



odas

Annual Report 2023



We grow with our energy...



odas

We grow with our energy...

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01

CHAPTER

ANNUAL REPORT





INDEPENDENT AUDITOR'S REPORT RELATED TO ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

1) Opinion

We have audited the annual report of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January 2023- 31 December 2023 period.

In our opinion, financial information contained in the annual report of the board of directors and analysis made by the Board of Directors about the Company's situation are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2) Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our

responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit give sufficient and appropriate basis for our opinion.

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

We expressed an unqualified opinion in the auditor's report dated 25 May 2024 on the full set consolidated financial statements for the 1 January - 31 December 2023 period.

4) Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly.

b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also, in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regard to these matters are also included in the report.

c) to include the matters below in the annual report:

- events of particular importance that occurred in the Company after the operating year,
- the Group's research and development activities
- financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation

expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Customs and Trade and other relevant institutions.

5) Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of Turkish Commercial Code provisions regarding whether or not the financial information and the analysis made by the Board of Directors are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the International Independent Audit Standards. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information in the annual report and the analysis made by the Board of Directors are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

As Bağımsız Denetim ve YMM A.Ş.
(Member of NEXIA INTERNATIONAL)

O. Tuğrul Özsüt
Partner

20.05.2024
İstanbul, Turkey





02

CHAPTER

ODAŞ AT A GLANCE

MILESTONES



2010

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

2011

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



2012

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



2013

ODAŞ Doğal Gaz Toptan Satış Sanayi Ticaret A.Ş. was founded.

Şanlıurfa Natural Gas Cycle Plant reached an installed capacity of 140 MW.

92% of Çan2 Termik A.Ş. was acquired by **ODAŞ** Elektrik Üretim A.Ş.

ODAŞ shares were listed on the BIST 100 Index of Borsa İstanbul A.Ş.



2014

The 0.25 MW Solar Power Plant was commissioned.

Investment in the **Çan-2 Thermal** Power Plant with an installed capacity of 340 MW was.

The Environmental Impact Assessment (EIA) report for the Çan-2 Thermal Power Plant of Çan2 Termik A.Ş. was approved.

2015

ODAŞ began its activities to operate in the fields of Gold and Antimony mining.

Accordingly, Anadolu Export Maden Sanayi Ticaret A.Ş. is founded to operate in the field of gold mining.

Suda Maden A.Ş., which operates in the field of antimony mining, was wholly acquired by ODAŞ Group.

Köprübaşı Hydroelectric Power Plant with an Installed Capacity of 8,2 MW was commissioned.



2016

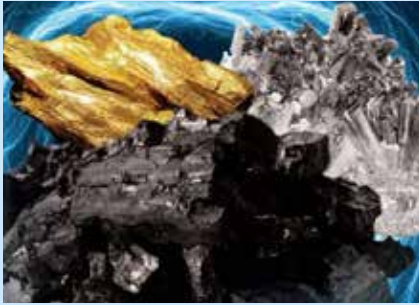
Antimony and Antimony Trioxide production began at **Suda Maden** A.Ş.

2017

The production capacity in Antimony and Antimony Trioxide mining was doubled.

Prior to gold production planning, an Environmental Impact Assessment (EIA) Report application regarding operations was submitted.

The Group started coal sales in line with its coal production and sales planning.



2018

Çan2 Thermal Power Plant was commissioned.

2019

Çan-2 Thermal Power Plant completed the Ramp-Up process and commenced stable production.

Environmental Permit and License granted.



2020

Initial public process of **Çan2 Termik A.Ş.** began.



2021

ODAŞ, expanded its activities in the field of energy, by carrying it abroad. It established and activated a natural gas cycle power plant in the Khwarezm region of Uzbekistan.

Çan2 Termik A.Ş.'s initial public offering completed and its shares began trading at Borsa İstanbul Yıldız Market.

2022

ODAŞ CA Uzbekistan Natural Gas Cycle Power Plant became operational in a short period of 6 months.



2023

The total installed capacity of **ODAŞ CA Uzbekistan Natural Gas Cycle Power Plant** increased to 158 MW.

ODAŞ was included in the Borsa İstanbul BIST 30 Index.

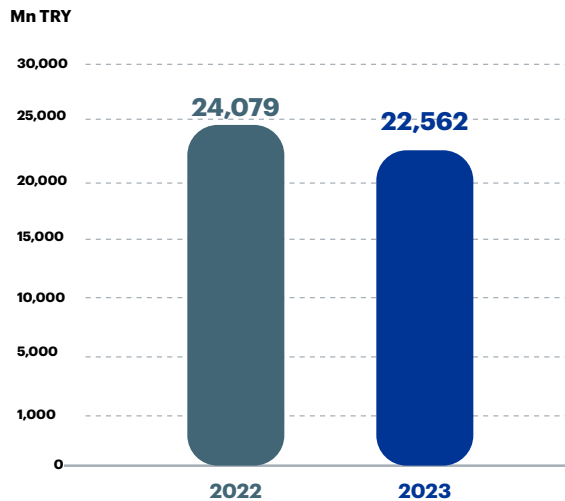
ODAŞ evaluated investment opportunities in the field of tourism in order to increase income diversification in different fields of activity and started construction of a hotel in Fethiye District of Muğla as the first tourism investment.

Çan2 Termik A.Ş. started new initiatives and studies in Venezuela in order to evaluate and develop global opportunities in the field of oil.

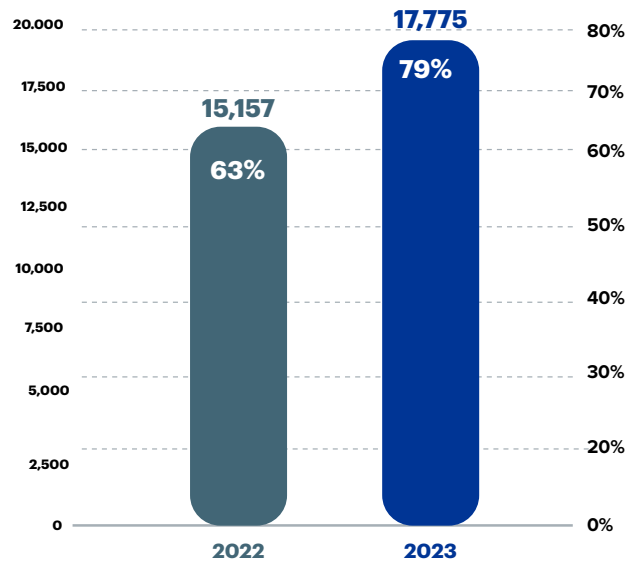
FINANCIAL HIGHLIGHTS

Consolidated Financial Figures (TRY Mn)		
	2022	2023
Net Sales	15,805	7,441
Net Profit	1,402	3,807
EBITDA	6,419	2,054
Cash and Cash Equivalents	2,432	708
Total Assets	24,079	22,562
Total Financial Liabilities	3,926	222
Net Financial Debt	1,494	-486
Total Shareholders' Equity	15,157	17,775
Net Financial Debt	1,494	-486
KPIs		
	2022	2023
EBITDA Margin (%)	%41	%28
Net Debt / Shareholders' Equity (x)	15,157	17,775
Net Debt / EBITDA (x)	0.2	-0.2
Shareholders' Equity / Total Assets (%)	%63	%79

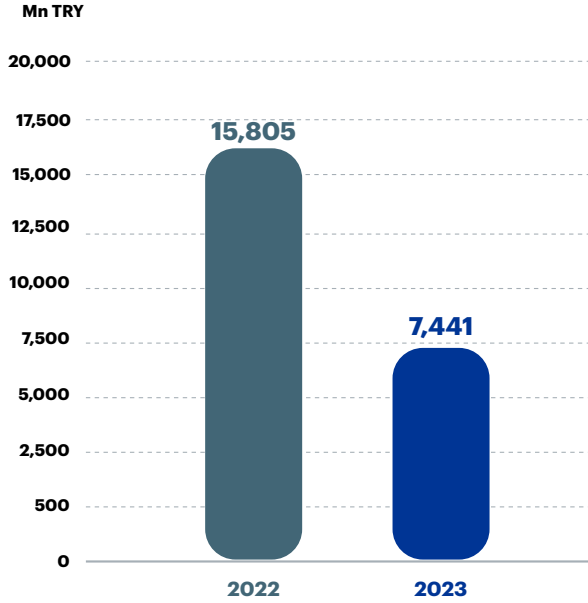
▼ Total Assets



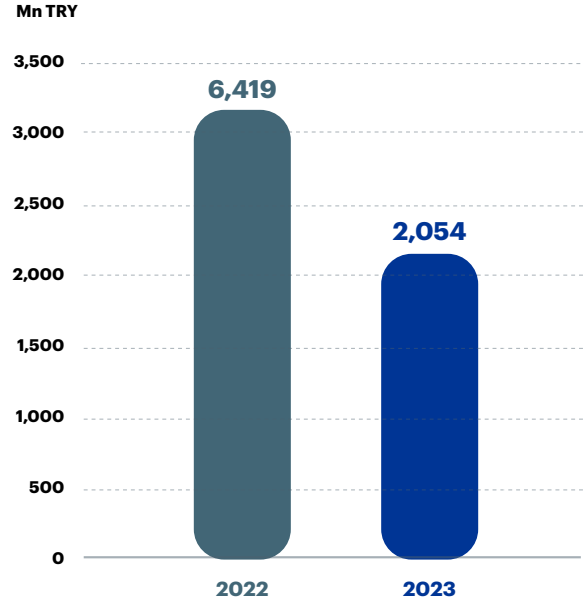
▼ Shareholders' Equity / Total Assets (%)



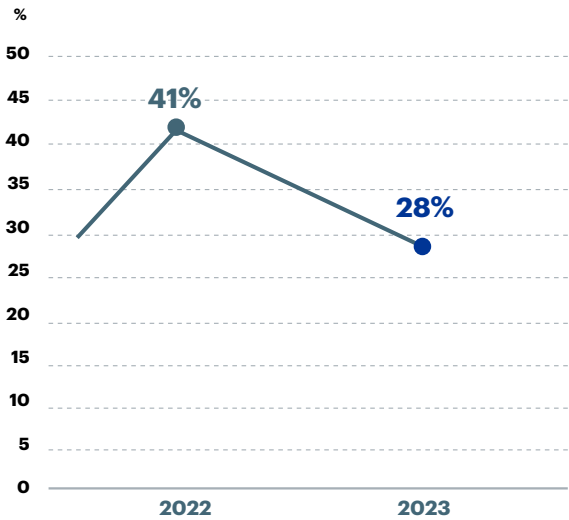
▼ Consolidated Net Sales



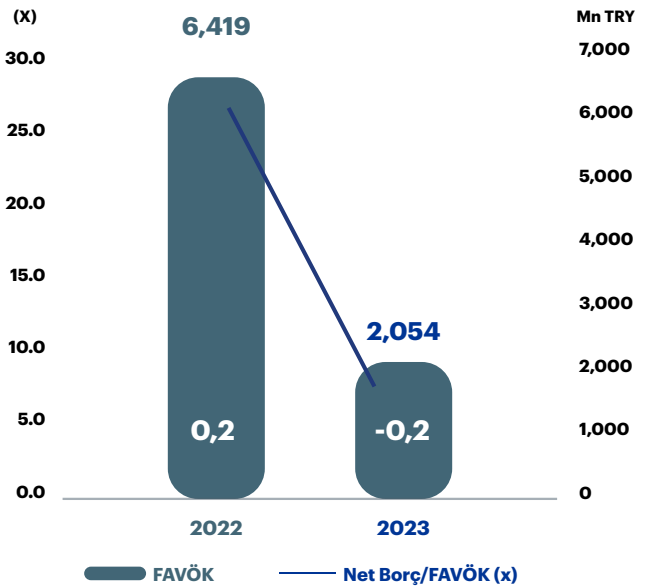
▼ EBITDA



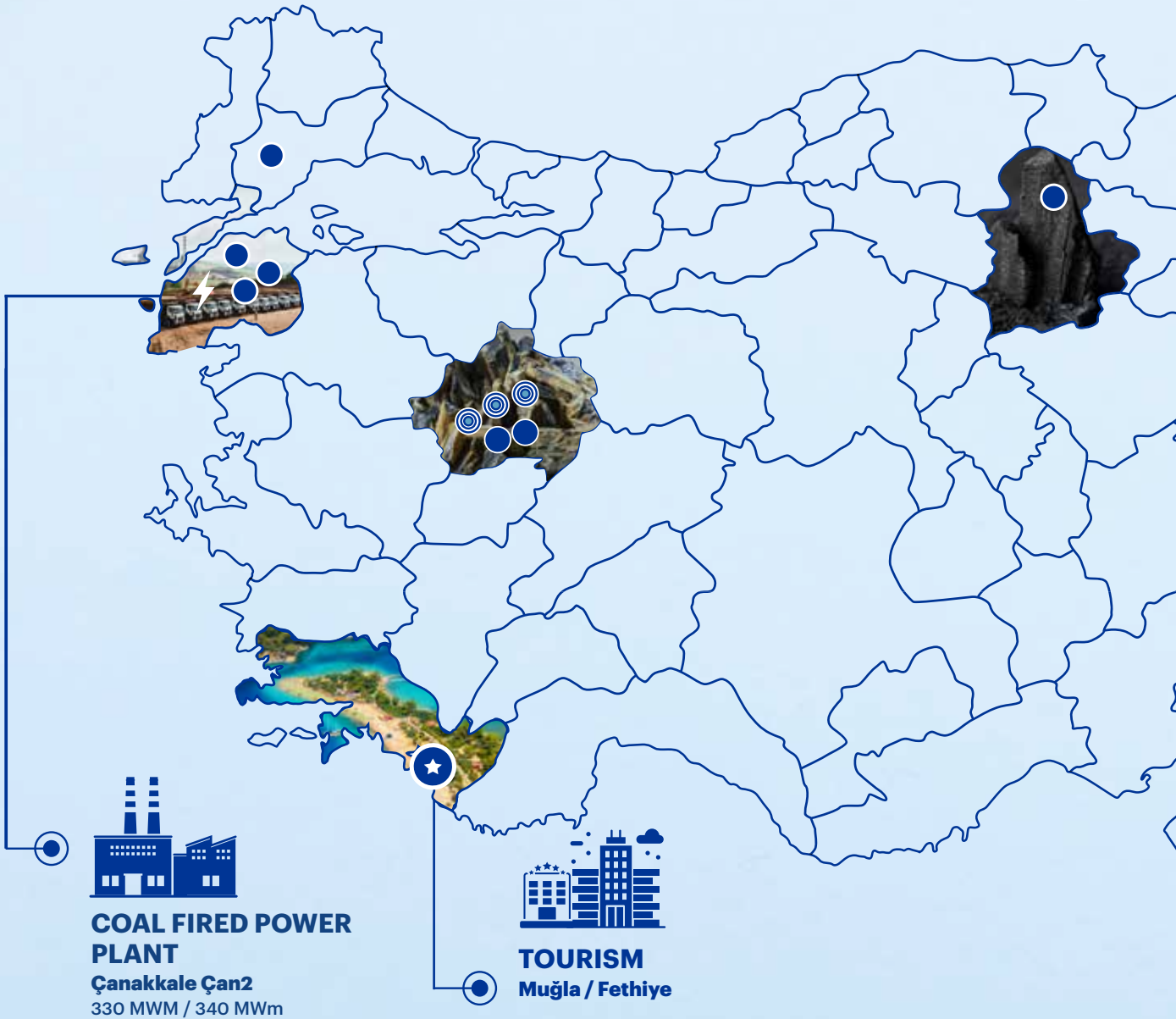
▼ EBITDA Margin



▼ Net Debt / EBITDA



CURRENT OPERATIONS





COAL MINING SITES



ANTIMONY MINING SITES



GOLD MINING SITES



POWER PLANT



NATURAL GAS POWER PLANTS



TOURISM



NATURAL GAS POWER PLANTS

Uzbekistan
174 MW



SOLAR POWER PLANT

Şanlıurfa
0,25 MW





03

CHAPTER

MANAGEMENT

GENERAL INFORMATION ABOUT THE COMPANY

Trade Name	: Odaş Elektrik Üretim Sanayi Ticaret AŞ.
Company's Registered Address	: Barbaros Mah. Başak Cengiz Sk. Varyap Meridian Sitesi No1/D Villa 4 Batı Ataşehir, İstanbul
Affiliated Trade Registry Office	: İstanbul Trade Registry Office
Trade Registry Number	: 748692
Trade Registry Registration Date	: 28.09.2010
Tax Office	: Kozyatağı Tax Office
Tax Number	: 63404170722
Registered Capital Ceiling	: 3.000.000.000 TL
Paid-in Capital	: 1.400.000.000TL

SHAREHOLDING STRUCTURE

As of 31.12.2023, the shareholder structure of our Company, which has a total paid-up capital of 1,400,000,000 TL within the share capital limit of 3,000,000,000 TL, is as follows.

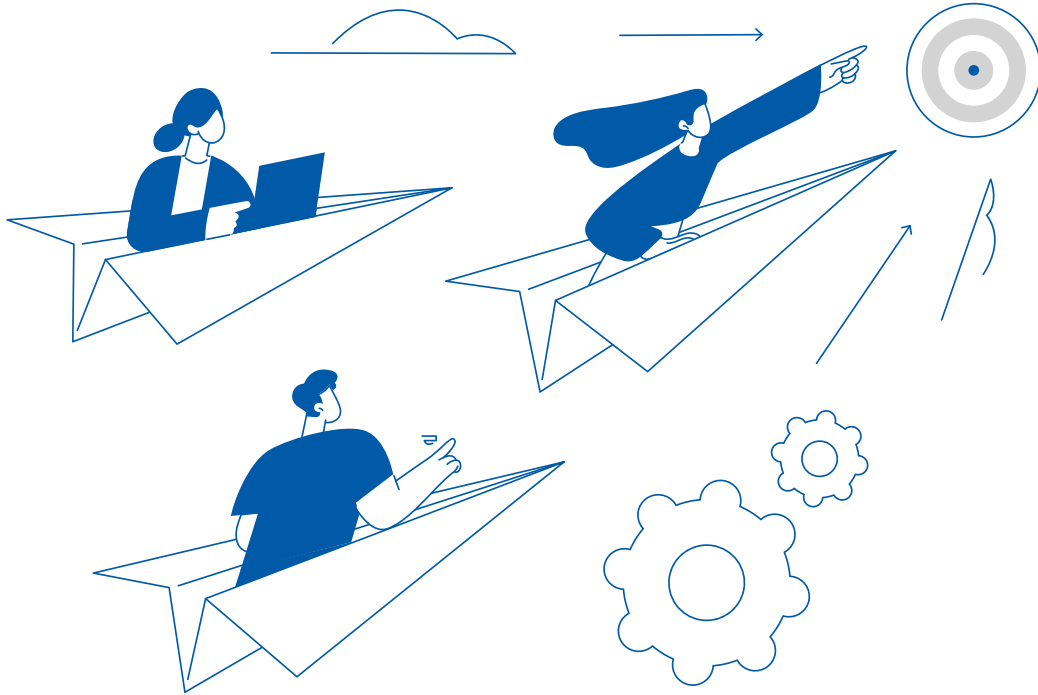
Full Name/Title	Group A Shares	Group B Shares	Total Share	Share in Capital(%)
Burak ALTAY	4,277,820	217,119,667	221,397,487	15.81%
Abdulkadir Bahattin ÖZAL	4,277,820	63,921,406	68,199,226	4.87%
BB Enerji Yatırım Sanayi Tic. AŞ.	-	39,619,143	39,619,143	2.83%
Other	-	1,070,784,144	1,070,784,144	76.49%
Total	8,555,640	1,391,444,360	1,400,000,000	100.00%

The share groups of our Company are divided into A and B. The Company's Board of Directors consists of at least 5 (five) members, 2 of whom must be elected by the General Assembly from among the candidates nominated by Group (A) shareholders. 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, 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). At the Ordinary and Extraordinary General Assembly meetings of the Company, group (A) shareholders are accorded 15 votes for each share, while group (B) shareholders are accorded 1 vote for each share. Group (B) shares are not granted any special rights or privileges.

BOARD OF DIRECTORS AND THE COMMITTEES

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 members of the Board of Directors of our Company were elected as follows to serve until 31.12.2025.

Full Name	Title	Term of Office
Abdulkadir Bahattin ÖZAL	Chairman of the Board of Directors	Until 31.12.2025
Burak ALTAY	Vice Chairman of the Board of Directors	Until 31.12.2025
Hafize Ayşegül ÖZAL	Member of the Board of Directors	Until 31.12.2025
Zehra Zeynep DERELİ	Independent Member of the Board of Directors	Until 31.12.2025
Umut APAYDIN	Independent Member of the Board of Directors	Until 31.12.2025



COMMITTEES UNDER THE BOARD

Audit Committee

Full Name	Role
Umut APAYDIN	Committee President
Zehra Zeynep DERELİ	Committee Member

Corporate Governance Committee

Full Name	Role
Umut APAYDIN	Committee President
Zehra Zeynep DERELİ	Committee Member
Melih YÜCEYURT	Committee Member

Early Detection of Risk Committee

Full Name	Role
Zehra Zeynep DERELİ	Committee President
Umut APAYDIN	Committee Member

MANAGEMENT TEAM

Full Name	Position/Title
Ahmet Göksal CAN	Chief Energy Officer
Ali Kemal KAZANCI	Chief Mining Officer
Caner DEMİRAYAK	Strategic Planning Commercial Director
Melih YÜCEYURT	Finance and Investor Relations Director
Adeviye DEMİR PEKMEZCİ	Accounting and Reporting Director
İlknur YILMAZ COŞKUN	Legal Director
İnci UĞURLU ARIKAN	Human Resources Director
Bülent BARUT	Power Plant Manager







04

CHAPTER

OUR ACTIVITIES



ODAŞ GROUP COMPANIES

ENERGY



Çan2 Termik A.Ş.

%58

Local Coal Based
Thermal Power Plant

**Hidro Enerji Elektrik
Üretim Sanayi A.Ş.**

%50

**CR Proje Geliştirme
Yatırım Sanayi ve
Ticaret A.Ş.**

%100

**Voytron Enerji
Elektrik Perakende
Satış A.Ş.**

%100

Electricity Retail Sales

**Ena Elektrik
Üretim Ltd. Şti.**

%80

Electricity Wholesale



Odas Enerji CA LLC

%50

*Indirect subsidiary

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

%90

Natural Gas Wholesale

MINING



Suda Maden A.Ş.

%100

Precious and Strategic
Metal Mining

Çan2 Trakya Kömür
Maden A.Ş.

%58

*Indirect subsidiary

Yel Enerji
Elektrik Üretim Sanayi
Ticaret A.Ş.

%58

*Indirect subsidiary

Suda Stratejik
Metal Dış Ticaret A.Ş.

%100

*Indirect subsidiary

Onur Mining Maden
Üretim A.Ş.

%100

Anadolu Export
Maden Sanayi ve A.Ş.

%96

Precious Metal Mining

YS Madencilik Sanayi
Ticaret Ltd. Şti.

%52

TS Anadolu Metal
Maden Üretim A.Ş.

%100

TOURISM



Zenn Yatırım Otelcilik
İnşaat A.Ş.

%50

*Indirect subsidiary

Yasin İnşaat Turizm Gıda
Taahhüt ve Ticaret A.Ş.

%50

INFORMATION ABOUT SUBSIDIARIES

Title	Total Capital Of The Company	Share of ODAŞ in Capital	Ratio of ODAS in Capital (%)
Çan2 Termik A.Ş.	938,116,902.57 TL	548,244,402.57 TL	58.44%
Voytron Elektrik Perakende Satış A.Ş.	25,000,000 TL	25,000,000 TL	100%
Suda Stratejik Metal Dış Ticaret A.Ş.	12,600,000 TL	12,600,000 TL	100%*
Ena Elektrik Üretim Ltd. Şti.	5,601,000 TL	4,480,800 TL	80%
Hidro Enerji Elektrik Üretim Sanayi A.Ş.	615,000 TL	307,500 TL	50%
Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş.	4,312,000TL	3,881,662 TL	90.02%
Suda Maden A.Ş.	44,900,000 TL	44,900,000 TL	100%
Anadolu Export Maden Sanayi ve Ticaret A.Ş.	50,000 TL	48,000 TL	96%
CR Proje Geliştirme Yatırım Sanayi ve Tic. A.Ş.	50,000 TL	50,000 TL	100%
TS Anadolu Metal Maden Üretim A.Ş.	250,000 TL	200,000 TL	80%
YS Madencilik Sanayi Ticaret Ltd. Şti.	10,000 TL	5,200 TL	52%
Odaş Enerji CA LLC	450,000,000 UZS	225,000,000 UZS	50%*
Zenn Yatırım Otelcilik İnşaat A.Ş.	20,000,000 TL	10,000,000 TL	50%*
Çan-2 Trakya Kömür Maden A.Ş.	550,000 TL	321,420 TL	58.44%*
Yel Enerji Elektrik Üretim Sanayi Tic. A.Ş.	6,000,000 TL	3,506,400 TL	58.44%*
Onur Mining Maden Üretim A.Ş.	1,500,000 TL	1,500,000 TL	100%
Yasin İnşaat Turizm Gıda Taahhüt ve Tic. A.Ş.	1,000,000 TL	500,000 TL	50%*
Invenergia CA	450,000 VEF	339,750 VEF	75.5%
Nos Gıda Restoran İşletmesi Et Üretim Pazarlama Sanayi ve Ticaret Limited Şirketi	400,000 TL	400,000 TL	100%*

*Indirect Subsidiary

Çan2 Termik A.Ş.

Çan2 Termik A.Ş. is one of the main subsidiaries in Odas Group's energy portfolio, which includes a domestic coal-based power generation plant with an installed capacity of 340 MWm/330 Mwe in Çan district of Çanakkale province. The power plant operating under it started generating electricity after its preliminary acceptance on 01.08.2018 and continues its power generation activities. Çan2 Termik A.Ş. Its shares started trading on the Istanbul Stock Exchange/Stars Market as of April 30, 2021.

Voytron Elektrik Perakende Satış A.Ş.

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

Suda Stratejik Metal Dış Ticaret A.Ş.

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

Hidro Enerji Elektrik Üretim Sanayi A.Ş.

Hidro Enerji, a 50% subsidiary of ODAS, 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. The company owns 100% of Odaş Enerji CA, which operates in Uzbekistan.

Ena Elektrik Üretim Ltd. Şti.

The company which is 80% owned by ODAS applied for a generation license for the Hisar Regulator and Hydroelectric Power Plant. It owns our shares in Ena Elektrik Üretim Limited Şirketi following the completion of the approval procedures at the Energy Market Regulatory Authority and continues its coal mining activities. A "Share Transfer Agreement" was signed.

ODAŞ Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş.

As of March 2013, ODAŞ Doğal Gaz Toptan Satış Sanayi ve Ticaret A.Ş., a 90% subsidiary of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. (ODAS Enerji), obtained its Natural Gas Wholesale License from EMRA.

Invenergia CA

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. is the 75.5% shareholder of Invenergia CA. The company was established on 23.11.2023. The Company's principal activity is the investment of money and/or securities in intangible personal property such as shares, bonds, debentures, debentures, instalments or savings and/or capitalisation plans by instalments or rights in companies of persons or companies.

Anadolu Export Maden Sanayi ve Ticaret A.Ş.

Anadolu Export Maden Sanayi, 96% of which is owned by ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., has a gold licence in Karaağaç within the borders of Kütahya and Uşak provinces and as of the latest situation, a total of 348,150 ounces of Gold (Au) (167,486 ounces indicated/indicated and 180,664 ounces inferred/inferred) and a total of 2. 832,036 ounces of Silver (Ag) (1,255,604 ounces indicated/indicated and 1,576,432 ounces inferred/inferred).

Nos Gıda Restoran İşletmesi Et Üretim Pazarlama Sanayi ve Ticaret Limited Şirketi

Nos Gıda, a 100% indirect subsidiary of the Company, is engaged in the production and sale of all kinds of food, marketing and distribution of the service services of the meals produced, wholesale or retail purchase-sale, marketing, import and export of meat and meat production obtained from animals without processing or after processing.

Suda Maden A.Ş.

A 100% subsidiary of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., the company holds a total of four business licenses in the KütahyaUşak 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 in the fields owned by Suda Maden A.Ş.

YS Madencilik Sanayi Ticaret Ltd. Şti.

52% of this company which is active in mining is owned by ODAS.

Yel Enerji Elektrik Üretim Sanayi Tic. A.Ş.

ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. indirectly owns 58.44% of the company and is active in the mining sector.

TS Anadolu Metal Maden Üretim A.Ş.

TS Anadolu Metal Maden Üretim A.Ş. was founded with a focus on importing, exporting, and internally trading metals derived from the extraction and/or processing of mineral ores.

Çan-2 Trakya Kömür Maden A.Ş.

ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. indirectly owns 58.44% of the Company and is engaged in the coal mining sector.

Onur Mining Maden Üretim A.Ş.

Onur Mining Maden Üretim A.Ş. was established to import, export, and internally trade metals derived from the extraction and/or processing of mineral ores.

Zenn Yatırım Otelcilik İnşaat A.Ş.

Zenn Yatırım Otelcilik İnşaat A.Ş. is engaged in various activities– namely managing hotels and similar kinds of accommodation, building residential projects, and running real estate agencies. Notably, ODAŞ Elektrik holds an indirect ownership stake of 50% in this company.

Odaş Enerji CA

100% shareholder of the Company is Hidro Enerji Elektrik Üretim Sanayi A.Ş., our subsidiary. The Company's head office is located in Uzbekistan and its main activity is the generation of electrical energy and the sale of the generated electrical energy

OPERATIONAL STATUS DURING THE PERIOD

Electricity Generation

Çan-2 Thermal Power Plant (330 MW)

Çan-2 Thermal Power Plant's gross electricity generation in 2023 was realised as 1,962 GWh due to the planned shutdown in March - April. (Gross electricity generation between 01.01.2022 - 31.12.2022 is 2,304 GWh). In the October - December 2023 period, the plant generated 595 GWh with a Capacity Utilisation Rate of 82%. (Capacity Utilisation Rate for October-December 2022 Period: 75%, Electricity Generation: 548 GWh).

Uzbekistan Natural Gas Combined Cycle Power Plant

The natural gas cycle power plant in Uzbekistan generated electricity with an installed capacity of 158 MW as of 31.12.2023.

The plant will generate a total of 1,008 GWh of electricity with an average Capacity Utilisation Rate of 74% in 2023, and 251 GWh of electricity with a Capacity Utilisation Rate of 73% in the period October - December 2023.

(October - December 2022 Electricity Generation: 211 GWh, 2022 Total Electricity Generation: 424 GWh).

SECTOR OVERVIEW

Comparison of Production, Consumption and Installed Capacity;

According to TEİAŞ data, the total installed capacity in the sector as of 31.12.2023 year-end was 107,050 MW with an increase of 3,293 MW compared to 31.12.2022 (after taking into account the plants with reduced capacity and shutdowns). The rate of increase was 3.2%.

Regarding the installed capacity of thermal power plants, the capacity of domestic coal power plants increased by 2 MW as of 31.12.2023 compared to 31.12.2022, while the capacity of imported coal power plants remained unchanged. The capacity of natural gas plants increased by 59 MW.

As in previous years, the renewable energy portfolio maintained its upward trend as of the end of December 2023, with a 6% increase in installed capacity compared to the same period of the previous year.

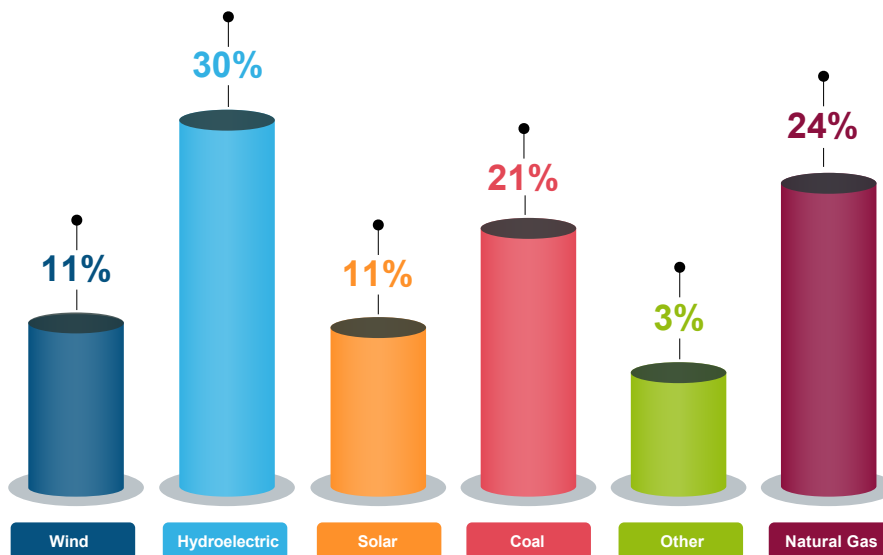
As of end-December 2023, the highest increase in installed capacity in renewable energy was recorded in solar power plants with 2,267 MW, followed by wind power plants with 407 MW.

In the same period, capacity increases in hydroelectricity and biomass power plants were 393 MW and 172 MW, respectively. There is a decrease of 16 MW in waste heat power plants.

As of 31.12.2023, 30% of the total installed capacity consists of Hydro, 24% of Natural Gas, 11% of Domestic Coal, 10% of Imported Coal, 11% of Wind, 11% of Solar and 3% of other energy sources.

When the distribution by type of establishment is analysed, 19.98% of the installed capacity belongs to EÜAŞ and its subsidiaries, 3.14% to Build-Operate Transfer and Transfer of Operating Rights plants, 66.84% to independent generation companies and the remaining 10.03% to unlicensed plants.

Distribution of Installed Capacity by Resources (31.12.2023 Period)



Power Generation and Consumption

According to EPIAŞ transparency platform real-time consumption data, consumption in the twelve-month period of 2023 increased by 1% compared to the previous year to 308,563 GWh. In the twelve months of 2023, peak consumption was 1,131,710 Mwh with a increase of 5% compared to the same period of the previous year.

In addition, according to EPIAŞ transparency platform real-time generation data, the resource-based distribution of generation for 2023 is 20.30% natural gas, 20.97% hydroelectricity, 22.21% imported coal, 13.27% domestic coal, 11.30% wind, 6.11% solar and 5.84% other resources.

The biggest change in production distribution compared to the same period of the previous year was realized with an increase of 49% in fuel oil, followed by solar with an increase of 21%, imported coal with 15%, and decrease of domestic coal with 8.2%. In addition, natural gas decreased by 8% in the same period.

Due to the natural gas and imported coal price increases in the last quarter of 2021 and fluctuations in the US dollar exchange rate, the average MCP (Electricity Market Clearing Price) for 2022 was 2511 TL/Mwh with an increase of 394% compared to last year. In dollar terms, it was realized as 147 \$ / Mwh with an increase of 165%. In 2023, the average MCP (Electricity Market Clearing Price) was realised as 2,191 TL/MWh with a 12.8% decrease compared to the previous year. In dollar terms, it was realised as \$97/MWh with a 32.4% decrease.

On the other hand, Brent oil dollar price increased by 10.2% on 31.12.2023 compared to 31.12.2022, reaching \$79 per barrel. Accordingly, Botaş's electricity generation tariff for the period of December 2023 decreased by 42% compared to December 2022 and reached 12,000TL/1000Sm3. At the same time, the API2 coal index, which is accepted as an indicator for the cost of imported coal, decreased by 44% in dollar terms on 31.12.2023 compared to the same period of the previous year and reached \$ 106 / Ton on 31.12.2023.

Mining Activities

In the field of mining, Odaş has gold, silver, antimony and coal reserves. Among these reserves, antimony and coal mining operations are actively continuing and the gold and silver reserves in Karaağaç are currently 167,486 Ounces of Indicated Gold and 180,664 Ounces of Inferred Gold, totalling 348,150 Ounces of Gold reserves and 1,255,064 Ounces of Indicated Gold and 1,576,432 Ounces of Inferred Gold, totalling 2,832,036 Ounces of Silver reserves.

RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

The Early Detection of Risk Committee has been established in relation to risk management and its working principles have been determined and published on the company website www.odas.com.tr. Independent board members Zeynep Zehra Dereli (Committee Chairman) and Umud Apaydin (Committee Member) were elected as members of the Early Detection of Risk Committee.

DIVIDEND PAYMENT POLICY

The 'Dividend Distribution Policy', which has been revised within the scope of the Capital Markets Board's Communiqué on Dividends numbered II.19.1, was determined by the decision of our Board of Directors dated 06.03.2014 and unanimously approved at the Ordinary General Assembly meeting for 2013. Our dividend distribution policy can be accessed from the Corporate Governance section under the Investor Relations section of our Company's website (www.odas.com.tr).

AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR THE PERIOD 01.01.2023 - 31.12.2023

There has not been any amendment in the articles of association during the related activity period.

PERSONNEL INFORMATION

The number of personnel of the Company is 976 as of 31.12.2023. There is no collective bargaining agreement in our company, and all rights and benefits are provided to our personnel and workers within the framework of the Labour Law.

DONATIONS MADE DURING THE PERIOD

Between 01.01.2023 - 31.12.2023, a total of TL 5,745,676 was donated and aided by ODAŞ and its Subsidiaries.

COMPANY HISTORY AND DEVELOPMENT

ODAŞ is a group of companies established in 2010, whose main fields of activity are energy and mining, and which operates in the international arena with its natural gas cycle power plant investment in Uzbekistan and mineral exports and seeks investment opportunities in different sectors.

Development of Activities in the Field of Energy

ODAŞ's largest investment and operation in the field of energy generation is Çan2 Termik AŞ, a domestic coal-fired thermal power plant with an installed capacity of 340 MWm/330 Mwe, operating with a 51.27% subsidiary. The power plant was provisionally accepted and started electricity generation activities as of the beginning of August 2018. This investment is one of the few private sector investments that can convert domestic lignite coal into electricity by substituting imported products such as imported coal and natural gas.

ODAŞ realised its second largest power generation investment in January 2014 with a natural gas cycle power plant with an installed capacity of 140 MW in Şanlıurfa.

On the same date, a solar power plant investment with an installed capacity of 0.25 MW was also completed at the plant site, bringing the total installed capacity to 140.25 MWe. Until 2020, the relocation of Şanlıurfa Natural Gas Cycle Power Plant, which continued its production activities until 2020, was completed in order to maintain sustainable profitability. As of 31.12.2023, our power plant has realised its production with a total installed capacity of 158 MW.

Development of Activities in the Field of Mining

In the mining sector, ODAŞ has gold, silver, antimony and coal reserves. Among these reserves, antimony and coal mining operations continue actively and Suda Maden Anonim Şirketi holds 4 operating licences. Preparatory works for precious metal mining activities are in progress.

Sustainability Studies

ODAŞ has started to work on establishing the infrastructure for Environmental, Social and Governance (ESG) issues, adapting the corporate sustainability culture within the Group and determining the sustainability strategy.

HUMAN AND CULTURE

At ODAŞ, we try to align our People and Culture Department's policies with our own organization culture and values, when crafting them. The prospective employee's career aspirations and our own sustainable goals and culture must match up whenever we delineate roles, select suitable candidates, oversee recruitment and hiring procedures, and draft employee development plans. We also take a corporate approach to cultivating dynamic workforce, in which we focus on contributing to our nation and the industry, with a strong emphasis on unity and diversity. Likewise, we do our best to implement the most approachable framework possible for integrating that approach into performance evaluations, career development, and compensation— all to enhance organizational efficiency. The backbone of ODAŞ's corporate culture, these values guide and unite ODAŞ Group as a cohesive team. They help us make decisions, execute tasks, create projects, collaborate, and shape how our employees behave at all time (hence why everyone is so close knit), and moreover embody the company's overarching objectives, ideals, and standards.

ODAŞ Group's core five values also illuminate the distinctive characteristics that underpin all of our actions. These include: growing together, being dynamic, embracing development, upholding reliability, and discovering human and nature.

We've set these principles in stone and seamlessly integrated them into everything we do and harness their power in all our people and culture-based initiatives.

Our ultimate goal is to become a leading practitioner of sustainable profitability, namely through strategic investments in the energy and mining sectors.

We're committed to enhancing the quality of life for all of their employees, doing whatever they can to foster a high level of job satisfaction.

As December 2023, ODAŞ employs a workforce of 976 people. Employee groups consist of individuals who've completed all the necessary professional training in their respective fields of expertise, and who hold certificates of competence.

Everyone within works together towards common goals and results. They leverage their resources, knowledge, and experience to achieve the best possible outcomes. They excel at understanding and adapting to new situations, exhibit a strong sense of responsibility, and have a strong appetite for acquiring new skills. They also embrace a system-oriented approach, communicate information accurately and clearly when necessary, and demonstrate a deep sense of ownership. These qualities represent the essential core competencies aligned with ODAŞ's values.

Recruitment Activities

The recruitment process is customized to align with the unique industries and activities of each group company, as well as the distinct criteria for positions that need to be filled. In the process of finding qualified employees, Odaş carries out detailed reference checks through practices such as group interviews, case studies, presentations based on vocational knowledge, competency-based individual interviews, foreign language tests conducted by specialized institutions, and personality tests, involving management level employees throughout.

Training and Development Activities

Seeing the professional and individual development of all its employees as one of its primary targets, Odaş uses strategic planning to allocate all the resources required for its training programs. On the other hand, performance and competence assessment systems inform the formulation of personal development plans, with feedback from both management and the employees. Accordingly, we commission professional institutions to provide vocational development training for our specialist employees and managers, as well as technical development training for our production employees, especially in the field of occupational safety. We also seek to create individual and professional awareness by encouraging employees to attend seminars and congresses related to their areas of expertise.

Apart from all these applications, thanks to the Odaş Development Platform, which was completed and put into use in the last quarter of 2022, employees have been provided with access to more than 6,000 contents where they can improve their professional and behavioral competencies.

Performance Management

Odaş measures its employees' performance during the year with competency-based performance evaluation forms. Following the evaluation process, all results are collated on a company basis and communicated to employees with mutual feedback. Performance assessment results are used in many areas besides determining future wages, such as personal development planning, functional training analysis, determining rotation demands and needs, and identifying potential managers.

Remuneration and Benefits Management

ODAŞ Group ensures that all its employees are provided with a competitive remuneration and fringe benefits policy based on equal and fair management –this especially includes Labor Law provisions and prevailing market conditions. In doing so, we devise comprehensive schemes according several key factors. These include, but are not limited to: the industry/ies our company operates in, the specific regions and conditions of our business operations, best practices followed by similar companies, market research findings, our internal dynamics, and regular market analysis (in line with research by independent consulting firms).

Internal Communications Activities

ODAŞ values all of their employees, and wants them to feel appreciated. By launching the cultural "Good Life Movement," ODAŞ is committed to helping them lead productive and healthy lives beyond the workplace. We ensure timely communication of corporate updates, events, celebrations, and information through our intranet platform.

In 2023, Çan2 Termik A.Ş. was entitled to receive the 'Great Place to Work' certificate as a result of the evaluation of its employees within the scope of the program carried out by the Great Place to Work Institute, which provides services on a global scale on workplace culture and employee satisfaction.

At ODAŞ, one of our goals is to foster a culture openness, innovation, and problem solving. We want everyone to feel included, and to be dedicated to advancing and ensuring the company's sustainable development.



MISSION

To provide products and services that creates value for our country and our shareholders with a fast and flexible approach, sensitive to society and the environment, and high-yielding investments.



VISION

To be a pioneer company in the energy and mining sector that provides sustainable profitability by differentiating with strategic investments.



STRATEGY

ODAŞ aims to achieve additional synergy with the mining sector and income diversification, while continuing its investments that create value in the energy sector with its high internal efficiency.







05

CHAPTER

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE COMPLIANCE REPORT

SECTION I

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

ODAŞ applies utmost diligence in compliance with the Capital Markets Board's Corporate Governance Principles, and embraces the concepts of equality, transparency, accountability, and responsibility among those principles while proceeding towards its objectives.

In 2023, ODAŞ complied completely with the mandatory principles under Communiqué No. II- 17.1 on the Identification and Application of Corporate Governance Principles, and presented the best effort to comply with the optional principles. The resolution of CMB dated 10.01.2019 with no.2/49 requires companies to complete Corporate Governance Compliance Report and Corporate Governance Information Form templates through Public Disclosure Platform (KAP), in addition to Corporate Governance Compliance Reporting currently done by companies pursuant to Corporate Governance Communiqué no. II-17.1. In accordance with this CMB resolution, the templates published in KAP by our Company are also attached at the end of the Corporate Governance Compliance Report.

Based on these grounds, the company started internally its efforts for compliance with corporate governance principles in 2013 and continued them during 2023. These efforts are still maintained through numerous mechanisms built within the company. In the early phase of the efforts, some changes were put in place to offer an equitable, accountable, responsible and

transparent organization to the shareholders. This statement shows ODAŞ's embracement of a transparent and open management style, and its intent to develop a responsible and accountable management perspective with respect to all shareholders, particularly minor shareholders.

Justification for Delays in the Implementation of Certain Corporate Governance Principles

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

The difficulties experienced with certain principles, and ongoing debates in national, as well as international platforms, regarding compliance with certain principles have so far prevented complete compliance with some principles. That said, the principles which have yet to be implemented have not led to any conflicts of interests between stakeholders. Plans are in place to effect the required structural changes and internal arrangements for the implementation of the limited number of optional principles which have not been implemented so far.

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

- Even though the Articles of Incorporation do not specify so, no one at the company has unlimited decision-making authority.
- According to Article 4.6.5 of the "Corporate Governance Principles", the remuneration and other benefits provided to the members

of the Board of Directors and other senior executives are disclosed to the public through the annual report. However, the disclosure does not provide such information with reference to specific individuals, but rather is based on a distinction between the Board of Directors and senior executives.

SECTION II

SHAREHOLDERS

Investor Relations Department

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

The department reports to the Corporate Governance Committee, as well as to Burak Altay, Deputy Chairperson of the Board of Directors and the Chief Executive Officer. The Investor Relations team and senior executives of the Company together held meetings with 16 local and foreign investors, analysts and portfolio managers in total during the year 2023.

Accordingly, the Investor Relations Department is responsible for;

- Providing information on the Company's current activities, investments and future expectations to existing and potential local and foreign institutional investors and brokerage houses with a correct understanding of the management's perspective and vision,
- Responding to requests for information from local and foreign institutional investors and analysts except for nondisclosed confidential business information of the company,

- Updating shareholders, local and foreign institutional investors about the company proactively and on a regular basis through conferences and investor meetings,
- Responding to the queries of shareholders with the exception of non-disclosed confidential business information,
- Conducting comparative analyses on the performance of company's shares and of its peers in the same industry,
- Ensuring that General Assembly meetings are carried out in accordance with the Articles of Incorporation and other internal regulations,
- Preparing documents that shareholders can use as a reference in General Assembly meetings, and publishing such documents on the company website three weeks in advance of the General Assembly for investors' review and information,
- Reviewing on a regular basis the contents of "Investor Relations" section within the company website and updating it as required,
- Preparing presentations and briefings on the company's operations and financial standing for the current period on a quarterly basis,
- Preparing and updating the list of people with access to insider information, as per the Material Event Disclosure Communiqué,
- Management and monitoring all communications and processes with the Capital Markets Board, Borsa Istanbul A.Ş., Merkezi Kayıt Kuruluşu A.Ş., and any other capital markets agencies,
- Ensuring the flow of information both ways, between shareholders and the senior management and the company's Board of Directors.

Full Name	Position
Melih YÜCEYURT	Director of Finance and Investor Relations
Atakan SAVAŞ	Investor Relations Specialist

E-Mail: yatirimciiliskileri@odasenerji.com

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 2023, any information requests submitted by the shareholders on various issues were responded clearly and in detail via telephone and e-mail on a verbal and written basis. Every question was answered to the satisfaction of investors, provided that they did not concern trade secrets. Furthermore, the independent section of "Investor Relations" in the Company's website (www.odasenerji.com) makes available every data for updating the investors in a complete and accurate manner. Any developments that may have an impact

on the exercise of shareholder rights were communicated to the investors through material disclosures via Public Disclosure Platform (KAP) and on the company website in 2023.

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

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

Shareholding Structure

The shareholding structure as of 31.12.2023 is as follows

Full Name / Title	Group A Shares	Group B Shares	Total Shares	Shares in Fund
Burak ALTAY	4,277,820	217,119,667	221,397,487	15.81%
Abdulkadir Bahattin ÖZAL	4,277,820	63,921,406	68,199,226	4.87%
BB Enerji Yatırım Sanayi Tic. AŞ.	-	39,619,143	39,619,143	2.83%
Other	-	1,070,784,144	1,070,784,144	76.49%
Total	8,555,640	1,391,444,360	1,400,000,000	100.00%

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, 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 Ordinary General Assembly Meeting of our Company for the year 2022 was held on, 20 December 2023 at 10:00 at Nidakule Kuzey Ataşehir Barbaros Mahallesi Begonya Sokak No:3 B3 floor 34746 Ataşehir/ İstanbul under the supervision of the Ministry Representative appointed by the Ministry of Customs and Trade. The agenda, minutes, and attendance sheet for the meeting are available on the Company's website.

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

Prior to the General Assembly meetings, the disclosure document regarding the items in

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

The General Assembly meetings are held simultaneously in physical and electronic form, at the company headquarters, and via the Electronic General Assembly Meeting System. The venue for General Assembly meetings is arranged to enable participation by all shareholders.

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

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

newspaper ads. The items on the agenda at the General Assembly meetings are voted on by raising hands in an open ballot.

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

The company carried out electronic general assembly meeting preparations for 2022 Ordinary General Assembly in compliance with the statutory regulations as per the article 1527 of Turkish Commercial Code.

The notice of the meeting was published on Public Disclosure Platform (KAP) and Electronic General Assembly System (EGKS) of Merkezi Kayıt Kuruluşu A.Ş. (Central Securities Depository) on 09.11.2023, in the issue no. 10709 of Turkish Trade Registry Gazette dated 20.11.2023 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 1,400,000,000 shares with nominal value of TRY 1 corresponding to the company's total capital TRY 1,400,000,000, the shares corresponding to total capital of TRY436.103.800,947 were represented, TRY 212.999.990,05 capital shares by proxy and TRY 223.103.810,897 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 2022, the board members were elected to serve until 31.12.2025. 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 2022.

Donations and grants worth a total of TRY 2.127.862 during the year were presented to the shareholders' information under a separate agenda item. In addition, the maximum amount of donations and grants was set as TRY 50,000,000 for 2023 pursuant to the 5th paragraph of 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.

Voting Rights and Minority Rights

The voting procedure for General Assembly meetings is announced to the shareholders at the beginning of the meeting. Minority rights are exercised pursuant to Turkish Commercial Code. The Company avoids practices which may complicate the exercise of voting rights. At the Ordinary and Extraordinary General Assembly meetings of the Company, group (A) shareholders are accorded 15 votes for each share, while group (B) shareholders are accorded 1 vote for each share. The shareholders can appoint proxies from both within and outside the shareholders, to represent

them at the General Assembly meetings. Proxies who hold shares in their own right as well, are authorized to vote in consideration of the shares of the shareholders they represent, in addition to the shares they themselves hold.

Shareholders at the general assembly meetings a proxy they will appoint from among themselves or from outside can be represented through Proxy voting capital market legislation and related legislation is complied with.

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.

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.

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 2022 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 2022, 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. Even if there is no transfer of shares, the establishment of privileges on existing shares, removal of privileges or issuance of usufruct certificates are submitted to the approval of the Energy Market Regulatory Authority regardless of the above-mentioned proportional limits.

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, to enable it to be accessed by international investors.

Annual Report

The Company's annual report is drawn up in line with the details required in the Turkish Commercial Code and the Capital Markets Regulations, so as

to provide the shareholders, the public, and all other stakeholders with access to complete and accurate information on the company's operations.

SECTION IV

STAKEHOLDERS

Disclosure of Information to Stakeholders

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

Stakeholders' Participation in Management

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

Human Resources Policy

ODAŞ's Human and Culture policy is valid for all companies within its structure and covers all

employees working in the organization. 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.

- We believe in the power of unity and teamwork across all our endeavors, and celebrate success together as we grow together.
- We evaluate new dynamic opportunities by drawing on our vast experience. Our flexible structure enables us to respond swiftly to changing circumstances.
- We wholeheartedly embrace development as our guiding principle. We champion innovative paths of growth through lifelong learning, and consider our experiences as valuable guides on this journey.
- We place a strong emphasis on reliability in all our interactions with stakeholders, investors, and team members, and foster trust through transparent communication.
- We're committed to looking after both people and the environment, for we consider it our responsibility leave a more sustainable world for future generations.

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

Discrimination on the basis of age, language, religion, race, health status, gender and marital status is against workplace rules. Employees may report their complaints directly to the Human Resources Department. The submission of any complaint in this regard cannot be prevented.

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 is represented and managed by a board of directors consisting of at least 5 (five) members to be elected by the general assembly in accordance with the Turkish Commercial Code, Capital Markets Law and Legislation..

The members of the Board of Directors of our Company were elected as follows to serve until 31.12.2025. Structure of the Board

Board Members	Role
Abdulkadir Bahattin ÖZAL	Chairman of the Board (Non-Executive)
Burak ALTAY	Deputy Chairman of the Board (Executive)
Hafize Ayşegül ÖZAL	Board Member (Non-Executive)
Zehra Zeynep DERELİ	Independent Board Member (Non-Executive)
Umut APAYDIN	Independent Board Member (Non-Executive)

Personal Backgrounds of the Board Members

Abdülkadir Bahattin Özal

Chairman 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 Chairman of the Board

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

Hafize Ayşegül Özal

Board Member

Having completed her education in 1972, Ms. Özal began working at Aköz Foundation in 1994, and was appointed as Foundation Director there in 1996. Currently, she is a board member of

Aköz Foundation, offering scholarships to 250 students and providing support to many students and people in need. Apart from his position as a board member of the company, Mr. Özal also serves as a member of the board of directors at several companies operating in the energy, construction, manufacturing and trade sectors.

Umut Apaydın

Independent Board Member

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

Mr. Apaydın continued his career as General Manager of Investor Relations and Marketing at Sunrise Securities in 2009, where he was involved in the establishment of the MLP Fund, a private equity fund. From 2009 to 2012, he was Global Marketing and Investor Relations Director at the capital investment and advisory firm Indicus Advisors LP. Mr. Apaydın continued his career at Koç Holding between 2012 and 2016, where he was actively involved in strategic planning, mergers and acquisitions in the Tourism, Food and Retail arms of the group.

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

Zehra Zeynep Dereli

Independent Board Member

Zehra Zeynep Dereli holds an MA in Development Economics from SOAS University, as well as both BA in Economics alongside certificates in Mathematics and Middle Eastern Studies, all from Princeton University. She launched into career at the Istanbul-based Dundas ÜNLÜ & Co, in the Mergers & Acquisitions department. Next, she worked for Shell Trading and Shipping in London on the Risk Analysis, Research, and Compliance teams. Upon returning to Türkiye, she joined Shell Türkiye as a Financial and Supply Analyst. Since then, Dereli has furthered her career by taking on roles in various organizations that all have contributed in some way to developing the Turkish economy, and as the director of the Atlantic Council Black Sea Energy and Economic Forum. For a while, she additionally prepared and hosted "Leaders and Decisions," a weekly political program airing on two Turkish TV channels, SKY Türk and CNBC-E.

She's also was the General Coordinator of the Turkish Policy Forum, a think tank, at one point as well. Dereli is the founder and CEO of GLOW Communications and APCO Türkiye, and successfully executed DRUM (Dialogue, Respect, and Understanding through Music), a social responsibility project. In 2021, she was honored with the Female Entrepreneur of the Year award by The Economist magazine for having established Technology and Human Colleges (Tink) – Türkiye's first-ever project dedicated to fostering future technology literates and entrepreneurs, in light of the cultural needs of society. Now, she is an Executive Board member and CEO of several industrial firms at Calinos Holding, as well as participates in several social responsibility initiatives, namely ITU BMTKAUM Advisory Board, TÜBİSAD, WTech, and Endeavor (which she co-founded).

The company's General Manager, Burak Altay, is also its Deputy Chairman of the Board. A report about the prospective independent board

members has been submitted for approval from the Board of Directors, upon the recommendation of the Corporate Governance Committee (which carries out the Nomination Committee's duties). Accordingly, Umut Apaydın and Zehra Zeynep Dereli were elected as independent members of the Board, because they both met the independence criteria stipulated in the Corporate Governance Principles of the Capital Markets Board.

The written statements regarding the independence of each Independent Board Member are shared below;

ZEHRA ZEYNEP DERELİ

DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an 'Independent Member' on the Board of Directors of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. (Company). (Within the scope of the criteria specified in the legislation, articles of association and the Corporate Governance Communiqué of the Capital Markets Board (CMB);

In accordance with the regulations of the Capital Markets Board on Corporate Governance due to my election to the Board of Directors as an 'Independent Member';

- a.** That I neither personally, nor through my spouses or relatives by blood or marriage up to third degree, have been involved in the last five years in an executive employment relationship assuming substantial duties and responsibilities, or held, individually or jointly, more than 5% of the capital or voting rights or preferred shares, or engaged in any substantial commercial relationship with any affiliates of ODAŞ Elektrik Üretim ve Ticaret A.Ş. ("ODAŞ Energy") or any corporations in which the company has management control or substantial influence, or shareholders which maintain the company's management control or substantial influence in the company, and legal persons which hold management control of such shareholders,

- b.** That I 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,
- c.** That I 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,
- d.** That I am not a full-time employee of a government agency or entity,
- e.** That I am considered a resident of Turkey as per the Income Tax Law,
- f.** That I 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,
- g.** I 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,
- h.** I have not served as a board member of the company for more than six years in the last ten years,
- i.** I am 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.

UMUT APAYDIN

DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an 'Independent Member' on the Board of Directors of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. (Company). (Within the scope of the criteria specified in the legislation, articles of association and the Corporate Governance Communiqué of the Capital Markets Board (CMB);

In accordance with the regulations of the Capital Markets Board on Corporate Governance due to my election to the Board of Directors as an 'Independent Member';

- a.** That I neither personally, nor through my spouses or relatives by blood or marriage up to third degree, have been involved in the last five years in an executive employment relationship assuming substantial duties and responsibilities, or held, individually or jointly, more than 5% of the capital or voting rights or preferred shares, or engaged in any substantial commercial relationship with any affiliates of ODAŞ Elektrik Üretim ve Ticaret A.Ş. ("ODAŞ Energy") or any corporations in which the company has management control or substantial influence, or shareholders which maintain the company's management control or substantial influence in the company, and legal persons which hold management control of such shareholders,
- b.** That I 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,

- c.** That I 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,
- d.** That I am not a full-time employee of a government agency or entity,
- e.** That I am considered a resident of Turkey as per the Income Tax Law,
- f.** That I 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,
- g.** I 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,
- h.** I have not served as a board member of the company for more than six years in the last ten years,
- i.** I am not an independent board member for more than three companies where the Company or its controlling shareholders hold the control of management and/or more than five corporations whose shares are listed in the stock exchange.

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

The Basis of the Board's Activities

The frequency of the board meetings of the Company, as well as the quorum for meeting

and resolution are established in the Articles of Incorporation.

Accordingly, the Board of Directors shall convene with a simple majority of the members, as the company's affairs and operations require.

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

The agenda of the Board of Directors is set through consultations the Chairperson has with other members of the board, and with the General Director and/or Chief Executive Officer.

The managers' requests will be taken into consideration when setting the agenda. In 2023, the Board of Directors convened 15 times in total. No dissenting comment was registered in the resolution minutes against any resolutions made in such meetings. However, should such a dissent arise, all aspects to reflect the dissenting opinion shall be registered in the minutes.

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

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

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

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

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

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

Audit Committee

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

The purpose of the committee reporting to the Board of Directors is to assist the Board of

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

Corporate Governance Committee

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

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

The Committee Chair shall be appointed from among the independent Board members. The director of the Investor Relations Department shall be appointed as a member of the Corporate Governance Committee. Furthermore, individuals

who are subject matter experts but not Board members, can also be appointed as members of the Corporate Governance Committee. The Board of Directors appoints the members of the Corporate Governance Committee in the first Board meeting to follow the General Assembly which elected the Board of Directors. The Corporate Governance Committee shall serve until the election of the next Board of Directors.

The Corporate Governance Committee shall convene at least three times per year. Where necessary, the committee shall convene at the corporate headquarters, upon an invitation issued by the Committee Chair through the secretariat of the Board of Directors. The committee shall convene with a simple majority and shall resolve with a majority. Once taken, decisions shall be registered in written form, to be signed by the committee members during the next meeting, and duly archived. The Corporate Governance Committee shall be composed of a total of three members, two independent non-executive board members, and one official of the company.

Members of the Corporate Governance Committee

The Corporate Governance Committee carried out activities for improvement of Investor Relations activities and identification of candidates who were proposed to be elected as board members in 2023.

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 2022 Ordinary General Assembly the candidates who were deemed to be eligible for Independent Board Membership based on the assessment conducted by the Nomination Committee operating within its scope, in line

with the criteria specified under the Corporate Governance Communiqué of Capital Markets Board.

Early Detection of Risk Committee

Early Detection of Risk Committee is composed of at least two non-executive members of the Board. The committee is composed of two independent Board members.

The Early Detection of Risk Committee is set up in line with the Turkish Code of Commerce, the Articles of Incorporation, and the Corporate Governance Principles Communiqué of the Capital Markets Board, with a view to submitting recommendations to the Board of Directors, with respect to the early detection of risks which could threaten the existence, development, and continuation of the company, as well as the application of the measures regarding identified risks, and the management of the risks. The committee reports to the Board of Directors. The committee examined and provided its opinion on risk-related activities of Finance, Accounting, Reporting and Human Resources Departments in 2023. The decision was made concerning the improvement of such activities for the upcoming periods. The arrangements regarding the convening of the committee are established in the duties and working principles of the Early Detection of Risk Committee.

Risk Management and Internal Control Mechanism

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

The periodical financial results and performance of the companies included in the consolidation

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

The new Turkish Code of Commerce which entered into force on July 1, 2012 rendered risk management activities a requirement for publicly traded corporations.

The Early Detection of Risk Committee reporting to the Board of Directors was set up through the Board of Directors' resolution dated 25.12.2013, with a view to submitting comments and recommendations to the Board of Directors, with respect to the early detection of the risks that could threaten the existence, development, and continuation of the company, as well as the application of measures regarding identified risks, and the management of the risks.

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 2021 which was held on 16.12.2022, the decision was taken to pay 40.000 TL net salary to the Board members. The following financial benefits were provided to the board members and senior executives of the company in 2021.

The following financial benefits were provided to the board members and senior executives of the company in 2023.

Total Financial Benefits	Total Financial Benefits (TRY)
Board of Directors	7,149,971TL
Senior Executives	39,124,174TL

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

The salaries payable to senior executives are set based on the position and the nature of the work, competence, experience, performance, and remuneration policies applied in the same industry for similar positions, the company's internal positions, inflation, and the company's achievement of the financial targets set for the year. When setting the remuneration policies, care is taken to exclude incentive systems which would harm the interests of the shareholders, employees, and customers. The salaries are reviewed and updated once a year. The Company does not extend any credits or loans to any board members or executives, nor does it extend personal loans through a third party. Furthermore, no guarantees or underwriting is extended for such people.

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

GOVERNMENT SUBSIDIES AND GRANTS

Çan2 Termik A.Ş. Investment Incentive Certificate

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

In addition, the Ministry of Industry and Technology issued an investment incentive certificate dated 08.04.2020 with certificate no. 510216 and ID no. 1013731.

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

YS Madencilik San. Ve Tic.Ltd.Şti.

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

The Investment Incentive Certificate was issued for the completely new investment carried out in Corum province's Dodurga district, and covers

the period 16.06.2017 - 16.06.2020. The certificate extends the subsidy elements of employer support for insurance premium, interest subsidy, VAT exemption, and customs duty exemption, as well as tax discount. The application, which was made for the Incentive Certificate completion visa on 08.10.2019, is still pending.

Suda Maden A.Ş.

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

Sand, clay and stone quarrying is the subject matter of the certificate. The Investment Incentive Certificate was issued for the modernization project carried out in Kutahya province's Gediz district and covers the period 08.09.2017 - 08.09.2020.

The certificate extends the subsidy elements of employer support for insurance premium, interest subsidy, VAT exemption, and tax discount.

DIVIDEND PAYMENT POLICY

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

Primary Legal Reserves:

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

Primary Dividend:

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

Secondary Dividend:

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

Secondary Legal Reserves:

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

Unless the legal reserves are retained and the primary dividends for shareholders are allocated in cash and/ or in the form of shares as specified in the articles of incorporation; no resolution can be taken with respect to any additional reserves, retained earnings and dividend payments to the board members, employees, foundations of various causes and similar persons and/or entities. The dividends for the shares shall be paid out to all existing shares as of the term of operations, regardless of the issuance and acquisition dates of the shares, and without the application of the per diem principle. The Company can pay out advance dividends to its shareholders within the framework of Article 20 of the Capital Markets Law.

If there is any profit available for distribution in accordance with the applicable communiqués, the annual distributable profit of the company and the relevant board resolution to be taken for dividend payment shall be submitted to the general assembly for approval and dividend payments shall be completed within statutory timeframes upon the approval of the general assembly.

The General Assembly shall take the decision, on the basis of the proposal of the Board of Directors, on the date on which the dividend shall be paid to shareholders. Dividend payments shall be made within the statutory time frame. The CMB's applicable regulations, communiqués and provisions shall be observed for other dividend payment methods. In accordance with the General Assembly resolution, the dividend payment can be in the form of fully cash, or fully in bonus issues, or partly in cash and partly in bonus issues. An equilibrium between the interests of the shareholders and those of the company shall be sought with respect to the implementation of the dividend payment policy. The Board of Directors shall inform the shareholders at the General Assembly if dividends shall not be paid and if so, the reason for this and where the retained profits shall be used instead.

Legal Actions

Following the letter dated 13.01.2023 dated 13.01.2023 sent by EMRA to our Subsidiary Çan2 Termik A.Ş., in the lawsuit filed by Çan2 Termik A.Ş., the decision of the Ankara 10th Administrative Court in favour of the Company for the cancellation of the administrative action was reversed by the Ankara 8th Administrative Case Department, and the case is still pending before the Council of State after the Company's appeal.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

Corporate Governance Compliance Report		Compliance Status					
1.1. FACILITATION OF THE USE OF SHARE OWNERSHIP RIGHTS	Yes	Partially	No	Exempt	Not applicable	Comment	
1.1.2 - Information and disclosures which may affect the use of Share Ownership rights are made available for investors in an up-to-date fashion on the company's corporate website.	X						
1.2. RIGHT TO DEMAND AND REVIEW INFORMATION	Yes	Partially	No	Exempt	Not applicable	Comment	
1.2.1- Company management avoided execution of any transaction that may complicate a private audit.	X						
1.3. GENERAL ASSEMBLY	Yes	Partially	No	Exempt	Not applicable	Comment	
1.3.2- The company ensured that the agenda of the General Assembly was expressed explicitly and every proposal was provided under a separate title.	X						
1.3.7- Persons who have the opportunity to access the partnership information in a privileged way have informed the Board of Directors to be included in the agenda in order to provide information to the General Assembly on the transactions carried out on behalf of themselves within the scope of the partnership's area of activity.					X		
1.3.8 - Board Members who are subject matter experts in the special items in the agenda, other related people and officials and auditors with responsibility for preparing financial statements were present at the general assembly meeting.	X						
1.3.10- The amounts and beneficiaries of all donations and grants were provided in a separate item in the agenda of the General Assembly.		X				All donations and grants made during the year were shared as per the agenda of the General Assembly.	
1.3.11 -The General Assembly meeting was held open to the public, including stakeholders and media, provided that those should not have a right to speak.	X						
1.4. VOTING RIGHTS	Yes	Partially	No	Exempt	Not applicable	Comment	
1.4.1- There are no restrictions or practices that make it difficult for shareholders to exercise their voting rights.	X						
1.4.2- The company does not have any shares with privileged voting rights.			X			The Company does not have any privileged shares held by itself. However, Group A shares are privileged. Abdulkadir Bahattin Özal and Burak Altay are the privileged shareholders and their total shareholding rates including privileged shares are 8.43% and 18.51%, respectively.	

Corporate Governance Compliance Report		Compliance Status					
1.4. VOTING RIGHTS	Yes	Partially	No	Exempt	Not applicable	Comment	
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	Not applicable	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	Not applicable	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	Not applicable	Comment	
1.7.1- There is no restriction which complicates the transfer of the shares.	X						
2.1. CORPORATE WEBSITE	Yes	Partially	No	Exempt	Not applicable	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. ANNUAL REPORT	Yes	Partially	No	Exempt	Not applicable	Comment	
2.2.1- The Board of Directors ensures that the annual report includes complete and true information with respect to the activities of the company.	X						
2.2.2- The annual report contains all elements under principle no. 2.2.2.	X						

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

Corporate Governance Compliance Report		Compliance Status					
3.3.	HUMAN RESOURCES POLICY OF THE COMPANY	Yes	Partially	No	Exempt	Not applicable	Comment
	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 WITH CUSTOMERS AND SUPPLIERS	Yes	Partially	No	Exempt	Not applicable	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	Not applicable	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				The Company's Code of Ethics has been determined and published on the corporate website.
	3.5.2- The company is aware of its social responsibilities. It has taken measures to prevent corruption and bribery.	X					
4.1.	YÖNETİM KURULUNUN İŞLEVİ	Yes	Partially	No	Exempt	Not applicable	Comment
	4.1.1-Yönetim Kurulu, strateji ve risklerin şirketin uzun vadeli çıkarlarını tehdit etmemesini ve etkin bir risk yönetimi uygulanmasını sağlamaktadır.	X					
	4.1.2-Toplantı gündem ve tutanakları, Yönetim Kurulunun şirketin stratejik hedeflerini tartışarak onayladığını, ihtiyaç duyulan kaynakları belirlediğini ve yönetimin performansının denetlendiğini ortaya koymaktadır.	X					
4.2.	THE BASIS OF THE BOARD OF DIRECTOR'S ACTIVITIES	Yes	Partially	No	Exempt	Not applicable	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 Board members were provided in the annual 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 report.	X					
	4.2.5- The authorities of the Chairman of the Board and the Chief Executive Officer (General Manager) are separated and defined.	X					

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

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

CORPORATE GOVERNANCE INFORMATION FORM

CORPORATE GOVERNANCE INFORMATION FORM		
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	16
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/1216286
	Whether or not documents in English related to the General Assembly meeting were presented simultaneously with Turkish versions	Presented.
	Links to the KAP announcements for the processes which were not approved by the majority of independent members or do not have unanimous consent, as part of the principle 1.3.9	N/A
	Links to the KAP announcements for the processes of related parties performed as part of Article 9 of the Corporate Governance Communique (II-17.1)	Such a process is not available as part of the Article 9.
	Links to the KAP announcements for the common and continuous processes performed as part of Article 10 of the Corporate Governance 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 KAP 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 which regulates participation of stakeholders in the general assembly in the articles of association	N/A
	Information about stakeholders who attended the General Assembly	Company employees
1.4.	Voting Rights	
	Whether or not voting rights have privilege	Yes
	Privileged shareholders and their vote rates if votes are privileged	Group A shares have privileges. Abdulkadir Bahattin Özal and Burak Altay are the privileged shareholders and their total shareholding including privileged shares is 8.43% and 18.51%, respectively.
	Share percentage of the largest shareholder	%58.44
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

CORPORATE GOVERNANCE INFORMATION FORM

1.6. Dividend Rights

In the event that the Board of Directors proposed the General Assembly that dividends not be distributed, minutes of the relevant general assembly agenda item regarding the reasons for not distributing dividends and the use of retained earnings

As a result of the discussion on the resolution of the company's Board of Directors dated 23.11.2020 no. 2020/18, the question that dividends shall not be paid was unanimously accepted, as there is no distributable profit in the consolidated financial statements for the accounting period between 01.01.2019 and 31.12.2019 prepared and subject to an independent audit as per the provisions of the Communiqué on the Rules of Financial Reporting in Capital Market no. (II-14.1) issued by the Capital Markets Board, and in the financial statements prepared in accordance with the rules of the Tax Procedure Law as part of the statements about the activities of our Company in 2019 which were formed again in accordance with the rules of the Tax Procedure Law.

Link to the KAP announcement for the relevant general assembly minutes, in the event that the Board of Directors proposed the General Assembly not to distribute the profit

<https://www.kap.org.tr/tr/Bildirim/1227495>

General Assembly Meetings

Date of the General Assembly	Number of requests for annotations sent to the company with regard to the agenda of General Assembly	Participation rate of shareholders in General Assembly	Ratio of the shares represented directly	Ratio of the shares represented by proxy	Name of the section on the corporate website of the company that contains the minutes of the general assembly meeting, including the positive and negative votes for every agenda item	Name of the section on the corporate website that includes all questions asked at the general assembly meeting and their answers	Number of the article or paragraph in the minutes of the general assembly meeting that describes the related parties	Number of persons who report to the Board of Directors and have the opportunity to access the company information in a privileged way (The list of insiders)	Link to the general assembly statement published in KAP
20.12.2023	-	31.15%	15.94%	15.21%	Investor Relations / Corporate Governance / General Assembly Meetings / 2022 General Assembly Meeting / Minutes	Investor Relations / Corporate Governance / General Assembly Meetings / 2022 General Assembly Meeting / Minutes	15	61	https://www.kap.org.tr/tr/Bildirim/1227486

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.

Investor Relations / Corporate Governance, Annual Reports, Material Disclosures, Financial Reports, Capital and Shareholding Structure, Articles of Incorporation, Policies

The section on the corporate website that gives the list of real person shareholders who directly or indirectly own more than 5% of the shares

Investor Relations / Corporate Governance / Capital and Shareholding Structure

Languages in which the corporate website has been prepared

Turkish and English

CORPORATE GOVERNANCE INFORMATION FORM		
2.2.	Annual 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	Corporate Governance Compliance Report / Board of Directors / Composition and Formation of the Board
	b) The page number or section name that indicates the information on the committees formed under the Board of Directors	Corporate Governance Compliance Report / Board of Directors / Number, Structure and Independence of Committees Formed under the Board of Directors
	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	Corporate Governance Compliance Report / Board of Directors / Operating Principles of the Board
	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	Corporate Governance Compliance Report / Legal Actions
	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%	-
	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	Corporate Governance Compliance Report / 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
	The number of final judicial decisions against the company on the grounds of breaching employee rights	-
	Title of the person responsible for the notification mechanism	Human Resources Director
	Contact details of the company's notification mechanism	info@odasenerji.com – ik@odasenerji.com
3.2.	Promoting 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

KURUMSAL YÖNETİM BİLGİ FORMU

3.3. Human Resources Policy of the Company	
Name of the section on the corporate website that describes the human resources policy which covers the measures against discrimination and mistreatment, or a summary of the relevant articles of the policy	Human Resources / Human Resources Policy
Number of final judicial decisions against the company due to responsibility for work related accidents	-
3.5. Code of Conduct and Social Responsibility	
Name of the section on the corporate website that describes the code of conduct policy	https://www.odas.com.tr/insan-ve-kultur
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	In 2023, our Company carried out social responsibility projects within the framework of the Social Responsibility Policy and in a way to take into account the environmental and social needs of the society we are in.
The measures taken to fight any kind of corruption including extortion and bribery	The sanctions to be applied against any kind of corruption including extortion and bribery are included in the disciplinary procedure of the company
4. BOARD OF DIRECTORS-I	
4.2. The Basis of the Board's Activities	
Date on which the last performance evaluation of the Board of Directors was conducted	-
Any referral to the independent subject matter experts during the performance evaluation of the board	No
Whether or not all Board members have been released	Yes
Names of the members of the Board of Directors with delegated powers through distribution of duties, and descriptions of such powers	A. Bahattin Özal - Chairperson of the Board, Burak Altay - Deputy Chairperson of the Board, Hafize Ayşegül Özal - Board Member, Umut Apaydın - Independent Board Member, Salih Erez - Independent Board Member
Number of reports presented by the internal control unit to the audit committee or any relevant committee	-
Name or page number of the section in the annual report that provides a review of the effectiveness of the internal control system	Corporate Governance Compliance Report / Board of Directors / Risk Management and Internal Control Mechanism
Name of the Chairman of the Board	Abdulkadir Bahattin Özal
Name of the Chief Executive Officer/General Manager	Burak Altay
Link to the KAP announcement on the rationale behind the fact that the Chairman of the Board of Directors and Chief Executive Officer/General Manager are the same person	Not the same person
Link to the KAP announcement for the fact that an insurance for a price exceeding 25% of the company capital has been taken out regarding the losses that the Board members may cause in the company due to any faults in the course of their duties	-
Name of the section on the corporate website that gives information about the diversity policy for increasing the rate of female Board members	-
Number and percentage of female members	2 - 40%

Structure of the Board

Full Name of the Board Member	An Executive Member or Not	An Independent Member or Not	The Date of Election as a Board Member for the First Time	Link to the KAP Announcement for Declaration of Independence	Independent Whether or Not the Member was Evaluated by the Nomination Committee	Whether Any of the Members Lost Their Independence or not	Whether or Not He/She Has at Least 5-Years Experience in Auditing, Accounting and/or Finance
Abdulkadir Bahattin Özal	Non-Executive	Not Independent Member	23.05.2011				
Burak Altay	Executive	Not Independent Member	23.05.2011				
Hafize Ayşegün Özal	Non-Executive	Independent Member	06.03.2013				
Zehra Zeynep Derele	Non-Executive	Independent Member	16.12.2022	https://www.kap.org.tr/tr/Bildirim/1216286	Evaluated	No	Yes
Umut Apaydın	Non-Executive	Independent Member	24.12.2020	https://www.kap.org.tr/tr/Bildirim/1216286	Evaluated	No	Yes

4.	BOARD OF DIRECTORS-II	
4.4.	Meeting Procedures of the Board of Directors	
	Number of the physical board meetings in the reporting period	15
	Average attendance rate at board meetings	100%
	Whether or not an electronic portal is used to facilitate the works of the Board of Directors	No
	Number of minimum days ahead of the board meeting to provide information and documents to members as per working principles of the Board of Directors	Changes Based on the Agenda.
	Name of the section on the corporate website that demonstrates information about the internal regulations which cover board meeting procedures	Investor Relations / Corporate Governance / Articles of Association / Article 7
	The upper limit determined in the policy that restricts the members from assuming external duties	There is no restriction for the members to assume external duties.
4.5.	The Committees Formed under the Board of Directors	
	The page number or section name in the annual report that provides information about the board committees	Corporate Governance Compliance Report / Board of Directors / Number, Structure and Independence of Committees Formed under the Board of Directors
	Link to the KAP announcement about the working principles of the committee	https://www.kap.org.tr/tr/Bildirir/445299
4.	BOARD OF DIRECTORS-III	
4.5.	The Committees Formed under the Board of Directors-II	
	Specify the section in the annual report or on the corporate website where the activities of the audit committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Audit Committee / Duties and Working Principles of the Audit Committee

Committees under the Board

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

4.	BOARD OF DIRECTORS-III	
4.5.	The Committees Formed under the Board of Directors-II	
	Specify the section in the annual report or on the corporate website where the activities of the corporate governance committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Corporate Governance Committee / Duties and Working Principles of the Corporate Governance Committee
	Specify the section in the annual report or on the corporate website where the activities of the nomination committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Corporate Governance Committee / Duties and Working Principles of the Corporate Governance Committee
	Specify the section in the annual report or on the corporate website where the activities of the early detection of risk committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Early Detection of Risk Committee / Duties and Working Principles of the Early Detection of Risk Committee
	Specify the section in the annual report or on the corporate website where the activities of the remuneration committee are presented (page number or section name)	Investor Relations / Corporate Governance / Committees / Corporate Governance Committee / Duties and Working Principles of the Corporate Governance Committee
4.6.	Financial Rights Provided to Members of the Board of Directors and Executives with Administrative Responsibilities	
	The page number or section name in the annual report that gives information about the operational and financial performance targets and their achievement status	Annual Report / Operational Status During the Period
	Name of the section on the corporate website that covers the remuneration policy for executive and non-executive directors.	Investor Relations / Corporate Governance / Policies / Remuneration Policy
	The page number or section name in the annual report that describes the individual remuneration and all other benefits for the members of the Board of Directors and executives with administrative responsibilities	Corporate Governance Compliance Report / Financial Rights

Committees under the Board II

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





06

CHAPTER

CONSOLIDATED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT



To General Assembly of
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.

A) Independent Audit of the Financial Statements

1. Opinion

We have audited the consolidated financial statements of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at December 31, 2023, and the consolidated statements of income, and other comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "ISA") issued by the Public Oversight

Accounting and Auditing Standards Authority (the "POA") that are part of Turkish Standards on Auditing. Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the Significant Uncertainty matter explained in respect of going concern of the business, the issues described below have been identified as key audit issues and reported in our report:

Key Audit Matter	How our audit addressed the key audit matter
TAS 29 - Financial Reporting in Hyperinflationary Economies	
<p>TAS 29 "Financial Reporting in Hyperinflationary Economies" has been applied in the consolidated financial statements of the Group for the year ended December 31, 2023.</p> <p>TAS 29 requires the consolidated financial statements to be restated to reflect the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period have been restated to reflect the current price index at the balance sheet date of December 31, 2023. The application of TAS 29 has a significant impact on the consolidated financial statements on a widespread and consistent basis.</p> <p>For these reasons, together with the risk that the data used in the application of TAS 29 may not be accurate and complete, and considering the additional audit effort required, we have identified the application of TAS 29 as a key audit matter.</p> <p>Disclosures on the application of TAS 29 are included in Note 2.</p>	<p>During our audit, we performed the following audit procedures related to the application of TAS 29:</p> <p>Understanding and assessing the process and controls over the application of TAS 29 designed and implemented by management,</p> <p>Checking whether the distinction between monetary and non-monetary items made by management is made in accordance with TAS 29,</p> <p>Obtaining detailed lists of non-monetary items and testing the original recording dates and amounts using the sample method,</p> <p>Evaluating the calculation methods used by management and checking whether they are used consistently in each period,</p> <p>Checking the general price index rates used in the calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute,</p> <p>Testing the mathematical accuracy of non-monetary items, statement of profit or loss and statement of cash flows restated for the effects of inflation,</p> <p>Assessing the adequacy of the disclosures in the notes to the consolidated financial statements of the application of TAS 29 in accordance with TFRSs.</p> <p>Understanding and assessing the process and controls over the application of TAS 29 designed and implemented by management,</p>

3. Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue recognition</p>	
<p>The Group is engaged in revenue generating activities in electricity generation, sale of electricity, sale of minerals and other services. Revenue is one of the most important indicators in the Group's consolidated performance evaluation.</p> <p>During the year ended December 31, 2023, the Group generated total revenues of TL 7.441.098.289. Revenue is significant matter for our audit since it is the most important financial statement item in the income statement for the period ending December 31, 2023, in terms of evaluating the results of the strategies applied and the follow-up of the performance of the Group.</p>	<p>The following audit procedures have been applied for the recognition of revenue:</p> <p>Understanding of sales processes and evaluating the design and operating effectiveness of the controls related to these processes,</p> <p>Evaluating the accuracy of the Group's accounting policy for the recognition of the revenue, reviewing the related-party sales.</p> <p>Performing analytical procedures regarding whether the revenue recorded in the consolidated financial statements is at the expected level,</p> <p>Performing tests with sampling method regarding the accuracy of customer invoices and matching these invoices with the delivery notes (coal sales) and collections made from customers,</p>
<p>Explanations on the accounting policies and revenue amount of the Group are included in Notes 2 and 31.</p>	<p>Examining the sales contracts made by the Group with customers and evaluating the timing of the revenue to be included in the financial statements for different delivery methods,</p> <p>Obtaining information that will ensure the accuracy of the estimates from the commercial units regarding the invoices issued and received in the following period and the accruals calculated in the following period, and verification of the accrual amounts, due to the special circumstances arising from the operation of the energy market.</p>

3. Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
<p>Capitalized mining assets</p> <p>The Group capitalizes the following expenditure incurred:</p> <p>Development costs incurred in mine sites in cases where the economic benefits from the mine sites are highly likely to be obtained in the future, can be defined for certain mining areas and the costs can be measured reliably,</p> <p>During the period, the direct costs incurred during the stripping work that facilitates access to the defined part of the ore in each open pit ore deposit and the general production expenses associated with the stripping work,</p> <p>Reclamation, rehabilitation, and closure costs according to the current conditions of the mine sites that arise due to open pit mine development activities and open pit production, share of development costs capitalized as of the 31.12.2023, present value of provision for expenses that are highly likely to be used during the rehabilitation of mines, and the management judgments applied during the capitalization process of the related costs has been determined as key audit matters.</p>	<p>Our audit procedures in this area are as follows:</p> <p>Evaluation of the content of development costs capitalized for each mine site,</p> <p>Testing the appropriateness of management evaluations,</p> <p>Meeting with the managers of the Group's departments responsible for mining sites,</p> <p>Performing detailed tests on development costs,</p> <p>Examining the expected economic benefit in the future according to the Group's forecasts and past performance,</p> <p>Testing rehabilitation costs by comparing them with previous periods,</p> <p>The explanations in the footnotes of the consolidated financial statements regarding the capitalized mining assets and the adequacy of the information included in these notes have been evaluated.</p>

3. Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
<p>Cash Flow Hedging Accounting</p> <p>The Group associates the budgeted electricity sales with the loans denominated in Euro obtained in reference to its investments in electricity generation. The contractual sales are indexed to USD currency and these contracts are affected by the fluctuation of the exchange rates between Turkish Lira and USD. The Company hedges this exchange rate risk with its loans borrowed in Euro.</p> <p>As of December 31, 2023, the amount of cash flow hedge losses classified under the shareholders equity amounting to TL 1.298.173.522 is considered to be significant with respect to the financial statements.</p> <p>Çan2 Termik A.Ş., one of the Group companies has closed its foreign currency denominated loans as of 31.07.2023 and the related losses will be weighted in accordance with the projected sales projection and transferred to the income statement together with the sales realization as soon as the hedge accounting is terminated.</p> <p>Cash flow hedge accounting is structurally complex and has been considered a key audit matter since it is a matter which requires professional expertise.</p>	<p>We reviewed the formal description and documentation of the risk management objectives and strategy that led the Company to enter into cash flow hedges within the framework of the definitions of hedge accounting set out in the Recognition and Measurement Standard. We checked the cash flow hedge accounting model calculations, risk management strategy, risk management objectives, hedging relationship, nature of the hedged risk, and the method of measurement of hedge effectiveness prepared by the consulting services organization for the Company.</p> <p>We checked the mathematical accuracy and recognition of the related accounting record. We assessed the adequacy of the disclosures in the notes to the financial statements related to cash flow hedge accounting.</p>

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

in preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibility for the Audit of the Financial Statements

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

■ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Auditor's Responsibility for the Audit of the Financial Statements (Cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

a) 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, was submitted to the Company's Board of Directors on May 17, 2024.

b) In accordance with paragraph 4 of Article 402 of the Turkish Commercial Code, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1, December 31, 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

c) In accordance with paragraph 4 of Article 402 of the Turkish Commercial Code, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

As Bağımsız Denetim ve YMM A.Ş.

O. Tuğrul ÖZSÜT
Engagement Partner

Istanbul, 20 May 2024



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ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET AŞ.**CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED DECEMBER 31, 2023 (TRY)***(Currency is TRY unless otherwise is indicated.)*

		Current Period Audited Consolidated	Prior Period Audited Consolidated
ASSETS	Notes	31.12.2023	31.12.2022
Current Assets			
Cash and cash equivalents	53	708,070,594	2,432,579,569
Trade Receivables	6-7	1,953,553,848	883,262,361
<i>Trade receivables from related parties</i>	6	20,361,366	41,218,678
<i>Trade receivables from third parties</i>	7	1,933,192,482	842,043,683
Diğer Alacaklar	6-9	173,520,120	90,652,941
<i>İlişkili Taraflardan Diğer Alacaklar</i>	6	35,659,724	51,019,896
<i>İlişkili Olmayan Taraflardan Diğer Alacaklar</i>	9	137,860,396	39,633,045
Inventories	10	1,497,108,050	1,321,971,710
Prepaid expenses	12	199,255,685	104,279,682
Assets Related to Current Term Tax	40	210,007,383	444,431,184
Other Current Assets	29	647,964,356	2,001,584,989
Fixed Assets Classified for Sale	39	495,436	987,234
TOTAL CURRENT ASSETS		5,389,975,472	7,279,749,670
Non-current Assets			
Other receivables	6-9	2,729,872	1,172,095
<i>Other receivables from related parties</i>	6	--	--
<i>Other receivables from third parties</i>	9	2,729,872	1,172,095
Investments Valued by Equity Method	4	1,501,195	1,501,195
Tangible fixed assets	14	15,108,263,463	14,730,140,504
Intangible fixed assets	17-18	382,766,578	367,502,569
<i>Other intangible fixed assets</i>	17	382,766,578	367,502,569
Right of Use Assets	20	12,170,146	9,213,504
Prepaid expenses	12	70,914,237	25,895,804
Deferred tax assets	40	1,506,029,768	1,386,917,130
Other non-current assets	29	87,428,455	276,958,225
TOTAL NON-CURRENT ASSETS		17,171,803,714	16,799,301,026
TOTAL ASSETS		22.561.779.186	24.079.050.696

Consolidated financial statements regarding the period ending on 31.12.2023, approved by board decision which was dated May 20, 2024 and numbered 2024/5. The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET AŞ.**CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED DECEMBER 31, 2023 (TRY)***(Currency is TRY unless otherwise is indicated.)*

		Current Period Audited Consolidated	Prior Period Audited Consolidated
LIABILITIES	Notes	31.12.2023	31.12.2022
Short Term Liabilities			
Short term loans	47	10,230,478	24,037,697
Short term finance lease liabilities	47	9,036,310	4,707,795
Short-term parts of long term loans	47	165,334,926	599,030,868
Other financial liabilities	47	7,827,724	7,886,908
Trade payables	6-7	1,077,181,050	1,133,875,158
<i>Trade payables to related parties</i>	6	2,304,122	3,796,569
<i>Trade payables to third parties</i>	7	1,074,876,928	1,130,078,589
Employee benefit obligations	27	40,717,560	25,984,249
Other payables	6-9	634,191,820	979,677,432
<i>Other payables to related parties</i>	6	251,813,085	224,301,262
<i>Other payables to third parties</i>	9	382,378,735	755,376,170
Deferred income	12	623,351	564,850,275
Period income tax liabilities	40	246,907,683	404,940,174
Short-term Provisions	25-27	19,340,478	24,459,557
<i>Short-term provisions for employee benefits</i>	27	15,232,109	21,235,615
<i>Other short term provisions</i>	25	4,108,369	3,223,942
Other short term liabilities	29	1,436,646,700	1,096,834,979
TOTAL SHORT TERM LIABILITIES		3,648,038,080	4,866,285,092
Long term liabilities	47	23,365,001	3,286,574,186
Long term finance lease liabilities	47	6,061,002	4,146,036
Other payables	6-9	121,152,982	38,557,098
<i>Other payables to related parties</i>	6	--	--
<i>Other payables to third parties</i>	9	121,152,982	38,557,098
Deferred Income	12	1,038,136	1,710,566
Long term provisions	25-27	10,241,046	9,076,274
<i>Long term provisions for employee benefits</i>	27	10,031,711	8,742,448
<i>Other long term provisions</i>	25	209,335	333,826
Deferred tax liabilities	40	930,534,418	713,463,373
Other long term liabilities	29	46,019,996	2,373,731
TOTAL LONG TERM LIABILITIES		1,138,412,581	4,055,901,264

Consolidated financial statements regarding the period ending on 31.12.2023, approved by board decision which was dated May 20, 2024 and numbered 2024/5. The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET AŞ.**CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED DECEMBER 31, 2023 (TRY)***(Currency is TRY unless otherwise is indicated.)*

		Current Period Audited Consolidated	Prior Period Audited Consolidated
LIABILITIES	Notes	31.12.2023	31.12.2022
EQUITY			
Equity of Parent Company		11,758,950,129	12,150,040,365
Paid-in share capital	30	1,400,000,000	1,400,000,000
Positive Capital Adjustment Differences	30	4,442,554,335	4,571,352,612
Repurchased Shares (-)	30	(8,250,000)	--
Share premiums/discounts	30	600,479,337	955,770,212
Not reclassified to profit or loss accumulated other comprehensive income or expenses	30	(1,275,571,962)	(779,655,891)
Foreign Currency Translation Differences		28,022,788	488,236,719
Hedging Gains/Losses		(1,298,173,522)	(1,262,459,888)
Other Gains/Losses	30	(5,421,228)	(5,432,722)
Restricted profit reserves	30	67,566,152	31,101,154
Other equities	30	21,868,966	36,034,134
Capital Advances	30	2,703,370,822	4,533,434,127
Retained earnings/losses	41	3,806,932,479	1,402,004,017
Non-controlling shares	30	6,016,378,396	3,006,823,975
TOTAL EQUITY		17,775,328,525	15,156,864,340
TOTAL LIABILITIES		22,561,779,186	24,079,050,696

Consolidated financial statements regarding the period ending on 31.12.2023, approved by board decision which was dated May 20, 2024 and numbered 2024/5. The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET AŞ.
CONSOLIDATED PROFIT OR LOSS AND COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2023 (TRY)

(Currency is TRY unless otherwise is indicated.)

	Dipnot Referansları	Current Period Audited Consolidated 01.01 - 31.12.2023	Prior Period Audited Consolidated 01.01 - 31.12.2022
PROFIT OR LOSS			
Revenues	31	7,441,098,289	15,804,775,578
Cost of sales (-)	28-31	(5,678,691,144)	(9,570,906,865)
GROSS PROFIT/(LOSS)		1,762,407,145	6,233,868,713
General and administrative expenses (-)	33	(404,119,274)	(243,742,258)
Marketing Expenses (-)	33	(141,585,086)	(25,212,554)
Other Income from Main Operations	34	620,155,429	396,172,360
Other Expenses from Main Operations (-)	34	(522,445,156)	(464,513,765)
OPERATING PROFIT/(LOSS)		1,314,413,058	5,896,572,496
Income from Investment Activities	35	4,523,434,231	62,195,553
Expenses from Investment Activities (-)	35	(6,211,808)	(95,746,973)
Shares of Profits/(Losses) of Investments Valued by Equity Method	16	-	14,950
OPERATING PROFIT/(LOSS) BEFORE FINANCE EXPENSES		5,831,635,481	5,863,036,026
Financing Incomes	37	2,405,918,238	1,235,934,693
Financial Expenses (-)	37	(1,358,492,910)	(2,743,223,511)
Net Monetary Position Gains (Losses)		(2,553,755,600)	(2,845,023,661)
PROFIT/(LOSS) BEFORE TAXES FROM CONTINUING OPERATIONS		4,325,305,209	1,510,723,547
Continuing Operations Tax Income/(Expense)		(33,558,605)	295,882,993
Period Tax Income/(Expense)	40	(336,077,252)	(509,047,674)
Deferred Tax Income/(Expense)	40	302,518,647	804,930,667
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		4,291,746,604	1,806,606,540
PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	39	(103,712)	(158,090)
PROFIT/(LOSS) FOR THE PERIOD		4,291,642,892	1,806,448,450
Period Profit/(Loss) Distribution			-
Non-Controlling Interests	30	484,710,413	404,444,433
Parent Shares	30	3,806,932,479	1,402,004,017
Earnings Per Share			-
Earnings Per Share from Continuing Operations	41	2,719,237	1,001,431
OTHER COMPREHENSIVE INCOME			-
Not to be Reclassified to Profit or Loss	38	11,494	(4,178,011)
Actuarial Losses and Gains Calculated Within the Scope of Employee Benefits	38	15,325	(5,222,514)
Tax Impact	40	(3,831)	1,044,503
Reclassified as Profit or Loss		(1,014,350,041)	(340,988,653)
Cash Flow Hedge Gains/(Losses)	46	(773,170,950)	(423,865,116)
Deferred Tax Income (Expense)	40	(241,179,091)	82,876,463
OTHER COMPREHENSIVE INCOME		(1,014,338,547)	(345,166,665)
TOTAL COMPREHENSIVE INCOME		3,277,304,345	1,461,281,785
Distribution of Total Comprehensive Income			-
Non-Controlling Interests		(531,980,364)	(345,166,665)
Parent Shares		3,809,284,709	1,806,448,450

Consolidated financial statements regarding the period ending on 31.12.2023, approved by board decision which was dated May 20, 2024 and numbered 2024/5. The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET AŞ.**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2023 (TRY)***(Currency is TRY unless otherwise is indicated.)*

	Paid-in Share Capital	Positive Capital Adjustmnet Differences	Other Equity Shares	Repurchased Shares (-)	Share Premiums / Discounts	Foreign Currency Conversion Differences	Hedging Gains / Losses
01 January 2022 Balance	1,400,000,000	4,410,823,259	59,193,126	--	955,770,212	27,873,010	(1,150,877,616)
Other Comprehensive Income/(Expense)	--	--	--	--	--	--	--
Transfers	--	--	--	--	--	--	--
Other Adjustments	--	160,529,353	(23,158,992)	--	--	460,363,709	--
Cash Flow Hedge Gains/ (Losses)	--	--	--	--	--	--	(111,582,272)
Share Ratio in Subsidiaries Not Resulting in Loss of Control Val. Dependent Increase/(Decrease)	--	--	--	--	--	--	--
Net Profit for the Period	--	--	--	--	--	--	--
31 December 2022 Balance	1,400,000,000	4,571,352,612	36,034,134	--	955,770,212	488,236,719	(1,262,459,888)
01 January 2023 Balance	1,400,000,000	4,571,352,612	36,034,134	--	955,770,212	488,236,719	(1,262,459,888)
Increase (decrease) due to share repurchase transactions	--	--	--	(8,250,000)	--	--	--
Other Comprehensive Income/(Expense)	--	--	--	--	--	(460,213,931)	--
Share Ratio in Subsidiaries Not Resulting in Loss of Control Val. Dependent Increase/(Decrease)	--	--	--	--	--	--	--
Minority Interest	--	--	--	--	--	--	--
Transfers	--	--	--	--	(185,332,488)	--	--
Other Adjustments	--	(128,798,277)	(14,165,168)	--	--	--	--
Capital Increase	--	--	--	--	(169,958,387)	--	--
Cash Flow Hedge Gains/ (Losses)	--	--	--	--	--	--	(35,713,634)
Net Profit for the Period	--	--	--	--	--	--	--
31 December 2023 Balance	1,400,000,000	4,442,554,335	21,868,966	(8,250,000)	600,479,337	28,022,788	(1,298,173,522)

The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET AŞ.**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2023 (TRY)***(Currency is TRY unless otherwise is indicated.)*

Birikmiş Karlar							
Other Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss/Other Gains/Losses	Reserves On Retained Earnings	Accumulated Profit/Loss	Net Profit/Loss for the Period	Equity of the Parent Company	Non-controlling Interest	Shareholder's Equity	
(1,254,711)	6,576,894	4,296,011,826	105,271,137	10,109,387,137	2,590,534,466	12,699,921,603	
(4,178,011)	--	--	--	(4,178,011)	--	(4,178,011)	
-	14,700,825	90,570,312	(105,271,137)	--	--	--	
--	9,823,435	--	--	607,557,505	--	--	
--	--	--	--	(111,582,272)	--	(111,582,272)	
--	--	146,851,989	--	146,851,989	11,845,075	158,697,064	
--	--	--	1,402,004,017	1,402,004,017	404,444,433	1,806,448,450	
(5,432,722)	31,101,154	4,533,434,127	1,402,004,017	12,150,040,365	3,006,823,975	15,156,864,340	
(5,432,722)	31,101,154	4,533,434,127	1,402,004,017	12,150,040,365	3,006,823,975	15,156,864,340	
--	--	--	--	(8,250,000)	--	(8,250,000)	
11,494	--	--	--	(460,202,437)	--	(460,202,437)	
--	4,901,774	(1,767,062,483)	--	(1,762,160,709)	2,487,120,252	724,959,543	
--	--	-	--	--	456,628	456,628	
--	27,307,069	(321,974,581)	(1,402,004,017)	(1,882,004,017)	36,715,725	(1,845,288,292)	
--	4,256,155	(1,143,030,258)	-	(1,281,737,547)	551,402	(1,281,186,145)	
--	--	--	--	(169,958,387)	--	(169,958,387)	
--	--	--	--	(35,713,634)	--	(35,713,634)	
--	--	1,402,004,017	3,806,932,479	5,208,936,496	484,710,413	5,693,646,909	
(5,421,228)	67,566,152	2,703,370,822	3,806,932,479	11,758,950,129	6,016,378,396	17,775,328,525	

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET AŞ.**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED DECEMBER 31, 2023***(Currency is TRY unless otherwise is indicated.)*

		Current Period Audited Consolidated	Prior Period Audited Consolidated
	Notes	01.01-31.12.2023	01.01-31.12.2022
A. CASH FLOWS FROM BUSINESS ACTIVITIES		9,844,114,981	7,777,991,813
Period Profit/(Loss)		3,806,932,479	1,402,004,017
Period Profit/(Loss) from Continuing Operations	30	3,807,036,191	1,402,162,107
Period Profit/(Loss) from Discontinued Operations	39	(103,712)	(158,090)
Adjustments Regarding Net Profit/(Loss) Reconciliation for the Period		7,555,316,467	4,333,719,082
Adjustments Regarding Depreciation and Amortization Expenses	14-17-28-33-36	1,153,158,950	533,800,959
Adjustments Regarding Impairment (Cancellation) of Receivables	7	(16,525,785)	(19,568,381)
Adjustments Regarding Provisions (Cancellation) for Employee Benefits	27	7,235,758	8,436,386
Adjustments for Other Provisions (Reversals)	29	(1,143,030,258)	--
Corrections Regarding Litigation and/or Penalty Provisions (Cancellation)	25	4,108,369	3,223,942
Adjustments Regarding (Cancellation) of Provisions Set Aside in Accordance with Sectoral Requirements	25	(124,491)	(167,035)
Deferred Financing Income/(Expense) from Forward Purchases	34	254,844,353	10,287,677
Unearned Finance Income/(Expense) from Forward Sales	34	(236,961,027)	19,847,192
Adjustments Regarding Interest Expenses and Currency Differences	37	1,436,646,700	1,096,834,979
Adjustments Related to Interest Income	37	(459,667,432)	(1,732,528,456)
Adjustments for Unrealized Currency Translation Differences		945,255,088	572,260,903
Adjustments to Fair Value Gains/(Losses)	8	(495,927,565)	348,781,437
Adjustments Regarding Tax Income/(Expense)	40	264,820,386	606,532,960
Adjustments Regarding Gains/(Losses) Caused by Disposal of Affiliates, Joint Ventures and Financial Investments or Changes in Shares	30	(1,762,160,709)	146,851,989
Transfers	30	(321,974,581)	--
Minority Shares	30	3,009,554,421	416,289,509
Adjustments Related to Monetary (Loss//)Gain		4,916,064,289	2,322,835,021
Changes in Working Capital		(1,518,145,459)	2,046,446,725
- Adjustments Related to Increase/(Decrease) in Stocks	10	(363,075,324)	581,410,794
Increase/(Decrease) in Trade Receivables from Related Parties		20,857,312	79,879,428
Increase/(Decrease) in Trade Receivables from Unrelated Parties	7	(1,255,533,890)	(316,246,389)
Increase/(Decrease) in Other Receivables from Related Parties	6	15,360,172	(4,104,647)
Increase/(Decrease) in Other Receivables from Unrelated Parties	9	(173,718,605)	39,308,152
-Increase/(Decrease) in Other Assets Related to Operations	29	2,237,143,308	220,393,805
Increase/(Decrease) in Trade Payables to Related Parties	6	(1,492,447)	(13,077,882)

The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET AŞ.**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED DECEMBER 31, 2023***(Currency is TRY unless otherwise is indicated.)*

		Current Period Audited Consolidated	Prior Period Audited Consolidated
	Notes	01.01-31.12.2023	01.01-31.12.2022
Increase/(Decrease) in Trade Payables to Non-Related Parties	7	145,168,096	357,806,507
Increase/(Decrease) in Prepaid Expenses	12	(139,994,436)	(68,817,484)
Increase/(Decrease) in Debts within the Scope of Employee Benefits	27	7,497,553	(7,952,697)
Increase/(Decrease) in Other Payables Related to Operations to Related Parties	6	27,511,823	(54,971,525)
Increase/(Decrease) in Other Payables Related to Operations to Non-Related Parties	9	(253,810,281)	586,351,119
Increase/(Decrease) in Deferred Revenues	12	(564,226,924)	394,268,801
Increase/(Decrease) in Other Liabilities Related to Operations	27-29	(1,219,831,816)	252,198,743
Cash Flows from Operations		9,844,103,487	7,782,169,824
Other Gain/(Loss)	30	11,494	(4,178,011)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		(6,462,966,664)	(2,555,245,122)
Cash Inflows from Sale of Tangible Fixed Assets	14	35,390,255	7,322,450
Cash Outflows Resulting from the Purchase of Tangible Fixed Assets	14	(6,219,256,658)	(2,429,853,255)
Cash Outflows from the Purchase of Intangible Assets	17	(276,143,620)	(133,872,087)
Cash Outflows from Right-of-Use Assets		(2,956,642)	1,157,770
C. CASH FLOWS FROM FINANCE ACTIVITIES		(3,126,964,265)	(698,439,933)
Cash Inflows from Issuance of Shares and Other Equity-Based Instruments	30	(8,250,000)	--
Cash Inflows from Loans	37	148,965,240	107,804,170
Cash Inflows for Debt Payments Arising from Rental Agreements	20	12,298,005	4,692,917
Cash Outflows Related to Loan Repayments	37	311,507	--
Cash Outflows Related to Debt Payments Arising from Rental Agreements	20	(3,277,202,650)	(798,052,790)
Cash Outflows from Factoring Transactions	37	(9,329,847)	(3,444,590)
Cash Outflows from Other Financial Debt Payments	37	--	(10,510)
Cash Outflows Related to Debt Payments Arising from Financial Leasing Agreements	37	6,243,481	(9,429,131)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES		254,184,051	4,524,306,758
D. MONETARY GAIN/(LOSS) ON CASH AND CASH EQUIVALENTS		(1,978,693,026)	(2,560,688,361)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,724,508,975)	1,963,618,397
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	53	2,432,579,569	468,961,172
END OF THE PERIOD CASH AND CASH EQUIVALENTS	53	708,070,594	2,432,579,569

The accompanying notes are an integral part of financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023

(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY

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

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

The capital and shareholding structure of the Group as of 31 December 2023 and 31 December 2022 is as follows:

Shareholder	31.12.2023		31.12.2022	
	Amount	Rate	Amount	Rate
A. Bahattin Özal	68,199,226	4.87%	68,199,226	4.87%
Burak Altay	221,397,488	15.81%	221,397,488	15.81%
BB Enerji Yatırım San.ve Tic.A.Ş.	39,619,143	2.83%	39,619,143	2.83%
Müjgan Özal Heritage (*)	5,347,275	0.38%	5,347,275	0.38%
Fatimetüz Zehra Özal Heritage (**)	3,208,365	0.23%	3,208,365	0.23%
Hafize Ayşegül Özal	2,708,365	0.19%	2,708,365	0.19%
Mustafa Ali Özal	2,435,865	0.17%	2,435,865	0.17%
Hafize Büşra Özal	1,069,455	0.08%	1,069,455	0.08%
Public Shares	1,056,014,818	75.43%	1,056,014,818	75.43%
Total Capital	1,400,000,000	100%	600,000,000	100%

(*) Due to the death of Ms. Müjgan Özal on 22 May 2018, 0.38% of the shares amounting to 5,347,275 TRY were jointly owned by Abdulkadir Bahattin Özal, Mustafa Ali Özal, Fatimetüz Zehra Özal Heirs, Hafize Ayşegül Özal, Mehmet Fatih Özal, Korkut Enes. Özal and Hafize Büşra Özal were legally transferred.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023

(Currency is TRY unless otherwise is indicated.)

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

The list of distribution is as follows;

Shareholder	Amount	Rate
Fatimetüz Zehra Özal Heritage	1,069,455	0.076%
Hafize Ayşegül Özal	1,069,455	0.076%
Mustafa Ali Özal	1,069,455	0.076%
Abdulkadir Bahattin Özal	1,069,455	0.076%
Mehmet Fatih Özal	356,485	0.025%
Korkut Enes Özal	356,485	0.025%
Hafize Büşra Özal	356,485	0.025%
Total	5,347,275	0.38%

(**) Due to the death of Mr. Fatimetüzzehra Özal on 04.12.2018, the share amount of 0.30% of 4.277.820 TRY was transferred to Gökçe Koşay and Ayşenur Koşay Erbay under the co-ownership.

The distribution list is as follows;

Shareholder	Share Amount	Share Rate
Gökçe Koşay	2,138,910	0.15%
Ayşenur Koşay Erbay	2,138,910	0.15%
Total	4,277,820	0.30%

As of December 31, 2023 in Group's structure , 867 average personnel (December 31, 2022: 1040).

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

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023

(Currency is TRY unless otherwise is indicated.)

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

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.

As of December 31, 2023, the capital of the company is TRY 25.000.000 and the shareholding structure is as follows:

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

Hidro Enerji Elektrik Üretim Sanayi A.Ş. :

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.

Hydro Energy owns 100% of Odaş Enerji Ca operating in Uzbekistan.

As of December 31, 2023, the capital of the Hidro Enerji Elektrik Üretim Sanayi A.Ş.'s is TRY 615.000 and the shareholding structure is as follows:

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	50%	50%
Ogma SSH FZ LLC	50%	25%
MSC Makine İnşaat Enerji San. Ve Tic. A.Ş	--	25%

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023

(Currency is TRY unless otherwise is indicated.)

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

Subsidiaries (Contd)

Odaş Enerji CA :

The Company was established on February 3, 2021 for the purpose of generating electricity and selling the generated electricity.

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

As of 31 December 2023, Odaş Enerji CA's capital consists of 450,000,000 (four hundred and fifty million) Uzbekistani Soms, and the shares of the members are equal to one hundred percent (100%) of 450,000,000,00 Uzbekistani Soms with registered capital.

The partnership structure of the company is as follows:

	31 December 2023	31 December 2022
Hidro Enerji Elektrik Üretim Sanayi A.Ş.	100%	100%

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, 2023, the shareholding structure of Ena Elektrik Üretim Ltd. Şti. is as follows:

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	80%	80%
Hidayet Büküm	20%	20%

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

As of 31.12.2023, Ena Elektrik has been classified as assets held for sale in the consolidated financial statements.(Note:39)

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023

(Currency is TRY unless otherwise is indicated.)

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

Subsidiaries (Contd)

Yel Enerji Elektrik Üretim Sanayi A.Ş. :

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. Company is currently active and operating in the mining sector.

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

As of December 31, 2023, Yel Enerji Elektrik Üretim Sanayi Ticaret A.Ş. has a capital of TRY 6.000.000 and its shareholding structure is as follows:

	31 December 2023	31 December 2022
Çan2 Termik A.Ş.	100%	100%

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

The Company was established and consolidated on January 11, 2013 in accordance with Law No. 4646, with the acceptance and commitment of the matters specified in the communiqués, decisions and regulations published by the Energy Market Regulatory Authority (EMRA), and with the purpose of purchasing Natural Gas, Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) from production, import, other wholesale companies and sources to be permitted by law, and wholesale to exporters, distribution, LNG, CNG, wholesale companies, independent consumers and customers permitted by law.

As of December 31, 2023, the capital of Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. is TRY 4.312.000 and the shareholding structure is as follows:

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90.02%	90.02%
Tahsin Yazan	--	9.98%
Voytron Enerji Elektrik Perakende Satış A.Ş.	9.98%	--

Çan2 Termik A.Ş. :

Çan2 Termik A.Ş. has been included in the consolidation on September 9, 2013 for the purpose of establishing, commissioning, leasing an electricity generation facility based on domestic coal, generating electricity and selling the generated electricity and/or capacity to customers.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Contd)****Subsidiaries (Contd)****Çan2 Termik A.Ş. : (Devamı)**

Çan2 Termik A.Ş. has an energy production facility based on domestic coal with an installed capacity of 340 MWm/330 MWe in Çan district of Çanakkale province. The power plant within its structure has started electricity generation activities after its provisional acceptance as of 01.08.2018 and continues its electricity generation activities as of the current situation.

The capital of Çan2 Termik A.Ş. as of 31 December 2023 is 938.116.902,57 TRY and the shareholding structure is as follows;

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	58.44%	76.77%
Public Shares	41.56%	23.23%

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

YS Madencilik was established on December 12, 2014 and included in the consolidated financial statements in order to purchase, sell, manufacture, install, import and export all kinds of natural stones and ores in finished and semi-finished form.

As of December 31, 2023, the capital of YS Madencilik San. Ve Tic. Ltd. Şti. is TRY 10.000 and its shareholding structure is as follows:

	31 December 2023	31 December 2022
Süleyman Sarı	48%	48%
Odaş Elektrik Üretim Sanayi A.Ş.	52%	52%

Anadolu Export Maden Sanayi ve Ticaret A.Ş. :

Anadolu Export was established on December 30, 2014 and included in the consolidation on January 22, 2015 in order to engage in the purchase, sale, manufacture, assembly, import and export of all kinds of natural stone and mineral ores in finished and semi-finished form.

The Company has a gold license in Karaağaç within the borders of Kütahya and Uşak provinces.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Contd)****Subsidiaries (Contd)****Anadolu Export Maden Sanayi ve Ticaret A.Ş. : (Contd)**

As of December 31, 2023, the capital of Anadolu Export Maden Sanayi ve Ticaret A.S. is TRY 50.000 and its shareholding structure is as follows:

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	96%	96%
Burak Altay	4%	4%

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.

There are a total of 4 operating licenses in the Kütahya-Uşak region. In this context, the existence of Copper (Cu) and Silver (Ag) mines, especially Gold (Au) and Antimony (Sb), has been determined in precious metal studies and these mines are also among the mines within the scope of exploration. Antimony and Antimony Trioxide are currently produced in the fields owned by Suda Maden AŞ.

As of December 31, 2023, the capital of Suda Maden A.Ş. is TRY 44.900.000 and its shareholding structure is as follows:

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

TS Anadolu Metal Maden Üretim A.Ş. :

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

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023***(Currency is TRY unless otherwise is indicated.)***1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Contd)****Subsidiaries (Contd)****TS Anadolu Metal Maden Üretim A.Ş. : (Contd)**

As of December 31, 2023, the capital of TS Anadolu Metal Üretim A.Ş. is TRY 250.000 and the shareholding structure is as follows:

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	80%
Onur Yıldız	--	20%

Onur Mining Maden Üretim A.Ş. :

Onur Mining Maden Üretim A.Ş. was established on October 13, 2021 for the purpose of importing, exporting or internal trading of metals obtained from the extraction and/or processing of minerals in the form of ore and was included in the consolidation in May 2022.

As the December 31, 2023 the capital of Onur Mining Maden Üretim A.Ş. is 1.500.000 TL and the shareholding structure is as follows:

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	50%
Onur Yıldız	--	50%

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

CR Project Development was established and consolidated on January 26, 2017 in order to develop domestic, renewable and green projects, biomass energy projects, establishment, commissioning and leasing of electric power generation facilities, electric power generation, sale of generated electric power and/or capacity to customers.

As of December 31, 2023, the capital of CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. is TRY 50.000 and the shareholding structure is as follows:

	31 December 2023	31 December 2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023

(Currency is TRY unless otherwise is indicated.)

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

Subsidiaries (Contd)

Çan 2 Trakya Kömür Maden A.Ş. :

Çan 2 Trakya Kömür Maden A.Ş. was established and consolidated on June 18, 2019 in order to purchase, sell, manufacture, assemble, import and export all kinds of natural stones and mineral ores in finished and semi-finished form.

Çan 2 Trakya Kömür Maden A.Ş.'s capital is 550.000 TRY as of December 31, 2023, and its partnership structure is as follows:

	31 December 2023	31 December 2022
Çan2 Termik A.Ş.	100%	100%

Zenn Yatırım Otelcilik İnşaat Anonim Şirketi:

Zenn Yatırım Otelcilik İnşaat Anonim Şirketi was established and consolidated on November 25, 2022 for the purpose of hotel and similar accommodation activities, construction of residential buildings, real estate agency activities.

As of December 31, 2023, the capital of Zenn Yatırım Otelcilik İnşaat A.Ş. is TRY 20.000.000 and the shareholding structure is as follows:

	31 December 2023	31 December 2022
CR Proje Geliştirme Yatırım San. ve Tic. A.Ş.	50%	50%
Fethiye Çiftlik Turizm Ticaret Anonim Şirketi	50%	50%

Yasin İnşaat Turizm Gıda Taahhüt ve Ticaret A.Ş.

CR Proje Geliştirme Yatırım San. ve Tic. A.Ş. has been included in the consolidation of Yasin İnşaat Turizm Gıda Taahhüt ve Ticaret A.Ş. as a 50% shareholder on April 25, 2023.

Yasin İnşaat Turizm Gıda Taahhüt ve Ticaret A.Ş. is engaged in the activities of hotels and similar accommodation establishments.

As of December 31, 2023, the capital of Yasin İnşaat Turizm Gıda Taahhüt ve Ticaret A.Ş. is TRY 1.000.000 and the shareholding structure is as follows:

	31 December 2023	31 December 2022
CR Proje Geliştirme Yatırım San. ve Tic. A.Ş.	50%	---
Fethiye Çiftlik Turizm Ticaret Anonim Şirketi	50%	100%

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023**

(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Contd)**Subsidiaries (Contd)****Invenergia CA:**

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. is the 75.5% shareholder of Invenergia CA. The Company was established on 23.11.2023. The Company's principal activity is the investment of money and/or securities in intangible personal property such as shares, bonds, debentures, debentures, installments or savings and/or capitalization plans in installments or rights in companies of persons or companies. Its headquarters are located in Venezuela.

As of December 31, 2023, the share capital of Invenergia CA consists of 450.000 (four hundred and fifty thousand) Venezuelan Bolivars.

The shareholding structure of the Company is as follows:

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	75.5%
Ali Galip İlter	15%
Lale Keşoğlu	9,5%

Nos Gıda Restoran İşletmesi Et Üretim Pazarlama Sanayi ve Ticaret Limited Şirketi:

CR Proje Geliştirme Yatırım Sanayi ve Ticaret A.Ş. has acquired all shares of Nos Gıda Restoran İşletmesi Et Üretim Pazarlama Sanayi ve Ticaret Limited Şirketi ("Nos Gıda") as the sole shareholder through the Share Transfer Agreement dated October 17, 2023, and the company has been included in the consolidation. The share transfer was registered with the Istanbul Trade Registry Office on November 2, 2023.

Nos Gıda is engaged in the production and sale of all types of food, the marketing and distribution of meal services, the wholesale or retail purchase and sale of meat and meat products obtained from animals, either processed or unprocessed, as well as the import and export of these products.

The company is headquartered at Akat Mahallesi, Yeşim Sokak, Marias Restaurant No:7 Beşiktaş/Istanbul. As of December 31, 2023, the capital of Nos Gıda Restoran İşletmesi Et Üretim Pazarlama Sanayi ve Ticaret Limited Şirketi is 400,000 TL, and its shareholding structure is as follows.

CR Proje Geliştirme Yatırım Sanayi ve Ticaret A.Ş.	100%
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ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023

(Currency is TRY unless otherwise is indicated.)

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

Subsidiaries (Contd)

Parent Company and consolidated subsidiaries EMRA license information as of December 31, 2023 is as follows :

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

Parent Company and consolidated subsidiaries licenses information as of December 31, 2023 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	OPERATING	201200931	03.02.2022	03.02.2032
SUDA MADEN	IV. Group	OPERATING	201200932	18.02.2022	18.02.2032
SUDA MADEN	IV. Group	EXPOLARATION	202100452	31.05.2021	31.05.2028
YEL ENERJİ	IV. Group	OPERATING	17517	05.01.2015	05.01.2025
YEL ENERJİ	IV. Group	EXPOLARATION	201900443	09.04.2019	09.04.2026
YEL ENERJİ	IV. Group	OPERATING	80272	25.01.2019	25.01.2029
ANADOLU EXPORT	IV. Group	OPERATING	85899	24.12.2020	24.12.2025
ODAŞ ENERJİ CA	Electricity Production	OPERATING	000675	30.12.2021	30.12.2026
YS MADENCİLİK	IV. Group	EXPOLARATION	202101618	27.10.2021	27.10.2028
YS MADENCİLİK	IV. Group	EXPOLARATION	202101617	27.10.2021	27.10.2028
TS ANADOLU	IV. Group	EXPOLARATION	202101561	15.10.2021	15.10.2028

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023**

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a. Basis of Presentation

Accounting Policies Applied

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

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

Functional and presentation currency

The Group maintains and prepares its legal books and statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), accounting principles determined by tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The valid currency of the Group is Turkish Lira ("TRY"). These consolidated financial statements are presented in TRY, which is the functional currency of the Group. As of December 31, 2023 released by the Central Bank of the Republic of Turkey, purchasing rate of 1 U.S. dollar =29,4382 TRY, (31.12.2022: 18,6983 TRY), 1 EURO = 32,5739 TRY (31.12.2022: 19,9349 TL), 1 GBP = 37,4417 TRY. (31.12.2022: 22,4892 TL).

US dollar selling rate announced by the Central Bank of the Republic of Turkey as of 31 December 2023 is 29,4913 TRY, (31.12.2022: 18,7320 TRY), 1 EURO = 32,6326 TRY (31.12.2022: 19,9708 TRY), 1 GBP = 37,6369 TRY (31.12.2022: 22,6065 TRY).

Adjusting financial tables in hyperinflation periods

Companies applying TFRS will be able to use inflation accounting in accordance with TAS 29 Financial Reporting Standard in High Inflation Economies, starting from their financial statements for the annual reporting period ending on or after 31 December 2023, with the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on 23 November 2023. started to be implemented. TAS 29 applies to the financial statements, including consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

In accordance with the standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date. For comparison purposes in prior period financial statements, comparative information is expressed in terms of the current measurement unit at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of December 31, 2022, on the basis of purchasing power as of December 31, 2023.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

a. Basis of Presentation (Contd)

Adjusting financial tables in hyperinflation periods (Contd)

In accordance with the CMB's decision dated December 28, 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on December 31, 2023.

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As at December 31, 2023, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Correction Coefficient
31.12.2023	1,859.38	1
31.12.2022	1,128.45	1.647
31.12.2021	686.95	2.706

Base of Consolidation

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

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

Consolidated financial reports contain all subsidiaries of the parent company.

- The investment amount of the parent company in each subsidiary and the amounts corresponding to the share of the parent from the equity of the subsidiaries are eliminated.
- It determines amount of minority percentage in consolidated profit and loss of period and amount of minority percentage determines separately from amount of main subsidiary from amount of net actives of consolidated main subsidiary. The amount of minority percentage from net actives contains; calculated minority percentages in merge date in accordance with TFRS 3; minority percentage from all transactions made after merge date.
- All expenses, income, transactions and balances incurred of group are eliminated.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023**

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

a. Basis of Presentation (Contd)

Base of Consolidation (Contd)

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

Comparative Information and Restatement of Prior Period Financial Statements

The Group has prepared the comparative consolidated statement of financial position as of December 31, 2023 with December 31, 2022, the comparative consolidated comprehensive income statement and cash flow statement for the accounting period 1 January 1- 31 December 2023, with 1 January 1- 31 December 2022, comparative consolidated shareholder's equity movement for the accounting period 1 January 1- 31 December 2023, with 1 January 1- 31 December 2022. When comparative information is deemed necessary to ensure compliance with the presentation of the consolidated financial statements for the current period, it is reclassified, and significant differences are explained.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

b. Changes and Errors in Accounting Estimates

If the effect of the change in accounting estimates cause a change in the assets, liabilities or equity items, the book values of the relevant assets, liabilities or equity items should be adjusted in the period in which the change is made. Prospective approach of the effect of a change in the accounting estimate means that it is applied to transactions, events and conditions after the date of change in the estimate. Except for cases where the period-specific or cumulative effects regarding the error cannot be calculated, previous period errors are corrected through retrospective rearrangement.

In the preparation of the consolidated financial statements, the Group management is required to make estimations and assumptions that will affect the asset and liability amount, determine the possible liabilities and commitments as of the balance sheet date and the income and expense amount as of the reporting period. Actual results may differ from estimations and assumptions. These estimates and assumptions are reviewed regularly, necessary corrections are made and reflected in the operating results of the relevant period.

Significant Accounting Evaluations, Estimates and Assumptions

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

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

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

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

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

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

b. Changes and Errors in Accounting Estimates (Contd)

Significant Accounting Evaluations, Estimates and Assumptions (Contd)

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

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

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

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

c. Business Continuity

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

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

d. Netting/Offset

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

e. Comparative Information and Adjustment of Prior Period Financial Statements

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

f. Changes in Financial Reporting Standards

The new standards in force as of 31 December 2023 and the amendments and interpretations to the existing previous standards:

Narrow-scope amendments to TAS 1, Application Statement 2 and TAS 8; Effective for annual periods beginning on or after January 1, 2023. These amendments are intended to improve accounting policy disclosures and help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to TAS 12, Deferred tax on assets and liabilities arising from a single transaction; Effective for annual periods beginning on or after January 1, 2023. These amendments require companies to recognize deferred tax on transactions that, when first recognized in the financial statements, give rise to taxable and deductible temporary differences in equal amounts.

TFRS 17, 'Insurance Contracts'; Effective for annual periods beginning on or after January 1, 2023. This standard replaces TFRS 4, which currently permits a wide range of applications. TFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendment to TAS 12, International tax reform - Pillar two model rules; The temporary exemption is effective for the December 2023 year-end and the disclosure requirements are effective for accounting periods beginning after January 1, 2023, with early adoption permitted. These amendments provide companies with a temporary relief on accounting for deferred taxes arising from the Minimum Tax Implementation Guide international tax reform. The amendments also include disclosure requirements for affected companies.

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EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

f. Changes in Financial Reporting Standards (Contd)

Standards and amendments to standards issued but not yet effective as at December 31, 2023:

Amendment to TAS 1, Long-term liabilities with contractual terms; Effective for annual periods beginning on or after January 1, 2024. These amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability.

TFRS 16, Sale and leaseback transactions; Effective for annual periods beginning on or after January 1, 2024. These amendments include the sale and leaseback provisions in TFRS 16 that clarify how an entity accounts for a sale and leaseback transaction after the transaction date. Sale and leaseback transactions where some or all of the lease payments are variable lease payments that are not linked to an index or rate are likely to be affected.

1 Amendments to TAS 7 and TFRS 7 on supplier financing arrangements; Effective for annual periods beginning on or after January 1, 2024. These amendments require disclosures to increase the transparency of supplier financing arrangements and their impact on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investor concerns that some companies' supplier financing arrangements are not sufficiently clear and hinder investor analysis.

TAS 21 Lack of Interchangeability; Effective for annual periods beginning on or after January 1, 2025. An entity is affected when it has a transaction or activity in a foreign currency that is not convertible into another currency at a particular measurement date for a particular purpose. A currency can be exchanged when the ability to obtain another currency is available (with a normal administrative delay) and the transaction occurs through a market or clearing mechanism that creates enforceable rights and obligations.

TFRS 1, "General requirements for disclosure of sustainability-related financial information"; Effective for annual periods beginning on or after January 1, 2024. This is subject to the standards being approved by local laws or regulations. This standard contains the basic framework for disclosing material information about all material sustainability-related risks and opportunities that a company is exposed to.

TFRS 2, "Climate-related disclosures"; Effective for annual periods beginning on or after January 1, 2024. This is subject to the standards being approved by local laws or regulations. This is the first standard to establish disclosure requirements for companies about climate-related risks and opportunities. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

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EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies

Cash and Cash Equivalents

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

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

Related Parties

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

- a)** Through one or more intermediaries of the said party, directly or indirectly:
- i)** Controls, is controlled by, or is under joint control with the entity (including parents, subsidiaries and subsidiaries in the same line of business);
- ii)** It has a share that will enable it to have significant influence over the Company; or,
- iii)** has joint control over the Company;

- b)** The party is an affiliate of the Company;
- c)** The party is a joint venture in which the Company is a joint venture;
- d)** The party is a member of the key management personnel of the Company or its parent;
- e)** The party is a close family member of any individual mentioned in a) or d);
- f)** The party; is an entity that is controlled, jointly controlled, or under significant influence or in which any individual mentioned in d) or e) has a significant voting right, directly or indirectly; or,
- g)** The party must have post-employment benefit plans for employees of the entity or an entity that is a related party.

Financial Assets

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)**g. Summary of Significant Accounting Policies (Contd)****Financial Assets (Contd)*****Financial assets at fair value through profit or loss***

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

Financial assets measured at amortized cost

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

Financial assets at fair value through other comprehensive income

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

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

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

Recognition and derecognition of financial assets

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Impairment/expected loss provision for financial assets

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

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

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

Trade Receivables

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Financial Liabilities

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

Inventories

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

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

Tangible Fixed Assets

In accordance with TAS 16 "Property, Plant and Equipment", the Group has adopted the "Revaluation model" starting from September 30, 2018 based on the fair values determined by the independent valuation company accredited by CMB for land, land improvements, buildings, machinery, plant and equipment.

"Peer Comparison Method" and "Cost Approach" were used to determine the fair value of the real estates of Suda Maden and Çan2 Termik, while "Income Approach" was used to determine the fair value of the facilities of Odaş Elektrik and Çan2 Termik. This approach was used taking into consideration the ability of the asset to generate income which is a crucial factor impacting the value and the reasonable estimates made with respect to the amount and timing of expected future incomes expected to be generated by the asset. Revaluations are made regularly in a way that does not cause the amount to be determined by using the fair value as of the end of the reporting period to differ materially from the carrying value. The frequency of revaluations depends on the changes in the fair values of the items of property, plant and equipment subject to revaluation.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Tangible Fixed Assets (Contd)

Increases in the property, plant and equipment arising from revaluation are recorded in the revaluation fund account under shareholders equity in the statements of financial position, net of deferred tax effect. The difference between the depreciation and amortization (included in the profit or loss statement) calculated based on the carrying values of the re-evaluated assets and that over the acquisition costs of these assets is transferred from the revaluation fund to the accumulated profit / loss each year after the deferred tax effect is netted off. The same accounting application is also used for tangible fixed asset disposals.

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

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

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

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

Intangible Assets

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Intangible Assets (Contd)

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

"Intangible Assets"

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

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

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

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Intangible Assets (Contd)

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

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

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

Rental transactions

Group in case of tenant

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Rental transactions (Contd)

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

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

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Rental transactions (Contd)

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

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

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

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

Group in case of lessor

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

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

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Cash flow hedges

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

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

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

Facilitating applications

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

Investment Properties

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)**g. Summary of Significant Accounting Policies (Contd)****Borrowing Costs**

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

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

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

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

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

Contingent Liabilities and Assets

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

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

Employee Benefits

a) Defined Benefit Plan

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Employee Benefits (Contd)

b) Defined Contribution Plans

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

Revenues

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

Sales revenues

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

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

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

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

Effects of Currency Change

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Taxes calculated on corporate income and deferred tax

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

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

Current tax

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

Deferred tax

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

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Deferred tax (Contd)

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

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

Current and deferred tax

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

Earnings Per Share

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Earnings Per Share (Contd)

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

Events After the Statement of Financial Position Date

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

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

Cash Flow Statement

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Contd)

g. Summary of Significant Accounting Policies (Contd)

Determination of Fair Value

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

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

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

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

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

3. BUSINESS COMBINATIONS

None. (31.12.2022 : None)

4. INTEREST IN OTHER ENTITIES

The company purchased 200,000 company shares for 200,000 TRY in order to become a founding partner in EPIAŞ (Enerji Piyasaları İşletim A.Ş. The total capital of the enterprise, the establishment of which is partnered, is 61.572.570 TRY, corresponding to 61.572.570 shares, and the total acquired shares correspond to 0,0032% of the total capital. The partnership is for the sole purpose of having a say in the energy market and is shown in the financial statements with the historical cost value of 1.501.195 TRY (31 December 2022: 1.501.195 TRY).

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5. SEGMENT REPORTING

Reporting by segments as of 31 December 2023 and 31 December 2022;

	31.12.2023					
	Republic of Turkey	Uzbekistan	Venezuela	Total	Elimination Effect	Consolidated Total
Current Assets	12,423,058,681	108,627,915	8,899,405	12,540,586,001	(7,150,610,529)	5,389,975,472
Fixed Assets	19,428,329,379	2,559,850,226	10,409,491	21,998,589,096	(4,826,785,381)	17,171,803,715
Total Assets	31,851,388,061	2,668,478,141	19,308,896	34,539,175,097	(11,977,395,910)	22,561,779,187
Short Term Liabilities	6,998,529,006	2,104,083,252	18,907,540	9,121,519,798	(5,473,481,718)	3,648,038,080
Long-Term Liabilities	1,122,666,691	15,745,891	--	1,138,412,582	--	1,138,412,582
Total Liabilities	8,121,195,697	2,119,829,143	18,907,540	10,259,932,380	(5,473,481,718)	4,786,450,662
Equities	23,730,192,362	548,648,997	401,356	24,279,242,715	(6,503,914,192)	17,775,328,524

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5. SEGMENT REPORTING (Contd)

01.01.2023 - 31.12.2023						
PROFIT OR LOSS	Uzbekistan	Republic of Turkey	Venezuela	Total	Consolidation Effect	Consolidated Total
Revenues	804,263,616	7,045,763,532	--	7,850,027,149	(408,928,860)	7,441,098,289
Cost of sales (-)	(102,456,089)	(5,984,226,027)	--	(6,086,682,115)	407,990,971	(5,678,691,144)
GROSS PROFIT/LOSS	701,807,528	1,061,537,506	--	1,763,345,034	(937,889)	1,762,407,145
General and Administrative Expenses (-)	(123,685,966)	(281,244,907)	(8,851)	(404,939,724)	820,448	(404,119,276)
Marketing Expenses (-)	--	(141,585,086)	--	(141,585,086)	-	(141,585,086)
Other Income from Main Operations	2,852,066	709,033,566	--	711,885,631	(91,730,202)	620,155,429
Other Expenses from Main Operations (-)	--	(625,935,939)	--	(625,935,939)	103,490,784	(522,445,156)
OPERATING PROFIT/LOSS	580,973,629	721,805,139	(8,851)	1,302,769,916	11,643,142	1,314,413,056
Income from Investment Activities	--	4,524,178,226	--	4,524,178,226	(743,995)	4,523,434,231
Expenses from Investment Activities (-)	--	(6,211,808)	--	(6,211,808)	--	(6,211,808)
OPERATING PROFIT/LOSS BEFORE FINANCIAL EXPENSES	580,973,629	5,239,771,557	(8,851)	5,820,736,334	10,899,147	5,831,635,479
Financing Income	182,021,289	3,147,677,772	--	3,329,699,061	(923,780,823)	2,405,918,238
Financial Expenses (-)	(241,550,276)	(2,018,438,346)	(244,284)	(2,260,232,906)	901,739,995	(1,358,492,910)
Net Monetary Position Gains (Losses)	--	(2,553,536,974)	242,827	(2,553,294,147)	(461,454)	(2,553,755,600)
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX	521,444,642	3,815,474,010	(10,308)	4,336,908,342	(11,603,135)	4,325,305,207
Continuing Operations Tax Expense/Income	(77,853,062)	44,294,457	--	(33,558,605)	--	(33,558,605)
Period Tax Expense/Income	(61,940,124)	(274,137,129)	--	(336,077,252)	--	(336,077,252)
Deferred Tax Expense/Income	(15,912,938)	318,431,585	--	302,518,647	--	302,518,647
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	443,591,580	3,859,768,467	(10,308)	4,303,349,737	(11,603,135)	4,291,746,602
PROFIT/LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	--	(103,712)	--	(103,712)	--	(103,712)
PROFIT/LOSS FOR THE PERIOD	443,591,580	3,859,664,755	(10,308)	4,303,246,025	(11,603,135)	4,291,642,890

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5. SEGMENT REPORTING (Contd)

31.12.2022					
	Republic of Turkey	Uzbekistan	Total	Elimination Effect	Consolidated Total
Current Assets	17,076,027,254	92,561,069	17,168,588,323	(9,888,838,653)	7,279,749,670
Fixed Assets	15,939,198,161	2,407,605,447	18,346,803,608	(1,547,502,582)	16,799,301,026
Total Assets	33,015,225,416	2,500,166,516	35,515,391,931	(11,436,341,235)	24,079,050,696
Short Term Liabilities	12,540,953,678	1,880,629,776	14,421,583,454	(9,555,298,362)	4,866,285,092
Long-Term Liabilities	4,055,404,383	496,881	4,055,901,264	--	4,055,901,264
Total Liabilities	16,596,358,062	1,881,126,657	18,477,484,718	(9,555,298,362)	8,922,186,356
Equities	16,418,867,351	619,039,859	17,037,907,210	(1,881,042,871)	15,156,864,340

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5. SEGMENT REPORTING (Contd)

01.01.2022 - 31.12.2022					
PROFIT OR LOSS	Uzbekistan	Republic of Turkey	Total	Consolidation Effect	Consolidated Total
Revenues	458,794,049	25,414,535,363	25,873,329,412	(10,068,553,834)	15,804,775,578
Cost of sales (-)	(313,626,975)	(19,322,588,780)	(19,636,215,755)	10,065,308,890	(9,570,906,865)
GROSS PROFIT/LOSS	145,167,075	6,091,946,583	6,237,113,657	(3,244,945)	6,233,868,713
General and Administrative Expenses (-)	(9,051,497)	(235,271,313)	(244,322,810)	580,552	(243,742,258)
Marketing Expenses (-)	-	(25,218,400)	(25,218,400)	5,846	(25,212,554)
Other Income from Main Operations	-	514,538,288	514,538,288	(118,365,928)	396,172,360
Other Expenses from Main Operations (-)	-	(596,591,741)	(596,591,740)	132,077,976	(464,513,765)
OPERATING PROFIT/LOSS	136,115,579	5,749,403,417	5,885,518,995	11,053,502	5,896,572,496
Income from Investment Activities	-	62,195,553	62,195,553	-	62,195,553
Expenses from Investment Activities (-)	-	(95,746,973)	(95,746,973)	-	(95,746,973)
Share of Profit/Loss of Investments Accounted Through Equity Method	-	14,950	14,950	-	14,950
OPERATING PROFIT/LOSS BEFORE FINANCIAL EXPENSES	136,115,579	5,715,866,948	5,851,982,525	11,053,502	5,863,036,026
Financing Income	143,361,938	1,447,697,034	1,591,058,972	(355,124,279)	1,235,934,693
Financial Expenses (-)	(113,468,193)	(2,971,009,456)	(3,084,477,649)	341,254,137	(2,743,223,511)
Net Monetary Position Gains (Losses)	-	(2,821,987,437)	(2,821,987,437)	(23,036,225)	(2,845,023,661)
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX	166,009,324	1,370,567,090	1,536,576,411	(25,852,865)	1,510,723,547
Continuing Operations Tax Expense/Income	(24,226,241)	320,109,234	295,882,993	-	295,882,993
Period Tax Expense/Income	(28,878,131)	(480,169,543)	(509,047,674)	-	(509,047,674)
Deferred Tax Expense/Income	4,651,890	800,278,777	804,930,667	-	804,930,667
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	141,783,083	1,690,676,324	1,832,459,404	(25,852,865)	1,806,606,540
PROFIT/LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	(158,090)	(158,090)	-	(158,090)
PROFIT/LOSS FOR THE PERIOD	141,783,083	1,690,518,234	1,832,301,314	(25,852,865)	1,806,448,450

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6. RELATED PARTIES

i) Balances with related parties as of 31 December 2023 and 31 December 2022;

a) Trade receivables from related parties:

	31.12.2023	31.12.2022
Hidro Kontrol Elektrik Üretim A.Ş.	18,959,020	31,650,561
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	8,711,152	12,049,459
Kısrakdere Maden A.Ş.	-	449,675
Batı Trakya Madencilik A.Ş.	-	28,835
TOTAL	27,670,172	44,178,530
Deduction: Unaccrued financial expenses	(7,308,806)	(2,959,852)
TOTAL	20,361,366	41,218,678

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6. RELATED PARTIES (Contd)

b) Other receivables from related parties:

	31.12.2023	31.12.2022
Abdulkadir Bahattin Özal	12,872,783	17,043,155
Fethiye Çiftlik Tur A.Ş.	10,366,662	--
Süleyman Sarı	2,393,230	3,943,395
Müjgan Özal	2,347,172	3,181,409
Mustafa Ali Özal	1,880,756	2,550,287
Fatimetüz Zehra Özal	1,878,055	2,546,516
Hafize Ayşegül Özal	1,877,471	2,544,768
Mehmet Fatih Özal	642,386	871,343
Korkut Enes Özal	637,298	864,238
Hafize Büşra Özal	587,702	797,411
Tahsin Yazan	100,000	174,989
Tron Enerji Yatırım San. Ve Tic.A.Ş.	54,875	77,456
Kısrakdere Maden A.Ş.	40,424	--
Akra Petrol San.Tic.A.Ş.	13,600	--
Batı Trakya Madencilik A.Ş.	2,941	--
Burak Altay	--	13,397,890
Onur Yıldız	--	3,014,883
Akra Madencilik San. Ve Tic. A.Ş	--	18,082
Rey Bilişim Hizmetleri Tic. Ltd. Şti.	--	1,541
TOTAL	35,695,355	51,027,362
Deduction: Unaccrued financial expenses	(35,631)	(7,467)
TOTAL		51,019,896

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6. RELATED PARTIES (Contd)

c) Trade payables to related parties:

	31.12.2023	31.12.2022
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	2,304,122	3,796,569
TOTAL	2,304,122	3,796,569
Deduction: Unaccrued financial income	-	-
TOTAL		3,796,569

d) Other payables to related parties:

	31.12.2023	31.12.2022
Ogma Ssh Fz Llc	209,974,296	223,366,648
Fethiye Çiftlik Tur. A.Ş.	36,819,903	16,171
Burak Altay	2,681,666	24,716
Batı Trakya Madencilik A.Ş.	2,503,795	--
Ena Elektrik Üretim Ltd.Şti	526,165	866,977
Kısrakdere Maden A.Ş.	77,974	--
Hidro Kontrol Elektrik Üretim A.Ş	24,497	15,679
Esin Ersan	20,000	32,955
Akra Petrol San.Tic.A.Ş.	6,663	--
Hidayet Büküm	3,673	6,052
Bb Enerji Yatırım San.Tic.A.Ş.	--	20,181
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	--	786
Abdulkadir Bahattin Özal	--	20,597
TOTAL	252,638,632	224,370,762
Deduction: Unaccrued financial income	(825,546)	(69,501)
TOTAL		224,301,262

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6. RELATED PARTIES (Contd)

ii) Significant sales to and purchases from related parties:

Purchases from Related Parties

	01 January – 31 December 2023	01 January – 31 December 2022
Batı Trakya Madencilik A.Ş.	46,875,345	11,984,554
Kısrakdere Maden A.Ş.	307,758	--
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	118,931	2,460,533
Rey Bilişim Hizmetleri Tic. Ltd. Şti.	--	407,216
Hidro Kontrol Elektrik Üretim A.Ş	--	17,552,591
TOTAL	47,302,034	32,404,895

Sales to Related Parties

	01 January – 31 December 2023	01 January – 31 December 2022
Kısrakdere Maden A.Ş	4,390,606	6,571,253
Abdulkadir Bahattin Özal	2,415,148	1,084,751
Batı Trakya Madencilik A.Ş	1,598,187	2,375,369
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	1,551,015	1,284,155
Müjgan Özal	245,262	162,981
Fatimetuz Zehra Özal	196,179	130,364
Hafize Ayşegül Özal	196,179	130,364
Mustafa Ali Özal	196,179	130,364
Hafize Büşra Özal	196,179	43,455
Mehmet Fatih Özal	65,393	43,455
Korkut Enes Özal	60,054	43,455
Akra Madencilik San. Ve Tic. A.Ş	4,235	90,525
Burak Altay	--	1,334,644
Hidro Kontrol Elektrik Üretim A.Ş	--	437,320
TOTAL	11,114,617	13,862,455

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6. RELATED PARTIES (Contd)

Remuneration and similar benefits provided to the top management in the 12-month accounting period of 2023 are as follows;

a) Short-term benefits provided to employees: The total amount of wages and similar benefits provided to the members of the Board of Directors and senior managers in the twelve-month accounting period of 2023 is 45.908.376 TRY (25.976.867 TRY in 2022).

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

c) Other long-term benefits: None.

d) Benefits due to dismissal: None.

e) Share-based payments: None.

7. TRADE RECIVABLES AND PAYABLES

Trade Receivables

	31 December 2023	31 December 2022
Trade Receivables	1,942,217,081	865,725,901
-Trade receivables from related parties	27,670,172	43,015,000
-Trade receivables from third parties (*)	1,914,546,909	822,710,901
Notes receivable	51,477,239	29,614,796
Doubtful trade receivables	23,511,340	40,037,125
Provision for doubtful trade receivables (-)	(23,511,341)	(40,037,125)
	544,084,691	243,975,252
<i>Deduction: Unaccrued financial expenses</i>	<i>(40,140,471)</i>	<i>(12,078,335)</i>
<i>-Receivables from related institutions</i>	<i>(7,308,806)</i>	<i>(1,796,322)</i>
<i>-Other receivables</i>	<i>(32,831,665)</i>	<i>(10,282,013)</i>
TOTAL	1,953,553,848	883,262,361

(*) TL 1.579.709.889 of the amount included in trade receivables, including tax and interest, includes the amount withdrawn from the collateral accounts by EPIAŞ in accordance with the notification dated 13.01.2023 by EMRA. On March 30, 2022, with the amendment in the Procedures and Principles for the Determination and Implementation of the Resource-Based Support Fee, it was legally stated that the bilateral agreement amounts are within the scope of exemption. Upon EPIAŞ's request regarding this exemption, the Company notified EPIAŞ of both its bilateral agreements and the portions sold indirectly to final consumers, which are much lower than this amount. On September 30, 2022, EMRA amended the Procedures and Principles and added the phrase "(up to the end consumer)" to Article 7. However, EPIAŞ wants to apply the amendment in the Procedures and Principles retroactively, contrary to the fundamental rights and rules of law, as directed by EMRA. The Group has filed a lawsuit in Ankara 10th Administrative Court for the annulment of the administrative action. The case is still pending on the merits.

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7. TRADE RECEIVABLES AND PAYABLES (Contd)

Trade payables		
	31 December 2023	31 December 2022
Trade payables	1,145,587,372	1,145,585,727
-Trade payables to related parties	2,304,122	3,796,569
-Trade payables to unrelated parties	1,143,283,250	1,141,789,158
Debt Securities	--	6,173,053
Other Trade Payables	1,675,499	1,938,803
	1,147,262,871	1,153,697,583
<i>Deduction: Unaccrued financial income</i>	<i>(70,081,822)</i>	<i>(19,822,424)</i>
-Trade payables to related parties	--	--
-Trade payables to unrelated parties	<i>(70,081,822)</i>	<i>(19,822,424)</i>
TOTAL	1,077,181,050	1,133,875,158

8. FINANCIAL INVESTMENTS

None (31 December 2022: None).

9. OTHER RECEIVABLES AND PAYABLES

Short Term Other Receivables

	31 December 2023	31 December 2022
<i>Receivables from related parties</i>	35,695,355	51,027,364
Other receivables	114,455,432	31,396,277
Deposits and guarantees given	27,092,006	8,242,431
Other doubtful receivables	20,844,351	6,703,567
Other doubtful receivables (-)	(20,844,351)	(6,703,567)
TOTAL	177,242,794	90,666,073
<i>Deduction: Unaccrued financial expenses</i>	<i>(3,722,673)</i>	<i>(13,131)</i>
-Receivables from related institutions	<i>(35,631)</i>	<i>(7,467)</i>
-Other receivables	<i>(3,687,042)</i>	<i>(5,664)</i>
TOTAL	173,520,120	90,652,941

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9. OTHER RECEIVABLES AND PAYABLES (Contd)

Long Term Other Receivables

	31 December 2023	31 December 2022
Deposits and guarantees given	2,729,872	1,172,095
TOTAL	2,729,872	1,172,095

Other Short-Term Payables

	31 December 2023	31 December 2022
<i>Related parties payables</i>	252,638,632	224,370,763
Miscellaneous other debts	7,779,633	4,606,975
Taxes and funds payable	339,760,991	548,998,791
Deposits and guarantees received	10,000	16,477
Matured, delayed or deferred tax by installments and other liabilities	29,083,174	191,069,649
Received advances	3,053,319	10,709,045
	632,325,747	979,771,700
<i>Deduction: Unaccrued financial income</i>	1,866,073	(94,268)
- <i>Related party vendor payables</i>	(825,546)	(69,501)
- <i>Other debts</i>	2,691,619	(24,767)
TOTAL	634,191,820	979,677,432

Details of taxes and funds payables are as follows:

	31 December 2023	31 December 2022
Other Tax Liabilities	197,615,900	315,281,051
Value Added Tax	119,511,726	212,652,850
Wage Earning Income Tax Deduction	20,162,016	17,108,102
Municipality Consumption Tax	1,394,097	2,181,768
TRT Share	764,075	1,258,991
Energy Fund	313,176	516,028
TOTAL	339,760,990	548,998,791

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9. OTHER RECEIVABLES AND PAYABLES (Contd)

Long-term Other Payables

	31 December 2023	31 December 2022
Deposits and guarantees received	4,101,797	30,213,889
Publicly Deferred or Installment Debts (*)	117,051,185	8,343,209
TOTAL	121,152,982	38,557,098

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

10. INVENTORIES

	31 December 2023	31 December 2022
Raw materials and supplies	31,461,176	32,870,035
Semi-finished (*)	909,015,808	806,609,312
Finished goods (**)	395,986,028	351,465,690
Trade goods	14,572,008	2,989,301
Other inventories (***)	146,073,030	128,037,372
TOTAL	1,497,108,050	1,321,971,711

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

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

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

(***)The Group's other inventories amounting to TRY 114.306.014 consist of spare parts of Çan2 Termik's thermal power plant which is included in the consolidation.

11. LIVING ASSETS

None. (None, December 31, 2022).

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12. PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

	31 December 2023	31 December 2022
Advances given (*)	139,951,150	54,186,771
Expenses for the future months	59,304,535	50,092,911
TOTAL	199,255,685	104,279,682

Long Term Prepaid Expenses

	31 December 2023	31 December 2022
Expenses for future months (*)	70,914,237	25,895,804
TOTAL	70,914,237	25,895,804

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

Deferred Income

	31 December 2023	31 December 2022
Income Relating to Future Months	593,220	977,466
Advances received	30,130	563,872,809
TOTAL	623,351	564,850,275

13. INVESTMENT PROPERTIES

None. (None, December 31, 2022).

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14. TANGIBLE ASSETS

	01.01.2023	Addition	Disposal	Transfer	Conversion Adjustments	31.12.2023
Cost						
Land	685,648,048	33,100,924	--	--	--	718,748,972
Land Improvements	1,308,010	5,635,225	--	--	--	6,943,235
Buildings	6,587,978	19,671,400	--	--	--	26,259,378
Plants machinery and equipment	14,651,449,434	7,491,970	(48,036,703)	--	580,957,134	15,191,861,835
Vehicles	185,233,984	33,355,895	(19,097,234)	--	218,826	199,711,471
Furniture and fixture	89,994,449	74,993,998	(876,978)	--	--	164,111,469
Investment in progress	400,334,617	203,998,090	--	--	--	604,332,707
Mine Searching costs	600,869	--	--	--	--	600,869
TOTAL	16,021,157,390	378,247,502	(68,010,916)	--	581,175,960	16,912,569,936
Accumulated Depreciation						
Land Improvements	(1,413,276)	(434,289)	--	--	--	(1,847,565)
Buildings	(1,044,486)	(1,402,463)	--	--	--	(2,446,949)
Plants machinery and equipment	(1,196,564,335)	(470,337,513)	1,417,925	--	--	(1,665,483,923)
Vehicles	(42,248,792)	(25,406,309)	5,611,601	--	--	(62,043,500)
Furniture and fixture	(49,745,998)	(22,499,899)	27,000	--	--	(72,218,897)
Other	--	(265,639)	--	--	--	(265,639)
TOTAL	(1,291,016,886)	(520,346,113)	7,056,527	--	--	(1,804,306,472)
Net book value	14,730,140,504	(142,098,612)	(60,954,389)	--	--	15,108,263,463

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14. TANGIBLE ASSETS (Contd)

	01.01.2022	Addition	Disposal	Transfer	Conversion Adjustments	31.12.2022
Cost						
Land	282,929,120	402,718,928	--	--	--	685,648,048
Land Improvements	796,259	511,752	--	--	--	1,308,010
Buildings	4,010,467	2,577,511	--	--	--	6,587,978
Plants machinery and equipment	8,723,028,334	5,939,416,321	(10,995,220)	--	--	14,651,449,434
Vehicles	50,266,414	135,779,272	(1,032,856)	--	221,155	185,233,984
Furniture and fixture	42,797,696	47,234,091	(37,339)	--	--	89,994,449
Construction in progress	686,168,293	220,613,943	(506,447,619)	--	--	400,334,617
Search costs	365,782	235,087	--	--	--	600,869
TOTAL	9,790,362,365	6,749,086,904	(518,513,034)	--	221,155	16,021,157,390
Accumulated Depreciation						
Land Improvements	(796,260)	(617,016)	--	--	--	(1,413,276)
Buildings	(545,800)	(498,686)	--	--	--	(1,044,486)
Plants machinery and equipment	(486,514,112)	(712,774,885)	2,724,662	--	--	(1,196,564,335)
Vehicles	(9,528,672)	(32,868,915)	331,361	--	(182,565)	(42,248,792)
Furniture and fixture	(26,747,374)	(23,026,652)	28,028	--	--	(49,745,998)
TOTAL	(524,132,219)	(769,786,153)	3,084,051	--	(182,565)	(1,291,016,886)
Net book value	9,266,230,147	5,979,300,751	(515,428,983)	--	38,590	14,730,140,504

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14. TANGIBLE ASSETS (Contd)

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

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

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

Investment projects on the basis of subsidiaries and total investment expenditure amounts as of 31 December 2023 regarding the ongoing investments of the Group are given below.

Company/Subsidiary	Investment Detail	Amount
YS Madencilik	Coal Mine Plant	11,150,475
Suda Maden	Enrichment Plant	172,821,897
Çan2 Termik	Modernization	316,179,544
Yel Enerji	Coal Mine Plant	15,694,655
Yasin İnşaat	Other	18,833,435
Zenn Yatırım	Other	69,652,701
TOTAL		604,332,707

15. RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS

None. (None, December 31, 2022).

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Shares of Profit/(Loss) of Investments Revalued by Equity Method for the periods 1 January – 31 December 2023 and 1 January – 31 December 2022 are as follows;

	January 01 -December 31,2023	January 01 -December 31, 2022
Shares of Profit / Loss of Investments Revalued by Equity Method	--	14,950
TOTAL	--	14,950

17. INTANGIBLE ASSETS

	01.01.2023	Addition	Disposal	Transfer	31.12.2023
Cost					
Rights	107,043,916	21,561,524	--	--	128,605,440
Research and Development Expenses	--	386,362	--	--	386,362
Special Cost	--	--	--	--	--
Fixed Assets Under Finance Lease	--	--	--	--	--
Other intangible assets	15,940,891	703,934	--	--	16,644,825
Preparation and development cost	457,129,547	44,589,236	--	--	501,718,783
TOTAL	580,114,354	67,241,056	--	--	647,355,410

Accumulated Amortization

Rights	(65,352,470)	(6,279,900)	--	--	(71,632,370)
Research and Development Expenses	--	--	--	--	--
Special Cost	--	--	--	--	--
Fixed Assets Under Finance Lease	--	--	--	--	--
Other intangible assets	(4,828,889)	(1,352,136)	--	--	(6,181,025)
Preparation and development cost	(142,430,427)	(44,345,011)	--	--	(186,775,437)
TOTAL	(212,611,786)	(51,977,046)	--	--	(264,588,832)

Net Book Value	367,502,568	15,264,010	--	--	382,766,579
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17. INTANGIBLE FIXED ASSETS (Contd)

	01.01.2022	Addition	Disposal	31.12.2022
Cost Value				
Rights	55,442,620	52,019,819	(418,523)	107,043,916
Research and Development Expenses	--	--	--	--
Special Cost	--	--	--	--
Fixed Assets Under Finance Lease	--	--	--	--
Other Intangible Assets	12,651,911	3,288,980	--	15,940,891
Preparation and Development Expenses	262,771,684	194,383,446	(25,583)	457,129,547
TOTAL	330,866,215	249,692,245	(444,106)	580,114,354
Accumulated Amortization				
Rights	(33,099,085)	(32,339,428)	86,043	(65,352,470)
Research and Development Expenses	--	--	--	--
Special Cost	--	--	--	--
Fixed Assets Under Finance Lease	--	--	--	--
Other Intangible Assets	(2,832,390)	(1,996,499)	--	(4,828,889)
Preparation and Development Expenses	(66,111,962)	(76,318,465)	--	(142,430,427)
TOTAL	(102,043,437)	(110,654,391)	86,043	(212,611,785)
Net Book Value	228,822,779	139,037,853	(358,063)	367,502,568

Expenditures incurred by the Group for the preparation and development of existing mineral resources (drilling, appraisal, topographical and geological studies) are capitalized as intangible assets. Amortization commences when the intangible asset is ready for use, i.e. when it is in a location and condition necessary for it to operate in the manner intended by management

18. GOODWILL

None. (31.12.2022 : None.)

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19. EVALUATING AND RESEARCHING OF MINE RESOURCES

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

The total amount of preparation and development expenditures capitalized as of 31 December 2023 is as follows on the basis of subsidiaries.

Subsidiaries	The Amount of Preparation and Development Expenditures
Yel Enerji	52,116,027
Çan2 Termik	20,853,177
Çan2 Trakya	143,234,614
Anadolu Export	106,785,950
Suda Maden	47,458,809
Ys Madencilik	121,214,160
TS Anadolu	10,056,047
TOTAL	501,718,783

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20. RIGHT OF USE ASSETS

	01.01.2023	Additions	Disposals	Transfer	31.12.2023
Cost – Vehicles					
Right-of-use assets	18,893,869	4,610,479	(1,332,487)	--	22,171,862
Total	18,893,869	4,610,479	(1,332,487)	--	22,171,862
Accumulated Depreciation - Vehicles					
Right-of-use assets	(9,680,365)	(321,351)	--	--	(10,001,716)
Total	(9,680,365)	(321,351)	--	--	(10,001,716)
Net Book Value	9,213,504	--	--	--	12,170,146

	01.01.2022	Additions	Disposals	Transfer	31.12.2022
Cost – Vehicles					
Right-of-use assets	11,902,329	6,999,429	(7,889)	--	18,893,869
Total	11,902,329	6,999,429	(7,889)	--	18,893,869
Accumulated Depreciation - Vehicles					
Right-of-use assets	(5,588,760)	(4,091,606)	--	--	(9,680,365)
Total	(5,588,760)	(4,091,606)	--	--	(9,680,365)
Net Book Value	6,313,569	--	--	--	9,213,504

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

21. SERVICE CONCESSION ARRANGEMENTS

None. (None, December 31, 2022).

22. IMPAIRMENT OF ASSETS

As of 31 December 2023 and 31 December 2022, the Group's trade receivables are impaired, and the amount of impairment is shown in the relevant financial statement items (Note 7).

As of 31 December 2023 and 31 December 2022, the Group has impairment in tangible and intangible assets, and the amount of impairment is shown in the relevant financial statement items. (Note 14, 17)

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23. GOVERNMENT INCENTIVES

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

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

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

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

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

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

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

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24. BORROWING COSTS

None. (None, December 31, 2022).

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other Short Term Provisions

	31 December 2023	31 December 2022
Balance at the beginning of the period	3,223,942	3,237,900
Additional provision/(payment) (-) (Note 34)	884,427	(13,958)
Period-end balance	4,108,369	3,223,942

Other long-term provisions

	31 December 2023	31 December 2022
Mine restoration provisions (*)	209,335	333,826
TOTAL	209,335	333,826

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

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

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

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

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	31 December 2023	31 December 2022
Balance at beginning of period	333,827	500,861
Additional Provision / Payment (-)	(124,490)	(167,035)
Balance at the end of the period	209,337	333,827

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

The discounted amount of the total cost of 300.000 TRY to the present value is 209.337 TRY.

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

Pledges and Mortgages

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

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

Warranty

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

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

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25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Contd)

Assignment

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

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

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

Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan2 Termik A.Ş. Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. It is the assignment given in favor of Kozyatağı Commercial Branch, based on the electricity sales contract dated 24.12.2020 signed between Çan2 Termik A.Ş and EÜAŞ. The process for the removal of the related liens was initiated with the relevant banks after the loan closure.

Guarantees

The guarantees given by the Group are as follows:

GUARANTEES, PLEDGES, HYPOTHECS		31.12.2023	31.12.2022
A)	Total amount of TRI was given for its own legal entity	618,057,246	13,051,614
B)	Partnerships includes scope of full consolidation	33,706,394,290	19,665,031,960
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)	<i>Total amount of TRI was given on behalf of main partner</i>	--	--
ii)	<i>Total amount of TRI was given to companies except B and C article</i>	--	--
iii)	<i>Total amount of TRI was given to third parties except C article</i>	--	--
TOTAL		34,324,451,536	19,678,083,574

The ratio of the guarantees, pledges and mortgages given by the company to its own resources is 1.93 (31 December 2022: 1.30).

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25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Contd)

The guarantees received by the Group are as follows:

	31.12.2023	31.12.2022
Received Guarantee Letters	76,495,443	282,450,646
Received Guarantee Cheques	100,000	--
Received Guarantee Bills	--	--
TOTAL	76,595,443	282,450,646

26. COMMITMENTS

None. (31 December 2022: None.)

27. EMPLOYEES BENEFIT OBLIGATIONS

a. Short Term

Liabilities within the Scope of Employee Benefits

	31.12.2023	31.12.2022
Due to personnel	21,458,375	16,110,362
Social security premium payables	18,954,280	9,748,064
Other payables	304,905	125,823
TOTAL	40,717,560	25,984,249

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

Provision for Vacation

Between 31.12.2023 and 31.12.2022, the transaction of the provision for vacation is presented below:

	31.12.2023	31.12.2022
Provision Allocated During the Period	15,232,109	21,235,614
TOTAL	15,232,109	21,235,614

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27. EMPLOYEES BENEFIT OBLIGATIONS (Contd)

b. Long-term

Provision for Severance Pay

In accordance with the current labor law, companies are obliged to pay a certain amount of severance pay to personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior. The compensation to be paid is equal to one month's salary for each year of service and this amount is limited to 23.489,83 TRY (31 December 2022: 17.904 TRY) as of 31 December 2023.

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

Severance pay provision is set aside by calculating the present value of the probable obligation to be paid in case of retirement of the employees. Accordingly, the actuarial assumptions used to calculate the liability as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Discount rate	21.44%	2.44%
Estimated rate of increase	17.78%	17.78%

	31 December 2023	31 December 2022
Provision for Severance Pay	10,031,711	8,742,448
Balance at the end of the period	10,031,711	8,742,448

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27. EMPLOYEES BENEFIT OBLIGATIONS (Contd)

Employees benefit obligations movements as of December 31, 2023 - December 31, 2022 are as follows

	31 December 2023	31 December 2022
Transfer	8,742,448	6,107,266
Payment	12,104,232	1,766,738
Interest cost	1,329,684	490,284
Current service cost	(9,622,566)	(1,543,726)
Actuarial gain/(loss)	(15,325)	5,222,514
Monetary Gain/(Loss)	(2,506,761)	(3,300,627)
Balance	10,031,711	8,742,448

28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

The details of the cost of sales for the periods 1 January - 31 December 2023 and 1 January - 31 December 2022, according to their qualifications, are as follows;

	01 January - 31 December 2023	01 January - 31 December 2022
TEİAŞ/EPIAŞ/Energy Expenses	2,257,821,447	6,061,390,594
First Item - Material Usage Cost	1,831,404,965	1,938,701,850
Depreciation Expense	647,969,289	784,249,331
Personnel Expense Share	323,017,280	243,791,297
Coal Sales Cost	162,971,041	126,561,824
Maintenance and Repair Expense	126,044,402	124,135,130
Cost of Goods Sold from Production	103,201,667	49,465,553
Antimony Sales Cost (-)	63,321,858	110,172,044
Leasing Expense	46,123,032	20,819,149
Insurance Expenses	35,312,082	36,439,288
Consultancy Expenses	4,850,350	2,975,860
Other Expenses	76,653,731	72,204,947
TOTAL	5,678,691,144	9,570,906,865

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29. OTHER ASSETS AND LIABILITIES

Other Current Assets

	31 December 2023	31 December 2022
Income accruals	459,667,432	1,732,528,456
Deferred VAT	99,296,015	143,157,265
Work advances	42,494,961	17,387,205
Advances given to personnel	3,983,484	505,347
Advances given to suppliers	36,251,970	104,074,660
Other Various Current Assets	6,270,493	3,932,051
TOTAL	647,964,356	2,001,584,983

The details of income accruals are as follows :

	31 December 2023	31 December 2022
Accrued electricity sales income	453,922,145	1,709,344,131
Other accrued interest income	5,745,287	23,184,325
TOPLAM	459.667.433	1.732.528.456

Other Tangible Fixed Assets

	31 December 2023	31 December 2022
Given advances	87,428,455	276,958,225
TOTAL	87,428,455	276,958,225

Other short term liabilities

	31 December 2023	31 December 2022
Accrued expenses	1,436,646,700	1,096,834,979
TOTAL	1,436,646,700	1,096,834,979

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29. OTHER ASSETS AND LIABILITIES (Contd)

Expense accrual details are as follows:

	31 December 2023	31 December 2022
Electricity purchase expense accruals	73,564,005	1,092,561,119
Other expense accruals(*)	1,363,082,696	4,273,860
TOTAL	1,436,646,701	1,096,834,980

(*) Other expense accruals include the provision amount allocated for the amount withdrawn from the collateral accounts by EPIAŞ in accordance with the letter dated 13.01.2023 notified by EMRA. Since the related provision amount is related to the 2022 period, it is associated with retained earnings/losses. On March 30, 2022, with the amendment in the Procedures and Principles for the Determination and Implementation of the Resource Based Support Fee published on March 30, 2022, it is legally stated that the bilateral agreement amounts are within the scope of exemption. Upon EPIAŞ's request regarding this exemption, the Company notified EPIAŞ of both its bilateral agreements and the portions sold indirectly to final consumers, which are much lower than this amount. On September 30, 2022, EMRA amended the Procedures and Principles and added the phrase "(up to the end consumer)" to Article 7. However, EPIAŞ, with EMRA's guidance, wants to apply the amendment to the Procedures and Principles retroactively, contrary to fundamental rights and rules of law. The Company filed a lawsuit with the Ankara 10th Administrative Court for the annulment of the administrative action. The case is currently being heard on the merits.

Other long term liabilities

	31 December 2023	31 December 2022
Expense accruals (*)	46,019,996	2,373,731
TOTAL	46,019,996	2,373,731

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

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30. EQUITY, RESERVES AND OTHER EQUITIES

Paid-in capital

The paid-in capital structure of the Group as of 31 December 2023 and 31 December 2022 is as follows:

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

Shareholder	31.12.2023		31.12.2022	
	Share Amount	Rate	Share Amount	Rate
A. Bahattin Özal	68,199,226	4.87%	68,199,226	4.87%
Burak Altay	221,397,488	15.81%	221,397,488	15.81%
BB Enerji Yatırım San.ve Tic. A.Ş.	39,619,143	2.83%	39,619,143	2.83%
Müjgan Özal Mirası (*)	5,347,275	0.38%	5,347,275	0.38%
Fatimetüz Zehra Özal Mirası (**)	3,208,365	0.23%	3,208,365	0.23%
Hafize Ayşegül Özal	2,708,365	0.19%	2,708,365	0.19%
Mustafa Ali Özal	2,435,865	0.17%	2,435,865	0.17%
Hafize Büşra Özal	1,069,455	0.08%	1,069,455	0.08%
Public Shares	1,056,014,818	75.43%	1,056,014,818	75.43%
Paid-in Capital	1,400,000,000	100%	1,400,000,000	100%

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

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30. EQUITY, RESERVES AND OTHER EQUITIES (Contd)

The list of distribution is as follows;

Shareholder	Share Amount	Rate
Fatimetüz Zehra Özal (**)	1,069,455	0,076%
Hafize Ayşegül Özal	1,069,455	0,076%
Mustafa Ali Özal	1,069,455	0,076%
Abdulkadir Bahattin Özal	1,069,455	0,076%
Mehmet Fatih Özal	356,485	0,025%
Korkut Enes Özal	356,485	0,025%
Hafize Büşra Özal	356,485	0,025%
TOTAL	5,347,275	0,38%

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

The list of distribution is as follows;

Shareholder	Share Amount	Rate
Gökçe Koşay	2,138,910	0,15%
Ayşenur Koşay Erbay	2,138,910	0,15%
TOTAL	4,277,820	0,30%

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

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

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

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30. EQUITY, RESERVES AND OTHER EQUITIES (Contd)

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

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

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

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

Share Premium

	31 December 2023	31 December 2022
Share premium	600,479,337	955,770,212
TOTAL	600,479,337	955,770,212

Actuarial gain/(loss) fund

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

	31 December 2023	31 December 2022
Balance at the beginning of the period	(5,432,722)	(1,254,711)
Current period actuarial gain/(loss)	11,494	(4,178,011)
TOTAL	(5,421,228)	(5,432,722)

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

Previous Year Profit/(Loss)	31.12.2023	31.12.2022
Previous year profit/(loss)	4,533,434,127	4,296,011,826
The rate of interest in subsidiaries that does not result in a loss of control. related increase/(decrease)	(1,767,062,483)	146,851,989
Transfers	(321,974,581)	(14,700,825)
Accruals for Previous Periods (*)	(1,143,030,258)	--
Period profit/(loss)	1,402,004,017	105,271,137
TOTAL	2,703,370,822	4,533,434,127

(*) Prior period provisions amount includes the provision amount allocated for the amount withdrawn from the collateral accounts by EPIAŞ in accordance with the notification dated 13.01.2023 by EMRA. Since the related provision amount is related to 2022 period, it is associated with retained earnings/losses. On March 30, 2022, with the amendment in the Procedures and Principles for the Determination and Implementation of the Resource Based Support Fee published on March 30, 2022, it is legally stated that the bilateral agreement amounts are within the scope of exemption. Upon EPIAŞ's request regarding this exemption, the Company notified EPIAŞ of both its bilateral agreements and the portions sold indirectly to final consumers, which are much lower than this amount. On September 30, 2022, EMRA amended the Procedures and Principles and added the phrase "(up to the end consumer)" to Article 7. However, EPIAŞ, with EMRA's guidance, wants to apply the amendment to the Procedures and Principles retroactively, contrary to fundamental rights and rules of law. The Company filed a lawsuit with the Ankara 10th Administrative Court for the annulment of the administrative action. The case is currently being heard on the merits.

The explanation regarding the Group's adjusted retained earnings/losses accounts in accordance with TAS 29 prepared in accordance with the Capital Markets Board Bulletin published on March 7, 2024 is as follows;

Past Year Profit / Loss	31 December 2023	31 December 2022
Amount Before Inflation Accounting	(493,286,234)	(514,466,010)
Amount After Inflation Accounting	4,533,434,127	4,296,011,826

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30. EQUITY, RESERVES AND OTHER EQUITIES (Contd)

Previous Year Profit/(Loss) (Contd)

	31 December 2023	31 December 2022
Geri Alınan Paylar	8,500,000	--

As part of the share buyback transactions initiated by the Board of Directors' decision dated 06.12.2023, a total nominal value of 1,000,000 TL worth of ODAS shares were repurchased on 07.12.2023 on Borsa Istanbul at a price range of 9.89 – 9.94 TL per share (weighted average price of 9.9160 TL).

With these transactions, as of 07.12.2023, the total nominal value of the repurchased shares has reached 1,000,000 TL, and the ratio of these shares to the capital has reached 0.000714%.

Dividend Distribution

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

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

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

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

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30. EQUITY, RESERVES AND OTHER EQUITIES (Contd)

Legal Reserves

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

As of December 31, 2023, the amount of Restricted Reserves allocated from profit for the Group is 67,566,152 TRY. (December 31, 2022: TRY 31.101.154).

Capital Advances

None. (31 December 2022: None.)

Cash Hedging Gains and Losses

	31 December 2023	31 December 2022
Hedging gains and losses	(1,298,173,522)	(1,262,459,888)
TOTAL	(1,298,173,522)	(1,262,459,888)

Minority shares

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

	31 December 2023	31 December 2022
Capital	402,325,790	75,270,568
Previous year profit/(loss)	4,533,395,539	2,262,621,807
Period profit/(loss)	484,710,413	404,444,433
Legal Reserves	1,979	--
Extraordinary Reserves	595,944,675	264,487,167
TOTAL	6,016,378,396	3,006,823,975

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30. EQUITY, RESERVES AND OTHER EQUITIES (Contd)

Other Equities

	31 December 2023	31 December 2022
Other Equities	21,868,966	36,034,134
TOTAL	21,868,966	36,034,134

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

The disclosure regarding the corrected equity accounts prepared in accordance with TMS 29 by the Group, based on the Capital Markets Board Bulletin published on March 7, 2024, is as follows:

Equity	PPI Indexed	CPI Indexed	Differences to be Tracked in Retained Earnings / Losses
Positive Differences from Capital Adjustment	7,742,790,474	5,842,554,335	1,900,236,139
Premiums/Discounts on Shares	450,986,550	600,479,337	(149,492,787)
Restricted Reserves Allocated from Profit	33,305,764	67,566,152	(34,260,388)

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31. REVENUE AND COST OF GOODS SOLD

Revenue:

	01 January - 31 December 2023	01 January - 31 December 2022
Domestic Sales	7,337,924,855	15,726,248,812
Electricity Sales Revenue	7,004,697,282	15,365,141,749
Metal Mine Sales Revenues	213,023,501	242,115,910
Other Income	121,774,951	155,022,113
Sales Returns	(1,570,878)	(36,030,961)
Overseas sales	103,173,434	78,526,765
Foreign Mine Sales Revenue	103,173,434	13,966,697
TOTAL	7,441,098,289	15,804,775,577

32. CONSTRUCTION CONTRACTS

None. (31 December 2022: None.)

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

Marketing, Sales and Distribution Expenses

The details of general administrative expenses for the periods 1 January - 31 December 2023 and 1 January - 31 December 2022 according to their qualifications are as follows:

	01 January - 31 December 2023	01 January - 31 December 2022
Transportation costs	110,267,879	20,532,578
Customs expense	12,322,942	200,624
Consulting expense	392,576	656,561
License expense	--	18,569
Other	18,601,689	3,804,222
TOTAL	141,585,086	25,212,553

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The details of general administrative expenses for the periods 1 January - 31 December 2023 and 1 January - 31 December 2022 according to their qualifications are as follows:

	01 January - 31 December 2023	01 January - 31 December 2022
Personnel expense	194,791,121	103,951,427
Depreciation expenses	60,422,151	51,732,327
Consulting expenses	16,754,962	18,690,472
Rent expenses	5,314,407	1,153,572
Tax Return and Stamp Tax	2,209,451	11,916,409
Litigation Provision Expenses	1,629,501	--
Other Expenses	122,997,682	56,298,051
TOTAL	404,119,274	243,742,258

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

	01 January - 31 December 2023	01 January - 31 December 2022
Prior Period Income and Profits	368,141,913	16,221,043
Exchange Difference Income	137,869,914	353,402,058
Rediscount Interest Income	73,933,477	13,939,180
Other Extraordinary Income	25,954,694	3,846,613
Other Operating-Related Income and Profits	13,006,481	5,137,482
Provisions no longer Required	1,248,950	3,625,982
TOTAL	620,155,429	396,172,359

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34. OTHER OPERATIONAL INCOME AND EXPENSE (Contd)

Other Expenses from Main Operations

	01 January - 31 December 2023	01 January - 31 December 2022
Exchange Difference Expense	224,018,816	204,188,863
Other Extraordinary Expenses and Losses	162,273,338	84,042,805
Non-Working Part Expenses and Losses (*)	47,247,781	59,002,751
Rediscount Expenses	36,591,270	7,475,752
Provision Expenses	29,066,625	12,101,209
Other Operating Expenses and Losses	16,983,303	38,724,049
Previous Period Expenses and Losses	6,264,024	58,978,335
TOTAL	522,445,156	464,513,765

35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Income and Expenses from Investment Activities for the periods 1 January - 31 December 2023 and 1 January - 31 December 2022 are as follows;

	01 January - 31 December 2023	01 January - 31 December 2022
Investment activity income	4,523,434,231	62,195,553
Investment activity expenses	(6,211,808)	(95,746,973)
Shares of Profit/Loss of Investments Valued by Equity Method	--	14,950
TOTAL	4,517,222,423	(33,536,470)

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36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES

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

Personnel expenses	01 January - 31 December 2023	01 January - 31 December 2022
Cost of sales	323,017,280	243,791,297
General operating expenses	194,791,121	103,951,427
TOTAL	517,808,401	347,742,724

Insurance expenses	01 January - 31 December 2023	01 January - 31 December 2022
Cost of sales	35,312,082	36,439,288
General administration expenses	--	--
TOTAL	35,312,082	36,439,288

Consultancy expenses	01 January - 31 December 2023	01 January - 31 December 2022
Cost of Sales	4,850,350	2,975,860
Marketing, sales and distribution expenses	392,576	656,561
General administration expenses	16,754,962	18,690,472
TOTAL	21,997,888	22,322,893

37. FINANCIAL EXPENSE AND INCOME

Financial Income

	01 January - 31 December 2023	01 January - 31 December 2022
Exchange difference profits	1,932,551,469	1,071,790,244
Interest income	270,993,085	95,747,114
Rediscount interest income	180,910,876	26,869,336
Securities Sales income	21,462,808	2,850,272
Earnings from derivative instruments	--	38,677,728
TOTAL	2,405,918,238	1,235,934,693

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37. FINANCIAL EXPENSE AND INCOME (Contd)

Financial Expenses

	01 January - 31 December 2023	01 January - 31 December 2022
Exchange difference losses	710,705,866	1,877,025,703
Interest and commission expenses	445,278,612	768,688,720
Rediscount interest expenses	200,369,757	97,508,787
Loss on sale of securities	2,138,675	301
TOTAL	1,358,492,910	2,743,223,511

38. ANALYSIS OF OTHER COMPREHENSIVE INCOME

The Group's other comprehensive income / (expense) breakdown as of 31 December 2023 and 31 December 2022 is as follows:

Not Reclassified to Profit or Loss	01 January - 31 December 2023	01 January - 31 December 2022
Actuarial gains/(losses) (Note:27)	15,325	(5,222,514)
Deferred tax income/(expense) (Note:40)	(3,831)	1,044,503
TOTAL	11,494	(4,178,011)

Reclassified in Profit or Loss	01 January - 31 December 2023	01 January - 31 December 2022
Cash flow hedge gains/(losses)	(773,170,950)	(423,865,116)
Deferred tax income/(expense) (Note:40)	(241,179,091)	82,876,463
TOTAL	(1,014,350,041)	(340,988,654)

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A share transfer agreement was signed with FERRIT S.R.O (Czech Republic) on 29 June 2015 regarding the sale of all shares of Ena Elektrik Üretim Ltd. The transfer of share certificates has not yet taken place, and will take place after the licensing procedures at EMRA. As of 30 June 2015, Ena Elektrik has been classified as an asset held for sale in the consolidated financial statements. As of December 31, 2023, the net asset value of Ena Elektrik is TRY 495.436 (December 31, 2022: TRY 987.234).

The said sale transaction was considered as a discontinued operation in accordance with TFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" and as of 31 December 2023 the net profit/(loss) of Ena Elektrik Üretim Ltd.Şti. Income from discontinued operations is classified as expenses in the consolidated statement of profit or loss and other comprehensive income for 2023.

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

	01 January - 31 December 2023	01 January - 31 December 2022
Revenues	23,049	102,200
Expenses (-)	(154,357)	(344,657)
Pre-Tax Profit	(131,308)	(242,457)
Tax (-)	27,596	84,367
Net Profit/(Loss) for the Period	(103,712)	(158,090)

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

The tax income/(expenses) included in the income statement for the accounting periods of 01 January – 31 December 2023 and 01 January – 31 December 2022 are summarized below:

	01 January - 31 December 2023	01 January - 31 December 2022
Tax expense for the period	(336,077,252)	(509,047,674)
Deferred Tax Income/ Expense	302,518,647	804,930,667
Deferred Tax Reflected in Equity	(241,182,922)	83,920,965
TOTAL	(274,741,527)	379,803,958

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

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. Starting from October 1, 2023, it will be applied at a rate of 25%.

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

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

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

Assets Related to Current Period Tax:

As of 31 December 2023 and 31 December 2022, the details of current period tax assets are as follows;

	31 December 2023	31 December 2022
Prepaid taxes and funds	210,007,383	444,431,184
TOTAL	210,007,383	444,431,184

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

Current Period Tax Expense:

	31 December 2023	31 December 2022
Period Profit Tax and Legal Liability Provision	246,907,683	404,940,174
TOTAL	246,907,683	404,940,174

Deferred Tax

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

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

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

As of 31 December 2023 and 31 December 2022, the deferred asset and deferred tax liability are reflected in the consolidated financial statements as follows.

	31 December 2023	31 December 2022
Deferred tax asset	1,506,029,768	1,386,917,130
Deferred tax liability	(930,534,418)	(713,463,373)
TOTAL	575,495,350	673,453,757

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Deferred Tax Assets / (Liabilities)	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Other Deferred Tax Assets/ Liabilities	(392,635,611)	(2,481,279,477)	(98,158,903)	(620,319,869)
Rediscounts	(23,211,773)	(4,653,579)	(5,802,943)	(1,163,395)
Inventory	(354,724,311)	(375,855)	(88,681,078)	(93,964)
Other Provisions for Debts and Expenses	288,022,234	223,935,193	72,005,559	55,983,798
Depreciation Differences on Tangible and Intangible Assets	(1,909,043,393)	245,058,798	(477,260,848)	61,264,699
Severance Pay and Leave Provision	19,297,683	30,484,390	4,824,421	7,621,097
Tax Deduction Based on Cash Capital Increase (*)	--	--	157,286,689	24,698,351
Investment Incentive, Discounted Corporate Tax Right (**)	--	--	1,275,137,016	1,431,820,520
Tangible Asset Revaluation Effects	-	(51,772,592)	-	(12,943,148)
Cash Flow Hedging Gains/Losses	1,863,563,520	1,481,056,697	465,890,880	370,264,174
Inflation Effect	--	--	(729,928,931)	(644,010,200)
TOTAL			575,495,350	673,453,757

(*) The Group has a tax advantage amounting to 157.286.689 TL related to indexed and deferred taxes on capital increases realized in previous periods under incentive schemes.

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

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As of December 31, 2023, the remaining indexed investment deduction amount is 1.143.417.926 TRY. Additionally, an investment incentive certificate numbered 510216 dated April 8, 2020, and with ID number 1013731 has been issued by the Republic of Turkey Ministry of Industry and Technology. The support class of this certificate is Regional-Priority Investment and includes support elements such as VAT Exemption, Interest Support, Tax Deduction, Employer's Share of Insurance Premium, and Investment Site Allocation. Accordingly, the Contribution Rate to Investment is 40%, and the Reduced Corporate Tax Rate is 80%. Therefore, the income generated from the investment amounting to 131.719.090 TL, which is 40% of the total investment of 329.297.725 TRY, will be eligible for the reduced corporate tax application. The related amount has been subject to deferred tax.

41. EARNINGS PER SHARE

	01 January - 31 December 2023	01 January - 31 December 2022
Net profit/(loss)	3,806,932,479	1,402,004,017
Weighted average number of ordinary shares	1,400,000,000	1,400,000,000
Profit/(loss) per share with a nominal value of TRY 1	2.719237	1.001431

42. SHARE-BASED PAYMENT

None. (None, December 31, 2022.)

43. INSURANCE CONTRACTS

None. (None, December 31, 2022.)

44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE

None. (None, December 31, 2022.)

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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.

In accordance with the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities that apply TFRSs are required to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for the annual reporting period beginning on after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. For comparative purposes, comparative information in prior period financial statements is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has also presented its consolidated financial statements as of December 31, 2022 on the basis of the purchasing power of that currency as of December 31, 2023.

In accordance with the CMB's decision dated December 28, 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with their annual financial statements for the accounting periods ending on December 31, 2023. The restatements made in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT").

As at December 31, 2023, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows;

Date	Index	Correction Coefficient
31.12.2023	1.859,38	1
31.12.2022	1.128,45	1,647
31.12.2021	686,95	2,706

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46. TÜREV ARAÇLAR

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

The Company management has discontinued the hedge accounting applied in accordance with TFRS 9 as of July 1, 2023 due to the expiration of foreign currency loan liabilities designated as hedging instruments within the scope of cash flow hedge accounting for the highly probable forecast transaction foreign currency risk component.

In this context, as of June 30, 2023, reclassification of the cash flow hedge reserve accumulated in other comprehensive income to the income statement in accordance with IFRS 9 has started in connection with the cash flows of the hedged item at the date the hedge accounting is terminated.

As of December 31, 2023, the amount reclassified from cash flow hedge reserve under Other Comprehensive Income to the income statement within the scope of hedge accounting closure transactions is net 115.303.768 TRY.

47. FINANCIAL INSTRUMENTS

Short-Term Financial Liabilities

	31 December 2023	31 December 2022
Bank loans	10,230,478	24,037,697
Financial leasing liabilities	14,112,802	6,175,114
Deferred financial leasing costs (-)	(5,076,492)	(1,467,319)
Installments of principal and interest of loans	165,334,926	599,030,868
Other Financial Liabilities	7,827,724	7,886,908
Short-Term Financial Liabilities - Net	192,429,438	635,663,268

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47. FINANCIAL INSTRUMENTS (Contd)

Long-Term Financial Liabilities

	31 December 2023	31 December 2022
Bank loans	23,365,003	3,286,574,186
Financial leasing liabilities (*)	7,488,225	4,648,680
Deferred financial leasing costs (-) (**)	(1,427,223)	(502,644)
Long-Term Financial Liabilities - Net	29,426,005	3,290,720,222

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

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

As of 31December 2023 and 31 December 2022, the repayment schedule of long-term loan obligations is as follows:

Long-Term Loans Liabilities	31 December 2023	31 December 2022
2024	--	800,874,579
2025	23,365,003	654,325,067
2026	--	544,301,617
2027	--	473,426,430
2028	--	409,746,404
2029	--	352,955,867
2030	--	50,944,221
TOTAL	23,365,003	3,286,574,186

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47. FINANCIAL INSTRUMENTS (Contd)

Long-Term Loans Liabilities	31 December 2023	31 December 2022
1-2 Years	23,365,003	800,874,577
2-3 Years	--	654,325,067
3-4 Years	--	544,301,617
4-5 Years	--	473,426,430
5 Years and Longer	--	813,646,492
TOTAL	23,365,003	3,286,574,184

As of 31 December 2023, the repayment schedule of long-term leasing obligations is as follows:

Payment Year	Financial Leasing Liabilities	Deferred Financial Leasing Costs
2025	7,488,225	(1,427,223)
TOTAL	7,488,225	(1,427,223)

	31 December 2023	31 December 2022
Other financial liabilities (*)	7,827,724	7,886,908
TOTAL	7,827,724	7,886,908

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

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

	Annual interest rate %		Exchange Value		TRY	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
TRY Loans	9% - 50%	7.5 - 24.24%	198,043,438	--	10,230,479	24,037,696
Short-term Loans					10,230,479	24,037,696
EURO Loans	--	7% - 8.752%	--	11,586,248	--	381,262,513
TRY Loans	7.5-18%	7.5-24%	--	--	165,334,926	217,768,355
Short-term payments and interests of loans					165,334,926	599,030,868
Total short-term loans					175,565,405	623,068,564
EURO Loans		7% - 8.752%	--	91,908,500	--	3,024,384,299
TRY Loans		7.5 - 24.24%	--	--	23,365,003	262,189,884
Total long-term loans					23,365,003	3,286,574,184

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Capital Risk Management

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

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

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

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

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

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

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

b) Financial Risk Factors

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

b.1) Credit risk

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

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

31.12.2023	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	20,361,366	1,933,192,482	35,659,724	140,590,268	537,314,918	--	123,680,431
- Maximum amount of risk exposed	--	--	--	29,821,878	--	--	--
- Part of the risk covered by guarantees	--	--	--	--	--	--	--
A. Net value of financial assets neither due nor impaired	20,361,366	1,933,192,482	35,659,724	110,768,390	537,314,918	--	123,680,431
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Net book value of assets past due but not impaired	-	-	-	-	-	-	-
D. Net book value of Impaired assets	--	23,511,340	--	20,844,351	--	--	--
-Past due (gross book value)	--	(23,511,340)	--	(20,844,351)	--	--	--
-Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantees	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantees	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd)

31.12.2022	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	41,218,677	842,043,683	51,019,896	40,805,138	2,387,410,983	--	381,032,892
- Maximum amount of risk exposed	--	--	--	5,713,637	--	--	--
- Part of the risk covered by guarantees	--	--	--	--	--	--	--
A. Net value of financial assets neither due nor impaired	41,218,677	842,043,683	51,019,896	35,091,502	2,387,410,983	--	381,032,892
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Net book value of assets past due but not impaired	-	-	-	-	-	-	-
D. Net book value of Impaired assets	--	40,037,125	--	6,703,567	--	--	--
-Past due (gross book value)	--	(40,037,125)	--	(6,703,567)	--	--	--
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantees	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantees	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Contd)

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 compitable 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.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd)

b.3.1) Foreign Currency Risk Management (Contd)

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

CURRENCY POSITION					
31.12.2023					
	TRY Equivalent (Functional Currency)	USD	EUR	GBP	UZS
1. Trade Receivables	1,043,025,431	34,293,724	1,236,200	--	26,740,000,486
2a. Monetary financial assets (including cash and cash equivalents)	277,784,689	6,064,893	3,396,808	135	13,141,988,055
2b. Non-monetary financial assets	157,736,741	3,027,288	935,772	13,906	--
3. Other	--	--	--	--	--
4. Current Assets (1+2+3)	1,478,546,861	43,385,905	5,568,780	14,042	39,881,988,541
5. Trade Receivables	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--
7. Other	--	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--	--
9. Total Assets (4+8)	1,478,546,861	43,385,905	5,568,780	14,042	39,881,988,541
10. Trade payables	(154,545,450)	(1,682,715)	(3,014,687)	--	(2,737,629,323)
11. Financial Liabilities	(10,847,696)	--	(332,419)	--	--
12a. Monetary financial liabilities	(212,932,131)	(7,220,168)	--	--	--
12b. Non-monetary financial liabilities	--	--	--	--	--
13. Short Term Liabilities (10+11+12)	(378,325,277)	(8,902,883)	(3,347,106)	--	(2,737,629,323)
14. Trade Payables	--	--	--	--	--
15. Financial Liabilities	(2.280.127)	(70.234)	(6.400)	--	--
17. Long Term Liabilities (14+15+16)	(2.280.127)	(70.234)	(6.400)	--	--
18. Total Liabilities (13+17)	(380.605.404)	(8.973.116)	(3.353.506)	--	(2.737.629.323)
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	--	--	--	--	--
19a. Amount of Hedge Total Asset	--	--	--	--	--
19b. Amount of Hedge Total Liabilities	--	--	--	--	--
20. Net Foreign Currency asset/ (liabilities) Position (9-18+19)	1,097,941,457	34,412,789	2,215,274	14,042	37,144,359,218
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	940,204,717	31,385,501	1,279,502	135	42,619,617,865
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	--	--	--	--	--
23. Export	113,204,480	4,774,220	--	--	--
24. Import	--	--	--	--	--

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd)

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				
31.12.2023				
	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	41,295,347	27,530,231	-	-
2 - Amount hedged for USD risk (-)	--	--	-	-
3- Net Effect of U.S. Dollar (1+2)	41,295,347	27,530,231	-	-
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	2,658,329	1,772,219	-	-
5 - Amount hedged for EUR risk (-)	--	--	-	-
6- Net Effect of EURO (4+5)	2,658,329	1,772,219	-	-
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	16,850	11,233	-	-
8- Part of hedged protected from other currency risk (-)	--	--	-	-
9- Net Effect of GBP (7+8)	16,850	11,233	-	-
Change in 20% of the UZS against TRY;				
10- Net asset / liability of other exchange	44,573,231,062	29,715,487,374	-	-
11- Amount hedged for other exchange risk (-)	--	--	-	-
12- Net Effect of UZS (7+8)	44,573,231,062	29,715,487,374	-	-

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

Sensitivity Analysis of Foreign Exchange Position				
31.12.2022				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 10% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	152,233,767	(152,233,767)	-	-
2 - Amount hedged for USD risk (-)	--	--	-	-
3- Net Effect of U.S. Dollar (1+2)	152,233,767	(152,233,767)	-	-
Change in 10% of the EURO against TRY;				
4 - Net asset / liability of EUR	(1,745,459,924)	1,745,459,924	-	-
5 - Amount hedged for EUR risk (-)	--	--	-	-
6- Net Effect of EURO (4+5)	(1,745,459,924)	1,745,459,924	-	-
Change in 10% of the GBP against TRY;				
7- Other foreign currency net asset / liability	7,306	(7,306)	-	-
8- Part of hedged protected from other currency risk (-)	--	--	-	-
9- Net Effect of GBP (7+8)	7,306	(7,306)	-	-
Change in 10% of the UZS against TRY;				
10- Net asset / liability of other exchange	(700,027,272)	700,027,272	-	-
11- Amount hedged for other exchange risk (-)	--	--	-	-
12- Net Effect of UZS (10+11)	(700,027,272)	700,027,272	-	-
Change in 10% of the JPY against TRY;				
13- Other Foreign Currency Net Assets/ Liabilities	455,723,985	(455,723,985)	-	-
14- Other Foreign Currency Hedged Portion (-)	--	--	-	-
15- Net Effect of JPY(13+14)	455,723,985	(455,723,985)	-	-

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

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. (31.12.2022: None)

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

Fair Value

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

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

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

Financial Assets

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

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

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.

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

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.

31.12.2023						
	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	--	708,070,594	--	--	708,070,594	53
Trade receivables	--	1,953,553,848	--	--	1,953,553,848	6-7
Other receivables	--	176,249,992	--	--	176,249,992	6-9
Financial Liabilities						
Financial payables	--	--	--	221,855,443	221,855,443	47
Trade payables	--	--	--	1,077,181,050	1,077,181,050	6-7
Other payables	--	--	--	755,344,802	755,344,802	6-9

31.12.2022						
	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
Financial Assets						
Cash and Cash Equivalent	--	2,432,579,569	--	--	2,432,579,569	53
Trade receivables	--	883,262,361	--	--	883,262,361	6-7
Other receivables	--	91,825,036	--	--	91,825,036	6-9
Financial Liabilities						
Financial payables	--	--	--	3,926,383,490	3,926,383,490	47
Trade payables	--	--	--	1,133,875,158	1,133,875,158	6-7
Other payables	--	--	--	1,018,234,530	1,018,234,530	6-9

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

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50. SUBSEQUENT EVENTS

Sale of Financial Assets

The transfer of the Group's 80% shares in Ena Elektrik Üretim Limited Şirketi, which is held for sale, was completed on February 15, 2024.

Transfer of Financial Assets

The share transfer transactions to Çan2 Termik A.Ş., one of the Group's subsidiaries stated in the PDP disclosure dated 15.02.2024 regarding the Group's operations in Venezuela, were realized as of 13.04.2024.

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

None. (31 December 2022: None.)

52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARDS

None. (31 December 2022: None.)

53. EXPLANATION TO CASH FLOW STATEMENT

Cash and Cash Equivalents

	31 December 2023	31 December 2022
Cash	46,097,662	45,128,270
Bank	537,382,864	2,387,410,983
-Demand deposit	336,584,215	1,278,070,823
-Time deposit	200,798,649	1,109,340,160
Other Current Assets	124,590,068	40,316
TOTAL	708,070,594	2,432,579,569

As of December 31, 2023 there is no blocked deposits of the Group (None, December 31, 2022)

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53. EXPLANATION TO CASH FLOW STATEMENT (Contd)

Details of time deposits as of 31 December 2023 are presented below:

Time Deposit Currency	Maturity	Interest rate	31.12.2023 Foreign Currency	31.12.2023 TRY
TRY	02.01.2024	39.00%	34,800,000	34,800,000
TRY	02.01.2024	30.00%	31,300,000	31,300,000
TRY	02.01.2024	39.12%	20,400,000	20,400,000
TRY	02.01.2024	38.00%	20,370,000	20,370,000
TRY	02.01.2024	36.97%	20,229,000	20,229,000
TRY	02.01.2024	39.00%	12,754,578	12,754,578
TRY	02.01.2024	38.97%	10,700,000	10,700,000
TRY	02.01.2024	38.00%	10,042,890	10,042,890
TRY	02.01.2024	38.00%	9,600,000	9,600,000
TRY	02.01.2024	37.00%	8,081,685	8,081,685
TRY	02.01.2024	42.91%	7,204,451	7,204,451
TRY	02.01.2024	38.00%	3,000,000	3,000,000
TRY	02.01.2024	41.00%	2,300,000	2,300,000
TRY	02.01.2024	39.00%	2,143,365	2,143,365
TRY	02.01.2024	42.91%	721,159	721,159
TRY	02.01.2024	30.00%	580,000	580,000
TRY	02.01.2024	42.91%	526,234	526,234
TRY	02.01.2024	42.91%	410,097	410,097
TRY	02.01.2024	42.91%	402,664	402,664
TRY	02.01.2024	42.91%	400,629	400,629
TRY	02.01.2024	38.00%	400,000	400,000
TRY	02.01.2024	42.91%	393,600	393,600
TRY	02.01.2024	42.91%	385,338	385,338
TRY	02.01.2024	42.91%	362,797	362,797
TRY	02.01.2024	42.91%	354,730	354,730
TRY	02.01.2024	42.91%	337,648	337,648
TRY	02.01.2024	42.91%	132,025	132,025
TRY	09.10.2023	21.10%	84,018	84,018
TRY	29.01.2024	25.00%	4,542	4,542
TRY	02.01.2024	33.46%	1,206	1,206
TRY	02.01.2024	42.91%	20	20
				198,422,675

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53. EXPLANATION TO CASH FLOW STATEMENT (Contd)

Time Deposit Currency	Maturity	Interest rate	31.12.2023 Foreign Currency	31.12.2023 TRY
USD	02.01.2024	0.10%	1,904,084	1,904,084
EURO	02.01.2024	0.10%	271,890	271,890
USD	02.01.2024	0.10%	200,000	200,000
				2,375,974

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53. EXPLANATION TO CASH FLOW STATEMENT (Contd)

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

Time Deposit Currency	Maturity	Interest rate	31.12.2022 Foreign Currency	31.12.2022 TRY
EURO	02.01.2023	0.10%	13,000,000	259,153,700
EURO	02.01.2023	0.10%	4,000,000	79,739,600
EURO	02.01.2023	1.25%	6,004,331	119,695,742
USD	02.01.2023	1.85%	2,801,809	52,389,064
USD	16.01.2023	3.00%	3,000,000	56,094,900
TL	01.01.2023	21.75%	18,170,223	18,170,223
TL	02.01.2023	12.00%	1,515,910,85	1,515,910,85
TL	02.01.2023	13.00%	24,715,938	24,715,938
TL	02.01.2023	10.24%	256,991	256,991
TL	02.01.2023	10.24%	605,840	605,840
TL	02.01.2023	10.24%	1,493,875	1,493,875
TL	02.01.2023	14.75%	19,772,750	19,772,750
TL	02.01.2023	15.00%	32,954,584	32,954,584
TL	02.01.2023	4.00%	202,636	202,636
TL	02.01.2023	10.24%	467,649	467,649
TL	02.01.2023	10.24%	182,857	182,857
TL	02.01.2023	10.24%	557,755	557,755
TL	02.01.2023	12.00%	30,590,092	30,590,092
TL	02.01.2023	20.00%	16,477,292	16,477,292
TL	02.01.2023	10.00%	49,433,060	49,433,060
TL	02.01.2023	10.24%	94,774	94,774
TL	02.01.2023	12.00%	1,062,785	1,062,785
TL	02.01.2023	12.00%	8,543,476	8,543,476
TL	02.01.2023	10.24%	2,177,414	2,177,414
TL	02.01.2023	10.24%	502,480	502,480
TL	02.01.2023	10.24%	567,992	567,992
TL	02.01.2023	12.00%	27,187,532	27,187,532
TL	02.01.2023	15.16%	8,246,014	8,246,014
TL	02.01.2023	13.00%	7,236,105	7,236,105
TL	02.01.2023	19.00%	52,562,561	52,562,561
TL	02.01.2023	10.24%	3,753,771	3,753,771
TL	02.01.2023	10.24%	533,699	533,699
TL	02.01.2023	10.24%	998,818	998,818
TL	02.01.2023	10.24%	554,936	554,936
TL	02.01.2023	12.00%	1,039,717	1,039,717
TL	08.01.2023	13.87%	1,997	1,997
TL	09.01.2023	10.00%	6,689	6,689
TL	16.01.2023	12.50%	10,678	10,678
TL	20.01.2023	14.58%	127,292	127,292
TL	15.02.2023	13.50%	3,193,447	3,193,447
TL	03.03.2023	12.00%	210,291,273	210,291,273
TL	06.03.2023	12.00%	16,176,252	16,176,252
			571,073,295	1,109,340,160

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54. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE

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

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

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55. EXPLANATIONS ON CASH FLOWS THE STATEMENTS

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

		Current Period Audited Consolidated	Prior Period Audited Consolidated
	NOTES	01.01-31.12.2023	01.01-31.12.2022
A. CASH FLOWS FROM OPEARING ACTIVITIES		9.844.114.981	7.777.991.813
Profit/Loss For The Period		3.806.932.479	1.402.004.017
Continuing Operations Period Profit & Loss	30	3.807.036.191	1.402.162.107
Discontinued Operations Profit and Loss for the Period	39	(103.712)	(158.090)
Adjustments To Reconcile Net Profit/Loss For The Period		7.555.316.467	4.333.719.082
Adjustments related to amortization and depreciation expenses	14-17-28-33-36	1.153.158.950	533.800.959
Adjustments Regarding Impairment (Cancellation) of Receivables	7	(16.525.785)	(19.568.381)
Adjustments Regarding Provisions (Cancellation) for Employee Benefits	27	7.235.758	8.436.386
Adjustments Related to Other Provisions (Reversals)	29	(1.143.030.258)	-
Corrections Regarding Litigation and/or Penalty Provisions (Cancellation)	25	4.108.369	3.223.942
Adjustments Regarding (Cancellation) of Provisions Set aside in accordance with Sectoral Requirements	25	(124.491)	(167.035)
Deferred Financing Expense from Forward Purchases	34	254.844.353	10.287.677
Unearned Finance Income from Futures Sales	34	(236.961.027)	19.847.192
Adjustments Regarding Interest Expenses and Currency Differences	37	1.436.646.700	1.096.834.979
Adjustments Related to Interest Income	37	(459.667.432)	(1.732.528.456)
Adjustments for Unrealized Currency Translation Differences		945.255.088	572.260.903
Adjustments for Fair Value Loss/Gains	8	(495.927.565)	348.781.437
Adjustments Regarding Tax Expenses/Income	40	264.820.386	606.532.960
Adjustments for Losses (Gains) Due to Disposal of Affiliates, Joint Ventures and Financial Investments or Changes in Shares	30	(1.762.160.709)	146.851.989
Transfers	30	(321.974.581)	-
Minority Shares	30	3.009.554.421	416.289.509
Adjustments Related to Monetary (Loss//)Gain		4.916.064.289	2.322.835.021

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55. EXPLANATIONS ON CASH FLOWS THE STATEMENTS (Contd)

		Current Period Audited Consolidated	Prior Period Audited Consolidated
	NOTES	01.01-31.12.2023	01.01-31.12.2022
Changes In Business Capital		(1.518.145.459)	2.046.446.725
Adjustments Regarding Increase/Decrease in Inventories	10	(363.075.324)	581.410.794
Decrease (Increase) in Trade Receivables from Related Parties		20.857.312	79.879.428
Decrease (Increase) in Trade Receivables from Non-related Parties	7	(1.255.533.890)	(316.246.389)
Decrease (Increase) in Other Receivables from Related Parties	6	15.360.172	(4.104.647)
Decrease (Increase) in Other Receivables from Unrelated Parties	9	(173.718.605)	39.308.152
Decrease (Increase) in Other Assets Related to Operations	29	2.237.143.308	220.393.805
Increase (Decrease) in Trade Payables to Related Parties	6	(1.492.447)	(13.077.882)
Increase (Decrease) in Trade Payables to Non-Related Parties	7	145.168.096	357.806.507
Decrease (Increase) in Prepaid Expenses	12	(139.994.436)	(68.817.484)
Increase (Decrease) in Debts within the Scope of Employee Benefits	27	7.497.553	(7.952.697)
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	27.511.823	(54.971.525)
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	9	(253.810.281)	586.351.119
Increase (Decrease) in Deferred Revenues	12	(564.226.924)	394.268.801
Increase (Decrease) in Other Liabilities Related to Operations	27-29	(1.219.831.816)	252.198.743
Cash Flows from Operations		9.844.103.487	7.782.169.824
Other Loss/Gain	30	11.494	(4.178.011)

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD JANUARY 01, 2023 - DECEMBER 31, 2023

(Currency is TRY unless otherwise is indicated.)

56. FEES PAID FOR THE AUDIT SERVICES

a- The independent audit fee for the reporting period of 1 January - 31 December 2023 is TRY 350.000.
(31.12.2022: 378.978 TL)

b- Fees for Other Services:

- **Fees for Other Assurance Services:** None (31.12.2023 : 24.716 TL)
- **Fee for Tax Consultancy Services :** None (31.12.2022 : None)
- **Fees for Other Services Other than Independent Audit:** None (31.12.2022 : None)



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