CONVENIENCE TRANSLATION OF
CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

PARK ELEKTRİK ÜRETİM
MADENCİLİK SANAYİ VE TİCARET A.Ş.

1 JANUARY - 31 DECEMBER 2020
CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş.

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" 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 consolidated 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	***How our audit adressed the key audit matter***
Valuation for the fair value of investment properties As stated in Notes 2 and 11, the Group recognises its investment properties at their fair values. As of 31 December 2020, investment properties constitute 26% of the Group's aggregate consolidated assets and have a total carrying value of TRY204,548,131. As of 31 December 2020, the fair values of investment properties determined by independent valuation experts ("Valuation Experts") have been evaluated by management, and these values were used as the fair values of the investment properties in the consolidated financial statements. The fair values were determined based on comparison of benchmark prices of comparable real estate closely located to the real estate subject to valuation. The valuation of fair values of real estates are important for our audit due to the significance of these real estates on the consolidated financial statements, the use of estimates and assumptions (nature of assets, intended use, location adjustment, etc.) and involvement of our valuation experts in our assessments of these estimates and assumptions involved in valuation.	The audit procedures performed were the examination of the accounting for such valuation, including the evaluations performed by the management, and the implementation of the audit procedures presented below. - Meeting with top management about the intended use of the assets, on whether such assets can be classified as investment property, - Testing the land registry records of relevant assets, - Gaining an understanding of the evaluation and inquiries conducted by the Group management regarding the valuation report prepared by the Valuation Experts assigned by the Group, - Evaluating the capability and licence of the Valuation Experts, as well as their independence, by considering the scope of the work conducted and the provisions of the agreement, - Evaluating, with the support of our valuation experts, the valuation method applied and the estimates and assumptions used on the valuation report prepared by the Group's Valuation Experts, - Testing the compliance and adequacy of the fair value of investment properties with regard to TFRS as disclosed in Notes 2 and 11.

Key audit matters	*How our audit adressed the key audit matter*
***Provisions and contingent liabilities* (Note 15)** There are compensation claims regarding the legal cases to which the Group is a party. Important estimations are used regarding the probability on whether economical assets of the Group will be used to meet liabilities when provisions and contingent liabilities concerning the related litigation and compensation claims are assessed. As of 31 December 2020 there are compensation claims related to ongoing litigation against the Group, and we focused on this matter in our audit for the reasons below: - The possibility to have a significant effect on the Group's consolidated financial statement as of 31 December 2020, - Group management used significant estimations in the assessment, - Estimations used in provision and contingent liabilities might be affected by possible future changes in the legal process, - The Group management involves legal consultants in the evaluation of the impact of the legal cases on the consolidated financial statements.	We performed the following audit procedures in relation to provisions and contingent liabilities: - We understood the litigation and compensation claims process regarding legal cases and how they are assessed by the Group management, - Legal letters were obtained from the independent external legal counsel and Group internal legal counsel, - Meetings were held with Group management to evaluate their the estimations and the summary case reports prepared by the Group management, - Meetings were held with the Group internal legal counsel about the pending cases. Evaluations of Group management and Group internal legal counsels were also assessed by our legal counsels.

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

The Group 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 consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

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 SIA 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 consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.

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

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. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2020 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 10 March 2021.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Çağlar Sürücü, SMMM
Partner

İstanbul, 10 March 2021

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2020

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Current period Audited 31 December 2020	Prior period Audited 31 December 2019
ASSETS			
Current assets			
Cash and cash equivalents	4	48,223,219	6,214,119
Trade receivables	7	7,105,042	5,294,840
Trade receivables from related parties	*24*	*3,232,714*	*2,213,763*
Trade receivables from third parties		*3,872,328*	*3,081,077*
Other receivables	9	59,105,036	46,857,213
Other receivables from related parties	*24*	*55,885,452*	*43,261,995*
Other receivables from third parties		*3,219,584*	*3,595,218*
Inventories	10	2,457,836	938,990
Prepaid expenses	8	332,639	249,448
Current income tax assets		5,376,750	-
Other current assets	16	85,696	7,006
Total current assets		**122,686,218**	**59,561,616**
Non-current assets			
Financial investments	5	452,207	13,842,856
Other receivables	9	326,947,388	198,679,420
Other receivables from related parties	*24*	*326,735,127*	*198,447,905*
Other receivables from third parties		*212,261*	*231,515*
Investment properties	11	204,548,131	191,995,000
Property, plant and equipment	12	100,040,450	74,259,399
Intangible assets	13	18,208,844	19,117,078
Deferred tax assets		34,196	-
Other non current assets	16	11,087,004	7,350,528
Total non-current assets		**661,318,220**	**505,244,281**
TOTAL ASSETS		**784,004,438**	**564,805,897**

The consolidated financial statements for the period 1 January - 31 December 2020 have been approved by the Board of Directors on 10 March 2021 and management is authorized for issue.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2020

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Current period Audited 31 December 2020	Prior period Audited 31 December 2019
LIABILITIES			
Current liabilities			
Short-term borrowings	6	-	588
Trade payables	7	5,021,317	11,081,736
Trade payables to related parties	*24*	*474,981*	*343,862*
Trade payables to third parties		*4,546,336*	*10,737,874*
Payables related to the employee benefits	14	471,963	343,096
Other payables	9	528,680	566,383
Other payables to related parties	*24*	*6,038*	*5,634*
Other payables to third parties		*522,642*	*560,749*
Deferred income	8	2,830,387	114,002
Current income tax liability	22	-	2,869,969
Short-term provisions	15	35,432,893	35,869,200
Short-term provisions for employee benefits		*957,595*	*731,496*
Other provisions		*34,475,298*	*35,137,704*
Other current liabilities	16	5,904,725	2,044,763
Total current liabilities		**50,189,965**	**52,889,737**
Non-current liabilities			
Other payables	9	3,020,942	2,620,970
Other payables to third parties		*3,020,942*	*2,620,970*
Long-term provisions	15	7,955,209	6,977,430
Long-term provisions for employee benefits		*3,561,926*	*3,657,145*
Other provisions		4,393,283	*3,320,285*
Deferred tax liabilities	22	16,132,111	12,929,745
Other long term liabilities	16	2,306,050	-
Total non- current liabilities		**29,414,312**	**22,528,145**
Total liabilities		**79,604,277**	**75,417,882**
EQUITY			
Paid in share capital	17	148,867,243	148,867,243
Effects of business combinations under common control		(322,280,157)	(486,737,853)
Adjustments to share capital		16,377,423	16,377,423
Share premium / (discounts)		6,307,642	6,307,642
Repurchased shares (-)		(1,573,261)	(1,573,261)
Other comprehensive income or expenses that will not be reclassified to profit or loss		91,696,732	100,617,738
Gain on revaluation of property, plant and equipment		*100,248,746*	*96,328,884*
Gain on remeasurement of defined benefit plans		*648,183*	*648,183*
Gain/loss on financial assets measured at fair value through other comprehensive income / (loss)		*(9,200,197)*	*3,640,671*
Restricted reserves appropriated from profit		303,430,035	303,430,035
Retained earnings		402,099,048	398,043,573
Net profit for the period		59,475,456	4,055,475
Total equity		**704,400,161**	**489,388,015**
TOTAL LIABILITIES AND EQUITY		**784,004,438**	**564,805,897**

The accompanying notes form an integral part of these consolidated financial statements.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2020

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Current period Audited 1 January - 31 December 2020	Prior period Audited 1 January - 31 December 2019
Revenue	18	46,612,527	10,447,779
Cost of sales (-)	18	(34,318,927)	(2,541,903)
Gross profit		**12,293,600**	**7,905,876**
General administrative expenses (-)	19	(9,578,957)	(10,832,673)
Marketing expenses (-)		(713,607)	-
Income from other operating activities	19	1,173,433	1,164,711
Expenses from other operating activities (-)	19	(10,459,757)	(22,847,499)
Operating loss		**(7,285,288)**	**(24,609,585)**
Income from investing activities	20	16,434,358	906,417
Loss on investing activities (-)	20	(1,199,366)	(10,087,841)
Operating gain/(loss) before financial (expense)/income		**7,949,704**	**(33,791,009)**
Financial income	21	72,568,403	41,192,641
Financial expenses (-)	21	(2,204,799)	(299,165)
Profit before tax from continued operations		**78,313,308**	**7,102,467**
Tax expense from continued operations		**(18,837,852)**	**(3,046,992)**
Taxes on income	22	(16,099,866)	(7,973,426)
Deferred tax income / (expense)	22	(2,737,986)	4,926,434
Net profit from continued operations		**59,475,456**	**4,055,475**
Earnings per share from continued operations	**23**	**0,00400**	**0,00027**
Other comprehensive income			
Items not to be reclassified to profit or loss		**(8,921,006)**	**2,252,243**
(Losses) on remeasurement of defined benefit plans		-	(51,247)
Tangible fixed assets revaluation increases		3,919,862	-
Fair value gains/(losses) of financial assets reflected to other comprehensive income		(12,840,868)	2,303,490
Other comprehensive income/(expense)		**(8,921,006)**	**2,252,243**
Total comprehensive income		**50,554,450**	**6,307,718**

The accompanying notes form an integral part of these consolidated financial statements.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2020

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

					Other comprehensive income/(expense) not reclassified to profit or loss					Retained earnings		
	Paid-in Share capital	**Repurchased capital**	**Adjustments to share capital**	**Share premium**	**Gain on revaluation of property plant and equiptment**	**Gain/(loss) on financial assets measured at fair value through other comprehensive income**	**Gain/(loss) on remeasurement of defined benefit plans**	**Restricted reserves**	**Business combinations under common control**	**Retained earnings**	**Net income/ (loss)**	**Total equity**
1 January 2019	**148,867,243**	**(1,573,261)**	**16,377,423**	**6,307,642**	**96,328,884**	**1,337,181**	**699,430**	**303,430,035**	**(486,737,853)**	**358,931,734**	**39,111,839**	**483,080,297**
Transfers	-	-	-	-	-	-	-	-	-	39,111,839	(39,111,839)	-
Total comprehensive income	-	-	-	-	-	2,303,490	(51,247)	-	-	-	4,055,475	6,307,718
31 December 2019	**148,867,243**	**(1,573,261)**	**16,377,423**	**6,307,642**	**96,328,884**	**3,640,671**	**648,183**	**303,430,035**	**(486,737,853)**	**398,043,573**	**4,055,475**	**489,388,015**
1 January 2020	**148,867,243**	**(1,573,261)**	**16,377,423**	**6,307,642**	**96,328,884**	**3,640,671**	**648,183**	**303,430,035**	**(486,737,853)**	**398,043,573**	**4,055,475**	**489,388,015**
Transfers	-	-	-	-	-	-	-	-	-	4,055,475	(4,055,475)	-
Effect of business combinations under common control (Note 24)	-	-	-	-	-	-	-	-	164,457,696	-	-	164,457,696
Total comprehensive income	-	-	-	-	3,919,862	(12,840,868)	-	-	-	-	59,475,456	50,554,450
31 December 2020	**148,867,243**	**(1,573,261)**	**16,377,423**	**6,307,642**	**100,248,746**	**(9,200,197)**	**648,183**	**303,430,035**	**(322,280,157)**	**402,099,048**	**59,475,456**	**704,400,161**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDING 31 DECEMBER 2020
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

STATEMENT OF CASH FLOWS	**Notes**	**Current Period Audited 31 December 2020**	**Prior Period Audited 31 December 2019**
A. Cash flows from operating activities		**(29,929,679)**	**(4,829,708)**
Net profit for the period		**59,475,456**	**4,055,475**
Adjustments to reconcile profit / (loss) for the period		**(33,326,456)**	**(1,601,980)**
Adjustments for (gains) arised from sale of tangible and intangible assets		(382,919)	(116,101)
Adjustments for impairment		1,187,251	-
Adjustments for amortization and depreciation	12.13	23,194,987	3,160,224
Adjustments for fair value losses/(gains)	11	(15,366,490)	10,087,841
Adjustments for provisions related with employee benefits	15	899,627	703,556
Adjustments for lawsuit and/or penalty provisions	15	9,369,781	22,530,874
Adjustments for tax expense/(income)	22	18,837,852	3,046,992
Adjustments for interest income		(12,174,242)	(11,696,987)
Adjustments for currency translation differences		(58,491,618)	(29,318,379)
Adjustments for non-cash items		(400,685)	-
Adjustments for working capital		**(7,735,578)**	**(4,186,304)**
Adjustments for decrease/(increase) in inventories	10	(1,518,846)	348,737
Adjustments for decrease/(increase) in trade receivables		(1,507,433)	(5,185,639)
Adjustments for decrease/(increase) in other receivables		394,888	(1,218,344)
Adjustments for increase/(decrease) in trade payables		(6,816,041)	4,154,111
Adjustments for (decrease)/increase in other payables from operations		(133,616)	1,864,600
Adjustments for (decrease)/increase in payables related to the employee benefits	14	128,867	(339,578)
Adjustments for (increase)/decrease in prepaid expenses	8	(83,191)	89,720
Adjustments for (increase)/decrease in other current assets	17	(3,815,166)	(5,125,757)
Adjustments for decrease in other liabilities from operations		2,890,272	1,187,452
Adjustments for increase/(decrease) in deferred income	8	2,724,688	38,394
Cash generated from operations		**18,413,422**	**(1,732,809)**
Payments made related to provisions for employee benefits	15	(768,747)	(140,064)
Payments made related to other provisions	15	(6,573,111)	(2,956,835)
Tax returns/(payments)		(40,999,780)	-
Other cash outflows		(810)	-
B. Cash flows from investing activities		**71,674,873**	**11,920,208**
Cash outflows of acquisitions of tangible and intangible assets		(43,038,904)	(33,411,188)
Proceeds from sales of fixed assets		734,024	116,101
Cash outflows of acquisitions of investment properties	11	2,801,244	-
Cash inflows of advance and receivables from related parties		110,505,675	45,215,295
Other cash inflows		672,834	-
C. Cash flows from financing activities		**(272,283)**	**(1,052,572)**
Cash outflows from financial leasing liabilities		-	(1,025,288)
Interest paid	21	(134)	(27,284)
Other cash outflows		(272,149)	-
Increase/(decrease) in cash and cash equivalents before foreign currency translations differences, net (A+B+C)		**41,473,564**	**6,037,928**
Foreign currency translation differences on cash and cash equivalents (D)		**535,536**	**-**
Net increase in cash and cash equivalents (A+B+C+D)		**42,009,100**	**6,037,928**
Cash and cash equivalents at the beginning of the period	**4**	**6,214,119**	**176,191**
Cash and cash equivalents at the end of the period	**4**	**48,223,219**	**6,214,119**

The accompanying notes form an integral part of these consolidated financial statements.

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE COMPANY

Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. (“Park Elektrik” or “The Company”) was established in 1994 and the field of activity of the Company is to search, extract, process and operate all kinds of minerals, ore and their derivatives, to produce all kinds of materials used in the industry and for this purpose, searching mine sites, acquiring operating licenses and operating privileges, operating or having them operated, processing, purifying, refining, and establishing cogeneration power plants to meet the need for electricity, energy and steam, establishing all kinds of facilities in order to operate them, to sell surplus of the energy produced, to produce all kinds of fiber from glass mines and mineral derivatives and to produce all kinds of products from these fibers, establishing and processing plants for the electric energy production and also engages in the acquisition, performing leasing transactions and energy sale of electric energy produced to companies with wholesale and retail licenses as well as regular customers through bilateral agreements.

On 17 November 2016, a landslide happened in the Madenköy copper mine field of the company located in Siirt, Şirvan and following time, assets related to the concentrated copper production were sold on 17 March 2017. With this transaction, copper production operations of the company is ceased.

The Company changed its operations following the sale of the copper production activity and purchased 100% of the shares of Konya Ilgın Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Konya Ilgın") owned by the main shareholder of the company, Park Holding A.Ş. and Turgay Ciner. The purchase was approved at the General Assembly meeting held on 10 May 2017. This was followed by the subsequent transfer of shares.

The affiliate Konya Ilgın has the right to operate in related fields with the aim of production of lignite coal within the framework of its mining license and royalty contracts and has a license dated 27 February 2013 granted the by Energy Market Regulation Author for electricity generation and its sale. It is planned to establish a thermal power plant in the Ilgın District of Konya with fluid bed boiler technology that will have an installed capacity of 500 MW. In the field under the royalty agreement, of which Konya Ilgın is a party, stripping works have started for the start of lignite coal production from the open pit as preparation for the period that power plant will operate and started coal production in the last quarter of 2019. The priority of the pre-mining planning that includes the June 2019-May 2025 period is to prepare the main mining plan with high coal production capacity which is to be carried out when the power plant is operational, and the coal produced by the field in the scope of the main mining plan will be used to provide fuel for the thermal power plant. The Company will be named as the “Group”, collectively together with its subsidiary Konya Ilgın.

The Company has also signed a royalty contract for the purpose of operation at bauxite site in Islahiye district of Gaziantep, which it has an operating license, and started to earn royalty income as of the third quarter of 2019. Related income is calculated over the production amount and included in the consolidated financial statements.

The Company’s legal headquarter is located at Sultantepe Mahallesi Paşalimanı Caddesi No: 41 Üsküdar / İstanbul.

As of 31 December 2020, the Company has 49 employees (31 December 2019: 40).

Shares of The Company is listed on Borsa Istanbul since 1997.

The Company’s shareholding structure is presented as below:

	31 December 2020		31 December 2019	
Shareholders	**Shareholding Ratio**	**Amount**	**Shareholding Ratio**	**Amount**
Park Holding A.Ş.	61.24	91,168,622	61.24	91,168,622
Turgay Ciner	6.76	10,065,983	6.76	10,065,983
Other	32.00	47,632,638	32.00	47,632,638
Total	**100**	**148,867,243**	**100.00**	**148,867,243**

The Company’s main shareholder Park Holding A.Ş., is ultimately controlled by Turgay Ciner.

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE COMPANY (Continued)

The company included in consolidation:

Subsidiaries:

The Group has included the following subsidiary in the accompanying consolidated financial statements in accordance with the principles of consolidation.

Company title	Operations	Country
Konya Ilgın	Electricity generation and sales	Turkey

Approval of Financial Statements

These consolidated financial statements were approved by the Board of Directors on 10 March 2021 and authorized for issue. The Company's General Assembly has the authority to alter consolidated financial statements.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance

The consolidated accompanying financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" (the Communiqué) announced by the Capital Markets Board ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the Communique, companies should apply Turkish Financial Reporting Standards ("TFRS") and interpretations regarding these standards as published by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"). The consolidated financial statements are presented in accordance with announcement regarding with TFRS taxonomy which was published by POA and the format and mandatory information recommended by CMB.

The Group maintain their books of account in accordance with rules and principles defined by Turkish Commercial Code ("TCC") and tax legislation.

The consolidated financial statements are prepared in TRY based on the historical cost except for (if any) land, building, machinery, machinery and equipment, investment properties and financial assets and liabilities which are presented in fair values.

Functional Currency

Consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency) TRY. For the purpose of the financial statements, the results and financial position are expressed in Turkish Lira ("TRY"), which is the functional and presentation currency of the Group.

Restatement of Financial Statements in Hyperinflationary Periods

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards, the application of inflation accounting is no longer required. Accordingly, TAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the TASB, has not been applied in the financial statements for the accounting periods starting 1 January 2005.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

<u>Comparative Information and Correction to Previous Year Financial Statements</u>

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of the financial position and performance trends. The Group has prepared the consolidated statement of financial position as of 31 December 2020 comparatively with the statement of financial position as of 31 December 2019 and The Group has compiled the comprehensive income statement, the cash flow statement and the statement of changes in equity for the period ended 31 December 2020 comparatively with the financial statements for the period ended 31 December 2019.

The Group reclassified its mining preparation and development expenses of TRY 67,206,415, which had been classified under intangible fixed assets, to tangible fixed assets that are mine assets as of 31 December 2019.

<u>Going concern</u>

The consolidated financial statements have been prepared on the basis of the going concern assumption that the Group will benefit from its assets and fulfill its obligations within the next year during the natural course of its activities.

<u>Basis for consolidation</u>

Subsidiaries

Subsidiaries are companies in which the Group is controlled, including structured entities. Control of the Group is ensured by the exposure to variable returns in these companies, the right to be entitled to these assets and the ability to direct them. Subsidiaries are consolidated by using the full consolidation method from the date of transition. They are excluded from the scope of consolidation as of the date on which the control is due.

The assets, liabilities, equity items, income and expense accounts of the subsidiaries and cash flow movements are included in the consolidated financial statements by full consolidation method. The carrying values of the shares of Park Elektrik and subsidiaries are eliminated against the related equity.

Subsidiaries	**Operations**	**Ownership ratio (%)**
Konya Ilgın	Electricity production and sales	100.00

2.2 New and Revised Turkish Accounting Standards

a. Standards, amendments and interpretations applicable as at 30 December 2020:

- **Amendments to TAS 1 and TAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to TAS 1, "Presentation of financial statements", and TAS 8, "Accounting policies, changes in accounting estimates and errors", and consequential amendments to other TFRSs:

  i) use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting;
  ii) clarify the explanation of the definition of material; and
  iii) incorporate some of the guidance in TAS 1 about immaterial information.

- **Amendments to TFRS 3 - definition of a business;** effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the TASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.2 New and Revised Turkish Accounting Standards (Continued)

a. Standards, amendments and interpretations applicable as at 30 December 2020 (Continued):

- **Amendments to TFRS 9, TAS 39 and TFRS 7 - Interest rate benchmark reform;** effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries. Related change has no effect on financial status and performance of Group.

- **Amendment to TFRS 16, "Leases" - Covid-19 related rent concessions;** effective from Annual periods beginning on or after 1 June 2020. As a result of the coronavirus ("COVID-19") pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the TASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. Since there is no change in the terms of the rent agreement, related change does not have a significant effect on the financial status and performance of the Group.

b) Standards amendments and interpretations that are issued but not effective as at 30 December 2020:

- **TFRS 17, "Insurance contracts";** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

- **Amendments to TAS 1, "Presentation of financial statements" on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to TAS 1, "Presentation of financial statements", clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the 'settlement' of a liability.

- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 17 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from Annual periods beginning on or after 1 January 2022.

  - **Amendments to TFRS 3**, "Business combinations" update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. .

  - **Amendments to TAS 16**, "Property, plant and equipment" prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

  - **Amendments to TAS 37**, "Provisions, contingent liabilities and contingent assets" specify which costs a company includes when assessing whether a contract will be loss-making.

  Annual improvements make minor amendments to TFRS 1, "First-time Adoption of TFRS", TFRS 9, "Financial instruments", TAS 41, "Agriculture" and the Illustrative Examples accompanying TFRS 16, "Leases".

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.2 New and Revised Turkish Accounting Standards (Continued)

b) Standards amendments and interpretations that are issued but not effective as at 31 December 2020 (Continued):

- **Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

- **Amendments to TFRS 17 and TFRS 4, 'Insurance contracts', deferral of TFRS 9;** effective from annual periods beginning on or after 1 January 2021. These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial Instrument until 1 January 2023.

  The Group has not determined the effects that may occur in the consolidated financial statements as a result of the application of the aforementioned standards but has not anticipated that these differences will have a significant impact on the consolidated financial statements.

2.3 Changes in accounting policies

Changes of accounting policies resulting from the first time implementation of the TAS are implemented retrospectively or prospectively in accordance with the transition provisions. Major accounting mistakes detected are applied retrospectively and the financial statements of previous period are revised. If the changes in accounting estimates only apply to one period, then they are applied in the current period when the change occurs; if the changes apply also to the future periods, they are applied in both the period of change and in the future period.

Commencing on 31 December 2020, the Group has decided to apply "revaluation model" instead of "cost model" in accordance with Turkish Accounting Standard 16 Property, Plant and Equipment ("TAS 16") to its land, buildings, plant, machinery and equipment, for which fair values are determined with the revaluation studies using market approach and/or replacement cost methods, included in the asset group of "Property, Plant and Equipment". As of 31 December 2020, fair value difference recognized in the consolidated financial statements is TRY 4,847,875. Since Park Elektrik has plant, machinery and equipment in "Property, Plant and Equipment" group, revaluation studies were performed only for these assets as of 31 December 2020. The revaluation studies were performed by EVA Gayrimenkul Değerleme Danışmanlık A.Ş. and by Türkiye Sınai Kalkınma Bankası A.Ş., which are authorised by CMB, for plant, machinery and equipment owned by Park Elektrik and its subsidiary Konya Ilgın, respectively.

2.4 Summary of Significant Accounting Policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

    (i) Has control or joint control over the reporting entity;
    (ii) Has significant influence over the reporting entity; or
    (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Revenue

The Group adopted TFRS 15 "Revenue From Contracts with Customers" which proposes a five step model framework mentioned below for recognizing the revenue.

- Identify the contact with customers
- Identify seperate performance obligations in the contract
- Determine the transaction price in contract
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue

The Group assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.

For each performance obligation identified, the entity determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over time.

The Group recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset or service.

The Group considers the following in the assessment of transfer of control of goods sold and services,

a) The entity has a right to payment for the goods or service,
b) The customer has legal title to the goods or service,
c) The entity has transferred physical possession of the asset,
d) The customer has the significant risks and rewards related to the ownership of the goods or services,
e) The customer has accepted the goods or services.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Revenue (Continued)

The Company does not adjust the promised amount of consideration for the effects of a significant financing component since the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognised as income from operating activities in current period.

The Group's revenue is mainly obtained from royalty income and coal sales, and the control of coal is transferred to the clients, and the transport of the coal is the client's responsibility as per the relevant coal sales agreements. The royalty income is accrued on the basis of production during the relevant period and recorded as revenue.

Dividend and interest income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend revenue from investments is recognized when shareholders have the right to receive such payment.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average out basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, inventory is written down to net realizable value and expense is included in statement of income/(loss) in the period in which the write-down or loss occurred. When circumstances that previously caused inventories discounted to net realizable value no longer exist or when there is clear evidence of an increase in net realizable value because of the changes in economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial write-down.

Property, Plant and Equipment

The facilities, machinery and devices kept in use in the production or delivery of goods or services are re-valued, vehicles, fixtures and investments in progress are expressed in cost values. The revalued amount is determined by deducting the accumulated depreciation and the accumulated impairment in the periods after the fair value determined at the revaluation date. Revaluations are carried out at regular intervals in a way that does not significantly differ from the carrying value of the fair value to be determined on the date of the statement of financial position.

Any revaluation increase arising on the revaluation of such machinery and equipment is recognized in revaluation fund under equity. If there is a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such machinery and equipment is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value. Depreciation is calculated using the straight-line method over the estimated useful lives of property, plant and equipment.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line and declining depreciation method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expected useful lives for property, plant and equipment are as follows:

	Useful life
Machinery and equipment	5 - 25 years
Vehicles	5 - 7 years
Furniture and fixtures	4 - 15 years
Other property, plant and equipment	10 - 15 years

Mine Assets

Mine research and assessment expenses

Costs associated with mine preparation expenses (geophysical, topographical, geological etc.) are recognized as an expense as incurred, except where they are expected to contribute to sustainable capital growth in the future. In such cases, those expenses are capitalized and depreciated over the useful life of the mine (total reserve amount) when the mine reaches its trading production capacity. Research and preparation costs written off as expense prior to the development and construction period of a mine cannot be capitalized even though a mine reserve with trading nature is explored following the related period. Estimated useful life, residual value and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimates being accounted for on a prospective basis.

Mine preparation and development expenses

After the technical feasibility and commercial applicability of extracting ore from a mine resource is provable, the expenses are capitalised as mine preparation and development expenses. During the development of the mine, the stripping costs incurred both before and after production (removal of the covering layer, etc.) are part of the cost of the mine.

The material removed during the stripping phase of mining consists of a mixture of coal and waste. Some of the stripping costs that occur when the ore waste rate is low and provides benefits such as facilitating access to the ore, which can be used in coal production, and to ease accessing more coal in the future. The Group accounts for the stripping assets under the intangible assets when it is likely to achieve future economic benefits related to the stripping process and when it is applicable to recognize the part of the coal that is easy to access and to reliably measure the relevant stripping costs. In this framework, should the actual stripping rate be higher than the estimated average stripping rate calculated considering the current mining period plan of the Group, a portion of the stripping costs incurred within the year is capitalised in the framework of the above-mentioned rates. The changes in the planned average stripping rate are recognised prospectively.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Mine preparation and development expenses (Cont'd)

The mitigation, rehabilitation and closing costs of the mining fields, which are based on the current condition of the mining fields, and arise from open quarry mining field development activities and production carried out in the open quarry, reflect the provision for potential expenses during the closing and rehabilitation of the mines in the financial statements based on the reduced cost values as of the balance sheet date. The above-mentioned provisions are reduced using a discount rate that does not include the risk before tax related to the estimation of future cash flow, considering the risk related to the interest rate and the liability in the markets related to the value at the balance sheet date, and the calculations are reviewed in each balance sheet period. The changes caused by the changing method estimations used in the calculation of the mitigation, rehabilitation and closing of the mining fields are reflected in the mining field mitigation, rehabilitation and closing costs.

Mine preparation and development costs consist of the costs incurred for the development of the mine, especially the stripping, the rehabilitation cost of the mine site, the expropriation costs of the mine lands, and are amortized proportionally to the production amount during the mine production.

Intangible Assets

Intangible assets acquired

Intangible fixed assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired seperately are carried at cost less accumulated impairment losses.

	Useful life
Rights	3 - 30 years

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible fixed asset and their fair value can be measured reliably. Cost of such intangible assets is the fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are carried at cost, less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets acquired separately.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of Tangible and Intangible Assets Other Than Goodwill

At the each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial Instruments

Financial Assets

Classification and measurement

Financial assets are classified by Group into the following specified categories; financial assets recognized at amortized costs, financial assets which change in fair value is reflected to other comprehensive income statement and financial assets which change in fair value is reflected to profit or loss. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group classifies the financial assets on purchase date.

Financial assets recognized at amortized costs

"Financial assets measured at amortized cost" are financial assets held for trading under a business model which aims to collect cash flows and includes cash flows of principal and interest generated from the principal balance with respect to specific dates of contractual terms, has no transaction in market and is non-derivative. Financial assets with maturities less than 12 months are classified as current assets and as non-current assets if more than 12 months. Financial assets of the Group that are recognized at amortized cost include "cash and cash equivalents", "trade receivables" and "other receivables". Related assets are initially recognized at fair value in the financial statements and measured at amortized cost using the effective interest rate method in next recognitions. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the consolidated income statement.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Impairment in trade receivables

The Group has chosen simplified approach for the calculation of impairment of trade receivables that do contain a significant financing component and accounted at amortised cost. In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason date. The Group uses a provision matrix in the calculation of expected credit losses. Since the change in expected credit loss provisions is not material, it is not accounted in consolidated income statement. For each reporting period, the recalculation is made and revaluated. Provision is recalculated and revised each reporting period if necessary.

i) Financial assets which change in fair value is reflected to other comprehensive income statement

The assets are classified as "assets recognized at fair value" once the management adopts the business model of collecting and / or selling contract cash flows. If management does not intend to derecognize the related assets within 12 months from the balance sheet date, assets are classified as non-current assets. is an the Group makes an irrevocable decision during initial recognition of equity based investments by recognizing fair value difference of the investment in other comprehensive income or profit or loss. Financial assets recongnized as other comprehensive income at fair value are presented as "financial investments" in the financial statements. The fair value difference of the assets recognized as other comprehensive income can be classified as retained earnings in case they are sold.

ii) Financial assets which change in fair value is reflected to profit or loss

Financial assets which change in fair value is reflected to profit or loss are financial assets other than assets measured at amortized cost and assets which change in fair value is reflected as other comprehensive income. The resulting fair value gain and loss arised from the assets are recognized in the income statement.

Recognition and derecognition of financial assets

All purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase or to sell the asset. These purchases or sales are purchases or sales generally require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- The rights to receive cash flows from the asset have expired
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the consolidated financial statements.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial Liabilities

When a financial liability is recognized initially, the Group measures it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest method.

Business Combinations and Goodwill

Business combinations that are not under common control are accounted for using the acquisition method. The cost of a business combination is allocated by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Any excess of the acquirer's interest over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination cost is accounted for as goodwill. In business combinations, the acquirer recognizes identifiable assets, intangible assets (such as trademarks) and/or contingent liabilities which are not included in the acquiree's financial statements and which can be separated from goodwill, at their fair values in the consolidated financial statements. Goodwill recognised in business combinations is tested for impairment annually or more often under when circumstances indicating impairment risk.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

The Group purchased 100% of Konya Ilgın from Park Holding A.Ş. and Turgay Ciner with the approval of purchase decision in General Assembly meeting dated 10 May 2017. This transaction was concluded to be as business combinations under common control. Within the scope of "Accounting of the business combinations under common control" promulgated in the Official Gazette dated 21 July 2013 the by the POA, it was stated that goodwill will not be included in consolidated financial statements prepared, that consolidated financial statements shall be adjusted as if the business combination took place at the beginning of the reporting period when the common control emerged and the financial statements shall be presented in comparison as of the beginning of that reporting period, and that "Impacts of the Business and entity combinations Under common Control" account will be used as a balancing account under shareholders equity to eliminate potential assets/ liabilities mismatch to arise as a result of business combinations under common control.

It would be appropriate to consider the accounting of business combinations under common control to consolidated financial statements considering the carrying values of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared. Therefore, on the date when and after the Company takes control of the companies under common control, the consolidated financial statements should be restated retrospectively to reflect the financial statement line items recognised at the time of Konya Ilgın's acquisition by Park Holding A.Ş., which controls the Group.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Effects of Change in Foreign Currency Rates

Foreign Currency Transactions and Balances

In preparing the financial statements transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Earnings per Share

Earnings per share disclosed in the accompanying statement of income are determined by dividing net income by the weighted average number of shares circulating during the related period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders. In computing earnings per share, such bonus share distributions are treated as issued shares. Accordingly, the retrospective effect for such share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Events after the Balance Sheet Date

Events after the balance sheet date comprise any events between the balance sheet date and the date of authorization of the financial statements for issue, even if any events after the balance sheet date occurred subsequent to the announcement of the Group's profit or the publicly disclosed financial information.

The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Provisions, Contingent Assets and Liabilities (Continued)

<u>Environmental liabilities</u>

The Group is subject to extensive environmental controls and regulations in Turkey. The activities of the Group may result in negative impact for the land structure and surrounding plant and other living tissue as result of the various pollutant materials and substances spreaded around as waste.

The Group management is convinced to be fully complianced with all laws and regulations related to the current environment in Turkey. However, environmental laws and regulations are changing over time and making continuous improvement. In this context, the Group cannot predict the time or extent of changes that may occur in the environmental legal framework. Such changes may require the Group to modernize its technology to comply with environmental standards that will become more stringent if they occur.

Group; within the scope of various mining licenses contracts, following the end of mining activities, mining the facilities and other assets that it has benefited from mining, it reinstates the environment. The Group management considers that its environmental obligations include the following:

- Rehabilitation of the land structure and other types of continuous rehabilitation,
- Taking out the assets used during mining activities, and the safety of the surrounding population and the environment, buildings and other making facilities a safeguard.

The extent of environmental obligations and the costs expected to be incurred in the future in terms of their structure are difficult to predict in terms of their structure, and are dependent on the scale of the activities undertaken and the timing and development of legal regulations. As of 31 December 2020, the necessary provisions on environmental liabilities have been capitalised in mine preparation development expenses and will be amortized proportionally with the production amount during the mine production.

Reporting of Financial Information by Segments

The information used by the Group Management to decide on performance evaluation and resource allocation is related to the "Mining" segment in Turkey, which operates in a single business.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under Property, Plant and Equipment up to the date of change in use.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Taxation and Deferred Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Employee Benefits

Retirement Pay Provisions

Under the Turkish law and union agreements, severance payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as part of defined retirement benefit plans as per Turkey Accounting Standard 19 (Revised) "Employee Benefits" ("TAS 19").

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and reflected in the financial statements. All actuarial gains and losses calculated are presented in the statement of comprehensive income.

Statement of Cash Flows

In statement of cash flow, cash flows are classified according to operating, investment and finance activities.

Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2.5 Significant Accounting Estimates and Assumptions

The Group has estimates and assumptions for the future. The estimates and assumptions that could cause significant adjustments in the carrying value of assets and liabilities in the upcoming financial reporting period are as follows:

Provisions for legal cases

As detailed and disclosed in Note 15, the Group is involved in a number of legal proceedings (both as a plaintiff and as a defendant) during the year arising in the ordinary course of business. All of these litigations are evaluated by the Group Management in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and disclosed or accounted in the consolidated financial statements.

Future results or outcome of these litigations might differ from Group Management's expectations. As at the reporting date, the Group Management believes that appropriate recognition criteria and measurement basis are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to enable users to understand their nature, timing and amount by considering current conditions and circumstances.

Environmental obligations

Estimated environmental obligations, comprising rehabilitation and mine closures are based on the Group's environmental management plans in compliance with current technological, environmental and local regulatory requirements. Estimated environmental obligations are also affected by the discount rates applied and amendments in the environmental management plans due to the changes in estimations of proven and probable reserves deviations from projected production plan, use of pattern and physical conditions. Key assumptions are reviewed regularly. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates

As of 31 December 2020, the provision for cost of mine rehabilitation for mine site in Konya Ilgın, was prepared by the management based on the estimates. The present value of the balance is determined with the assumption 3.96% real discount rate calculated by using 8.21% annual inflation rate and 12.49% interest rate by considering the long term inflation and bond rates accordingly. Related discount rate is used to discount the liabilities from 2054 which is the expected date of realization.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.5 Significant Accounting Estimates and Assumptions (Continued)

Useful lives for property, plant and equipment and intangible assests

Company evaluates the useful lives of its tangible and intangible fixed assets as of the end of each period. Company, concerning the purposes of use of its tangible and intangible fixed assets, related technological developments and management; takes into account the useful life and all other factors that reduce or extend the depreciation of fixed assets.

Group evaluates the useful lives of its tangible and intangible fixed assets as of the end of each period. Group, concerning the purposes of use of its tangible and intangible fixed assets, related technological developments and management; takes into account the useful life and all other factors that reduce or extend the depreciation of fixed assets.

In the Group's current mining planning, an average royalty rate for the amortisation of the mining assets at the planning date is calculated considering the royalty rate expected during planning and the amount of coal expected to be accessed in return for this royalty rate. Changes in the planned estimated royalty rate are reviewed each reporting period and are recognised prospectively

Income Taxes

The Group operates in various tax jurisdictions and is subject to the related tax regulations. Significant judgment is required to determine the Group provision for income taxes. The Group estimates its liabilities for tax obligations as well as the utilization of available loss carry forwards. When the final tax outcome is known, the actual positions may vary from these estimates and adjustments to deferred income tax positions may be required.

Fair values of investment properties and plants machinery and equipments

The assumptions used in the expertise reports used to determine the fair value of the properties classified as investment property and plant, machinery and equipment in the consolidated financial statements are as follows:

Investment Properties

In 2020, the Group has undertaken revaluation studies to determine the fair value of investment property.

The basic method of expertise reports used to determine the fair value of the properties classified as investment property was determined as the nominal value approach in consolidated financial statements.

Plant, Machinery and Equipment

In 2020, the Group has undertaken revaluation studies to determine the fair value of plant, machinery and equipment.

The basic method of expertise reports used to determine the fair value of the plant, machinery and equipment classified as investment property was determined as the nominal value approach in consolidated financial statements.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 2 - BASIS OF THE FINANCIAL STATEMENS (Continued)

2.5 Significant Accounting Estimates and Assumptions (Continued)

Fair value of financial investments

The Group has started applying TFRS 9 "Financial instruments" standard, which replaces TAS 39, as of its first application date 1 January 2018 and started to account its equity-based financial investments as financial asset which fair value difference is reflected to the other comprehensive income. The fair value of the financial investment of the Group has been determined by an independent audit company providing valuation services in accordance with the capital market legislation and is authorized by the Capital Markets Board. The assumptions and forecasts are required within the scope of fair value assessment of these financial investments. These assumptions and forecasts include the fair value calculations of financial investments and impairment of financial assets which are regularly reviewed, necessary adjustments are made and the effects of these adjustments are reflected in the financial statements. Çayırhan Thermal Power Plant located in Ankara Çayırhan with a total capacity of 620 MW operated by Ciner Enerji Madencilik San. ve Tic. A.Ş, in which the Company has 10% share, had an operating concession period and this concession period has expired on 30 June 2020 and the power plant, other relevant movables and immovable, mine sites supplying coal to the power plant and supporting facilities were transferred in working order to Elektrik Üretim A.Ş.. In this respect, the fair value studies of the relevant financial investment are revisited and updated by considering estimated effects of the continuing transactions to be completed after the transfer and fair value differences were accounted in other comprehensive income.

Corona virus

The cases related to the Corona virus ("Covid – 19") that started in China and announced as a pandemic by the World Health Organization, was first recorded in Turkey in March 2020. Due to the rapid spread of the Covid-19 epidemic, negative effects can be seen on both the global economy and national markets. In order to protect from the Covid-19 and to prevent the spread of the epidemic, the government has started to take precautions regarding social and economic life. Group Management has evaluated the effects of the pandemic on the assumptions stated in the above and it is anticipated that it will not have a significant impact by considering the current conditions and health measures related to social and economic life are taken into account.

NOTE 3 - SEGMENT REPORTING

None (Note 2.3).

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2020	**31 December 2019**
Cash on hand	330	449
Cash in banks	48,222,889	6,213,670
Demand deposits	*4,171,586*	*6,213,670*
Term deposits with a maturity of less than three months	*44,051,303*	-
	48,223,219	**6,214,119**

As of 31 December 2020, the Group has no blocked cash or cash equivalents (31 December 2019: None).

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 5 - FINANCIAL INVESTMENTS

a) Short-term financial investments

As of 31 December 2020, the Group has no short term financial investments (31 December 2019: None).

b) Long-term financial investments (cont'd)

As of 31 December 2020, the Group's long-term financial investments is as follows:

	31 December 2020	**31 December 2019**
Long-term financial investments		
Financial investments	452,207	13,842,856
	452,207	**13,842,856**

	31 December 2020		**31 December 2019**	
	Shareholding Ratio (%)	**Amount**	**Shareholding Ratio (%)**	**Amount**
Ciner Enerji Madencilik San. ve Tic. A.Ş.	10	452,207	10	13,842,856
		452,207		**13,842,856**

The movements of fair value gains/losses of financial assets reflected to other comprehensive income as of 31 December 2020 and 2019 is as follows:

	2020	**2019**
As of 1 January	**13,842,856**	**11,405,300**
Change in fair value (*)	(13,390,649)	2,437,556
As of 31 December	**452,207**	**13,842,856**

(*) Çayırhan Thermal Power Plant located in Ankara Çayırhan with a total capacity of 620 MW operated by Park Termik, in which the Company has 10% share, had an operating concession period and this concession period has expired on 30 June 2020 and the power plant, other relevant movables and immovable, mine sites supplying coal to the power plant and supporting facilities were transferred in working order to Elektrik Üretim A.Ş.. In this respect, the fair value studies of the relevant financial investment are revisited and updated by considering estimated effects of the continuing transactions to be completed after the transfer and fair value differences were accounted in other comprehensive income.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOT 6 - SHORT-TERM BORROWINGS

Obligations under finance leases	**31 December 2020**	**31 December 2019**
Payable within one year	-	594
Payable between one to five years	-	-
	-	**594**
Less: Future interest charges	-	(6)
Present value of obligations under finance leases	**-**	**588**
Payable within one year	-	588
Payable over one year	-	-

NOT 7 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Short-term trade receivables	**31 December 2020**	**31 December 2019**
Trade receivables	9,439,557	7,028,457
Trade receivables from related parties (Note 24)	3,232,714	2,213,763
Other trade receivables	-	669,735
Allowance for doubtful trade receivables (-)	(5,567,229)	(4,617,115)
	7,105,042	**5,294,840**

The average maturity for short-term trade receivables varies between 15 - 30 days (31 December 2019: 15 - 30 days).

The maturity analysis of the receivables is provided in Note 25.

The movement of allowance for doubtful receivables is as follows:

	31 December 2020	**31 December 2019**
Within 1 - 5 years	-	-
5 years or more	5,567,229	4,617,115
	5,567,229	**4,617,115**

Allowance has been made for estimated irrecoverable amounts. Allowance is determined based on the Group's past experience. While the Group makes estimations on the collectability of its receivables, it assesses whether there are any changes to the loan quality of these receivables as of balance sheet date. Therefore, the Group's Management believes allowance doubtful receivable amount presented in the accompanying consolidated financial statements are appropriate.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOT 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade Receivables (Continued)

The movement of allowance for doubtful receivables is as follows:

Movement of allowance for doubtful trade receivables	**1 January - 31 December 2020**	**1 January - 31 December 2019**
Opening balance	(4,617,115)	(4,156,205)
Foreign currency exchange differences	(950,114)	(460,910)
Closing balance	**(5,567,229)**	**(4,617,115)**

Trade Payables

Short-term trade payables	**31 December 2020**	**31 December 2019**
Trade payables	4,546,160	9,999,303
Trade payables to related parties (Note 24)	474,981	343,862
Other trade payables	176	738,571
	5,021,317	**11,081,736**

The average maturity for short-term trade payables are 30 days (31 December 2019: 30 days).

NOTE 8 - PREPAID EXPENSES, OTHER ASSETS, AND DEFERRED INCOME

Prepaid expenses	**31 Decmber 2020**	**31 December 2019**
Prepaid expenses for next months	202,407	181.153
Advances given for purchases	130,232	68.295
	332,639	**249.448**

Short-term deferred income	**31 December 2020**	**31 December 2019**
Deferred income(*)	2,830,387	114,002
	2,830,387	**114,002**

(*) 2.686.861 TRY of the relevant amount consists of the state right cancellation amounts won by the Company but the judicial process has not yet been finalized.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables	31 December 2020	31 December 2019
Due from related parties (Note 24)	55,885,452	43,261,995
Deposits and guarantees given	1,641,398	761,081
Receivables from state authority	1,578,186	2,834,137
Other receivables	609,483	609,483
Allowance for other doubtful receivables (-)	(609,483)	(609,483)
	59,105,036	**46,857,213**

Other long-term receivables	31 December 2020	31 December 2019
Due from related parties (Note 24)	326,735,127	198,447,905
Deposits and guarantees given	212,261	231,515
	326,947,388	**198,679,420**

Other short-term payables	31 December 2020	31 December 2019
Deposits and guarantees received (*)	522,615	560,749
Due to related parties (Note 24)	3,235	2,831
Dividend payables (Note 24)	2,803	2,803
Other payables	27	-
	528,680	**566,383**

Other long-term payables	31 December 2020	31 December 2019
Deposits and guarantees received (*)	3,020,942	2,620,970
	3,020,942	**2,620,970**

(*) The balances are composed of deposits and guarantees received from customer and suppliers as of 31 December 2020.

NOTE 10 - INVENTORIES

	31 December 2020	31 December 2019
Finished goods(*)	1,511,060	24,653
Raw matearials	272,537	-
Finished goods	673,239	920,545
Provision for inventory impairment (-)	-	(6,208)
	2,456,836	**938,990**

(*) Almost all products consist of coal stocks (31 December 2019: None).

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - INVESTMENT PROPERTIES

Fair value	
Opening balance, 1 January 2020	**191,995,000**
Increase in fair value of investment property	15,366,490
Disposals from investment properties	(2,813,359)
Carrying value as of 31 December 2020	**204,548,131**

Fair value	
Opening balance, 1 January 2019	**202,082,841**
Decrease in fair value of investment property	(10,087,841)
Carrying value as of 31 December 2019	**191,995,000**

As of 31 December 2020, there are no mortgages on the Group's investments properties (31 December 2019: None).

As of 31 December 2020, the fair values of the investment properties of the Group are determined by real estate valuation companies authorized by Capital Market Board ("CMB") and providing real estate valuation services in accordance with the capital market legislation. The fair value of investment properties is determined by the comparative approach.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2020 and 2019 are as follows:

		Fair value as of reporting date		
	31 December 2020	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Lands	**62,938,131**	**-**	**62,938,131**	**-**
- Ceyhan	34,665,000	-	34,665,000	-
- Edirne	28,273,131	-	28,273,131	-
Buildings	**141,610,000**	**-**	**141,610,000**	**-**
- Ceyhan	26,420,000	-	26,420,000	-
- Edirne	10,645,000	-	10,645,000	-
- Şişhane	104,545,000	-	104,545,000	-

There has been no transition between levels in the current period.

		Fair value as of reporting date		
	31 December 2019	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Lands	**60,325,000**	**-**	**60,325,000**	**-**
- Ceyhan	32,315,000	-	32,315,000	-
- Edirne	28,010,000	-	28,010,000	-
Buildings	**131,670,000**	**-**	**131,670,000**	**-**
- Ceyhan	24,265,000	-	24,265,000	-
- Edirne	10,120,000	-	10,120,000	-
- Şişhane	97,285,000	-	97,285,000	-

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

Cost	**Land Improvements**	**Mine preparation development expense**	**Machinery and equipment**	**Vehicles**	**Furniture and fixture**	**Other fixed assets**	**Construction in progress**	**Total**
Opening balance, 1 January 2020	**7,500**	**68,875,017**	**8,438,815**	**221,431**	**604,532**	**54,775**	**3,373,759**	**81,575,829**
Additions (*)	-	35,798,077	91,391	98,990	7,271	-	7,808,828	**43,804,557**
Cost of mine rehabilitation provision	-	889,662	-	-	-	-	-	**889,662**
Tangible fixed asset value increase	-	-	4,847,875	-	-	-	-	**4,847,875**
Transfers	2,483,287	-	4,654,844	-	-	-	(7,138,131)	-
Disposals	-	-	(1,230,568)	(100,412)	-	-	(1,187,251)	**(2,518,231)**
Closing balance, 31 December 2020	**2,490,787**	**105,562,756**	**16,802,357**	**220,009**	**611,803**	**54,775**	**2,857,205**	**128,599,692**
Accumulated depreciation								
Opening balance, 1 January 2020	**541**	**1,668,602**	**4,899,820**	**199,864**	**541,813**	**5,790**	**-**	**7,316,430**
Charge for the period	64,560	21,676,716	521,239	9,781	9,985	4,472	-	**22,286,753**
Disposals	-	-	(961,501)	(82,440)	-	-	-	**(1,043,941)**
Closing balance, 31 December 2020	**65,101**	**23,345,318**	**4,459,558**	**127,205**	**551,798**	**10,262**	**-**	**28,559,242**
Carrying value as of 1 January 2020	**6,959**	**67,206,415**	**3,538,995**	**21,567**	**62,719**	**48,985**	**3,373,759**	**74,259,399**
Carrying value as of 31 December 2020	**2,425,686**	**82,217,438**	**12,342,799**	**92,804**	**60,005**	**44,513**	**2,857,205**	**100,040,450**

(*) Mine preparation and development expenses increased due to the stripping works started in 2020 at Konya Ilgın.

As of 31 December 2020, TRY 22,133,391 (31 December 2019: TRY 1,668,602) of the period depreciation is included in the cost of sales and TRY 153,362 (31 December 2019: TRY 425,041) in general administrative expenses.

As of 31 December 2020, there are no mortgages or pledges on the Group’s property, plant and equipment.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost	**Land Improvements**	**Mine preparation development expense**	**Machinery and equipment**	**Vehicles**	**Furniture and fixture**	**Other fixed assets**	**Construction in progress**	**Total**
Opening balance, 1 January 2019	**7,500**	**29,571,000**	**6,326,077**	**221,431**	**608,370**	**54,775**	**2,230,901**	**39,020,054**
Additions	-	35,983,732	1,061,002	-	13,533	-	2,273,116	39,331,383
Cost of mine rehabilitation provision	-	3,320,285	-	-	-	-	-	3,320,285
Transfers	-	-	1,130,258	-	-	-	(1,130,258)	-
Disposals	-	-	(78,522)	-	(17,371)	-	-	(95,893)
Closing balance, 31 December 2019	**7,500**	**68,875,017**	**8,438,815**	**221,431**	**604,532**	**54,775**	**3,373,759**	**81,575,829**
Accumulated depreciation								
Opening balance, 1 January 2019	**41**	**-**	**4,576,602**	**191,237**	**549,482**	**1,318**	**-**	**5,318,680**
Charge for the period	500	1,668,602	401,740	8,627	9,702	4,472	-	2,093,643
Disposals	-	-	(78,522)	-	(17,371)	-	-	(95,893)
Closing balance, 31 December 2019	**541**	**1,668,602**	**4,899,820**	**199,864**	**541,813**	**5,790**	**-**	**7,316,430**
Carrying value as of 1 January 2019	**7,459**	**29,571,000**	**1,749,475**	**30,194**	**58,888**	**53,457**	**2,230,901**	**33,701,374**
Carrying value as of 31 December 2019	**6,959**	**67,206,415**	**3,538,995**	**21,567**	**62,719**	**48,985**	**3,373,759**	**74,259,399**

As of 31 December 2019, there are no mortgages or pledges on the Group's property, plant and equipment.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT (Continued)

As of 31 December 2020, information about the land and buildings owned by the Group and the fair value hierarchy of the said assets are shown in the table below:

		Fair value level as of reporting date		
	31 December 2020	**1. Level**	**2. Level**	**3. Level**
Plant, machinery and devices	12,342,799	-	12,342,799	-

NOTE 13 - INTANGIBLE ASSETS

	Mine research expenses	**Rights**	**Total**
Opening balance, 1 January 2020	**791,205**	**24,817,417**	**25,608,622**
Additions (*)	-	-	-
Closing balance, 31 December 2020	**791,205**	**24,817,417**	**25,608,622**
Accumulated amortization			
Opening balance, 1 January 2020	**791,205**	**5,700,339**	**6,491,544**
Charge for the period	-	908,234	**908,234**
Closing balance, 31 December 2020	**791,205**	**6,608,573**	**7,399,778**
Carrying value as of 1 January 2020	**-**	**19,117,078**	**19,117,078**
Carrying value as of 31 December 2020	**-**	**18,208,844**	**18,208,844**

(*) Mine preparation and development expenses increased due to the stripping works started in 2020 at Konya Ilgın.

As of 31 December 2020, TRY 908,234 of the period depreciation is included in general administrative expenses. (31 December 2019: TRY 1,045,069 of the period depreciation is in general administrative expenses, TRY 21,512 is in cost of sales).

Cost	**Mine research expenses**	**Rights**	**Total**
Opening balance, 1 January 2019	**791,205**	**24,812,466**	**25,603,671**
Additions	-	4,951	**4,951**
Closing balance, 31 December 2019	**791,205**	**24,817,417**	**25,608,622**
Accumulated amortization			
Opening balance, 1 January 2019	**632,964**	**4,791,999**	**5,424,963**
Charge for the period	158,241	908,340	1,066,581
Closing balance, 31 December 2019	**791,205**	**5,700,339**	**6,491,544**
Carrying value as of 1 January 2019	**158,241**	**20,020,467**	**20,178,708**
Carrying value as of 31 December 2019	**-**	**19,117,078**	**19,117,078**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 14 - EMPLOYEE BENEFITS

	31 December 2020	31 December 2019
Due to personnel	265,577	186,599
Social security premiums payables	125,391	90,214
Other sundry payables	80,995	66,283
	471,963	**343,096**

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term provisions

Short-term provisions for employee benefits	**31 December 2020**	**31 December 2019**
Unused vacation provisions	957,595	731,496
	957,595	**731,496**

The movement of provisions for unused vacation liability during the current period is presented as below:

	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance	**731,496**	**498,586**
Charge for the period/(provisions no longer required), net	304,953	232,910
Payment during the period	(78,854)	-
Closing balance	**957,595**	**731,496**

Other short-term provisions	**31 December 2020**	**31 December 2019**
Provisions for litigation (*)	34,475,298	35,137,704
	34,475,298	**35,137,704**

(*) During the period, the Group is involved in a number of legal proceedings (both as a plaintiff and as a defendant) during the year arising in the ordinary course of business. A significant portion of the Group's existing lawsuits are employee lawsuits related to the Madenköy operation in the Şirvan district of Siirt, which was closed in 2017, and the claims include the Company's staff and subcontractors and their legal successors (pecuniary and non-pecuniary indemnities due to death, receivables and reemployment). The Group has recognized a provision amounting to TRY 34,475,298 (31 December 2019: TRY35,137,704) as a result of the evaluation of legal opinions related to prosecuted law, business, commercial and administrative lawsuits and current lawsuits which are similar and concluded in the past. The provision amount is updated in every reporting period by considering the risks and uncertainties regarding the liabilities and the developments occur in ongoing cases. In this context, the Group Management believes that there are no undisclosed litigation or legal proceedings in the footnotes of consolidated financial statements or that the required provisions are not considered which might have a negative impact on the financial position or operating results of the Group.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

a) Short-term provisions (Continued)

The movement of provisions for litigation during the current period is presented as below:

	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance	**35,137,704**	**15,563,339**
Charge for the period/(provisions no longer required), net	8,559,245	22,531,200
Payment during the period	(6,573,111)	(3,142,206)
Transfers to other debts and liabilities (Note 16)	(3,459,075)	-
Effect of foreign exchange	810,535	185,371
Closing balance	**34,475,298**	**35,137,704**

a) Long-term provisions

	31 December 2020	31 December 2019
Retirement pay provisions	3,561,926	3,657,145
	3,561,926	**3,657,145**

Retirement Pay Provisions

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed 25 years of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TRY 7,117.17 for each period of service at 31 December 2020 (31 December 2019: TRY 6,379.86).

The liability is not funded, as there is no funding requirement.

Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Revised TFRS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2020, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption 3.96% real discount rate (31 December 2019: 4.00%) calculated by using 8.21% annual inflation rate and 12.49% interest rate. Voluntary leave rates are also taken into consideration as 5.16% for employees 0-15 years and 0% for employees 15 years and over.

Ceiling amount of TRY 7,638.96 which is in effect since 1 January 2021 is used in the calculation of Group's provision for retirement pay liability.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Long-term provisions (Continued)

The principal assumptions used in the calculation of retirement pay liability are discount rate and anticipated turnover rate.

The movement of the employment termination benefits is as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance	**3,657,145**	**3,262,505**
Service cost	447,987	308,801
Interest cost	146,687	161,845
Actuarial loss/(gain)	-	64,058
Payment during the period (-)	(689,893)	(140,064)
Closing balance	**3,561,926**	**3,657,145**

Other long-term provisions	**31 December 2020**	**31 December 2019**
Provision for cost of mine rehabilitation	4,393,283	3,320,285
	4,393,283	**3,320,285**

The provision for cost of mine rehabilitation was prepared by the Management based on certain estimates. The critical assumptions used in the 2020 forecast are the timing of spendings by 2054. The present value of the balance is determined with the assumption 3.96% real discount rate calculated by using 8.21% annual inflation rate and 12.49% interest rate by considering the long term inflation and bond rates accordingly.

	2020	**2019**
Yearly inflation rate	8.21%	7.50%
Yearly discount rate	3.96%	4.00%

a) Guarantees received and given

	31 December 2020		**31 December 2019**	
Guarantees received (TRY)	**FC Balance**	**Equivalent of TRY**	**FC Balance**	**Equivalent of TRY**
Letters of gurantees (USD)	100,000	734,050	100,000	594,020
Letters of guarantees (TRY)	-	-	30,000	30,000
Guarantee cheques (TRY)	200,000,000	200,000,000	200,126,000	200,126,000
Guarantee notes (EUR)	-	-	1,120	7,449
Cash guarantees (TRY)	1,708,432	1,708,432	1,696,669	1,696,669
Cash guarantees (USD)	250,000	1,835,125	250,000	1,485,050
Total		**204,277,607**		**203,939,188**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c) Guarantees received and given (Continued)

The details of the Group's Guarantees/Pledges/Mortgages ("GPMs") position as of 31 December 2020 and 31 December 2019 is presented as follows:

31 December 2020	**TRY**	**TRY equivalent Total**
A. GPMs given on behalf of its own legal entity	71,148,600	71,148,600
Guarantee Letters	*69,328,041*	*69,328,041*
Cash guarantees	*1,820,559*	*1,820,559*
Obligations granted on behalf of shareholders	-	-
B. GPMs given on behalf of consolidated subsidiaries		
C. GPMs given on behalf of third parties within ordinary business activities	-	-
D. GPMs given for other purposes	-	-
Total (*)	**71,148,600**	**71,148,600**

(*) All guarantees, pledges and mortgages included in the above table are denominated in TRY.

31 December 2019	**TRY**	**TRY equivalent Total**
B. GPMs given on behalf of its own legal entity	56,699,269	56,699,269
Guarantee Letters	*55,748,257*	*55,748,257*
Cash guarantees	*951,012*	*951,012*
Obligations granted on behalf of shareholders	-	-
B. GPMs given on behalf of consolidated subsidiaries	-	-
C. GPMs given on behalf of third parties within ordinary business activities	-	-
D. GPMs given for other purposes	-	-
Total (*)	**56,699,269**	**56,699,269**

(*) All guarantees, pledges and mortgages included in the above table are denominated in TRY.

NOTE 16 - OTHER ASSETS AND LIABILITIES

Other current assets	**31 December 2020**	**31 December 2019**
Personnel advances	75,425	-
Business advances	10,271	7,006
	85,696	**7,006**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 16 - OTHER ASSETS AND LIABILITIES (Continued)

Other non-current assets	31 December 2020	31 December 2019
VAT deductible in future years	11,018,700	7,350,528
Other	68,304	-
	11,087,004	**7,350,528**

Other short-term liabilities	31 December 2020	31 December 2019
Taxes and funds payables	4,751,700	1,928,069
Other liabilities payable	1,153,025	116,694
	5,904,725	**2,044,763**

Other long-term liabilities	31 December 2020	31 December 2019
Other long-term liabilities	2,306,050	-
	2,306,050	-

NOTE 17 - EQUITY

a) Share Capital

The Company's share capital structure as of 31 December 2020 and 31 December 2019 is presented as follows:

	31 December 2020		31 December 2019	
Shareholders	**Shareholding ratio (%)**	**Amount**	**Shareholding ratio (%)**	**Amount**
Park Holding A.Ş.	61.24	91,168,622	61.24	91,168,622
Other	32.00	47,632,638	32.00	47,632,638
Turgay Ciner	6.76	10,065,983	6.76	10,065,983
Total	**100.00**	**148,867,243**	**100.00**	**148,867,243**

Information Regarding to Equity Shares

Group	Type	Nominal Value (TRY)	Share Partipation (%)	Rights
A	In the name	18,290,866	12.29	Election of 6 members of the Board of Directors
B	In the name	130,576,377	87.71	Election of 3 members of the Board of Directors
		148,867,243	**100.00**	

The paid in capital amount of the Company is TRY 148,867,243 and authorised share capital ceiling is TRY 300,000,000.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 17 - EQUITY (Continued)

b) Restricted reserves appropriated from profit

50% of the profits arising from the sales of the immovables included in the assets of the institutions for at least two full years in accordance with the first paragraph of the 5th article of the Tax Law No,5520 (e) by themselves (the effective date of the Article 89 of the Law No. 7061 dated 05.12,2017 the 75% portion of the sales made before the date of the sale) is exempt from the corporation tax and the exceptional amount is exempted from the corporation tax and the exempted portion of the sales profit must be held in a special fund account until the end of the fifth year following the sale.

In the ordinary General Assembly meeting of the Company held on 12 June 2018 for 2017, the Company has decided to allocate a general legal reserve amounting to TRY 4,189,336 calculated in accordance with the relevant legislation, over the profit for the period in the consolidated financial statements of 2017 and allocate 75% of the profits derived from the sale of assets related to copper production activities under equity as a special reserve to benefit from the tax exemption in accordance with the first paragraph (e) of the fifth paragraph of Article 5 of the Corporate Tax Law numbered 5520, which is TRY 243,523,090. In this context, the related amounts in the Group's financial statements are reported as "Restricted Reserves Allocated from Profit".

c) Increase/(decrease) in revaluation of property, plant and equipment

The revaluation fund is the difference between lands and buildings reflected in fair value and net book value on a cost basis after the deferred tax effect is deducted.

Properties that were previously recognised as property, plant and equipment were transferred to investment property as of 2017 reporting period due to change in their intended use and recognised with fair value method. Accordingly, the Group accounted the fair value increase amounting to TRY 96,328,884 before the transfer, as the revaluation fund in the consolidated financial statements prepared as of 31 December 2020 by eliminating the tax effect in equity.

As of 31 December 2020, works for plants, machinery and equipments that owned by Park Elektrik were realized by EVA Gayrimenkul Değerleme Danışmanlık A.Ş. authorized by CMB. works for subsidary of Konya Ilgın were realized by Türkiye Sınai Kalkınma Bankası A.Ş. Consequently, TRY 3.919.862 fair value increase that occured during valuation is accounted as increasing fund equity.

NOT 18 - REVENUE AND COST OF SALES

Revenue	**1 January - 31 December 2020**	**1 January - 31 December 2019**
Revenue from sale of coal (Note 1)	28,273,515	2,567,025
Revenue from royalty contracts (Note 1)	18,573,059	7,048,037
Other	219,444	832,717
Sales returns	(453,491)	-
	46,612,527	**10,447,779**

Cost of sales	**1 January - 31 December 2020**	**1 January - 31 December 2019**
Amortisation expenses (Note 12)	21,678,366	1,668,602
General production overheads	10,957,131	623,054
Personnel expenses	2,175,174	125,951
Raw materials expenses	488,923	-
Depreciation expenses	455,025	21,512
Cost of other sales	75,368	102,784
Change in finished product stocks	(1,511,060)	-
	34,318,927	**2,541,903**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 19 - GENERAL ADMINISTRATIVE EXPENSES, INCOME/(EXPENSES) FROM OTHER OPERATING ACTIVITIES

General administrative expenses	1 January - 31 December 2020	1 January - 31 December 2019
Personnel expenses	5,014,880	4,473,391
Amortization expenses	1,061,596	1,470,110
Consultancy and expense shares	822,110	424,605
Outsourced services	640,314	1,118,401
Rent expenses	611,243	1,279,886
Taxes and other legal expenses	395,668	361,009
Donation and aid expenses	-	3,345
Other	1,033,146	1,701,926
	9,578,957	**10,832,673**

Income from other operating activities	1 January - 31 December 2020	1 January - 31 December 2019
Foreign exchange gain	411,433	127,569
Exemption and discounts	398,671	830,834
Interest income	167,572	4,919
Provisions no longer required	6,208	20,532
Other	189,549	180,857
	1,173,433	**1,164,711**

Expenses from other operating activities	1 January - 31 December 2020	1 January - 31 December 2019
Provision expense	9,369,781	22,716,571
Foreign exchange loss	657,144	90,562
Other	432,832	40,366
	10,459,757	**22,847,499**

NOTE 20 – INCOME/(EXPENSES) FROM INVESTING ACTIVITIES

Income from investing activities	1 January - 31 December 2020	1 January - 31 December 2019
Increase in value of investment properties	15,366,490	-
Rent income	672,834	790,316
Income from sale of fixed assets	395,034	116,101
	16,434,358	**906,417**

Loss on investing activities	1 January - 31 December 2020	1 January - 31 December 2019
License revocation	1,187,251	-
Investment properties sales loss	12,115	-
Decrease in value of investment properties	-	10,087,841
	1,199,366	**10,087,841**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 21 - FINANCIAL INCOME/(EXPENSE)

Financial Income	**1 January - 31 December 2020**	**1 January - 31 December 2019**
Foreign exchange income	60,456,632	29,461,595
Interest income	12,111,771	11,731,046
	72,568,403	**41,192,641**

Financial Expenses	**1 January - 31 December 2020**	**1 January - 31 December 2019**
Foreign exchange losses	1,719,303	180,223
Other financial expenses	455,485	78,150
Interest expenses	30,011	40,792
	2,204,799	**299,165**

NOTE 22 - TAX ASSETS AND LIABILITIES

Corporate tax	**31 December 2020**	**31 December 2019**
Current period corporate tax liability (*)	32,753,061	7,973,426
Prepaid corporate tax	(38,129,811)	(5,103,457)
Corporate tax liability/(assets)	**(5,376,750)**	**2,869,969**

(*) As explained in Note 24, current tax effects related to the transactions under common control have been presented in equity under "Effects of business combinations under common control" account in accordance with Article 61A of TAS 12 "Income Taxes".

Taxation on income in statement of profit or loss as of 31 December 2020 and 2019 is as follows:

	31 December 2020	**31 December 2019**
Current period tax expense	(16,099,866)	(7,973,426)
Deferred tax income/(expense)	(2,737,986)	4,926,434
	(18,837,852)	**(3,046,992)**

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS and tax purposes.

The tax rate used in the calculation of deferred tax assets and liabilities is 20% (31 December 2019: 22%).

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax assets and liabilities (Continued)

Deferred tax assets/(liabilities)	**31 December 2020**	**31 December 2019**
Revaluation differences of investment properties	(20,126,657)	(17,641,065)
Useful life and valuation differences on property, plant, and equipment and intangible assets	(4,384,517)	(3,695,947)
Provision for reteriment pay and unused vacation	903,904	892,358
Evaluation differences on financial investments	337,890	(211,891)
Discount on receivable and payables	54,773	(1,173)
Provisions of liability and accruals	6,989,373	7,727,973
Other	127,319	-
	(16,097,915)	**(12,929,745)**

Tax reconciliation

	1 January - 31 December 2020	**1 January - 31 December 2019**
Profit before tax	78,313,308	7,102,467
Applicable tax rate	%22	%22
Calculated tax expense	(17,228,928)	(1,562,543)
Disallowable expenses and differences	(1,745,405)	(511,564)
Deductions and exceptions	-	182,855
Carry forward tax loss	(437,200)	(14,145)
Tax rate differences	580,397	(1,123,265)
Other	(6,716)	(18,330)
Total tax expense	**(18,837,852)**	**(3,046,992)**

Turkish tax legislation does not permit a parent company, its subsidiaries and joint ventures to file a tax return in its consolidated financial statements. For this reason, the tax provisions reflected in the financial statements in the console are calculated separately for all companies that are included in consolidation.

In Turkey, the corporate tax rate is 22% for 2020 (31 December 2019: 22%). Institutions tax rate is applied to the tax base that will be deducted from the income of the corporations for commercial income according to the tax law, deduction of the deductible expenses, exemption in tax laws (exemption of participation gains, investment discount exception etc.) and deductions (such as R&D deduction). No further tax is payable unless the profit is distributed (except for the withholding tax at the rate of 19,8% calculated and paid on the exemption amount utilized in case of the exemption of investment discount utilized in accordance with Article 61 of the Income Tax Law).

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%.

No deductions from dividends paid to non-resident corporations that earn income through a business office or permanent representative in Turkey and dividends paid to resident corporations in Turkey. Dividend payments made to persons and institutions other than these are subject to 15% stopage, profit distribution is not considered.

Corporations are required to declare a temporary tax of 22% (for 2018, 2019, 2020) on their quarterly financial income until the 14th day of the second month following that period and pay until the evening of 17th day. The temporary tax paid during the year belongs to that year and is deducted from the corporation tax that will be calculated on the tax declaration of the institutions to be given in the following year. If the temporary tax amount paid remains in spite of the indictment, this amount can be refunded or any other financial debt to the state can be deducted.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)

There is no practice to reconcile with the tax authority on the taxes payable in Turkey. The corporation tax returns are given to the tax attached until the evening of the 25th day of the fourth month following the month of the accounting period.

Authorities of the tax examination may examine their accounting records over a period of five years, and if incorrect operation is detected, the amount of tax may change due to tax assessment to be made.

According to Turkish tax legislation, financial losses shown on the tax return can be deducted from the period corporate income for not more than 5 years. However, financial losses can not be deducted from retained earnings.

NOTE 23 - EARNINGS PER SHARE

Earnings per share	1 January - 31 December 2020	1 January - 31 December 2019
Average number of shares in circulation during the period (in full)	14,886,724,300	14,886,724,300
Net profit attributable to equity holders of the Group	59,475,456	4,055,475
Basic and diluted earnings per share	**0,00400**	**0,00027**

NOTE 24 - RELATED PARTY DISCLOSURES

Due from Related Parties

	31 December 2020			
Related party	**Type of Relationship**	**Trade Receivables**	**Other Receivables**	**Total**
Park Holding A.Ş. (*)	Shareholder	-	382,613,962	382,613,962
Ciner Enerji Madencilik San. ve Tic. A.Ş. (**)	Associate	-	2,201	2,201
Silopi Elektrik Üretim A.Ş.	Group Company	58,503	4,416	62,919
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.	Group Company	3,174,211	-	3,174,211
Total		**3,232,714**	**382,620,579**	**385,853,293**

	31 December 2019			
Related party	**Type of Relationship**	**Trade Receivables**	**Other Receivables**	**Total**
Park Holding A.Ş.	Shareholder	-	241,709,900	241,709,900
Park Termik Elektrik San. ve Tic. A.Ş.	Associate	20,227	-	20,227
Silopi Elektrik Üretim A.Ş.	Group Company	41,167	-	41,167
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.	Group Company	2,152,369	-	2,152,369
Total		**2,213,763**	**241,709,900**	**243,923,663**

(*) The consideration amount of USD 150 million for Konya Ilgın subsidiary acquisition conducted in 2017 has been revised by the relevant parties as USD 126.2 million and the difference with corresponding interest charges has been reflected to the current accounts of Park Holding A.Ş. as a receivable. This transaction is accounted as a business combination under common control and all differences together with their current tax effects (TRY 16,653,195) have been presented in equity under "Effects of business combinations under common control" account.

(**) Park Termik Elektrik San. ve Tic. A.Ş.'s title was registered and changed as Ciner Enerji Madencilik San. ve Tic. A.Ş. on 19 August 2020.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 24 - RELATED PARTY DISCLOSURES (Continued)

The quarterly interest rates used by the Group for trade and financial transactions in TRY and USD during 2020 and 2019 are as follows:

	2020		2019	
	TRY	**USD**	**TRY**	**USD**
January - March	10.93%	2.94%	22.66%	4.84%
April - June	9.51%	2.10%	24.46%	4.41%
July - September	11.12%	2.59%	19.70%	4.23%
October - December	15.48%	2.95%	13.54%	3.50%

Due to related parties

	31 December 2020			
Related party	**Type of Relationship**	**Trade Payables**	**Other Payables**	**Total**
Park Sig. Ara. Hiz. A.Ş.	Group Company	224,906	-	224,906
Park Holding A.Ş.	Shareholder	163,812	-	163,812
Silopi Elektrik Üretim A.Ş.	Group Company	19,066	-	19,066
Havaş Turizm Seyahat ve Kargo Taşımacılığı A.Ş.	Group Company	62,345	-	62,345
Park Teknik Elekt. Maden Turizm San. Tic. A.Ş.	Group Company	4,852	3,235	8,087
Dividends payables to other affliates	Shareholder	-	2,803	2,803
Total		**474,981**	**6,038**	**481,019**

	31 December 2019			
Related party	**Type of Relationship**	**Trade Payables**	**Other Payables**	**Total**
Park Holding A.Ş.	Shareholder	223,359	-	223,359
Park Sig. Ara. Hiz. A.Ş.	Group Company	70,849	-	70,849
Silopi Elektrik Üretim A.Ş.	Group Company	22,613	-	22,613
Havaş Turizm Seyahat ve Kargo Taşımacılığı A.Ş.	Group Company	17,440	-	17,440
Park Teknik Elekt. Maden Turizm San. Tic. A.Ş.	Group Company	9,601	2,831	12,432
Dividends payables to other affliates	Shareholder	-	2,803	2,803
Total		**343,862**	**5,634**	**349,496**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 24 - RELATED PARTY DISCLOSURES (Continued)

Goods and Services Purchased from Related Parties

		31 December 2020						
Related party	**Type of Relationship**	**Goods**	**Service**	**Fixed Assets**	**Financial Expenses**	**Rent**	**Other**	**Total**
Park Teknik Madencilik Turizm San.ve Tic. A.Ş.	Group Company	89,094	43,527	4,099,990	40,281	147,150	17,466	4,437,508
Park Holding A.Ş.	Shareholder	-	315,941	-	-	562,200	969,875	1,848,016
Ciner Enerji Madencilik San. ve Tic. A.Ş. (*)	Associate	72,410	455,634	-	59,442	-	92,104	679,590
Silopi Elektrik Üretim A.Ş.	Group Company	202,395	-	-	41	-	-	202,436
Havaş Turizm Sey.ve Kargo Taş. A.Ş.	Group Company	-	-	-	1,886	130,296	445	132,627
Park Sigorta Aracılık Hiz. A.Ş.	Group Company	-	136,400	-	12,572	-	-	148,972
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Group Company	11,498	-	-	-	-	-	11,498
Total		**375,397**	**951,502**	**4,099,990**	**114,222**	**839,646**	**1,079,890**	**7,460,647**

		31 December 2019						
Related party	**Type of Relationship**	**Goods**	**Service**	**Fixed Assets**	**Financial Expenses**	**Rent**	**Other**	**Total**
Silopi Elektrik Üretim A.Ş.	Group Company	193,847	-	-	1,609	-	64,820	260,276
Park Holding A.Ş.	Shareholder	-	40,556	-	-	812,820	1,795,755	2,649,131
Park Teknik Madencilik Turizm San.ve Tic. A.Ş.	Group Company	109,508	275,155	390,000	8,773	66,250	15,104	864,790
Park Termik Elektrik San.ve Tic. A.Ş.	Associate	97,356	211,118	5,252	4,114	-	75,479	393,319
Park Sigorta Aracılık Hiz. A.Ş.	Group Company	-	161,343	-	2,070	-	-	163,413
Havaş Turizm Sey. ve Kargo Taş. A.Ş.	Group Company	-	-	-	957	79,557	25	80,539
Ciner Turizm Tic. İnş. Servis Hizm. A.Ş.	Group Company	-	913	-	-	-	-	913
Total		**400,711**	**689,085**	**395,252**	**17,523**	**958,627**	**1,951,183**	**4,412,381**

(*) Park Termik Elektrik San. ve Tic. A.Ş.'s title was registered and changed as Ciner Enerji Madencilik San. ve Tic. A.Ş. on 19 August 2020.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 24 - RELATED PARTY DISCLOSURES (Continued)

Goods and Services Sold to Related Parties

		31 December 2020						
Related party	**Type of Relationship**	**Goods**	**Service**	**Fixed Assets**	**Financial Income**	**Rent**	**Other**	**Total**
Park Holding A.Ş.	Shareholder	-	-	-	70,297,945	-	-	70,297,945
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Group Company	23,268,774	-	-	143,122	-	-	23,411,896
Silopi Elektrik Üretim A.Ş.	Group Company	-	-	-	3,743	457,173	-	460,916
Havaş Turizm Sey. ve Kargo Taş. A.Ş.	Group Company	185,523	-	-	3,560	36,500	-	225,583
Ciner Enerji Madencilik San. ve Tic. A.Ş. (**)	Associate	-	13,736	-	495	-	-	14,231
Total		**23,454,297**	**13,736**	**-**	**70,448,865**	**493,673**	**-**	**94,410,571**

		31 Aralık 2019						
Related party	**Type of Relationship**	**Goods**	**Service**	**Fixed Assets**	**Financial Income**	**Rent**	**Other**	**Total**
Park Holding A.Ş.	Shareholder	-	-	-	41,008,219	-	-	41,008,219
Havaş Turizm Sey. ve Kargo Taş. A.Ş.	Group Company	-	-	-	-	-	3,846	3,846
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Group Company	2,055,591	-	-	2,148	-	-	2,057,739
Park Sigorta Aracılık Hiz. A.Ş.	Group Company	-	-	-	5,505	-	-	5,505
Silopi Elektrik Üretim A.Ş.	Group Company	-	-	-	1,332	310,340	-	311,672
Park Termik Elektrik San. ve Tic. A.Ş.	Associate	224,851	-	-	2,076	43,000	-	269,927
Park Teknik Mad. Turz. San. ve Tic. A.Ş.	Group Company	-	-	-	545	253,000	245	253,790
Total		**2,280,442**	**-**	**-**	**41,019,825**	**606,340**	**4,091**	**43,910,698**

Benefits provided to directors and executive personnel (*)	**1 January - 31 December 2020**	**1 January - 31 December 2019**
Wages, premiums and other similar benefits	197,865	178,015
Benefits related with retirement pay and unused vacation	-	-

(*) Senior management consists of the members of the Board of Directors of the Company and its subsidiaries, the Assitant General Managers and directors that are high level of managers. Only the independent members of the Board of Directors are paid in line with the decision taken at the Ordinary General Assembly meeting, and no payment is made to the other members due to their duties in the Board of Directors.

(**) Park Termik Elektrik San. ve Tic. A.Ş.'s title was registered and changed as Ciner Enerji Madencilik San. ve Tic. A.Ş. on 19 August 2020.

NOTE 24 - RELATED PARTY DISCLOSURES (Continued)

Park Holding A.Ş.

The Group provides a portion of the generated cash surplus as financial debt to its main shareholder, Park Holding A.Ş. The Group obtains interest income at the interest rates stated above for the financial assets.

As discussed above, the Group applies the maturity gap for all financial and commercial transactions with related parties. Group earned finance income amounting to TRY 70,297,945 in 2020 (31 December 2019: TRY41,008,219).

The Group's total non-commercial receivables from Park Holding A.Ş. as of 31 December 2020 is TRY 382.613.962 TRY. As of December 31, 2020, the current non-trade receivables balance consists of both foreign currency and Turkish lira balances, with a foreign currency balance of USD 47,814,475. The relevant foreign currency balance was at the level of USD 30,945,428 at the end of 2019.

The main shareholder of the Company, Park Holding A.Ş. provides the group companies with the management services needed to carry out their activities properly. These services include but not limited to; the fulfillment of procurement functions, the realization of information processing investments, the provision of technical information and support for human resources processes, financial reporting, audit and tax planning and legal consultancy processes. Park Holding A.Ş. allocates the costs incurred in order to provide the indicated services to companies based on the level of utilization of these services.

The Company also uses the allocated area of the real estate owned by Park Holding A.Ş. as the headquarter and bears the rent and similar usage and operating expenses.

Other Group Companies

The Group received equipment and labour force from Park Teknik Madencilik Turizm Sanayi ve Ticaret A.Ş. and Ciner Enerji Madencilik Sanayi ve Ticaret A.Ş.

The Group purchases electricity energy from Silopi Elektrik Üretim A.Ş. to be used in investment properties.

The Group leases cars from Havaş Turizm Seyahat ve Kargo Taşımacılığı A.Ş.

The Group purchases insurance policy from Park Sigorta Aracılık Hizmetleri A.Ş.

The Group sold coal to Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a) Capital Risk Management

The Group manages its capital to ensure that it will maintain its status as a going concern while maximizing the return of stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debts including the borrowings and other debts disclosed in Notes 6 and 7, cash and cash equivalents disclosed in Note 4 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 17.

The Management of the Group considers the cost of capital and risks associated with each class of capital. The Management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

The Group controls its capital using the net debt / total equity ratio. This ratio is the calculated as net debt divided by the total equity amount. Net debt is calculated as total liability amount (comprises of financial liabilities, leasing and trade payables as presented in the balance sheet) less cash and cash equivalents.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2020 and 31 December 2019 the Group's net debt / total equity ratio is detailed as follows:

	31 December 2020	**31 December 2019**
Financial liabilities	-	588
Less: Cash and cash equivalents and short-term financial investments	(48,223,219)	(6,214,119)
Net debt	(48,223,219)	(6,213,531)
Total equity	704,400,161	489,388,015
Net debt/Total equity ratio (%)	**(6.86)**	**(1.27)**

The Group has not made any changes to its overall capital risk management policy in the current period.

b) Financial Risk Factors

The Group's activities expose it to various financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects over the Group's financial performance.

The Group manages its financial instruments centrally in accordance with the Group's risk policies through the Financial Transactions Department. The Group's cash inflows and outflows are monitored by using the reports prepared on a daily, weekly and monthly basis and the related data is compared to the monthly and yearly cash flow budgets.

Risk management is carried out by the Risk Management Department which is independent from steering, under the policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

(b.1) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's Management mitigates such risk by putting limitations on the contracts with counterparties and obtaining sufficient collaterals, where appropriate. Trade receivables are evaluated based on the Group's policies and procedures and presented net of doubtful provision in the financial statements accordingly (Note 7).

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2020				
	Receivables				
Credit risks exposed through types of financial instruments	**Trade Receivables**		**Other Receivables**		
	Related Parties	**Third Parties**	**Related Parties**	**Third Parties**	**Bank Deposits**
Maximum credit risk exposed as of the balance sheet date (*) (A+B+C+D+E)	**3,232,714**	**3,872,328**	**382,620,579**	**3,431,845**	**48,222,889**
- Maximum risk portion covered by guarantees, collaterals, etc.	-	(734,050)	(200,000,000)	-	-
A. Net book value of financial assets neither overdue nor impaired	3,232,714	3,872,328	382,620,579	3,419,956	48,222,889
- Portion covered by guarantees, collaterals etc.	-	(734,050)	(200,000,000)	-	-
B. Net book value of financial assets that are renegotiated or otherwise will be accepted as overdue or impaired	-	-	-	-	-
- Portion covered by guarantees, collaterals etc.	-	-	-	-	-
C. Net book value of assets over due but not impaired	-	-	-	11,889	-
- Portion covered by guarantees, collaterals etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	5,567,229	-	609,483	-
Impairment (-)	-	(5,567,229)	-	(609,483)	-
- Net value portion covered by guarantees, collaterals, etc. (-)	-	-	-	-	-
Not due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value portion covered by guarantees, collaterals, etc. (-)	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not taken into consideration in the calculation.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2019				
	Receivables				
Credit risks exposed through types of financial instruments	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	Bank Deposits
Maximum credit risk exposed as of the balance sheet date (*) (A+B+C+D+E)	**2,213,763**	**3,081,077**	**241,709,900**	**3,826,733**	**6,213,670**
- Maximum risk portion covered by guarantees, collaterals, etc.	-	(1,485,050)	(200,000,000)	-	-
A. Net book value of financial assets neither overdue nor impaired	2,213,763	3,013,584	241,709,900	3,826,733	6,213,670
- Portion covered by guarantees, collaterals etc.	-	(1,485,050)	(200,000,000)	-	-
B. Net book value of financial assets that are renegotiated or otherwise will be accepted as overdue or impaired	-	-	-	-	-
- Portion covered by guarantees, collaterals etc.	-	-	-	-	-
C. Net book value of assets over due but not impaired	-	67,493	-	-	-
- Portion covered by guarantees, collaterals etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	4,617,115	-	513,725	-
Impairment (-)	-	(4,617,115)	-	(513,725)	-
- Net value portion covered by guarantees, collaterals, etc. (-)	-	-	-	-	-
Not due (gross carrying amount)	-	-	-	95,758	-
- Impairment (-)	-	-	-	(95,758)	-
- Net value portion covered by guarantees, collaterals, etc. (-)	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not taken into consideration in the calculation.

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Past due but not impaired assets are presented as below:

	31 December 2020	
	Trade Receivables	**Other Receivables**
Due within 1-30 days	-	11,889
Due within 1-3 months	-	-
Due within 3-12 months	-	-
Due within 1-5 years	-	-
Total overdue receivables	**-**	**11,889**

	31 December 2019	
	Trade Receivables	**Other Receivables**
Due within 1-30 days	67,493	-
Due within 1-3 months	-	-
Due within 3-12 months	-	-
Due within 1-5 years	-	-
Total overdue receivables	**67,493**	**-**

(b.2) Liquidity Risk Management

The Group manages its liquidity through a systematic monitoring of its cash flows and matching the maturities of its assets and liabilities to maintain adequate funds and loan reserves.

Liquidity risk tables

Conservative liquidity risk management requires maintaining adequate reserves, having the ability to utilize adequate level of credit lines and funds, and closing market positions.

Funding risk attributable to current and future potential borrowing needs is managed by providing ongoing access to adequate number of creditors with high quality.

The following table details show the Group's financial liabilities and their maturities. The tables below have been drawn up based on the undiscounted liabilities and earliest payment dates of financial liabilities. Interest to be paid over those liabilities are included and summarized in the below table:

	31 December 2020				
Contractual maturities	**Carrying value**	**Total cash Outflows in accordance with contracts (I+II+III)**	**Less than 3 months (I)**	**3-12 months (II)**	**1-5 year months (III)**
Non-derivate financial liabilities	**16,781,714**	**16,789,740**	**8,457,920**	**3,004,828**	**5,326,992**
Trade payables	5,021,317	5,029,343	3,702,958	1,326,385	-
Other payables	3,549,622	3,549,622	3,262	525,418	3,020,942
Other short term and long term liabilities	8,210,775	8,210,775	4,751,700	1,153,025	2,306,050

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2019				
Contractual maturities	**Carrying value**	**Total cash Outflows in accordance with contracts (I+II+III)**	**Less than 3 months (I)**	**3-12 months (II)**	**1-5 year months (III)**
Non-derivate financial liabilities	**16,314,440**	**16,324,823**	**12,285,869**	**1,417,984**	**2,620,970**
Obligation under finance leases	588	594	594	-	-
Trade payables	11,081,736	11,092,113	10,237,681	854,432	-
Other payables	3,187,353	3,187,353	2,831	563,552	2,620,970
Other short and long term liabilities	2,044,763	2,044,763	2,044,763	-	-

(b.3) Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. At a Group level, market risk exposures are measured by sensitivity analysis. When compared to prior periods, there has been no change in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

(b.3.1) Foreign currency risk management

Foreign currency risk is the risk of volatility in the foreign currency denominated monetary assets, monetary liabilities and off-balance sheet liabilities due to changes in currency exchange rates. The breakdown of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of the balance sheet date are as follow:

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

		31 December 2020			
		TRY Equivalent	**USD**	**Euro**	**GBP**
1.	Trade Receivable	2,529,911	344,651	-	-
2a.	Monetary Financial Assets	68,587,613	9,304,548	31,924	1
2b.	Non-monetary Financial Assets	-	-	-	-
3.	Other	-	-	-	-
4.	CURRENT ASSETS	71,117,524	9,649,199	31,924	1
5.	Trade Receivable	-	-	-	-
6a.	Monetary Financial Assets	326,735,124	44,511,290	-	-
6b.	Non-monetary Financial Assets	-	-	-	-
7.	Other	-	-	-	-
8.	NON-CURRENT ASSETS	326,735,124	44,511,290	-	-
9.	**TOTAL ASSETS**	**397,852,648**	**54,160,489**	**31,924**	**1**
10.	Trade Payables	214,674	801	23,179	-
11.	Financial Liabilities	-	-	-	-
12a.	Other Monetary Liabilities	-	-	-	-
12b.	Other Non-monetary Liabilities	3,211,181	-	356,485	-
13.	CURRENT LIABILITIES	3,425,855	801	379,664	-
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities	-	-	-	-
16a.	Other Monetary Liabilities	1,835,125	250,000	-	-
16b.	Other Non-monetary Liabilities	-	-	-	-
17.	NON-CURRENT LIABILITIES	1,835,125	250,000	-	-
18.	**TOTAL LIABILITIES**	**5,260,980**	**250,801**	**379,664**	**-**
19.	**Net assets/(liability) position of off balance sheet derivates items (19a-19b**	-	-	-	-
19a.	Amount of Derivative Products with Active Charged Off Balance Sheet Foreign Currency	-	-	-	-
19b.	Amount of Derivative Products with a Passive Foreign Exchange Currency	-	-	-	-
20.	**Net foreign currency assets/(liability) position**	**392,591,668**	**53,909,688**	**(347,741)**	**1**
21.	**Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)**	**395,802,849**	**53,909,688**	**8,745**	**1**
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Total amount of assets hedged	-	-	-	-
24.	Total amount of liabilities hedged	-	-	-	-

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

		31 December 2019			
		TRY Equivalent	USD	Euro	GBP
1.	Trade Receivable	1,802,456	293,647	8,741	-
2a.	Monetary Financial Assets	19,014,639	3,200,909	89	1
2b.	Non-monetary Financial Assets	-	-	-	-
3.	Other	-	-	-	-
4.	CURRENT ASSETS	20,817,095	3,494,556	8,830	1
5.	Trade Receivable	-	-	-	-
6a.	Monetary Financial Assets	170,317,123	28,671,951	-	-
6b.	Non-monetary Financial Assets	-	-	-	-
7.	Other	-	-	-	-
8.	NON-CURRENT ASSETS	170,317,123	28,671,951	-	-
9.	**TOTAL ASSETS**	**191,134,218**	**32,166,507**	**8,830**	**1**
10.	Trade Payables	51,762	655	7,198	-
11.	Financial Liabilities	600	101	-	-
12a.	Other Monetary Liabilities	1,485,050	250,000	-	-
12b.	Other Non-monetary Liabilities	2,204,647	-	331,496	-
13.	CURRENT LIABILITIES	3,742,059	250,756	338,694	-
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities	-	-	-	-
16a.	Other Monetary Liabilities	-	-	-	-
16b.	Other Non-monetary Liabilities	-	-	-	-
17.	NON-CURRENT LIABILITIES	-	-	-	-
18.	**TOTAL LIABILITIES**	**3,742,059**	**250,756**	**338,694**	**-**
19.	**Net assets/(liability) position of off balance sheet derivates items (19a-19b)**	**-**	**-**	**-**	**-**
19a.	Amount of Derivative Products with Active Charged Off Balance Sheet Foreign Currency	-	-	-	-
19b.	Amount of Derivative Products with a Passive Foreign Exchange Currency	-	-	-	-
20.	**Net foreign currency assets/(liability) position**	**187,392,159**	**31,915,751**	**(329,864)**	**1**
21.	**Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)**	**189,596,806**	**31,915,751**	**1,632**	**1**
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Total amount of assets hedged	-	-	-	-
24.	Total amount of liabilities hedged	-	-	-	-

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The Group is mainly exposed to USD risks. Effects of other currencies are immaterial.

Assets and liabilities denominated in foreign currencies are translated at the exchange rates announced by the Turkish Central Bank as of 31 December 2019 (31 December 2020: USD 1 = TRY 7.3405, Euro 1 = TRY 9.0079 and GBP 1 = TRY 9.9438, 31 December 2019: USD 1 = TRY 5.9402, Euro 1 = TRY 6.6506 and GPB 1 = TRY 7.7765).

The table below presents the Group's sensitivity to a 10% (31 December 2019: 10%) deviation in foreign exchange rates (especially USD and EUR). 10% is the rate used by the Group when generating its report on exchange rate risk; the related rate stands for the presumed possible change in the foreign currency rates by the Group's Management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit/loss or equity.

Foreign currency sensitivity

	31 December 2020	
	Profit/(Loss)	
	Appreciation of foreign currency	**Depreciation of foreign currency**
When 10% appreciation of USD against TRY	39,572,406	(39,572,406)
USD net asset/(liability)	**39,572,406**	**(39,572,406)**
When 10% appreciation of EUR against TRY	(313,242)	313,242
EUR net asset/(liability)	**(313,242)**	**313,242**
When 10% appreciation of other foreign currency against TRY	1	(1)
Other foreign currency net asset/(liability)	**1**	**(1)**
Total	**39,259,165**	**(39,259,165)**

	31 December 2019	
	Profit/(Loss)	
	Appreciation of foreign currency	**Depreciation of foreign currency**
When 10% appreciation of USD against TRY		
USD net asset/(liability)	**18,958,594**	**(18,958,594)**
When 10% appreciation of EUR against TRY		
EUR net asset/(liability)	**(219,379)**	**219,379**
When 10% appreciation of other foreign currency against TRY		
Other foreign currency net asset/(liability)	**1**	**(1)**
Total	**18,739,216**	**(18,739,216)**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The Group's financial assets and liabilities do not expose interest rate risk.

Financial Instruments Categories

31 December 2020	Financial liabilities at amortized cost	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Carrying value	Note
Financial assets	**-**	**441,380,685**	**452,207**	**441,832,892**	
Cash and cash equivalents	-	48,223,219	-	48,223,219	4
Trade receivables	-	3,872,328	-	3,872,328	7
Due from related parties	-	385,853,293	-	385,853,293	24
Other receivables	-	3,431,845	-	3,431,845	9
Financial investments	-	-	452,207	452,207	5
Financial liabilities	**16,781,714**	**-**	**-**	**16,781,714**	
Trade payables	4,546,336	-	-	4,546,336	7
Due to related parties	481,019	-	-	481,019	24
Other payables	3,543,584	-	-	3,543,584	9
Other short term and long term liabilities	8,210,775	-	-	8,210,775	

31 December 2019	Financial liabilities at amortized cost	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Carrying value	Note
Financial assets	**-**	**257,045,592**	**13,842,856**	**270,888,448**	
Cash and cash equivalents	-	6,214,119	-	6,214,119	4
Trade receivables	-	3,081,077	-	3,081,077	7
Due from related parties	-	243,923,663	-	243,923,663	24
Other receivables	-	3,826,733	-	3,826,733	9
Financial investments	-	-	13,842,856	13,842,856	5
Finacial liabilities	**14,269,677**	**-**	**-**	**14,269,677**	
Leasing liabilities	588	-	-	588	6
Trade payables	10,737,874	-	-	10,737,874	7
Due to related parties	349,496	-	-	349,496	24
Other payables	3,181,719	-	-	3,181,719	9

NOTE 26 - SUBSEQUENT EVENTS

None.

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