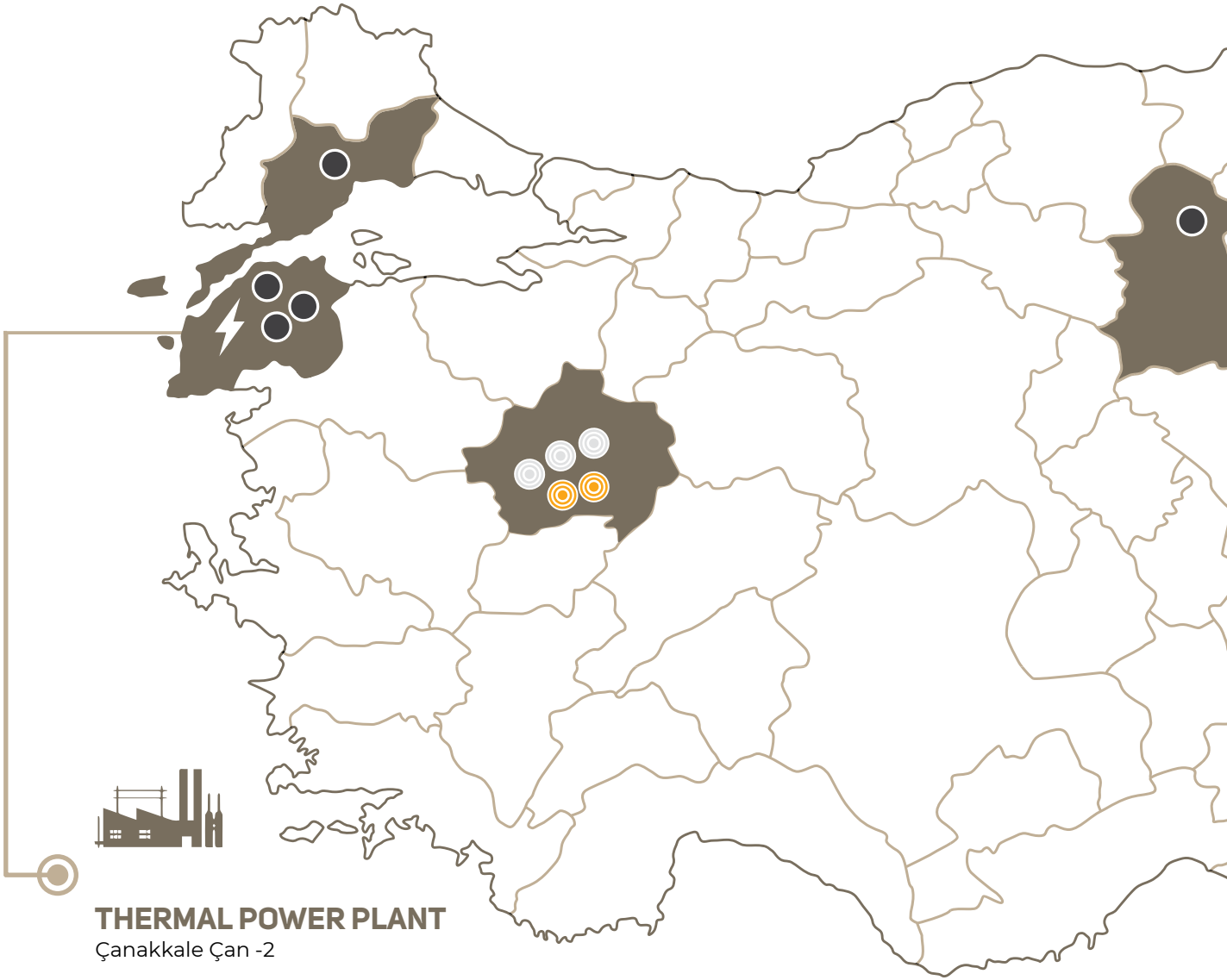
Consolidated Financial Figures (TRY Mio)	2014	2015	2016	2017	2018	2019
Net Sales	622	485	517	614	886	938
Net Profit for the Year	27	-0.6	-9	100	-251	-187
EBITDA	54	37	60	54	68	227
Cash and Cash Equivalents	71	62	108	124	7	16
Short-Term Financial Liabilities	104	115	165	341	581	746
Long-Term Liabilities	136	251	473	825	1147	1128
Shareholders' Equity	96	169	158	282	844	793
Total Assets	419	648	952	1780	3076	3233
Net Debt	169	305	531	1042	1722	1858
KPIs	2014	2015	2016	2017	2018	2019
EBITDA Margin (%)	9%	8%	12%	9%	8%	24%
Net Debt / EBITDA (x)	3,2	8,2	8,8	19,3	25,4	8,2
Shareholders' Equity / Total Assets (%)	23%	26%	17%	16%	27%	25%



FINANCIAL HIGHLIGHTS



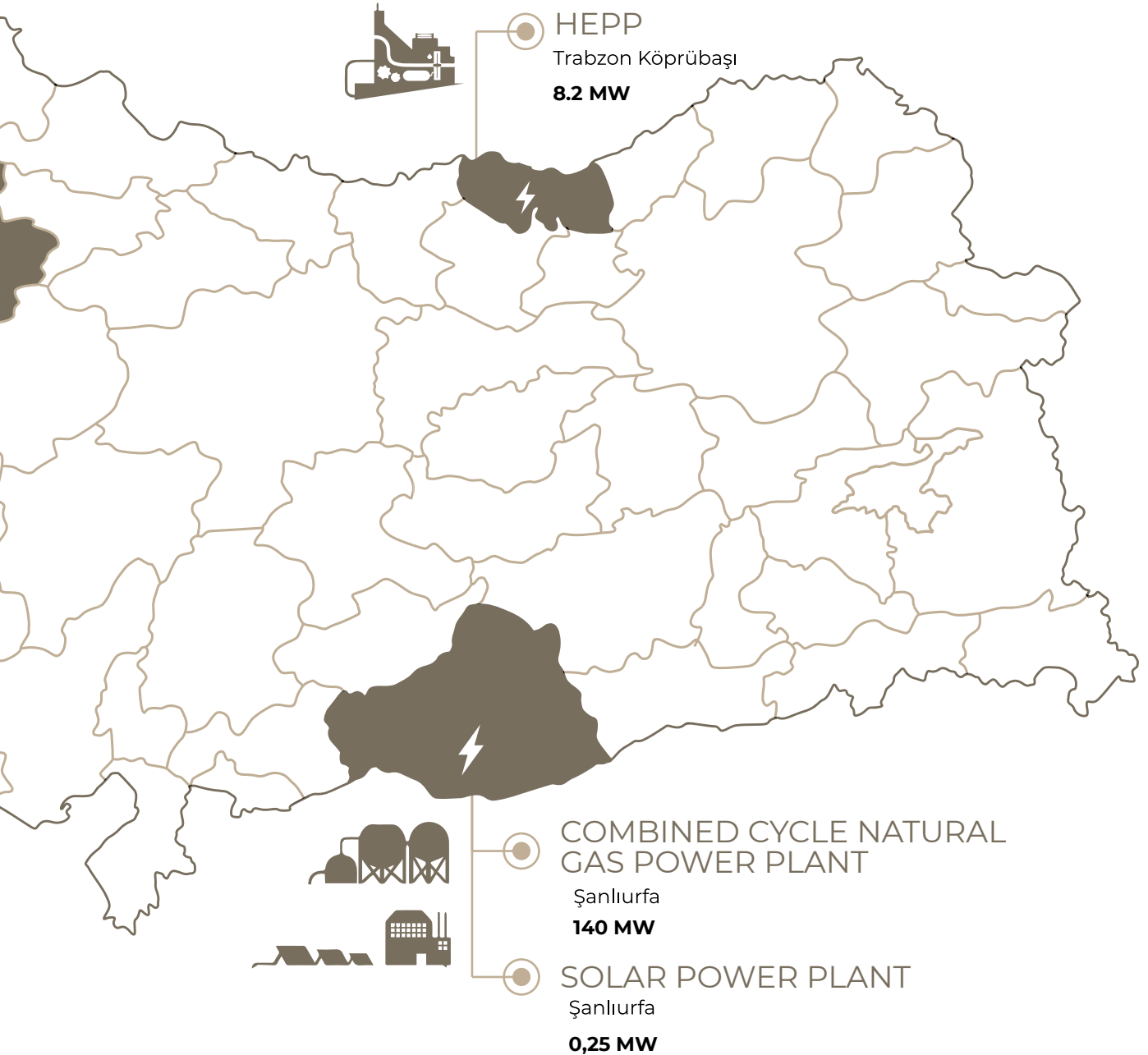
CURRENT OPERATIONS



 Gold Mining Sites

 Coal Mining Sites

 Antimony Mining Sites



HIGHLIGHTS 2019





340 MW ÇAN II Thermal Power Plant

Following the commissioning of Çan-2 Thermal power plant as of early August of 2018 based on local coal; the “Ramp-Up” process was initiated as a period of planned and controlled production. The improvement works for (i) air blowing, (ii) clinker removal and (iii) turbine isolation systems were completed based on the data obtained following the production outputs during this period and the power plant started stable production at the end of March 2019.



ÇANKKALE //
TROYA

MANAGEMENT

BOARD MEMBERS

Abdulkadir Bahattin Özal

Chairman

Having completed his primary and secondary education at TED Ankara College, Mr. Özal attended Üsküdar Cumhuriyet High School, followed by ITU Control and Computer Engineering Department in 1985, and Boğaziçi University Physics Engineering Department in 1988. Thereafter, he entered business life and established and managed numerous firms in the construction, import, export and energy sectors. In cooperation with Mr. Burak Altay, Mr. Özal has implemented more than ten successful projects in the energy sector, as well as completing investments in five power plants over five years. Currently he serves as the Chairman of the Board of Directors of the firm, as the founding partner of ODAŞ Group.

Hafize Ayşegül Özal

Board Member

Having completed her education in 1972, Mrs. Özal began working at Aköz Foundation in 1994, and was appointed as Foundation Director in 1996. Currently, she is a board member of Aköz Foundation, offering scholarships to 250 students and providing support to people in need. Mrs. Özal continues to serve as a board member in the firm

Salih Erez

Independent Board Member

Mr. Erez graduated from Koç University's Department of Business Administration and continues to serve as a board member at Haznedar Refrakter San. AŞ, Durer Refrakter Malzemeleri San. ve Tic. AŞ, and Haznedar Yatırım ve Pazarlama AŞ, along with his position as an independent board member in ODAŞ.

Burak Altay

Deputy Chairman / CEO

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

Mustafa Ali Özal

Board Member

Having graduated from Gazi University's Department of Economics, Mr. Özal took on a career in business in 1982. He served as an executive and board member at various firms operating in a number of sectors. Mr. Özal continues to serve as a board member in the firm.

Necdet Akşay

Independent Board Member

Graduated from Istanbul Technical University (ITU) in 1971 as a Mechanical Engineer, Mr. Akşay worked in the Directorate of Facilities as a Project Engineer at Sümerbank Head Office between 1972-1973 and as a Project and Site Manager in charge of the installation of power plants at Sungurlar between 1975 and 1987. Mr. Akşay worked as the General Manager of Istanbul Ulaşım A.Ş., a subsidiary of Istanbul Metropolitan Municipality, between 1987-1989 and he carried out the establishment and management of the Istanbul Sea Buses and Istanbul Metro enterprises during that period. Having been providing consultancy and supervisory services in energy projects of many domestic and international companies through his own company since 1989, Mr. Akşay has an excellent command of English and still carries out his works in the same field.

OUR MISSION, VISION AND STRATEGY

Mission

To provide value-creating products and services for our country and shareholders through a swift and flexible approach to high-return investments, taking social and environmental

To become a leading company in the energy and mining industry, by means of differentiation through strategic investments and generation of sustainable profits.

While maintaining its value-creating investments in the energy industry and standing out with its high level of internal efficiency, ODAŞ intends to achieve added synergy through operations in the mining industry, and to diversify its revenues.

Vision

Strategy



UŞAK //
TREASURES OF CROESUS

OPERATIONS

ODAŞ GROUP COMPANIES

Çan Kömür ve İnşaat A.Ş.

92%

Local Coal Based Thermal Power Plant

Küçük Enerji Üretim ve Ticaret Ltd. Şti.

90%

Köprübaşı Regulator and Hydroelectric Power Plant

Voytron Enerji Elektrik Perakende Satış A.Ş.

100%

Retail Sales of Electricity

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

90%

Natural Gas Wholesale

Hidro Enerji Elektrik Üretim Sanayi A.Ş.

100%

Volkan Hydroelectric Power Plant Generation License

CR Proje Geliştirme Yatırım Sanayi ve Ticaret A.Ş.

100%

Ena Elektrik Üretim Ltd. Şti.

80%

Electricity Wholesale

ENERGY

ODAŞ GROUP COMPANIES

Suda Maden A.Ş.

100% Precious and Strategic Metal Mining

Suda Stratejik Metal Dış Ticaret A.Ş.

100% (Indirectly)

Anadolu Export Maden Sanayi ve A.Ş.

96%

Precious Metal Mining

Yel Enerji Elektrik Üretim Sanayi Ticaret A.Ş.

92% (Indirectly)

YS Madencilik Sanayi Ticaret Ltd. Şti.

52%

Çan-2 Trakya Kömür Maden A.Ş.

92% (Indirectly)

MINING

ENERGY



ENERGY

Electricity Generation and Retail Sales

ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş.

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

Çan Kömür ve İnşaat A.Ş.

The Group acquired 92% of Çan Kömür ve İnşaat A.Ş., which holds a paid royalty in the Çan district of Çanakkale province in September 2013, with a view to focusing on domestic coal resources with high calorific value in order to employ the most advantageous methods of power generation currently available in the industry.

Exploration works were undertaken in accordance with the standards of the Joint Ore Reserves Committee (JORC) on the existing license site. The average calorific value of the reserves identified in 2013 was 3.481 kcal/kg, which is actually the highest value seen in a Turkish power plant generating lignite-based electricity. This translates to a competitive advantage also in terms of production costs compared to their peers. Efforts to put these advantages to good use led to an investment in a 340 MWh/330 Mwe power plant. The power plant began to operate commercially on 01.08.2018 following the approval of the Ministry.

The investment cost of the power plant is rather low relative to similar investments. Çan-2 Thermal Power Plant started its stable production as of 24.03.2019, upon the completion of the "Ramp-Up" process in March, which started following the commissioning.

Voytron Enerji Elektrik Perakende Satış A.Ş.

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

Küçük Enerji Üretim ve Ticaret Ltd. Şti.

The company which became a 90% subsidiary of ODAŞ Enerji in December 2012 owns the Köprübaşı Regulator and Hydroelectric Power Plant with an installed capacity of 8.2 MW and is located on Manahoz Creek in Trabzon province. The electro-mechanical equipment used in the construction of the power plant was procured from a local company for the first time in Turkey for a power plant of such scale. Thus, the guaranteed purchase price will be 9.3 \$cent/KWh and 7.3 \$cent/KWh over a five-year period from 2016 onward and for the ensuing five-year period, respectively.

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

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

Hidro Enerji Elektrik Üretim Sanayi A.Ş.

Hidro Enerji, a 100% subsidiary of Odaş, operates in building, commissioning and renting electric power generation plants, as well as generating electric power and selling generated electric power and/or capacity to customers.

Ena Elektrik Üretim Ltd. Şti.

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

ENERGY

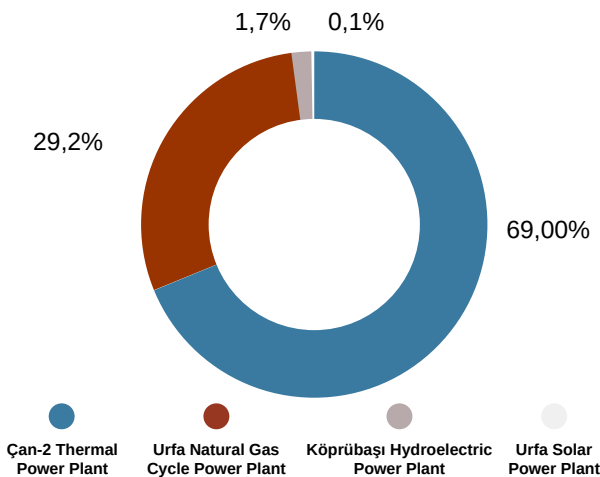
Electricity Generation and Sales

Total Installed Capacity

The Group has a total installed capacity of 478.45 MW and the breakdown of the installed capacity according to the power generation facilities is shown below.

Breakdown of Total Installed Capacity According to Power

	MW	%
Çan-2 Thermal Power Plant	330	69,00%
Urfa Natural Gas Combined Cycled Power Plant	140	29,20%
Köprübaşı Hydroelectric Power Plant	8,2	1,70%
Urfa Solar Power Plant	0,25	0,10%
Total	478,45	100,00%



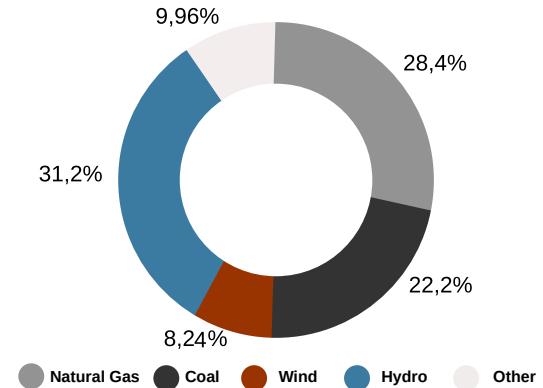
Sector Outlook

In comparison of Reference Sector Parameters on Generation and Consumption for electricity industry; the share of coal and lignite power plants in the total

generation increased from 39.5% to 42.8% YoY and the share of natural gas power plants decreased from 29.2% to 21.3% YoY in 2019. The share of hydroelectric power plants within total generation increased from 17.3% in 2018 to 21.5%.

With the contribution of recently engaged power plants, solar power plants in particular; the share of wind, geothermal and solar power plants in the total electricity generation in 2019

Breakdown of Total Installed Capacity in Turkey According to Power Generation Facilities as of 31.12.2019



increased from 30.7% to 31.7% YoY. According to the data announced by TEİAŞ; electricity consumption decreased by 1.2% YoY to 280,536.812 GWh in 2019 and electricity generation in the same period increased by 0.8% to 280,912.78 GWh.

Based on the data published by TEİAŞ on generation and installed capacity comparison; the total installed capacity in the industry reached to 2,915.73 MW with an increase of 3.19% YoY corresponding to net 2,825.6 MW (taking into consideration capacity reductions

ENERGY

Electricity Generation

	2019	2018
Çan-II TPP (330MW)		
Çan-II TPP Electricity Generation (GWh)	1.509	251
ODAŞ Urfa CCNGPP (140 MW)		
Urfa Overall Electricity Generation (GWh)	129	306
Köprübaşı HEPP (8.2 MW)		
Overall Electricity Generation at Köprübaşı (GWh)	22	24
Total Electricity Generation	1659 GWh	581 GWh

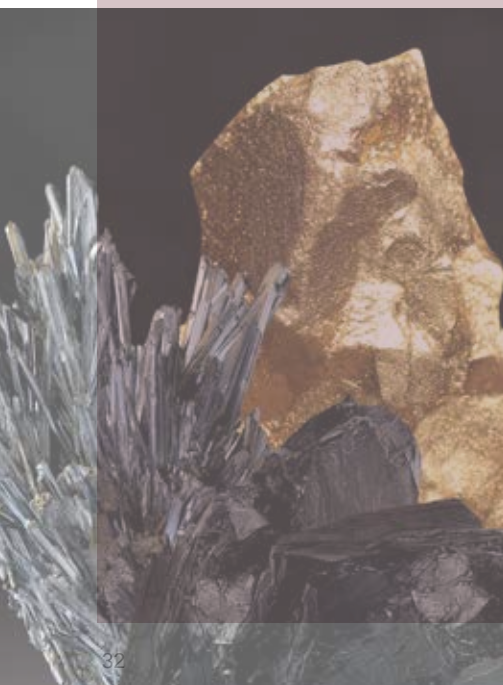
and shutdown of power plants) at the end of 2019. The renewable energy portfolio continued to maintain its upward trend in the year 2019 and registered an installed power increase of 4.87%.

The highest installed capacity increase recorded in renewable energy in 2019 has been 919 MW in solar energy, followed by wind farms with a 542 MW increase. The capacity increases of hydroelectric, geothermal and biomass power plants were 203 MW, 255 MW and 141 MW respectively in the same period. In line with the increase in installed capacity of the renewable energy portfolio, the production amount of renewable energy increased by 29.3% compared to the previous year. With regard to the installed capacity of thermal power plants; the capacity of coal power plants increased by 727 MW and the capacity of natural gas power plants increased by 258 MW despite rising costs of natural gas. As a result, renewable energy plants comprised 73% of the additional capacity that was set into operation within 2019. In recent years, the total installed capacity of Turkey in solar energy, which recorded a rapid growth especially due to unlicensed plant investments, has reached 5,987 MW at the end of 2019. As of 2019 year end, the breakdown of total installed capacity is 31.19% hydraulic, 28.39% natural gas, 22.20% local and imported coal, 8.26% wind, 6.55% solar, 1.66% geothermal and 1.75% other energy resources. 21.44% of installed capacity belongs to EÜAŞ and its subsidiaries, while 3.94% is comprised of plants with build-operate-transfer model and plants with build-operate and transfer of operating rights and 74.63% of free production companies and unlicensed plants.

Diversified Energy Generation Portfolio

ODAŞ continues to operate in the industry with its diversified energy generation portfolio. ODAŞ adopted a medium-scale, yet profit-oriented generation policy with the domestic coal-based Çan-2 Thermal Power Plant with an installed capacity of 330 MWe, 140 MWe Natural Gas Cycle Plant, 8.2 MWe Hydroelectric Power Plant and 0.25 MWe Solar Power Plant. The Çan II Thermal Power Plant commissioned in 2019 is one of the power plants which is supported through the option of an electricity purchase warranty by market regulators and generates power by using fuels based on domestic resources. Consequently, this investment, which comprises about 70% of our production portfolio, has ensured that production can be satisfied using fuels based on domestic resources, that fuel costs are able to be brought under control, that access to fuel is increased and that a robust structure is created against possible fluctuations in the sale prices of electricity. Within the framework of the policy of electricity generation, ODAŞ made its investments in order to maximize its profitability, having regard to the profile for electricity demand in Turkey, rather than reaching a high generation volume which is the usual trend in the market. Therefore, thanks to the comparative advantage of the Group's production portfolio, it became possible to complete advantageous transactions in all markets of the energy industry and to attain a highly flexible position against the industry's financial sensitivity.

MINING



MINING

Precious Metal and Mining

Suda Maden A.Ş.

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

Suda Stratejik Metal Dış Ticaret AŞ

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

Anadolu Export Maden Sanayi ve Ticaret AŞ

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

YS Madencilik Sanayi Ticaret Ltd. Şti.

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

INVESTOR RELATIONS

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

Investor relations Activities

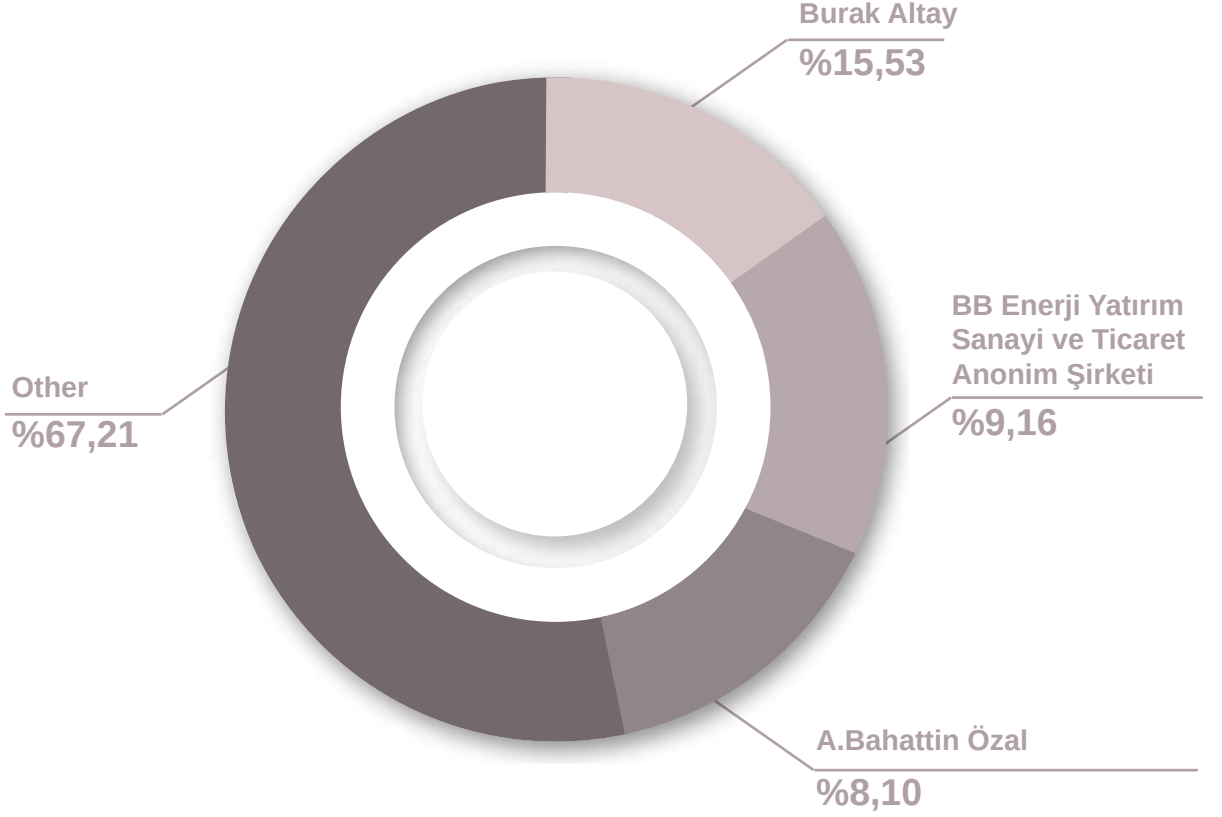
In 2018, the Investor RELATIONS team, together with senior executives of the Company, held meetings with 36 local and foreign Investors, analysts and portfolio managers in total and briefed them about the developments in relation to the Company's current activities and investments based on actual financial and operational figures during these meetings.

Investor relations & Share Performance

As of 31.12.2019, 59% of 294,742,951 shares, each worth a nominal value of TRY 1, were listed on the BIST 100 Index of Borsa Istanbul.



SHAREHOLDING STRUCTURE



Full Name/Title	Number of Shares	%
Burak Altay	93.170.353,14	15,53%
BB Enerji Yatırım San. ve Tic. A.Ş.	54.979.633,01	9,16%
A. Bahattin Özal	48.617.701,24	8,10%
Other	403.232.312,6	67,21%
TOTAL	600.000.000,00	100,00%

(t) The new shareholding structure after the Capital Increase in February 2020.

HUMAN RESOURCES

Human Resources

Operating in the energy and mining industries, ODAŞ elaborately carries out all organizational development activities, the training and remuneration system, and internal communication activities starting from recruitment process, bearing in mind that “humans” are the most significant resource that supports its sustainable success. Our human resources policies are developed on the basis of “Creativity and Flexibility”, “Transparency and Sustainability”, “Social and Environmental Consciousness”, and “Focus on Occupational Health and Safety”.

The fundamental principle of ODAŞ human resources function is to recruit qualified and eligible people in terms of job description and organizational culture, to develop

knowledge, skills and competencies of employees and to empower systems that can boost employee satisfaction and commitment.

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

Odaş carries out its activities with its 1237 employees and 18% of its human resources work as administrative staff and 82% in production and field positions. Furthermore, ODAŞ adopts as a principle in all industries of operation to recruit socially and environmentally conscious employees and contribute to the employment in our country.

Recruitment Activities

The dynamism of ODAŞ becomes sustainable through agility, resilience and innovative perspective of every individual employed. Therefore, the compatibility of every individual to be recruited is appraised in detail in terms of relevant job and values and culture of the organization. Various recruitment methods are used to ensure a proper

appraisal (case studies, group interviews, presentations based on professional knowledge, competency-based personal interviews, foreign language tests, personality inventory, etc.).

Recruitment methods vary according to positions and they are communicated to candidates at the beginning of recruitment process during when attention is paid to maintain a proper communication.

One of the critical targets of the recruitment process is to ensure that every candidate has a positive experience.

Training and Development

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

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

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

Performance Management

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

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

Remuneration and Fringe Benefits

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

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

Internal Communications Activities

Events are organized to share informative contents with employees, as part of annual internal communications plan that is designed to boost employee engagement and satisfaction. Internal communications activities are integrated into ODAŞ employee experience as well. Accordingly, several activities

are carried out to support the well-being of employees also in their professional lives. Within the scope of “ODAŞ Cares for You” brand, networking platforms have been built on topics such as sports, health, diet, psychology, etc. where expert advisors and employees meet.

Our Social Responsibility Policy

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

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



ÇORUM //
HATTUSA HITTITE

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE COMPLIANCE REPORT

SECTION I CORPORATE GOVERNANCE COMPLIANCE STATEMENT

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

Justification for Delays in the Implementation of Certain Corporate Governance Principles

The Corporate Governance Committee of the company continues its efforts to develop corporate governance practices. The difficulties experienced with certain principles, and ongoing debates in national, as well as international platforms, regarding compliance with certain principles have so far prevented complete compliance with some principles. That said, the principles which have yet to be implemented have not led to any conflicts of inter-

ests between stakeholders. Plans are in place to effect the required structural changes and internal arrangements for the implementation of the limited number of optional principles which have not been implemented so far.

Comments on comprehensive work carried out at our company with respect to Corporate Governance Principles, and principles which have yet to be complied with, are noted in the subsequent sections of the report.

- Even though the Articles of Incorporation do not specify so, no one at the company has unlimited decision-making authority.

- According to Article 4.6.5 of the "Corporate Governance Principles", the remuneration and other benefits provided to the members of the Board of Directors and other senior executives are disclosed to the public through the annual report. However, the disclosure does not provide such information with reference to specific individuals, but rather is based on a distinction between the Board of Directors and senior executives.

SECTION II SHAREHOLDERS

Investor Relations Department

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

Investor Relations team and senior executives of the Company together held meetings with 36 local and foreign investors, analysts and portfolio managers in total during the year 2019.

Accordingly, the Investor Relations Department is responsible for;

- Providing information on the Company's current activities, investments and future expectations to existing and potential local and foreign institutional investors and brokerage houses with a correct understand-

ing of the management's perspective and vision, responding to request for information from local and foreign institutional investors and analysts except for non-disclosed confidential business information of the company, updating shareholders, local and foreign institutional investors about the company proactively and on a regular basis through conferences and investor meetings, responding to the queries of shareholders with the exception of

- Conducting comparative analyses on the performance of company's shares and of its peers in the same industry,
- Ensuring that General Assembly meetings are carried out in accordance with the Articles of Incorporation and other internal regulations,
- Preparing documents that shareholders can use as a reference in General Assembly meetings, and publishing such documents on the company website three weeks in advance of the General Assembly for investors' review and information,
- Keeping a record of voting results through the General Assembly minutes and submitting the reports of voting results to shareholders' information,
- Fulfillment, oversight and monitoring of obligations arising from Financial Reporting, Corporate Governance Practices, Public Disclosure Guidelines and communiques and all other Capital Markets Regulations applicable to Publicly Listed Corporations,
- Reviewing on a regular basis the contents of "Investor Relations" section within the company website and updating it as required,
- Preparing presentations and briefings on the company's operations and financial standing for the current period on a quarterly basis,
- Preparing and updating the list of people with access to insider information, as per the Material Cases Communiqué,

Melih Yüceyurt

Finance and Investor Relations Director

Mehmet Erdem Aykırı

Investor Relations Manager

- Management and monitoring all communications and processes with the Capital Markets Board, Borsa ISTANBUL A.Ş., Merkezi Kayıt Kuruluşu A.Ş., and any other capital markets agencies.

Exercise of the Shareholders' Right to Information

Every information request submitted to the Investor RELATIONS Department is responded diligently in accordance with the principle of equality and without any discrimination between investors, provided that they do not concern confidential information or trade secrets currently withheld from the public. Accordingly, in 2019, any information requests submitted by the shareholders on various issues were responded to clearly and in detail via telephone and e-mail on a verbal and written basis. Every question was answered to the satisfaction of investors, provided that they did not concern trade secrets. Furthermore, the independent section of "Investor RELATIONS" in the Company's website (www.odasenerji.com) provides every data for updating the investors in a complete and accurate manner. Any developments that may have an impact on the exercise of shareholder rights were communicated to the investors through material disclosures via Public Disclosure Platform (PDP) and on the company website in 2019. As the shareholders' right to demand the appointment of a special auditor is subject to regulations, the Articles of Incorporation does not stipulate any arrangements regarding the appointment of a special auditor. During the year, no request regarding the appointment of a special auditor was received.

The shareholding structure as of 31.12.2019 is as follows.

ABDULKADIR BAHATTİN ÖZAL

TOTAL NOMINAL SHARE: 30,691,451.39

SHARE PERCENTAGE (%): 10.41%

BURAK ALTAY

TOTAL NOMINAL SHARE: 45,768,844.13

SHARE PERCENTAGE (%): 15.87%

BB ENERJİ YATIRIM SANAYİ VE TİCARET A.Ş.

TOTAL NOMINAL SHARE: 27,008,100.035

SHARE PERCENTAGE (%): 9.16%

OTHERS

TOTAL NOMINAL SHARE: 191,274,555.44

SHARE PERCENTAGE (%): 64.90%

TOTAL: 294,742,951.00

TOTAL SHARE PERCENTAGE (%): 100.0%

General Assembly Meetings

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

The notices and announcements regarding the general assembly meeting are published through any means of communication including electronic communications, so as to achieve access to the highest number of shareholders, and with the minimum time frames stipulated in Turkish Code of Commerce, the Capital Markets Law, and other regulations in mind.

The Company's 2018 Ordinary General Assembly Meeting was held in the registered office of the company at the address Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka 2 Sitesi No: 8B 2. Kule Kat: 17 Tepeüstü Ümraniye/İSTANBUL under the supervision of the Ministry Representative appointed by T.R. Ministry of Customs and Trade at 14:00 on Thursday August 22, 2019. The agenda, minutes, and attendance sheet for the meeting are published on the Company's website.

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

Prior to the General Assembly meetings, the disclosure document regarding the items in the agenda is drawn up and announced to the public, in compliance with the legal procedures and regulations regarding all disclosures. Within the framework of the items on the agenda of the General Assembly meeting, financial statements and reports, dividend payment proposals, and independent audit reports including the audited annual report, as well as

any proposed amendment texts and justification thereof in case of Articles of Incorporation amendments, the disclosure policy, remuneration policy, dividend policy, personal backgrounds of all prospective Board members including independent ones, and other documents which are to serve as the basis of the items on the agenda, are made easily available for review by shareholders, at the corporate headquarters and on the website.

The General Assembly meetings are held simultaneously in physical and electronic form, at the company headquarters, and via the Electronic General Assembly Meeting System. The venue for General Assembly meetings is arranged to enable participation by all shareholders. The agenda of the General Assembly is set clearly to enable the consideration of each proposal under a separate item, so as to prevent different interpretations. At the General Assembly meeting, the agenda items are conveyed to the shareholders in an objective, detailed, clear and understandable way, and the shareholders are given the opportunity to explain their opinions and ask questions under equal conditions.

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

The voting procedure applicable at the meeting is presented to shareholders via the website and newspaper ads. The items on the agenda at the General Assembly meetings are voted on by raising hands in an open ballot. Following the General Assembly meeting, the minutes of the meeting are registered in the company's minute book. The meeting minutes are available at PDP, EGAS (Electronic General Assembly System) and the corporate website. The General Assembly meetings, the attendance sheet, agenda, and announcements are made available for review by all local and foreign investors simultaneously.

The company carried out electronic general assembly meeting preparations for 2018 Ordinary General Assembly in compliance with the statutory regulations as per the article 1527 of Turkish Commercial Code. The notice of the meeting was published on Public Disclosure Platform (PDP) and Electronic General Assembly System (EGAS) of Merkezi Kayıt Kuruluşu A.Ş. (Central Securities Depository) on 06.08.2019, in the issue no. 9866 of Turkish Trade Registry Gazette dated 10.07.2019 as well as on

the company website, as stipulated by the Law and the Articles of Incorporation and including the agenda.

The chairperson of the council started the general assembly meeting upon the verification based on the list of attendants that out of 294,742,951 shares with nominal value of TRY 1 corresponding to the company's total capital TRY 294,742,951, the shares corresponding to total capital of TRY 111,011,629.683 were represented, TRY 27,008,100.35 capital shares by proxy and TRY 84,003,166.648 capital shares in person, and therefore the quorum was present as stipulated in the Turkish Commercial Code, Capital Markets Law and Articles of Incorporation.

During the General Assembly Meeting for 2018, the board members were elected to serve until 31.12.2020. Furthermore, during the General Assembly meeting, the shareholders were given the opportunity to address questions and their questions were replied to inform them during the "Wishes and Requests" session, which was the last agenda item. There were no written requests submitted by the shareholders of the corporation for inclusion within specific items in the agenda with respect to the Ordinary General Assembly Meeting for 2018.

Donations and grants worth a total of TRY 225,028.60 during the year were presented to the shareholders' information under a separate agenda item. In addition, maximum amount of donations and grants was set as TRY 500,000 for 2019 pursuant to the 5th paragraph of the article 19 of Capital Markets Law.

The agenda for the General Assembly meeting, as well as the attendance sheet and meeting minutes are made available for review by shareholders at the corporate headquarters. Furthermore, the documents and records of the general assembly meeting were made available in the Investor RELATIONS section of the Company website for review by the shareholders and all stakeholders.

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

Voting Rights and Minority Rights

The voting procedure for General Assembly meetings is announced to the shareholders at the beginning of the meeting. Minority rights are exercised pursuant to Turkish Law. The Company avoids practices which may complicate the exercise of voting rights. At the Ordinary and Extraordi-

nary General Assembly meetings of the Company, group (A) shareholders are accorded 15 votes for each share, while group (B) shareholders are accorded 1 vote for each share.

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

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

The votes in General Assembly meetings are cast by raising hands, showing the documents attesting proxy voting, in line with the regulations of the Capital Markets Board. However, a secret ballot can be employed, upon the request of shareholders who hold one twentieth of the company's capital, among those shareholders present at the meeting.

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

Dividend Rights

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

The dividend payment is based on a balanced and consistent policy between the interests of shareholders, and the interests of the Company, in line with the Principles of Corporate Governance. Each year, the Board of Directors resolution regarding dividend payments is submitted for the approval of shareholders at the General Assembly, as a separate item on the agenda. The Company's dividend payment policy is announced in the annual report, as

well as on the company website. The Company's Ordinary General Assembly for 2019 discussed the Board of Directors' proposal regarding the dividend payment, and culminated in the decision to withhold dividend payment as no dividends payable arose in the financial statements drawn up for 2019, in accordance with the principles of the Tax Procedure Code.

The Company does not have any preference shares in terms of dividend payment. Every share of the Company is entitled to an equal share of the dividends. The Company can pay out advance dividends to its shareholders within the framework of Article 20 of the Capital Markets Law. The form and timing of dividend payment shall be established by the General Assembly, with reference to the relevant Board of Directors' proposal. The principles of dividend payments shall abide by the provisions of the Capital Markets Board Communiqué No. II-19.1 and other applicable provisions, with reference to the establishment of the responsibilities and the dividend to be paid.

Share Transfers

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

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

In the case of transfers of Group (A) shares, the Board of Directors is entitled to withhold approval for the transfer and registration to the share registry, on the grounds of realizing the corporation's objective, and maintaining economic autonomy within the framework of the provision of Article 493 of the Turkish Code of Commerce. No restrictions shall be introduced on the transfer of group (B) shares to be traded at the stock exchange. In cases where banks and/or financial institutions obtain the control of the company and/or engage in a subsidiary relationship with the company due to default in terms of the requirements of credit agreements within the framework of irrevocable project financing, bringing about a case where the market share limits stipulated in applicable regulations are exceeded, such excess shall

be eliminated within the time frame granted to such banks and/or financial institutions by the Energy Market Regulatory Authority. Without prejudice to the provisions above, the transfer of registered shares shall be subject to the applicable provisions of the Turkish Commercial Code, Capital Markets Regulations, and Energy Market Regulatory Authority Regulations.

SECTION III PUBLIC DISCLOSURE AND TRANSPARENCY

Disclosure Policy

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

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

Corporate Website and its Contents

The Company's website address is www.odasenerji.com and the Investor RELATIONS section of the website contains the considerations specified in the CMB's Corporate Governance Principles. The website is set up to provide open, clear, and simultaneous disclosure to shareholders, stakeholders, and the entire public. The information provided on the website is updated continuously. The information provided on the website is presented in English language as well, for use by international investors.

Activity Report

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

SECTION IV STAKEHOLDERS

Disclosure of Information to Stakeholders

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

Stakeholders, investors, and analysts can access the Company's financial reports, activity reports, and other information, using the Company's website. Furthermore, certain material announcements and messages are conveyed to all employees via e-mail.

The Audit Committee is responsible for ensuring and overseeing compliance with the regulations, while the Corporate Governance Committee is responsible for reviewing and concluding the complaints received from the shareholders and stakeholders, on matters of concern from a corporate governance perspective.

Stakeholders' Participation in Management

No model was developed regarding the stakeholders' participation in the company's management. On the other hand, the requests and proposals voiced in meetings with employees and other stakeholders are taken into consideration by the management, leading to the development of relevant policies and practices.

Human Resources Policy

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

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

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

CODE OF CONDUCT

Code of Conduct and Social Responsibility

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

The Code of Conduct is defined, updated, and published by the Board of Directors.

ODAŞ Code of Conduct is an integral part of ODAŞ Policies and Values. All employees including the Boards of Directors and the executives are expected to comply with these rules.

ODAŞ Code of Conduct

Honesty

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

Equality

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

Confidentiality

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

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

Prevention of Conflicts of Interest

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

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

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

The employees should exercise due care in their communication with suppliers, customers, organizations or institutions that they are in contact with as part of their jobs and

they should avoid any action for the purpose of deriving personal gains. The employees who do not exercise due care in this regard are reported to fail to comply with our code of conduct.

Social Responsibility

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

SECTION V BOARD OF DIRECTORS

Composition and Formation of the Board of Directors

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

Abdulkadir Bahattin Özal
Burak Altay
Mustafa Ali Özal
Hafize Ayşegül Özal
Necdet Akşay
Salih Erez

Personal Backgrounds of the Board Members

Abdülkadir Bahattin Özal

Chairperson of the Board

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

Burak Altay

Deputy Chairperson of the Board

After his graduation from Koç University Business Administration Department in 1999, he lectured as an assistant

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

Mustafa Ali Özal

Board Member

Having graduated from Gazi University's Department of Economics, Mr. Özal took on a career in business in 1982. He served as an executive and board member at various companies operating in a number of industries. Apart from his position as a board member of the company, Mr. Özal also serves as a member of the board of directors at several companies operating in the energy, construction, manufacturing and trade sectors.

Hafize Ayşegül Özal

Board Member

Having completed her education in 1972, Ms. Özal began working at Aköz Foundation in 1994, and was appointed as Foundation Director there in 1996. Currently, she is a board member of Aköz Foundation, offering scholarships to 100 students and providing support to many students and people in need. Apart from his position as a board member of the company, Mr. Özal also serves as a member of the board of directors at several companies operating in the energy, construction, manufacturing and trade sectors.

Necdet Akşay

Independent Board Member

After his graduation from Istanbul Technical University (ITU) in 1971 as a Mechanical Engineer, Mr. Akşay worked in the Directorate of Facilities as a Project Engineer at Sümerbank Head Office between 1972-1973 and as a Project and Site Manager in charge of the installation of power plants at Sungurlar between 1975 and 1987. Mr. Akşay worked as the General Manager of Istanbul Ulaşım A.Ş., a subsidiary of Istanbul Metropolitan Municipality, between 1987-1989 and he carried out the establishment and management of the Istanbul Sea Buses and Istanbul Metro enterprises during that period. Mr. Akşay has been providing consultancy and supervisory services in energy projects of many domestic and international companies through his own company since 1989. He has an excellent command of English and still carries out his works in the same field.

Salih Erez

Independent Board Member

Graduated from Koç University Business Administration Department, Mr. Erez is an independent board member of the company in addition to his board membership in several private sector companies and non-governmental organizations. Burak ALTAY is the Deputy Chairperson of the Board and also serves as the Chief Executive Officer of the company.

In its meeting dated 30.07.2019 no. 2019/01, in the capacity of the Nomination Committee, the Corporate Governance Committee submitted to the Board of Directors the report drawn up with respect to the independent members of the Board of Directors. Accordingly, Mr. Necdet Akşay and Mr. Salih Erez, who were found to have met the independence criteria stipulated in the Corporate Governance Principles of the Capital Markets Board, were elected as the independent members of the Board.

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

- i. That they neither personally, nor through their spouses or relatives by blood or marriage up to third degree, have been involved in the last five years in an executive employment relationship assuming substantial duties and responsibilities, or held, individually or jointly, more than 5% of the capital or voting rights or preferred shares, or engaged in any substantial commercial relationship with any affiliates of ODAŞ Elektrik Üretim ve Ticaret A.Ş. (“ODAŞ Energy”) or any corporations in which the firm has management control or substantial influence, or shareholders which maintain the firm’s management control or substantial influence in the firm, and legal persons which hold management control of such shareholders,
- ii. That they have not been a shareholder (5% or more) or executive with significant duties and responsibilities, or board member in the companies which have provided or bought significant amounts of services or products within the framework of agreements, including but not limited to the auditing (including tax audits, statutory audits, internal audits), rating, and consulting of the company, during the last five years, in the time frame of such provision or purchase of services or products,
- iii. That they have the professional training, expertise and experience to duly perform the duties to be assumed

on the grounds of being an Independent Member of the Board of Directors,

- iv. That they are not a full-time employee of a government agency or entity,
- v. That they are considered a resident of Turkey as per the Income Tax Law,
- vi. That they have robust ethical standards, the professional reputation and the experience to enable free decision-making, taking into account the rights of stakeholders, and contributing positively to the operations of ODAŞ Energy, while maintaining impartiality in conflicts of interest which may arise between the shareholders,
- vii. They will be able to spare adequate time for the company’s affairs, so as to fully perform the requirements of the roles assumed, and to monitor ODAŞ Energy’s course of business,
- viii. They have not served as a board member of the company for more than six years in the last ten years,
- ix. They are not an independent board member for more than three companies where the Company or its controlling shareholders hold the control of management and/or more than five corporations whose shares are listed in the stock exchange.

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

Operating Principles of the Board of Directors

The frequency of the board meetings of the Company, as well as the quorum for meeting and resolution are established in the Articles of Incorporation. Accordingly, the Board of Directors shall convene with a simple majority of the members, as the company’s affairs and operations require. The Board resolutions are made with the majority of the members present at the meeting. The Board of Directors meetings are held at the company headquarters, or in an available facility in the city where the corporate

headquarters is located. The Board of Directors can also convene in another city, on the basis of a board resolution for doing so. The secretariat services for the Board of Directors meetings are provided by the legal department. The agenda of the Board of Directors is set through consultations the Chairperson has with other members of the board, and with the General Director and/or Chief Executive Officer. The managers' requests will be taken into consideration when setting the agenda.

In 2019, the Board of Directors convened 21 times in total. No dissenting comment was registered in the resolution minutes against any resolutions made in such meetings. However, should such a dissent arise, all aspects to reflect the dissenting opinion shall be registered in the minutes. Where the Capital Markets Regulations require so, important resolutions of the Board of Directors are announced to the public through Material Disclosures. In 2019, 29 Material Disclosures were made in total.

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

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

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

Two committees, the Audit Committee and the Corporate Governance Committee, were established through the Board of Directors' resolution dated 21.03.2013. Furthermore, Early Detection of Risk Committee was established through the Board resolution dated 25.12.2013. The Corporate Governance Committee have also assumed the authorities, duties, and responsibilities regarding the performance of the duties of the Nomination Committee and the Remuneration Committee.

The duties and working principles of the committees established within the framework of the Corporate Governance Principles, entered into force through the Board of Directors' resolution dated 25.12.2013, and were announced on the Public Disclosure Platform. Furthermore, the Duties and Working Principles establishing the general procedures regarding the activities to be performed by all committees were updated as of 12.06.2015 and announced to stakeholders on the Public Disclosure Platform and the corporate website.

Audit Committee

The Audit Committee was structured in accordance with the Corporate Governance Principles of the Capital Mar-

kets Board. The committee is composed of at least two members. The committee is composed of two non-executive independent board members. Mr. Salih Erez serves as the committee chair, while Mr. Necdet Akşay serves as the committee member. Special consideration was paid to ensure that the Committee Chair had previously served in a similar capacity, and has the expertise to analyze financial statements, as well as a strong grasp of accounting standards, and substantial qualifications.

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

Corporate Governance Committee

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

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

The Committee Chair shall be appointed from among the independent members of the Board of Directors. The manager of the Investor RELATIONS Department shall be appointed as a member of the Corporate Governance Com-

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

Members of the Corporate Governance Committee

The Corporate Governance Committee carried out activities for improvement of Investor RELATIONS activities and identification of candidates who were proposed to be elected as board members in 2019.

In this context, the Corporate Governance Committee was informed about the investor meetings organized in the country and abroad for enhancement of the investor profile and about activities in relation to other investor RELATIONS practices.

Furthermore; the Corporate Governance Committee submitted to the Board of Directors for consideration and for further submission to the approval of the shareholders during 2019 Ordinary General Assembly the candidates who were deemed to be eligible for Independent Board Membership based on the assessment conducted by the Nomination Committee operating within its scope, in line with the criteria specified under the Corporate Governance Communiqué of Capital Markets Board.

Early Detection of Risk Committee

Early Detection of Risk Committee is composed of at least two non-executive members of the Board. The committee is composed of two independent members of the board. Mr. Salih Erez serves as the Committee Chair, while Mr. Necdet Akşay serves as a committee member. The Early Detection of Risk Committee is set up in line with the Turk-

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

The committee examined and provided its opinion on risk-related activities of Finance, Accounting, Reporting and Human Resources Departments in 2019. The decision was made concerning the improvement of such activities for the upcoming periods.

The arrangements regarding the convening of the committee are established in the duties and working principles of the Early Detection of Risk Committee.

Risk Management and Internal Control Mechanism

In line with its nature, ODAŞ issues its financial statements on a consolidated basis in accordance with the regulations. For the operating group covering electricity generation, electricity wholesale, and mining operations, UFRS based financial statements are drawn up on a quarterly basis.

At ODAŞ level, on the other hand, transactions between electricity generation and electricity wholesale are written off, with consolidated financial statements being produced.

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

The new Turkish Code of Commerce which entered into force on July 1, 2012 rendered risk management activities a requirement for publicly traded corporations. The Early Detection of Risk Committee reporting to the Board of Directors was set up through the Board of Directors' resolution dated 25.12.2013, with a view to submitting comments and recommendations to the Board of Directors, with re-

spect to the early detection of the risks that could threaten the existence, development, and continuation of the company, as well as the application of measures regarding identified risks, and the management of the risks.

Strategic Objectives of the Company

ODAŞ intends to establish a bidirectional strategy to reinforce its position in the industry. Thanks to this two-way strategy, the material values accumulated will lead to an expansion of the areas of operations, generating additional synergies through vertical and horizontal integration.

Accordingly, precious metal and minor mining production and direct sales activities were integrated into our current main area of activity which is electricity generation and sales.

Remuneration

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

According to the Articles of Incorporation, the monthly salaries and per diem fees for members of the Board of Directors are set by the General Assembly. In the Ordinary General Assembly Meeting for the year 2018 which was held on 22.08.2019, the decision was taken to pay TRY 10,000 salary to the Board members. The following financial benefits were provided to the board members and senior executives of the company in 2019.

Total Financial Benefits (TRY)

Board of Directors	Senior Executives
TRY 1,740,425	TRY 6,388,609L

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

The payments to senior executives cover monthly wages. The salaries payable to senior executives are set based on the position and the nature of the work, competence, experience, performance and remuneration policies applied in the same industry for similar positions, the com-

pany's internal positions, inflation, and the company's achievement of the financial targets set for the year. When setting the remuneration policies, care is taken to exclude incentive systems which would harm the interests of the shareholders, employees and customers.

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

GOVERNMENT SUBSIDIES AND GRANTS

Çan Kömür ve İnşaat A.Ş.

The company holds an Investment Incentive Certificate dated 18.09.2017 and numbered C-117824, issued by the Ministry of Economy's General Directorate of Incentive Implementation and Foreign Investment. The investment covered by the certificate concerns the power plant (Çan-2 Thermal Power Plant) project based on local coal, with an installed power rating of 340 MW. The Investment Incentive Certificate was issued for the completely new investment carried out in Çanakkale province's Çan district, and covers the period 13.08.2014 - 12.02.2019. The certificate extends the subsidy elements of employer support for insurance premium, interest subsidy, VAT exemption, and customs duty exemption, as well as tax discount. The application, which was made for the Incentive Certificate completion visa on 02.10.2019, is still pending.

YS Madencilik San. Ve Tic. Ltd. Şti.

The company holds an Investment Incentive Certificate dated 24.07.2017 and numbered 131389, issued by the Ministry of Economy's General Directorate of Incentive Implementation and Foreign Investment. Pit coal mining constitutes the subject matter of this document.

The Investment Incentive Certificate was issued for the completely new investment carried out in Corum province's Dodurga district, and covers the period 16.06.2017 - 16.06.2020. The certificate extends the subsidy elements of employer support for insurance premium, interest subsidy, VAT exemption, and customs duty exemption, as well as tax discount. The application, which was made for the Incentive Certificate completion visa on 08.10.2019, is still pending.

Suda Maden A.Ş.

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

Implementation and Foreign Investment. Sand, clay and stone quarrying is the subject matter of the certificate. The Investment Incentive Certificate was issued for the modernization project carried out in Kutahya province's Gediz district, and covers the period 08.09.2017 - 08.09.2020. The certificate extends the subsidy elements of employer support for insurance premium, interest subsidy, VAT exemption, and tax discount.

DIVIDEND PAYMENT POLICY

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

Primary Legal Reserves:

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

Primary Dividend:

b) The primary dividends shall be allocated in line with the Turkish Commercial Code and the Capital Markets Regulations, from the remaining figure, with reference to the amount to be calculated with the addition of donations, if any, made during the year.

c) Once the above-mentioned figures are deducted, the General Assembly shall be entitled to decide on the payment of the dividends to the members of the Board of Directors, officials, servants, laborers, foundations established for various purposes, and similar persons and entities.

Secondary Dividend:

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

Secondary Statutory Reserves:

e) One tenth of the amount established after the deduction of a dividend figure amounting to 5% of the paid-in

capital, from the portion decided to be paid out to shareholders and other persons entitled to profits, shall be set aside as the secondary statutory reserves as per Article 519, Paragraph 2 of the Turkish Commercial Code.

Unless the legal reserves are retained and the primary dividends for shareholders are allocated in cash and/or in the form of shares as specified in the articles of incorporation; no resolution can be taken with respect to any additional reserves, retained earnings and dividend payments to the board members, employees, foundations of various causes and similar persons and/or entities.

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

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

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

In accordance with the General Assembly resolution, the dividend payment can be in the form of fully cash, or fully in bonus issues, or partly in cash and partly in bonus issues. An equilibrium between the interests of the shareholders and those of the company shall be sought with respect to the implementation of the dividend payment policy. The Board of Directors shall inform the shareholders at the General Assembly if dividends shall not be paid and if so, the reason for this and where the retained profits shall be used instead.

Legal Actions

There are no administrative acts, lawsuits, arbitrations or other legal proceedings that may, alone or together, have a highly negative effect on the Company's activities, activity outcomes or financial status, in the event that there is any related decision which would be to the detriment of the Company during the period from 01.01.2019 - 31.12.2019.

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

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

	3.1.4- Necessary mechanisms have been established for stakeholders to report transactions that are contrary to the legislation and which are unethical.	X					
	3.1.5- The company approaches conflicts of interest between stakeholders in a balanced manner.	X					
3.2.	PROMOTING THE PARTICIPATION OF STAKEHOLDERS IN THE COMPANY MANAGEMENT	Yes	Partially	No	Exempt	Uninterested	Comment
	3.2.1- The participation of employees in management has been regulated by the articles of incorporation or the internal regulations.		X				Ad hoc committees were formed for investment activities of the company in the related periods and the participation of employees in the management was ensured.
	3.2.2- In case of significant decisions that may bear consequences for stakeholders, methods such as surveys and consultation have been applied to obtain the opinions of stakeholders.		X				In the case of important decisions that may bring results for some of the stakeholders, requests, suggestions and complaints of the stakeholders are received and considered.
3.3.	HUMAN RESOURCES POLICY OF THE COMPANY	Yes	Partially	No	Exempt	Uninterested	Comment
	3.3.1- The company has adopted an employment Policy offering equal opportunities and a succession plan for all key management positions.	X					
	3.3.2- Recruitment criteria has been determined in writing.	X					
	3.3.3- The company has a Human Resources Development Policy and organizes training sessions for employees as part of this policy.	X					
	3.3.4- Meetings have been held to inform employees on issues such as the financial status of the company, remuneration, career planning, education and health.	X					
	3.3.5- Decisions which may affect employees have been notified to the employees and their representatives. The opinions of relevant unions about such issues have been taken as well.		X				The Human Resources Department is responsible for RELATIONS with all employees. However, there is no union in our company.
	3.3.6- Job definitions and performance criteria have been prepared in detail for all employees and have been provided to them. They have been utilized in the determination of remuneration.	X					
	3.3.7- Measures, such as procedures, training sessions, awareness raising, objectives, monitoring and complaint mechanisms, have been taken in order to prevent discrimination among employees and to protect the employees against any physical, mental and emotional mistreatment within the company.	X					

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

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

	4.4.5- The procedure for the meetings of the Board of Directors has been documented in written form in accordance with the internal regulations of the company.	X						
	4.4.6- Minutes of the Board of Directors' meetings reveal that all agenda items were discussed. Minutes for decisions are prepared in such a way that dissenting opinions are also included.	X						
	4.4.7- The external duties of the members of the Board of Directors have been restricted. The external duties conducted by the members of the Board of Directors were submitted for the information of shareholders at the General Assembly meeting.			X				No restrictions regarding the assumption of duties or positions outside the company are imposed on the members of the Board of Directors.
4.5.	COMMITTEES FORMED UNDER THE BOARD OF DIRECTORS	Yes	Partially	No	Exempt	Uninterested	Comment	
	4.5.5- Each member of the Board of Directors is assigned to only one committee.			X				Members of the Board of Directors are not assigned to only one committee.
	4.5.6- The Committees invited people who are deemed to be necessary to meetings to obtain their views.	X						
	4.5.7- Information regarding the independence of the person/institution that provides consultancy services to the committee is given in the annual activity report.					X		
	4.5.8- A report about the results of the meetings held by the committees has been issued and submitted to members of the Board of Directors.	X						
4.6.	FINANCIAL RIGHTS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES WITH ADMINISTRATIVE RESPONSIBILITIES	Yes	Partially	No	Exempt	Uninterested	Comment	
	4.6.1- The Board of Directors undertook a performance evaluation to determine whether or not the Board of Directors has fulfilled its responsibilities effectively.			X				Performance evaluation of Board of Directors has not been made.
	4.6.4- The company did not loan money, make credit available, enlarge the term of a loan, improve conditions, make credit available via a third party as a personal credit or grant securities such as a surety to any of its members of the Board of Directors or its executives with administrative responsibilities.	X						
	4.6.5- Remuneration provided to members of the Board of Directors and executives with administrative responsibilities has been disclosed for each person in the annual activity report.		X					Remuneration provided to members of the Board of Directors and executives with administrative responsibilities has been disclosed based on a total figure in the annual activity report.

CORPORATE GOVERNANCE INFORMATION FORM

1.	SHAREHOLDERS	
1.1.	Facilitation of the Use of Share Ownership Rights	
	Number of Investor conferences and meetings held by the company during the year	36
1.2.	Right to Demand and Review Information	
	Number of requests for private auditors	-
	Number of requests for private auditors approved at the General Assembly meeting	-
1.3.	General Assembly	
	Link to the KAP (Public Disclosure Platform) announcement for the information requested as part of principle 1.3.1 (a-d)	https://www.kap.org.tr/tr/Bildirim/780237
	Whether or not documents in English related to the General Assembly meeting were presented simultaneously with Turkish versions	The related documents are presented in Turkish and English on the website of the company.
	Links to the PDP announcements for the processes which were not approved by the majority of independent members or do not have unanimous consent, as part of principle 1.3.9	N/A
	Links to the PDP announcements for the processes of related parties performed as part of Article 9 of the Corporate Governance Communique (II-17.1)	Such a process is not available as part of Article 9.
	Links to the PDP announcements for the common and continuous processes performed as part of Article 10 of the Corporate Governance Communique (II-17.1)	N/A
	Name of the section on the corporate website of the company that describes the policy on donations and grants	Investor RELATIONS / Corporate Governance / Our Policies / Donation Policy
	Link to the PDP announcement for the minutes of the general assembly in which the policy on donations and grants was approved	https://www.kap.org.tr/tr/Bildirim/526892
	Number of the article in the Articles of Incorporation, which regulates participation of stakeholders in the general assembly	N/A
	Information about stakeholders who attended the General Assembly	Company employees
1.4.	Voting Rights	
	Whether or not voting rights have privilege	Yes
	Privileged shareholders and their voting ratios if voting has privilege	Shares in Group A are privileged. The privileged shareholders are Abdulkadir Bahattin Özal and Burak Altay with voting rate of 21.85% and 25.49%, respectively.
	Percentage of shares of the largest shareholder	15.53%
1.5.	Minority Rights	
	Whether or not minority rights have been extended (with regard to content or ratio) in the articles of association of the company	No
	Specify the number of the relevant articles of association item if minority rights have been extended with regard to content and ratio.	-

1.6. Dividend Rights	
Name of the section on the corporate website that describes the dividend payment policy	Investor Relations / Corporate Governance / Our Policies / Dividend Payment Policy
In the event that the Board of Directors proposed the General Assembly that dividends not be distributed, minutes of the relevant general assembly agenda item regarding the reasons for not distributing dividends and the use of retained earnings	As a result of the discussion on the resolution of the company's Board of Directors dated 23.05.2019 no. 2019/07, the question that dividends shall not be paid was unanimously accepted, as there is no distributable profit in the consolidated financial statements for the accounting period between 01.01.2018 and 31.12.2018 prepared and subject to an independent audit as per the provisions of the Communiqué on the Rules of Financial Reporting in Capital Market no. (II-14.1) issued by the Capital Markets Board, and in the financial statements prepared in accordance with the rules of the Tax Procedure Law as part of the statements about the activities of our Company in 2018 which were formed again in accordance with the rules of the Tax Procedure Law.
Link to the PDP announcement for the relevant general assembly minutes, in the event that the Board of Directors proposed the General Assembly not to distribute the profit	https://www.kap.org.tr/tr/Bildirim/765544
2. PUBLIC DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Names of the sections on the corporate website that provide the information requested by corporate governance principle 2.1.1. Languages in which the corporate website has been prepared	Investor Relations / Corporate Governance, Activity Reports, Material Disclosures, Financial Reports, Capital and Shareholding Structure, Articles of Incorporation, Policies
The section on the corporate website that gives the list of real person shareholders who directly or indirectly own more than 5% of the shares	Investor Relations / Corporate Governance / Capital and Shareholding Structure
Languages in which the corporate website has been prepared	Turkish and English
2.2. Activity Report	
Page numbers or name of the sections in the annual report that contain the information requested by corporate governance principle no. 2.2.2.	
a) The page number or section name that describes the external duties of the members of the Board of Directors and executives and declarations of independence of the members.	Report on Compliance with Corporate Governance Principles / Board of Directors / Composition and Formation of the Board of Directors
b) The page number or section name that indicates the information on the committees formed under the Board of Directors	Report on Compliance with Corporate Governance Principles / Board of Directors / Number, Structure and Independence of Committees Formed under the Board of Directors
c) The page number or section name that contains the information on the number of board meetings in a year and the attendance of the members at these meetings	Report on Compliance with Corporate Governance Principles / Board of Directors / Operating Principles of the Board of Directors
ç) The page number or section name that includes the information on amendments to legislation which may significantly affect the activities of the company	-

	d) The page number or section name that demonstrates the information on significant lawsuits filed against the company and the likely outcomes thereof	Report on Compliance with Corporate Governance Principles / Lawsuits
	e) The page number or section name that contains the information on conflicts of interest between the company and the institutions from which it purchases services such as investment consulting and rating and the measures taken to avoid such conflicts of interest	-
	f) The page number or section name that includes the information on the cross-ownerships in which direct contributions to the capital exceed 5%	Report on Compliance with Corporate Governance Principles / Stakeholders / Code of Conduct and Social Responsibility
	g) The page number or section name that demonstrates the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the company activities that give rise to social and environmental outcomes	Report on Compliance with Corporate Governance Principles / Stakeholders / Code of Conduct and Social Responsibility
3.	STAKEHOLDERS	
3.1.	Company's Policy on Stakeholders	
	Name of the section on the corporate website that describes the compensation policy	Investor Relations / Corporate Governance / Our Policies / Compensation Policy
	Number of finalized judicial decisions against the company in relation to breaches of employee rights	-
	Title of the person responsible for the Notification Mechanism	Human Resources Director
	Contact details of the company's notification mechanism	info@odasenerji.com - ik@odasenerji.com
3.2.	Supporting the Participation of Stakeholders in Company Management	
	Name of the section on the corporate website that provides the internal regulations about the participation of employees in management bodies	-
	Management bodies where employees are represented	-
3.3.	Human Resources Policy of the Company	
	Role of the Board of Directors in the development of a succession plan for the key management positions	-
	Name of the section on the corporate website that demonstrates the human resources policy covering equal opportunities and recruitment criteria, or a summary of the relevant articles of the policy	Human Resources / Human Resources Policy
	Whether or not there is a stock ownership plan	There Is No Stock Ownership Plan
	Name of the section on the corporate website that describes the human resources policy which covers the measures against discrimination and mistreatment, or a summary of the relevant articles of the policy	Human Resources / Human Resources Policy
	Number of finalized judicial decisions against the company due to responsibility for work related accidents	-
3.5.	Code of Conduct and Social Responsibility	
	Name of the section on the corporate website that describes the code of conduct policy	Human Resources / Code of Conduct

	Name of the section on the corporate website that demonstrates the corporate social responsibility report. The measures taken on environmental, social and corporate governance issues, if no corporate social responsibility report exists	Social Responsibility
	The measures taken to fight any kind of corruption including extortion and bribery	The sanctions to be applied against any kind of corruption including extortion and bribery are included in the discipline procedure of the company
4.	BOARD OF DIRECTORS-I	
4.2.	Operating Principles of the Board of Directors	
	Date on which the last performance evaluation of the Board of Directors was conducted	-
	Whether or not independent specialists were utilized in the performance evaluation of the Board of Directors	No
	Whether or not all members of the Board of Directors have been released	Yes
	Names of the members of the Board of Directors with delegated powers through distribution of tasks, and descriptions of such powers	A. Bahattin Özal - Chairperson of the Board, Burak Altay - Deputy Chairperson of the Board, Mustafa Ali Özal - Board Member, Hafize Ayşegül Özal - Board Member, Necdet Akşay - Independent Board Member, Salih Erez - Independent Board Member
	Number of reports presented by the internal control unit to the audit committee or any relevant committee	-
	Name or page number of the section in the activity report that provides a review of the effectiveness of the internal control system	Report on Compliance with Corporate Governance Principles / Board of Directors / Risk Management and Internal Control Mechanism
	Name of the Chairperson of the Board	Abdulkadir Bahattin Özal
	Name of the Chief Executive Officer/General Manager	Burak Altay
	Link to the PDP announcement on the rationale behind the fact that the Chairperson of the Board of Directors and Chief Executive Officer/General Manager are the same person	Not the same person.
	Link to the PDP announcement for the fact that an insurance for a price exceeding 25% of the company capital has been taken out regarding the losses that the members of the Board of Directors may cause in the company due to any faults in the course of their duties	-
	Name of the section on the corporate website that gives information about the diversity policy for increasing the rate of female members of the Board of Directors	-
	Number and percentage of female members	Number of Female Members: 1 - Percentage: 16.6%
4.	BOARD OF DIRECTORS-II	
4.4.	Meeting Procedures of the Board of Directors	
	Number of the physical board meetings in the reporting period	21
	Average attendance rate at board meetings	100%

	Whether or not an electronic portal is used to facilitate the works of the Board of Directors	No
	Number of minimum days ahead of the board meeting to provide information and documents to members as per working principles of the Board of Directors	Changes Based on the Agenda.
	Name of the section on the corporate website that demonstrates information about the internal regulations which cover board meeting procedures	Investor Relations / Corporate Governance / Articles of Incorporation / Article 7
	The upper limit determined in the policy that restricts the members from assuming external duties	There is no restriction for the members to assume external duties.
4.5.	The Committees Formed under the Board of Directors	
	The page number or section name in the activity report that provides information about the board committees	Report on Compliance with Corporate Governance Principles / Board of Directors / Number, Structure and Independence of Committees Formed under the Board of Directors
	Link to the PDP announcement about the working principles of the committee	https://www.kap.org.tr/tr/Bildirim/445299
4.	BOARD OF DIRECTORS-III	
4.5.	The Committees Formed under the Board of Directors-II	
	Specify the section in the activity report or on the corporate website where the activities of the audit committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Audit Committee / Duties and Working Principles of the Audit Committee
	Specify the section in the activity report or on the corporate website where the activities of the corporate governance committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Corporate Governance Committee / Duties and Working Principles of the Corporate Governance Committee
	Specify the section in the activity report or on the corporate website where the activities of the nomination committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Corporate Governance Committee / Duties and Working Principles of the Corporate Governance Committee
	Specify the section in the activity report or on the corporate website where the activities of the early detection of risk committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Early Detection of Risk Committee / Duties and Working Principles of the Early Detection of Risk Committee
	Specify the section in the activity report or on the corporate website where the activities of the remuneration committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Corporate Governance Committee / Duties and Working Principles of the Corporate Governance Committee
4.6.	Financial Rights Provided to Members of the Board of Directors and Executives with Administrative Responsibilities	
	The page number or section name in the activity report that gives information about the operational and financial performance targets and their achievement status	Activity Report / Operational Status During the Period
	Name of the section on the corporate website that covers the remuneration policy for executive and non-executive directors.	Investor Relations / Corporate Governance / Policies / Remuneration Policy
	The page number or section name in the activity report that describes the individual remuneration and all other benefits for the members of the Board of Directors and executives with administrative responsibilities	Report on Compliance with Corporate Governance Principles / Financial Rights

General Assembly Meetings

Date of the General Assembly	28/08/2019
Number of requests for annotations sent to the company with regard to the agenda of General Assembly	0
Participation rate of shareholders in General Assembly	37.66%
Ratio of the shares represented directly	28.50%
Ratio of the shares represented by proxy	9.16%
Name of the section on the corporate website of the company that contains the minutes of the general assembly meeting, including the positive and negative votes for every agenda item	Investor Relations / Corporate Governance / General Assembly Meetings / General Assembly Meeting for 2018 / Minutes of Meeting
Name of the section on the corporate website that includes all questions asked at the general assembly meeting and their answers	Investor Relations / Corporate Governance / General Assembly Meetings / General Assembly Meeting for 2018 / Minutes of Meeting
Number of the article or paragraph in the minutes of the general assembly meeting that describes the related parties	15
Number of persons who report to the Board of Directors and have the opportunity to access the partnership information in a privileged way (List of Insiders)	21
Link to the general assembly statement published in PDP	https://www.kap.org.tr/tr/Bildirim/783741

Composition of the Board of Directors

Name/ Surname of the Board Member	Whether or not He/ She is an Executive Member	Whether or not He/ She is an Independent Member	Date of Being Elected to the Board of Directors for the First Time	Link to the PDP Announcement for Declaration of Independence	Whether or Not the Independent Member was Evaluated by the Nomination Committee	Whether or Not There Is Any Member Who Has Lost Independence	Whether or Not He/She Has at Least 5-Years Experience in Auditing, Accounting and/or Finance
Abdulkadir Bahattin Özal	Non Executive	Not Independent Member	05/23/2011				
Burak Altay	Executive	Not Independent Member	03/06/2013				
Mustafa Ali Özal	Non Executive	Not Independent Member	03/06/2013				
Hafize Ayşegün Özal	Non Executive	Independent Member	08/29/2019				
Necdet Akşay	Non Executive	Independent Member	04/28/2016	https://www.kap.org.tr/tr/Bildirim/780237	Evaluated	No	Yes
Salih Erez	Non Executive	Independent Member	28.04.2016	https://www.kap.org.tr/tr/Bildirim/780237	Evaluated	No	Yes

Committees of the Board of Directors

Names of the Committees of the Board of Directors	Name-Surname of the Committee Members	Whether or not He/She is the President of the Committee	Whether or not He/She is the Member of the Board of Directors
Audit Committee	Salih Erez	Yes	Member of the Board of Directors
Audit Committee	Necdet Akşay	No	Board Member
Corporate Governance Committee	Necdet Akşay	Yes	Board Member
Corporate Governance Committee	Salih Erez	No	Board Member
Corporate Governance Committee	Melih Yüceyurt	No	Not Board Member
Early Detection of Risk Committee	Salih Erez	Yes	Board Member
Early Detection of Risk Committee	Necdet Akşay	No	Board Member

Committees of the Board of Directors-II

Names of the Committees of the Board of Directors	Ratio of the Non-Executive	Ratio of the Independent Members in the Committee	Number of Physical Meetings Held by the Committee	Number of Reports Submitted to the Board of Directors by the Committee about Its Activities
Audit Committee	100%	100%	5	5
Corporate Governance Committee	100%	66%	3	3
Early Detection of Risk Committee	100%	100%	6	6



ÇANAKKALE //

**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACTIVITY REPORT OF THE BOARD

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 are 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 with 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



CONTENT

Consolidated Statement of Financial Position	74
Consolidated Profit or Loss and Other Comprehensive Income Statement	77
Consolidated Statement of Changes in Equity	78
Statement of Cash Flow	80
1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY	82
2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	90
3. BUSINESS COMBINATIONS	108
4. JOINT VENTURES	108
5. SEGMENT REPORTING	109
6. RELATED PARTIES	112
7. TRADE RECIVABLES AND PAYABLES	115
8. FINANCIAL INVESTMENTS	116
9. OTHER RECEIVABLES AND PAYABLES	116
10. INVENTORIES	117
11. BIOLOGICAL ASSETS	118
12. PRE-PAID EXPENSES AND DEFERRED INCOME	118
13. INVESTMENT PROPERTY	118
14. TANGIBLE FIXED ASSETS	118
15. RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS	120 120
16. SHARES OF MEMBERS ON BUSINESS COOPERATIVE AND SIMILAR FINANCIAL INSTRUMENTS	120 120
17. INTANGIBLE FIXED ASSETS	120
18. GOODWILL	122
19. EVALUATING AND RESEARCHING OF MINE RESOURCES	122
20. LEASING OPEATIONS	124
21. SERVICE CONCESSION ARRANGEMENTS	124
22. IMPAIRMENT OF ASSETS	124
23. GOVERNMENT INCENTIVES	124
24. BORROWING COSTS	125
25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	125
26. COMMITMENTS	128
27. EMPLOYEES BENEFIT OBLIGATIONS	128
28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS	130
29. OTHER ASSETS AND LIABILITIES	131

30.	EQUITY, RESERVES AND OTHER EQUITIES	132
31.	REVENUE AND COST OF GOODS SOLD	136
32.	CONSTRUCTION CONTRACTS	137
33.	GENERAL OPERATING EXPENSES, MARKETING EXPENSES RESEARCH AND DEVELOPMENT EXPENSES	137
34.	OTHER OPERATIONAL INCOME AND EXPENSE	138
35.	EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES	139
36.	EXPENSES CLASSIFIED BY PRINCIPLE TYPES	139
37.	FINANCIAL EXPENSE AND INCOME	140
38.	ANALYSIS OF OTHER COMPREHENSIVE INCOME	141
39.	FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	141
40.	TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)	141
41.	EARNING PER SHARE	146
42.	SHARE-BASED PAYMENT	146
43.	INSURANCE CONTRACTS	146
44.	THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE	146
45.	FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES	147
46.	DERIVATIVE INSTRUMENTS	147
47.	FINANCIAL INSTRUMENTS	147
48.	FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES	150
49.	FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION)	158
50.	SUBSEQUENT EVENTS	159
51.	OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS	160
52.	FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARTS	160
53.	EXPLANATION TO CASH FLOW STATEMENT	160
54.	EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE	162
55.	INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)	162

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.)

31 Aralık 2018 TARİHİNDE SONA EREN DÖNEME AİT KONSOLİDE FİNANSAL DURUM TABLOSU (TL) (Tutarlar aksi belirtilmedikçe Türk Lirası ("TL") olarak ifade edilmiştir.)	Current Period Audited Consolidated	Previous Period Audited Consolidated
CURRENT ASSETS	31.12.2019	31.12.2018
Cash and Cash Equivalents	16.355.919	7.133.365
Financial Investments	-	-
Trade Receivables	131.834.270	84.642.356
-Trade Receivables from Affiliates	-	-
-Trade Receivables from Non-Affiliates	131.834.270	84.642.356
Other Receivables	55.209.315	48.372.532
-Other Receivables from Affiliates	36.053.981	27.563.400
-Other Receivables from Non-Affiliates	19.155.334	20.809.132
Derivative Instruments	-	-
Inventories	143.337.545	86.158.285
Living Assets	-	-
Prepaid Expenses	27.411.475	12.164.892
Assets related to the Current Period Tax	-	-
Other Current Assets	178.951.670	125.591.830
SUBTOTAL	553.100.194	364.063.260
Fixed Assets Classified for Sales Purpose	39575.305	531.359
TOTAL CURRENT ASSETS	553.675.499	364.594.619
Trade Receivables		
-Trade Receivables from Affiliates	-	-
-Trade Receivables from Non-Affiliates	-	-
Other Receivables	-	-
-Other Receivables from Affiliates	645.577	243.643
-Other Receivables from Non-Affiliates	-	-
Derivative Instruments	645.577	243.643
Investments Valued By Equity Method		
Living Assets	2.135.535	200.000
Investment Properties	-	-
Tangible Fixed Assets		
Intangible Fixed Assets	2.478.541.012	2.563.015.928
-Goodwill	62.132.440	46.244.728
-Other Intangible Fixed Assets	-	-
Prepaid Expenses	62.132.440	46.244.728
Deferred Tax Assets	3.760.397	303.323
Other Fixed Assets	32.200.012	39.234.733
Diğer Duran Varlıklar	98.705.489	62.226.180
TOTAL FIXED 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 Audited Consolidated	Previous Period Audited Consolidated
RESOURCES	Notes	31.12.2019	31.12.2018
Short-Term Borrowings			
Short Term Financial Leasing Obligations	47	59.659.824	49.542.893
Current Installments of Long-Term Financial Liabilities	47	6.848.224	6.210.866
Other Financial Liabilities	47	586.803.729	354.706.373
Trade Payables	47	92.330.497	171.080.031
-Trade Payables to Affiliates	6-7	288.073.343	285.547.729
-Trade Payables to Non-Affiliates	6	-	-
Payables within the Scope of Employee Benefits	7	288.073.343	285.547.729
Other Payables	27	16.895.496	5.126.629
-Other Payables to Affiliates	6-9	31.978.245	10.719.123
-Other Payables to Non-Affiliates	6	9.456.017	378.956
Deferred Income	9	22.522.228	10.340.167
Term Profit Tax Liability	12	104.488.343	50.207.961
Short-Term Provisions	40	-	83.554
-Short-Term Provisions related to the Employee Benefits	25	1.150.340	845.602
-Other Short-Term Provisions	25	-	-
Other Short-Term Liabilities	25	1.150.340	845.602
SUBTOTAL	29	33.950.286	25.325.459
Liabilities related to the Asset Groups, Classified for Sales Purpose		1.222.178.327	959.396.220
TOTAL SHORT TERM LIABILITIES		1.222.178.327	959.396.220
Long Term Liabilities	47	1.124.009.826	1.140.024.004
Long Term Finance Lease Liabilities	47	4.088.745	7.219.682
Other Financial Liabilities	47	-	-
Payables For Employee Benefits	27	-	-
Other Payables	6-9	5.678.453	15.500
Due to related parties	6-9	-	-
Other trade payables to third parties	9	5.678.453	15.500
Long Term Provisions	27	3.725.956	1.608.924
Long term provisions for employee benefits	27	3.540.912	1.436.896
Other long term provisions	25	185.044	172.028
Deferred Tax Liabilities	40	77.396.298	123.934.700
Other Long Term Liabilities	29	2.467.750	-

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 Audited Consolidated	Previous Period Audited Consolidated
		31.12.2019	31.12.2018
Notes			
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 income or expenses	30	(276.526)	(54.201)
Other Gains/Loses	30	(276.526)	(54.201)
Restricted Profit Reserves	70	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		3943.946	(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	38	(285.031)	(2.491)
Actuarial Losses and Earnings Calculated Under Employee Benefit	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
01 January 2018 Balance	135.750.000	21.868.966	(26.340.830)	44.242	(52.258)	639.252
Adjustments to Changes in Accounting Policies	-	-	-	-	-	-
Other Comprehensive Income / Expense	-	-	-	-	(1.943)	-
Transfers	-	-	-	-	-	-
Total Comprehensive Earnings	-	-	-	-	-	-
Earnings	-	-	-	-	-	13.200.000,0
Capital Increase	-	-	-	-	-	-
Net Profit/Loss for the Period	-	-	-	-	-	-
31 Dec. 2018 Balance	35.750.000	21.868.966	(26.340.830)	44.242	(54.201)	13.839.252
01 January 2019 Balance	135.750.000	21.868.966	(26.340.830)	44.242	(54.201)	13.839.252
Profit Distribution	-	-	-	-	-	-
Adjustments to Changes in Accounting Policies	-	-	-	-	-	-
Other Comprehensive Income / Expense	-	-	-	-	(222.325)	-
Minority Share	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total Comprehensive Earnings	-	-	-	-	-	-
Capital Increase	158.992.950	-	-	28.216.265	-	59.837.136
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

Revaluation Increase Fund	Accumulated Profit/ Losses	Net Profit / Loss for the Period	Shareholders' Equity	Non-Controlling Interests	Equity
-	23.859.961	21.868.966	(26.340.830)	44.242	(52.258)
-	(319.489)	-	-	-	-
-	-	-	-	-	-
-	99.745.060	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
812.135.180	-	-	-	-	-
-	-	-	-	-	-
-	-	(251.539.857)	-	-	-
812.135.180	123.285.532	(251.539.857)	(26.340.830)	44.242	(54.201)
812.135.180	123.285.531	(251.539.858)	828.988.285	14.875.840	843.864.125
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(222.235)	-	(222.235)
-	-	-	-	-	-
-	(251.539.858)	251.539.858	-	-	-
(83.288.677)	-	-	(83.288.677)	-	(83.288.677)
-	-	-	247.046.351	-	247.046.351
-	-	(186.478.476)	(186.478.476)	(28.670.395)	(215.148.871)
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	1.150.3407	17.602
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	(83.511.001)	812.133.237
Adjustments for Increase / Decrease in Other Receivables Related to Operations	-	-
Changes in Other Receivables	3.417.839	41.678.361
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

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
01.01.2019-31.12.2019 Dönemine Ait Özet Konsolide Nakit Akış Tablo
(Tüm tutarlar, TL olarak gösterilmiştir.)

	01.01-31.12.2019	01.01-31.12.2018
A.CASH-FLOWS FROM OPERATING ACTIVITIES	(187.319.703)	1.567.816.367
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 NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	9.222.554	(116.791.969)
E. CASH AND CASH EQUIVALENTS IN PERIOD	7.133.365	123.925.333
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

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 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	3.208.365	1,09%	3.208.365	2,37%
Korkut Enes Özal	3.208.365	1,09%	3.208.365	2,37%
Hafize Büşra Özal	3.208.365	1,09%	3.208.365	2,37%
Halka Açık Kısım	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 Mirasçıları	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%

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. (Eski Unvanı 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.

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

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

As of December 31, 2019, the share capital of Küçük Enerji Üretim ve Ticaret Ltd. Şti. is TYR 2.650.000 and the shareholding structure is as follows:

	December 31, 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:

The share transfer agreement has been signed regarding the sale of all shares which the company owned by 80% of Ena

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

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.

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

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.

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.

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 Ticaret A.Ş.	52%	52%

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

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

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

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

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

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. Regarding this transfer, application had been made to General Directorate of Mining Affairs. The transfer transaction was completed as of August 19, 2016.

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

Suda Maden A.Ş.

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

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

Company centre address is 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.

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 31, 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%	-

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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).

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- 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 separately on financial statements.

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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
- 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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 Investments	Ready to sell	Fair value change reflected to profit
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 Impairment	Amortized cost	Amortized cost

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 from 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.

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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 TFRS 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 reassignment effect of the lease obligation as a correction on the right-of-use asset.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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;

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 repayable 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 a 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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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 kept in hand till its maturity. Financial assets kept in hand till its 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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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

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

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

Intangible Assets

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;

	Years
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)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Sales Income

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

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

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

TEİAŞ Electricity Sales Revenue; contains all sales transactions 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 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 contain 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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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..

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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)

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.

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)

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
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)
Deferred 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		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	886.719.105
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)	(9.946.300)	(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
Revenue 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 Investment Value by Equity Method		15.303			15.303		15.303
PROFIT / LOSS BEFORE FINANCE EXPENSES	14.177.941	21.352.630	(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)	(412.698.465)	(104.881.465)	(37.495)	(591.810.868)	155.130.151	(436.680.718)
PROFIT / LOSS BEFORE TAX FROM CONTINUING OPERATIONS	(12.675.099)	(142.053.443)	(63.550.257)	(71.839)	(218.350.738)	(1.342.347)	(219.693.083)
Continuing Activity Tax Pay / Revenue	(957.584)	(38.045.620)	(4.192.362)	7.588	(43.203.154)		(43.203.153)
Term Tax Expense / Revenue	(740.278)	(947.553)	(54.762)	-	(11.742.593)	-	(11.742.593)
Defferred 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)	(180.009.063)	(67.742.619)	(79.527)	(261.553.892)	(1.342.347)	(262.896.236)
DISCONTINUING		(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							
	Maden	Enerji Üretim	Enerji Ticaret	Diğer	Toplam	Eliminasyon Etkisi	Konsolide Toplam
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	1.181.929	(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

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
Dinçsan 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	
Aküz 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

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 Sanayi A.Ş	976.800	215.824
Arsın 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
Arsın Enerji Elektrik Üretim Sanayi Ticaret 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
Hidro Kontrol Elektrik Üretim A.Ş	99.000	301.526
Öztay Enerji Elektrik Üretim Sanayi A.Ş		1.612
HK Yatırım Elektrik Üretim San.Tic.Ltd.Şti		1.612
Tron Enerji Yatırım San. Ve Tic.A.Ş.		1.612
TOTAL	99.000	306.362

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
Arsın Enerji Elektrik Üretim Sanayi Ticaret 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	186.016
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	202.720	61.336
Bb Enerji Yatırım San.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	
TOPLAM	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
Arsın 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

6. RELATED PARTIES (Continued)

f) Fixed assets purchases from related parties	01 Ocak -31 Aralık 2019	01 Ocak -31 Aralık 2018
Hidro Kontrol Elektrik Üretim A.Ş	760.441	-
Öztay Enerji Elektrik Üretim Sanayi A.Ş	30.176	-
Arsın Enerji Elektrik Üretim Sanayi Ticaret 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 RECIVABLES 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

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. (31.12.2018 : None)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

9. OTHER RECEIVABLES AND PAYABLES (Continued)

Short-term Other Payables

	December 31, 2019	December 31, 2018
Due to Related Parties	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 Deferred 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

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 27.358.43	27.358.43
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

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).

14. TANGIBLE FIXED ASSETS

Cost	01.01.2019	Addition	Disposal	Revaluation Increases	Transfer	31.12.2019
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	(114.063)	(18.750)	-	-	-	(132.813)
Land improvements	(181.600)	(39.914)	-	-	-	(221.514)
Buildings	-	-	-	-	-	-
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).

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

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

14. TANGIBLE FIXED ASSETS (Continued)

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).

31 Aralık 2019 tarihi itibari ile Maddi Olmayan Duran Varlıklar'ın maliyet bedellerine ilişkin detayları aşağıdaki şekildedir;

	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

17. INTANGIBLE FIXED ASSETS (Continued)

	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

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 Termik Santrali Lisnas Bedelleri	122.014
Odaş Enerji	Elektrik Toptan Satış Lisansı	324.567
Odaş Doğalgaz	Doğalgaz Toptan Satış Lisansı ve Tadil Bedelleri	64.450
Küçük Enerji	Üretim Lisansı ve Tadil Bedelleri	22.000
Odaş Elektrik	Üretim Lisansı ve Tadil Bedelleri	151.758
Yel Enerji	Maden Ruhsat Bedeli	3.247.813
Suda Maden	Saha Ruhsat ve Maden Ruhsat Bedelleri	4.637.786
Odaş Enerji	Bilgisayar Yazılımları	156.404
Odaş Enerji	İnternet Sitesi	4.600
Odaş Enerji	Portföy Hakkı Kullanım Bedeli	454.310
Odaş Elektrik	Bilgisayar Yazılımları	420.184
Odaş Elektrik	WEB Yazılımları	35.935
Odaş Elektrik	Çan Kömür Varlık Alım Bedeli	5.920.251
Çan Kömür	Hazırlık ve Geliştirme Giderleri (*)	2.341.472
Çan Kömür	Çan Kömür Bilgisayar Yazılımları	557.982
Çan2 Trakya	Hazırlık ve Geliştirme Giderleri (*)	10.587.498
Yel Enerji	Hazırlık ve Geliştirme Giderleri (*)	2.037.355
Yel Enerji	Bilgisayar Yazılımları	4.001
Suda Maden	Bilgisayar Yazılımları	35.403
Suda Maden	Hazırlık ve Geliştirme Giderleri (*)	6.031.568
Anadolu Export	Saha Ruhsat ve Maden Ruhsat Bedelleri	268.918
Anadolu Export	Hazırlık ve Geliştirme Giderleri (*)	12.986.930
Çan Kömür	TRFS-16 Kiralamalar	1.947.723

17. INTANGIBLE FIXED ASSETS (Continued)

Company/Subsidiary	Intangible Assets/ Preparation and Development Expenses	Amount
Çan 2 Trakya	TRFS-16 Kiralamalar	97.179
Odaş Elektrik	TRFS-16 Kiralamalar	99.384
Ys Madencilik	Hazırlık ve Geliştirme Giderleri (*)	22.469.726
Ys Madencilik	Maden Ruhsat Bedeli	168.403
Ys Madencilik	Bilgisayar Yazılımları	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.

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:

19. EVALUATING AND RESEARCHING OF MINE RESOURCES (Continued)

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 hectars 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 preperation 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.

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.

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* TRY 2.000 = 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.

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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

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.

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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.

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:

	31.12.2019	31.12.2018
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

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

27. EMPLOYEES BENEFIT OBLIGATIONS (Continued)

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

28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

	January 01 - December 31 2019	January 01 - December 31 2018
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

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
TOTAL	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

29. OTHER ASSETS AND LIABILITIES (Continued)

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	-
Total	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	Share Amount	31.12.2019	Share Amount	31.12.2018
		Rate		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;

30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

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%
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;

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.

30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

When shares representing five per cent or more of the Company's capital with direct or indirect acquisition by a natural or legal person or as a result of the acquisition of shares that does not exceed five percent of the share capital of the entities belonging to a common or transfer of shares results of falling below ratio compared to above belonging to one common share EMRA approval will be received each time and required disclosures will be stated in accordance with the Capital Market Legislation. This provision also valid if the voting rights is acquisitioned.

Board of Directors is authorized to take decisions for not given approval to transfer and refusing from registration in the share register while transferring (A) group share within the framework of TTK 493 showing reason for carrying out company's goal and protection of independency of company. To transfer (B) group share will be traded in stock market can not be restricted.

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)

30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

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

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.

30. EQUITY, RESERVES AND OTHER EQUITIES (Continued)

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.

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	
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

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
Free Consumer Electricity Sales	25.908.112	400.096.062
Electricity Sales income from TEİAŞ/Epiaş/ EÜAŞ	575.213.758	279.059.545
Bilateral Agreements Electricity Sales	255.512.204	83.197.846
Sales to Group Companies	31.727.229	6.017.735
Solar Energy Sales	258.989	229.042
Distribution Companies Income from Natural Gas Sales	986.494	799.199
Income from Mining Sales	51.974.872	108.807.239
Other Incomes	12.249.923	9.072.086
Overseas Sales	4.415.628	9.105.809
Antimony Sales Income	4.415.628	9.105.809
Sales returns (-)	(19.768.182)	(9.739.867)
Sales discounts (-)	(28.280)	-
TOTAL	938.450.745	886.644.695

	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

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

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
TOTAL	7.504.974	15.892.048

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	2.344.614	1.235.436
Declaration and Agreement Stamp Tax	2.019.249	1.376.357
Tax expenses	1.330.470	846.595
Consultancy expense	1.000.231	215.462
Travel expenses	557.589	1.128.972
Severance payment provisions	322.784	150.133
Provision for unused vacation	162.129	158.862
Notary expense	133.430	433.952
Dues contribution share	127.428	89.306
Representation and hospitality expenses	62.347	114.712

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

	January 01 - December 31 2019	January 01 - December 31 2018
Insurance expense	56.187	109.262
Fuel expense	51.323	227.770
Shipping expense	14.191 59.439	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

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	206.999	6.330.821
Provision Expenses	19.789.266	6.800.232
Other Extraordinary Expenses and Losses	4.913.117	2.024.669
Idle Capacity Expenses and Losses	1.011.624	1.440.156
Previous Year Expenses and Losses	1.143.528	760.675
Other Ordinary Expenses and Losses	9.870.274	1.512.577
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.

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.

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

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)

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.

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

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.

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 separately.

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

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)

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)	
	(129.840.569)	31.12.2018	31.12.2019	31.12.2018
Fixed Assets	3.764.149	(39.680.492)	(28.564.925)	(34.220.429)
Severance Indemnities and Provisions	(6.083.340)	1.432.577	828.113	315.167
Rediscount	1.590.714	(13.017.900)	(1.338.335)	(2.863.938)
Doubtful Receivables	3.949	1.596.418	349.957	351.212
Establishment and Formation Expenses	500.309	3.950	869	869
Provisions for Other Payables and Expenses	-	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)

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

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

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 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".

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

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 340.000.0000*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.

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.

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, 2019
	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, 2019
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

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.

			Exchange Value		TRY	
	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
Total short-term 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
Total short-term 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 minimize 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 minimize the impact of uncertainty in financial markets on group's potential financial performance.

b.1) Credit risk

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

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

31.12.2019	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Trade Receivables				
	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.

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

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

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31.12.2019	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Trade Receivables				
	Related Parties	Other Parties	Related 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	-	-	-	-	-	-	-

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

31.12.2018	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Trade Receivables				
	Related Parties	Third Parties	Related Parties	Third Parties			
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

Grup 1 – Yeni müşteriler (3 aydan Kısa süredir müşteri olanlar).

Grup 2 – Önceki dönemlerde tahsilat gecikmesi yaşanmamış mevcut müşteriler (3 aydan uzun süredir müşteri olanlar).

Grup 3 – Önceki dönemlerde tahsilat gecikmesi yaşanmış, ancak gecikmeli olsa da tahsilat yapılmış mevcut müşteriler.

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.

b.3.1) Foreign Currency Risk Management

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

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

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CURRENCY POSITION					
	31.12.2019				
	TRY (Functional Currency)	USD	EURO	GBP	OTHER
1. Trade Receivables	114.206		-	-	-
2a. Monetary financial assets (including cash and cash equivalents)	4.260.642	OTHER	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)	(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	-	-	-	-	-

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)	(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 other exchange	227	(227)	-	-
8- Amount hedged for other exchange risk (-)	-	-	-	-
12- Net Effect of PLN (7+8)	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.

50. SUBSEQUENT EVENTS (Continued)

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 STANDARTS

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)

53. EXPLANATION TO CASH FLOW STATEMENT (Continued)

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:

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)





CONTACT

Fatih Sultan Mehmet Mh. Poligon Cd.
Buyaka 2 Sitesi No: 8B 2.Kule Kat: 17
Tepeüstü / Ümraniye İSTANBUL
T: + 90 216 474 1 474
F: + 90 216 474 0 474
www.odasenerji.com.tr

