Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries

Interim Condensed Consolidated Financial Statements
As at and For The Six-Month Period
Ended 30 June 2018
With Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

18 March 2019

This report includes 2 pages of independent auditors report on review of condensed consolidated interim financial statements and 57 pages of condensed consolidated financial statements together with their explanatory notes.

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries

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KPMG

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Independent Auditor's Reissued Report on Review of Condensed Consolidated Interim Financial Information

To the Board of Directors of
Aksa Enerji Üretim A.Ş.

Introduction

We have reviewed the accompanying 30 June 2018 condensed consolidated interim financial information of Aksa Enerji Üretim A.Ş and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2018;
- the condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2018;
- the condensed consolidated statements of changes in equity for the six-month period ended 30 June 2018;
- the condensed consolidated statements of cash flows for the six-month period ended 30 June 2018; and
- notes to the interim financial information.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative, a Swiss entity.

KPMG

Other matter

This auditor's report is being reissued and is superseded the previously issued auditor's report dated 9 August 2018, to correct an error discovered after the issuance of the condensed consolidated interim financial information. The previously issued auditor's report dated 9 August 2018 is not to be relied on because the condensed consolidated interim financial information materially misstated and the previously issued auditor's report is superseded by this reissued report. Note 2.f to the accompanying reissued condensed consolidated interim financial information describes the correction of error. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at and for the six month period ended 30 June 2018 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of KPMG International Cooperative

Şirin Soysal
Partner
18 March 2019
İstanbul, Turkey

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Financial Position
As at 30 June 2018
(Amounts expressed in Turkish Lira unless otherwise stated.)

ASSETS	Notes	Reviewed *(Restated)(*)* 30 June 2018	Audited *(Restated)(*)* 31 December 2017
Current assets			
Cash and cash equivalents		18,972,149	59,577,791
Trade and other receivables		1,212,602,744	759,563,092
Due from related parties	*17*	130,420,107	41,374,904
Derivative financial assets		26,266,956	2,576,770
Inventories		426,089,790	426,867,338
Prepayments		9,781,691	9,355,506
Current tax assets		2,642,901	3,292,537
Other current assets		130,285,912	124,924,838
Subtotal		**1,957,062,250**	**1,427,532,776**
Assets held for sale	*18*	--	46,013,293
Total current assets		**1,957,062,250**	**1,473,546,069**
Non-current assets			
Financial investments		412,408	412,408
Trade receivables and other receivables		4,285,603	15,662,583
Property, plant and equipment	*9*	3,674,463,367	3,635,797,549
Intangible assets		81,547,942	72,616,102
Goodwill	*10*	3,349,356	3,349,356
Prepayments		1,350,088	4,135,958
Total non-current assets		**3,765,408,764**	**3,731,973,956**
TOTAL ASSETS		**5,722,471,014**	**5,205,520,025**

(*) Please refer to Note 2.

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Financial Position
As at 30 June 2018

(Amounts expressed in Turkish Lira unless otherwise stated.)

LIABILITIES	Notes	Reviewed *(Restated) (*)* 30 June 2018	Audited *(Restated)(*)* 31 December 2017
Current liabilities			
Loans and borrowings	*14*	1,675,785,505	1,281,784,265
Other financial liabilities		224,268,741	259,814,613
Trade payables and other payables		323,884,316	428,163,954
Due to related parties	*17*	125,487,746	85,276,884
Derivative financial liabilities		--	3,052,466
Taxation payable on income		27,619,156	2,732,752
Provisions		2,654,807	2,371,672
Other current liabilities		24,800,804	79,570,413
Deferred revenue		390,093	1,050,813
Total current liabilities		**2,404,891,168**	**2,143,817,832**
Non-current liabilities			
Loans and borrowings	*14*	1,314,636,292	1,158,627,222
Other financial liabilities		54,787,563	136,278,110
Reserve for employee severance indemnity		3,478,286	3,000,204
Deferred tax liabilities	*11*	69,209,380	96,618,904
Total non-current liabilities		**1,442,111,521**	**1,394,524,440**
Total liabilities		**3,847,002,689**	**3,538,342,272**
EQUITY			
Share capital	*12*	615,157,050	615,157,050
Legal reserve	*12*	48,267,560	48,267,560
Other comprehensive income that is or may be reclassified to profit or loss		157,467,603	27,547,342
-Cash flow hedge reserves		*1,548,575*	*2,060,997*
-Translation reserves		*155,919,028*	*25,486,345*
Share premium		247,403,635	247,403,635
Other comprehensive income that is not or may be not reclassified to profit or loss		842,563,459	883,952,929
-Gains on revaluation of property, plant and equipment		*841,551,058*	*882,386,856*
-Actuarial gain/loss		*1,012,401*	*1,566,073*
Accumulated losses		(176,539,042)	(470,564,802)
Net profit for the period		16,748,463	257,947,268
Total equity attributable to equity holders of the Company		**1,751,068,728**	**1,609,710,982**
Non-controlling interests	*12*	124,399,597	57,466,771
Total equity		**1,875,468,325**	**1,667,177,753**
TOTAL EQUITY AND LIABILITIES		**5,722,471,014**	**5,205,520,025**

(*) Please refer to Note 2.

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Six-Month Period Ended 30 June 2018
(Amounts expressed in Turkish Lira unless otherwise stated.)

INCOME STATEMENT	Notes	Reviewed *(Restated)(*)* 1 January-30 June 2018	Reviewed *Restated(*)* 1 April-30 June 2018	Reviewed 1 January-30 June 2017	Reviewed 1 April-30 June 2017
Revenues	6	2,058,289,466	1,036,169,391	1,612,997,324	874,600,690
Cost of sales	6	(1,771,671,994)	(888,568,766)	(1,538,833,877)	(824,074,235)
Gross profit		**286,617,472**	**147,600,625**	**74,163,447**	**50,526,455**
Administrative expenses		(25,891,464)	(14,782,437)	(30,671,473)	(17,956,990)
Marketing and selling expenses		(475,521)	(266,361)	(652,084)	(278,313)
Other operating income		1,717,538	1,001,927	16,245,664	3,642,000
Other operating expenses		(7,345,560)	(5,178,619)	(8,461,856)	(2,093,377)
Operating profit		**254,622,465**	**128,375,135**	**50,623,698**	**33,839,775**
Gain from investing activities		2,609,175	12,297	76,661,344	57,326,057
Loss from investing activities		--	--	(110,675)	(110,675)
Operating profit before finance costs		**257,231,640**	**128,387,432**	**127,174,367**	**91,055,157**
Financial income	7	184,548,331	152,301,917	56,971,351	(53,629,546)
Financial expenses	7	(359,600,261)	(221,753,727)	(288,139,993)	(37,885,423)
Net financial costs		**(175,051,930)**	**(69,451,810)**	**(231,168,642)**	**(91,514,969)**
Profit/(loss) before tax for the period		**82,179,710**	**58,935,622**	**(103,994,275)**	**(459,812)**
Tax benefit/(expense)		**2,521,510**	**(22,544,129)**	**19,030,158**	**3,902,816**
Current tax expense	8	(26,345,695)	(23,842,457)	(5,750,697)	(2,229,533)
Deferred tax benefit	8	28,867,205	1,298,328	24,780,855	6,132,349
Profit/(loss) for the period		**84,701,220**	**36,391,493**	**(84,964,117)**	**3,443,004**
Non-controlling interest		67,952,757	32,475,271	8,726,532	9,301,032
Attributable to equity holders of the parent		16,748,463	3,916,222	(93,690,649)	(5,858,028)
Total profit/(loss) for the period from continuing operations		**84,701,220**	**36,391,493**	**(84,964,117)**	**3,443,004**
Other Comprehensive Income					
Items that will not be reclassified to profit or loss:					
Remeasurements of the defined benefit liability		(692,090)	(396,042)	(120,511)	(801,300)
Tax on items that will not be reclassified to profit or loss		138,418	100,239	24,099	160,257
Items that are or may be reclassified subsequently to profit or loss:					
Effective portion of changes in fair value of cash flow hedges		(640,549)	(2,217,445)	(677,371)	(1,162,662)
Foreign currency translation differences from foreign operations		129,412,769	72,371,508	(10,947,374)	8,719,079
Tax on items that are or may be reclassified subsequently to profit or loss		128,110	443,491	135,478	232,535
Other comprehensive income for the period, net off tax		**128,346,658**	**70,301,751**	**(11,585,679)**	**7,147,909**
Total comprehensive income for the period		**213,047,878**	**106,693,244**	**(96,549,796)**	**10,590,913**
Non-controlling interests		66,932,826	32,475,271	8,724,029	9,301,032
Attributable to equity holders of the parent		146,115,052	74,217,973	(105,273,825)	1,289,881

(*) Please refer to Note 2.

The accompanying notes form an integral part of those condensed consolidated interim financial statements

(Amounts expressed in Turkish Lira unless otherwise stated.)

SHAREHOLDERS' EQUITY	Share capital	Share premium	Legal reserves	Actuarial gain/ (loss)	Cash flow hedge reserve	Translation differences	Retained earnings/ Accumulated Losses	Net Loss	Total	Non-controlling interests	Total Equity
Balance at 1 January 2017	**615,157,050**	**247,403,635**	**44,342,753**	**1,214,288**	**1,071,273**	**28,453,746**	**(77,029,456)**	**(368,010,433)**	**492,602,856**	**(2,337,947)**	**490,264,909**
Net loss for the period	--	--	--	--	--	--	--	(93,690,649)	**(93,690,649)**	8,726,532	**(84,964,117)**
Actuarial gain / (loss)	--	--	--	(93,918)	--	--	--	--	**(93,918)**	(2,494)	**(96,412)**
Translation difference	--	--	--	--	--	(10,947,374)	--	--	**(10,947,374)**	--	**(10,947,374)**
Effective portion of changes in fair value of cash hedges	--	--	--	--	(541,884)	--	--	--	**(541,884)**	(9)	**(541,893)**
Total other comprehensive loss for the period	**--**	**--**	**--**	**(93,918)**	**(541,884)**	**(10,947,374)**	**--**	**(93,690,649)**	**(105,273,825)**	**8,724,029**	**(96,549,796)**
Transfer to retained earnings	--	--	3,924,807	--	--	--	(371,935,240)	368,010,433	--	--	--
Acquisition of non-controlling interest without a change in control	--	--	--	--	--	--	(21,616,190)	--	**(21,616,190)**	(65,774)	**(21,681,964)**
Transaction with owners of the Company, recognized directly in equity	**--**	**--**	**3,924,807**	**--**	**--**	**--**	**(393,551,430)**	**368,010,433**	**(21,616,190)**	**(65,774)**	**(21,681,964)**
Balance at 30 June 2017	**615,157,050**	**247,403,635**	**48,267,560**	**1,120,370**	**529,389**	**17,506,372**	**(470,580,886)**	**(93,690,649)**	**365,712,841**	**6,320,308**	**372,033,149**

(Amounts expressed in Turkish Lira unless otherwise stated.)

SHAREHOLDERS' EQUITY	Share capital	Share premium	Legal reserves	Actuarial gain/ (loss)	Cash flow hedge reserve	Gains on revaluation of property, plant and equipment	Translation differences	Retained earnings/ Accumulated Losses	Net Profit	Total	Non-controlling interests	Total Equity
Balance at 1 January 2018	**615,157,050**	**247,403,635**	**48,267,560**	**1,566,073**	**2,060,997**	**887,786,445**	**25,486,345**	**(470,564,802)**	**257,947,268**	**1,615,110,571**	**58,704,622**	**1,673,815,193**
Effect of restatement accordance with IAS 8	--	--	--	--	--	**(5,399,589)**	--	--	--	**(5,399,589)**	**(1,237,851)**	**(6,637,440)**
Effect of change in accounting policy	--	--	--	--	--	--	--	**(4,757,306)**	--	**(4,757,306)**	--	**(4,757,306)**
Balance at 1 January 2018 as restated	**615,157,050**	**247,403,635**	**48,267,560**	**1,566,073**	**2,060,997**	**882,386,856**	**25,486,345**	**(475,322,108)**	**257,947,268**	**1,604,953,676**	**57,466,771**	**1,662,420,447**
Net profit for the period	--	--	--	--	--	--	--	--	16,748,463	**16,748,463**	67,952,757	**84,701,220**
Actuarial gain / (loss)	--	--	--	(553,672)	--	--	--	--	--	**(553,672)**	--	**(553,672)**
Amortisation effect of revaluated of PPE	--	--	--	--	--	(40,835,798)	--	40,835,798	--	**--**	--	**--**
Translation difference	--	--	--	--	--	--	130,432,683	--	--	**130,432,683**	(1,019,914)	**129,412,769**
Effective portion of changes in fair value of cash hedges	--	--	--	--	(512,422)	--	--	--	--	**(512,422)**	(17)	**(512,439)**
Total other comprehensive loss for the period	--	--	--	**(553,672)**	**(512,422)**	**(40,835,798)**	**130,432,683**	**40,835,798**	**16,748,463**	**146,115,052**	**66,932,826**	**213,047,878**
Transfer to retained earnings	--	--	--	--	--	--	--	257,947,268	(257,947,268)	--	--	--
Transaction with owners of the Company, recognized directly in equity	--	--	--	--	--	--	--	**257,947,268**	**(257,947,268)**	--	--	--
Balance at 30 June 2018	**615,157,050**	**247,403,635**	**48,267,560**	**1,012,401**	**1,548,575**	**841,551,058**	**155,919,028**	**(176,539,042)**	**16,748,463**	**1,751,068,728**	**124,399,597**	**1,875,468,325**

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Cash Flow
For the Six-Month Period Ended 30 June 2018
(Amounts expressed in Euro unless otherwise stated.)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	Reviewed *(Restated) (*)* 1 January- 30 June 2018	Reviewed 1 January- 30 June 2017
Net profit/(loss) for the period		84,701,220	(84,964,117)
Depreciation and amortization		194,798,741	106,670,789
Provision for employee severance indemnity		332,611	814,765
Interest expense	7	195,638,235	213,534,050
Interest income	7	(6,973,245)	(24,005,508)
Tax benefit	8	(2,521,510)	(19,030,158)
Loss/(gain) on disposal of subsidiary		--	(18,820,652)
Gain on sale of tangible assets		(2,609,176)	(547,151)
Gain on sale of asset-held-for-sale		--	(57,182,866)
Adjustments related to derivative transaction income	7	(31,710,589)	--
Unrealized foreign currency income/loss		176,465,161	(13,092,020)
Operating profit before working capital changes		**608,121,448**	**103,377,132**
Change in inventories		(66,813,962)	(81,527,301)
Change in trade and other receivables		(446,374,110)	59,972,731
Change in due from related parties		(89,045,203)	41,720,418
Change in trade and other payables		(145,577,779)	240,206,427
Change in due to related parties		46,458,520	38,262,839
Change in other current liabilities		(329,182)	87,501,328
Change in assets and liabilities held for sale		46,013,293	--
Change in other current assets		(2,055,241)	23,863,492
		(49,602,216)	**513,377,066**
Taxes paid		(20,118,697)	(329,515)
Employee termination indemnity paid		(58,645)	(891,683)
Interest paid		(184,871,451)	(194,491,186)
Interest received		6,973,245	2,410,892
Net cash provided from/(used in) operating activities		**(247,677,763)**	**320,075,574**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of subsidiary		--	33,545,783
Proceeds from sale of asset-held-for-sale		--	72,066,016
Proceeds from sale of property, plant and equipment and intangible assets	9	46,354,228	2,533,708
Purchases of property, plant and equipment	9	(33,461,684)	(196,998,546)
Purchases of intangible assets		(486,561)	(9,433,516)
Net cash provided from/(used in) investing activities		**12,405,983**	**(98,286,555)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issued bank borrowings	14	190,585,132	(58,988,997)
Net cash outflow from derivatives		4,081,006	985,601
Net cash (used in)/provided from financing activities		**194,666,138**	**(58,003,396)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(40,605,642)**	**163,785,623**
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**59,546,471**	**41,608,428**
CASH AND CASH EQUIVALENTS AT 30 JUNE		**18,940,829**	**205,394,051**

(*) Please refer to Note 2.

The accompanying notes form an integral part of those condensed consolidated interim financial statements

(Amounts expressed in Turkish Lira unless otherwise stated.)

1. REPORTING ENTITY

Aksa Enerji Üretim A.Ş. ("Aksa Enerji" or "the Company") was established on 12 March 1997 to engage in constructing, lending and operating of electricity power plant, production and sale of electricity or energy production capacity to the customers. The Company's registered office address is Rüzgarlıbahçe Mahallesi, Özalp Çıkmazı, No:10, Kavacık-Beykoz, Istanbul / Turkey.

The shares of Company have been registered in the Borsa İstanbul A.Ş. ("BIST") on 21 May 2010 under the name "AKSEN" and the shares are now publicly traded on the Istanbul Stock Exchange.

The main shareholder of the Company is Kazancı Holding A.Ş. ("Kazancı Holding").

Aksa Enerji and its subsidiaries are collectively referred to as "the Group" in this report. The details of the subsidiaries included in the consolidation are as follows:

			Voting power held (%)	
Name of subsidiary – Foreign Branch	**Principal activity**	**Place of operation**	**30 June 2018**	**31 December 2017**
Aksa Aksen Enerji Ticareti A.Ş. ("Aksa Aksen Enerji")	Electricity trade	Turkey	100.00	100.00
Aksa Energy Company Ghana Limited ("Aksa Enerji Ghana")	Electricity production	Ghana	75.00	75.00
Aksa Enerji Üretim A.Ş.-Y.Ş. ("Aksa Enerji – Y.Ş.")	Electricity production	TRNC	100.00	100.00
Aksa Ghana B.V.	Holding company	Netherlands	100.00	100.00
Aksa Global Investment B.V. ("Aksa Global B.V.")	Holding company	Netherlands	100.00	100.00
Aksa Göynük Enerji Üretim A.Ş. ("Aksa Göynük Enerji")	Electricity production	Turkey	99.99	99.99
Aksa Madagascar B.V.	Holding company	Netherlands	100.00	100.00
Aksa Mali S.A.	Electricity production	Mali	100.00	100.00
Aksaf Power Ltd.("Aksaf Power")	Electricity production	Mauritius	58.35	58.35
İdil İki Enerji Sanayi ve Ticaret A.Ş. ("İdil İki Enerji")	Electricity production	Turkey	99.99	99.99
Overseas Power Ltd. ("Overseas Power")	Good and supply trade	Mauritius	100.00	100.00
Rasa Enerji Üretim A.Ş. ("Rasa Enerji")	Electricity production	Turkey	99.99	99.99

At 30 June 2018, the number of employees of the Group is 1,068 (31 December 2017: 1,019).

Aksa Enerji - Y.Ş.:

On 10 March 2009, Aksa Enerji- Y.Ş. made an electricity sale agreement with Electricity Distribution Company of Turkish Northern Cyprus ("KIB-TEK") by providing service through lending the power plant constituting of diesel generator groups established in Kalecik-TRNC. The contract period is 15+3 years starting from 1 April 2009 and KIB-TEK commits to purchase all of the electricity produced during the contract period.

In accordance with the capacity increase investments of Kalecik Power Plant in TRNC, the installed capacity has been increased by 33 MW by the instalment of two units with the same engine specifications from the power plants whose licenses were cancelled. The installed capacity of our TRCN Kalecik Power Plant has increased to 153 MW, thus its percentage of availability has also grown by the increase in spare units capacity.

Aksa Enerji-Y.Ş.'s factory land was leased from a third party in TRNC for 10 years on 12 February 2010 by Kazancı Holding. Aksa Enerji-Y.Ş. subleases from Kazancı Holding for 10 years.

1. REPORTING ENTITY (continued)

Aksa Aksen Enerji:

Aksa Aksen Enerji was founded on 8 July 2015 by the Aksa Enerji with an ownership percent of 100,00% for the purpose of selling the electricity produced by the Group companies.

Aksa Energy Ghana

Aksa Energy Ghana was founded on 15 July 2015 by the Aksa Enerji in accordance with the electricity production and sale agreement signed with the Government of Ghana Republic. Unit of power plant with a capacity 192.5 MW started its operations on 10 April 2017. The installed power of the power plant has increased from 192.5 MW to 35 MW with a reserve capacity of total 280 MW as of 1 August 2017.

Aksa Ghana B.V:

On 24 November 2016, Aksa Ghana B.V. was established in Holland as a holding Company of Aksa Energy Ghana.

Aksa Global B.V:

On 24 November 2016, Aksa Global was established in Holland to coordinate the foreign investments as a holding Company.

Aksa Göynük Enerji:

Aksa Göynük Enerji has an royalty agreement with General Directorate of Turkish Coal for the use of coal in Bolu-Göynük reservoir and Aksa Enerji has a licence for the utilisation of this coal in its power plant with 270 MW capacity.

On 28 October 2011, Aksa Enerji acquired 99,99% of all shares of Aksa Göynük Enerji from Kazancı Holding, the ultimate parent company. The main operations of Aksa Göynük Enerji are constructing, lending and operating of electricity power plant, production and sale of electricity and all kind of exploration and production of natural gas and petroleum resources and mining.

First unit of the power plant with 135 MW has started its operations as of 30 September 2015 and second unit of the power plant with 135 MW has started its operations as of 29 January 2016.

Aksa Madagascar B.V.:

On 19 October 2016, Aksa Madagascar B.V. was established as a holding company of Aksaf Power.

Aksa Mali S.A

On 6 February 2017, Aksa Mali SA was established for operating and maintenance coordination of Mali plant. On 4 August 2017, 10 MW powered portion from the first phase has been put in use. On 28 September 2017, the remaining 30 MW portion of 40 MW installed powered plant in total has been put in use.

Aksaf Power:

Aksa Enerji established Aksaf Power with participation by Aksa Enerji and a local partner with an ownership interest of 58,35% and 41,65%, respectively, in Mauritius for the purpose of constructing a Heavy Fuel Oil ("HFO") power plant with a capacity of 120 MW in Republic of Madagascar and guarantee sale of the electricity produced for 20 years. Aksaf Power started to construction of power plant upon receipt of the advances and guarantees in accordance with the agreement with Jiro Sy Rano Malagasy ("Jirama"), a public company in Republic of Madagascar providing water and electricity services in this country.

In the energy sales guarantee agreement, The tariff is set in US dollars,field,fuel supply,all licenses and permits provided by the Jirama company.Installed power of powerplant has been increased to 50 MW on 4 August 2017, the first stage, total installed power is 66 MW, of the remaining power stage whose power is 16 MW, became part of the activity in 7th September.The second stage, total installed power is 54 MW, will be the part of activity when the transmission line is completed.

(Amounts expressed in Turkish Lira unless otherwise stated.)

1. REPORTING ENTITY (continued)

İdil İki Enerji:

In 2001, İdil İki Enerji was acquired by Koni İnşaat Sanayi A.Ş. ("Koni İnşaat"), a related party, from Bilkent Group. Idil İki Enerji has a fuel oil fired power plant located in Şırnak with a capacity of 24 MW. The power plant started its operations in 2001. On 5 March 2010, Aksa Enerji acquired 99.99% of all shares of İdil İki İnşaat from Koni İnşaat. Licence of power plant has been cancelled on 7 February 2017.

Overseas Power

Overseas Power was established on 18 November 2016 in Mauritius in order to carry out the procurement of raw materials and goods mainly related to the activities of Aksaf Power. Overseas Power is dormant as of the reporting date.

Rasa Elektrik:

Rasa Elektrik located at Mardin established on January 1996 in order to meet the electricity needs of Mardin and surrounding areas. It sells its production to TEİAŞ ("Turkish Electricity Transmission Company").

The land over which the power plant is located in Mardin, has been leased from Koni İnşaat A.Ş. ("Koni İnşaat") in 2002, to be renewed annually. The factory which Rasa Elektrik manufacture of radiators has been leased from Koni İnşaat until 31 December 2012, the factory land is the property of Aksa Enerji.

In November 2013, part of the manufacturing of radiators was split and received the title which was the Rasa Endüstriyel Radyatörler Sanayi ve Ticaret A.Ş. Aksa Enerji does not have any partnership in the company. The machine and equipment of Siirt power plant was sold to Rasa Elektrik before its transfer. The shares of Rasa Elektrik was taken over by Aksa Göynük Enerji on 21 May 2018.

Rasa Enerji:

Rasa Enerji was established on 12 September 2000 for production and distribution of electricity. Rasa Enerji's 99.99% shares have been acquired by Aksa Enerji on 5 March 2010 from one of the related parties, namely Koni İnşaat. Rasa Enerji had a natural gas power plant in Van, which has a 114.88 MW capacity. The total installed capacity of the Van plant was increased from 104 MW to 114.88 MW, as combined cycle in the last quarter of 2010.

As per the application to Energy Market Regulatory Authority, generation licence of Van Natural Gas Combined Cycle Power Plant, which had an installed capacity of 115 MW, has been cancelled. The power plant, which has a decreasing chance of generation in free market conditions within Turkey, is expected to be used abroad on a USD based contract with higher margins.

Urfa plant started to generate electricity in August 2011 with an installed capacity of 129 MW and the investment to transform the plant into a combined cycle engine driven technology was completed in 2012.

In accordance with the capacity increase works of Şanlıurfa Natural Gas Power Plant, 18 MW capacity has been accepted by the Ministry of Energy and Natural Resources and commissioned on 18 November 2015. Thus, the installed capacity of Şanlıurfa Natural Gas Power Plant is increased to 147 MW.

As of 30 June 2018, electricity production licenses held by the Group are as follows:

Licence Owner	Location	Type of Facility	Date of Licence Started	Licence Duration	The capacity of the plant (MWhe)	The capacity in use (MWhe)
Aksa Enerji	TRNC	Fuel oil	10 March 2009	15+3	153	153
Aksa Enerji	Antalya	Natural Gas	13 November 2007	30 years	2,050	1,150
Aksa Enerji	Manisa	Natural Gas	21 February 2008	30 years	115	115
Aksa Göynük Enerji	Bolu	Coal Plant	25 March 2008	30 years	270	270
Aksa Enerji Gana	Ghana	Fuel Oil	1 August 2017	6,5 years	370	280
Aksa Mali S.A	Mali	Fuel Oil	28 September 2017	3 years	40	40
Aksaf Power	Madagascar	Fuel Oil	5 September 2017	20 years	120	66
Rasa Enerji	Şanlıurfa	Natural Gas	12 May 2011	49 years	270	147
Toplam					**3,388**	**2,221**

2. BASIS OF PREPARATION

a) Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") including the requirements of IAS 34 "Interim Financial Reporting". These condensed consolidated interim financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2017.

The condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2018 were approved by the Board of Directors on 18 March 2019.

b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis and for the Group's Turkish entities as adjusted for the effects of inflation that lasted by 31 December 2005, except for the followings:

- derivative financial instruments are measured at fair value,
- land and building and land improvements and machinery and equipment in property, plants and equipment are measured at fair value,

The financial statements of subsidiaries that report in the currency of an economy formerly accepted as hyperinflationary (Turkey) are restated in terms of the measuring unit current at the reporting dates until 31 December 2005. Turkey came off highly inflationary status for the period beginning after 15 December 2005, therefore restatement for IAS 29 ("Financial Reporting in Hyperinflationary Economies") has not been applied since 1 January 2006.

c) Functional and presentation currency

The Company and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the accounting principles as promulgated by the Turkish Commercial Code and Tax Procedure Law. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

The accompanying condensed consolidated financial statements expressed in TL. All financial information presented in TL has been rounded to the nearest TL amounts, except when otherwise indicated.

The table below summarizes functional currencies of the Group entities.

Company	Functional currency
Aksa Enerji A.Ş.– Y.Ş.	USD
Rasa Enerji	TL
İdil İki Enerji	TL
Aksa Göynük Enerji	TL
Aksa Aksen Enerji	TL
Aksa Energy Ghana	USD
Aksa Ghana B.V.	EUR
Aksa Global B.V.	EUR
Aksa Madagascar B.V.	EUR
Aksa Mali S.A.	EUR
Aksaf Power	USD
Overseas Power	USD

2. BASIS OF PREPARATION (continued)

c) Functional and presentation currency (continued)

Functional currencies are used to a significant extent in, or have a significant impact on the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currencies selected for measuring items in the condensed consolidated financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currencies have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21, "*The Effects of Changes in Foreign Exchange Rates*".

d) Basis of consolidation

i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from involvement with the entity and has the ability to affect those returns through it power over the entity. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

ii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's condensed consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any gain/loss arising is recognised directly in equity.

iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls a business when exposure, or rights, to variable returns due to its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries are included in the condensed consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

iv) Non-controlling interests

The Group measures any non-controlling interests in the acquiree at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation (continued)

v) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any NCI and other components of equity related to the subsidiary. Any resulting gain or loss arising on the loss of control is recognized in profit or loss. Any interest retained in the former subsidiary, then such interest is measured at fair value at the date when control is lost.

vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the condensed consolidated interim financial statements.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Carrying value of shares owned by the Group and dividends arising from these shares has been eliminated in equity and profit or loss accounts.

e) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss), a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or qualifying cash flow hedges to the extent the hedge is effective.

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at average exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(Amounts expressed in Turkish Lira unless otherwise stated.)

2. BASIS OF PREPARATION (continued)

e) Foreign currency (continued)

ii) Foreign operations (continued)

When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operations is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and presented within equity in the translation reserve.

The EUR/TL, USD/TL, GHS/USD and TL/USD as at 30 June 2018 and 31 December 2017 are as follows:

	30 June 2018	**31 December 2017**
EUR/TL	5.3092	4.5155
USD/TL	4.5607	3.7719
GHS/USD	0.2265	0.2265
TL/USD	0.2192	0.2651

f) Comparative information and restatement prior period consolidated financial statements

In the consolidated financial statements for the year ended 31 December 2017, the land, buildings and land improvements and machinery and equipment included in the tangible fixed assets have ceased to use the cost method and have preferred the cost of revaluation method in accordance with TAS 16 Property, Plant and Equipment. In order to determine the revalued amounts of the tangible fixed assets of the foreign operations in which the functional currency is US Dollars and EUR subject to consolidation, the machine and real estate values taken as the base of the functional currency included in the valuation report dated 28 December 2017 are shown on the basis of the exchange rate at 29 December 2017 in the consolidated financial statements in which the functional currency is TL In accordance with TAS 21, these amounts are required to be translated into TL, which is the functional currency of the Group, using the foreign exchange rate dated 31 December 2017. The effects of these corrections are reflected to the related period in accordance with TAS 8 “Changes in Accounting Estimates and Errors. The effect of errors to the previous period is presented in the table below in each financial statement item:

	Previously Reported 31 December 2017	***Effect of Error***	***Restated 31 December 2017***
Property, plant and equipment	3,644,861,330	(9,063,781)	3,635,797,549
Gain on revaluation of property, plant and equipment	887,786,445	(5,399,589)	882,386,856
Deferred tax liabilities	99,045,245	(2,426,341)	96,618,904
Non-controlling interest	58,704,622	(1,237,851)	57,466,771
Fixed assets revaluation funds –other comprehensive income	1,157,853,041	(9,063,781)	1,148,789,260
Deferred tax expense-other comprehensive income	240,270,344	(2,426,341)	237,844,003

(Amounts expressed in Turkish Lira unless otherwise stated.)

2. BASIS OF PREPARATION (continued)

f) Comparative information and restatement prior period consolidated financial statements (continued)

Consolidated financial statements for the year ended 30 June 2018 have restated as a result of the correction of error made mistakenly in the depreciation expense and allocation net income of the consolidated financial statement for the six month 1 January 2018- 30 June 2018 published on 9 August 2018. Related financial statements, net profit after tax have decreased by TL 48,628,844 because of addition with depreciation expense amounting to TL 60,952,505 as a result of the correction of the error and have restated consolidated financial statements for the year ended 31 December 2017. There are no changes in the consolidated financial statements except for the following accounts.

	Previously Reported 30 June 2018	*Effect of Error*	*Restated 30 June 2018*
Property, plant and equipment	3,714,364,998	(39,901,631)	3,674,463,367
Gain on revaluation of property, plant and equipment	846,950,647	(5,399,589)	841,551,058
Deferred tax liabilities	83,959,381	(14,750,001)	69,209,380
Non-controlling interest	77,950,100	46,449,497	124,399,597
Translation reserves	125,804,374	30,114,654	155,919,028
Cost of goods sold	1,710,719,489	60,952,505	1,771,671,994
Deferred tax income	16,543,544	12,323,661	28,867,205
Net profit of the period	133,330,064	(48,628,844)	84,701,220
- *Non-controlling interest*	*20,265,409*	*47,687,348*	*67,952,757*
- *Attributable to equity holders of the parent*	*113,064,655*	*(96,316,192)*	*16,748,463*
Earnings per share	0,184	(0,157)	0,027

In the restatement of the cash flow for the six-month period ended 30 June 2018, the effects of above mentioned corrections are also taken into accounts.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Summary of significant accounting policies

Except as described below, the accounting policies applied in these interim condensed financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (1 January 2018). Accordingly, the information presented for 2017 has not been restated – in other words it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

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

- Identification of contract
- Performance obligations
- Determination of transaction price
- Allocation of price to performance obligations
- Recognition of revenue

Revenue mainly comprises electricity sales. Electricity sales revenue are recorded at invoiced amounts by the delivery of electricity power to customers on an accrual basis. Revenue is measured net of sales commissions, taxes. Balancing invoices issued by TEIAŞ is recognized in cost of sales.

IFRS 15 did not have a significant effect on the recognition of the Group's revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Summary of significant accounting policies (continued)

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below;

	1 January 2018 – Effect of implementation of IFRS 9
Retaining earnings / (accumulated losses)	
Recognizing expected credit losses accordance with IFRS 9	5,946,633
Deferred tax	(1,189,327)
Opening balance regarding to IFRS 9	**4,757,306**

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments.

Detailed information on how the Group classifies, measures and recognizes the related income and expenses in accordance with IFRS 9 is presented below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(Amounts expressed in Turkish Lira unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Summary of significant accounting policies (continued)

IFRS 9 Financial Instruments (continued)

i. Classification and measurement of financial assets and financial liabilities (continued)

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The adoption of IFRS 9 on 1 January 2018 does not have a significant effect on the carrying amounts of financial assets, as explained in more detail below.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018.

	Original classification under IAS 39	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
Financial assets				
Cash and cash equivalents	Loans and receivables	Amortised cost	59,577,791	59,577,791
Trade receivables	Loans and receivables	Amortised cost	706,750,072	700,803,439
Other receivables	Loans and receivables	Amortised cost	94,187,924	94,187,924
Financial Investments	Available for sale financial assets	Changes in fair value attributable to other comprehensive income	412,408	412,408

ii. Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost and contract assets but not to investments in equity instruments.

The financial assets at amortised cost consist of trade receivables, other receivables and cash and cash equivalents.

As of 1 January 2018 Effect of IFRS 9 on impairment provision is as described below:

Impairment of IAS 39 as of 31 December 2017	**18,514,130**
- Trade receivables	5,946,633
Impairment of IFRS 9 as of 1 January 2018	**24,460,763**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the condensed consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

IFRIC 23 –Uncertainty Over Income Tax Treatments

On 24 May 2018, IASB issued IFRIC 23 Uncertainty over Income Tax Treatments to specify how to reflect uncertainty in accounting for income taxes. It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. IAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation is effective from 1 January 2019 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRIC 23.

Amendments to IFRS 9 - Prepayment features with negative compensation

On December 2017, POA has issued amendments to IFRS 9 to clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. Under IFRS 9, a prepayment option in a financial asset meets this criterion if the prepayment amount substantially represents unpaid amounts of principal and interest, which may include 'reasonable additional compensation' for early termination of the contract. The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IFRS 9.

Amendments to IAS 28- Long-term *Interests in Associates and Joint Ventures*

On December 2017, POA has issued amendments to IAS 28 to clarify that entities also apply IFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. An entity applies IFRS 9 to such long-term interests before it applies related paragraphs of IAS 28. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted.

The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.

IFRS 16 Leases

On 16 April 2018, POA issued the new leasing standard which will replace IAS 17 *Leases*, IFRIS 4 *Determining Whether an Arrangement Contains a Lease*, SIC 15 *Operating Leases – Incentives*, and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* and consequently changes to IAS 40 *Investment Properties*. IFRS 16 *Leases* eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts IFRS 15 *Revenue from Contracts with Customers*. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Standards issued but not yet effective and not early adopted (continued)

The new standards, amendments and interpretations that are issued by the IASB but not issued by POA)

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued to TFRS by the POA, thus they do not constitute part of TFRS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

Annual Improvements to IFRSs 2015-2017 Cycle

Improvements to IFRSs

IASB issued Annual Improvements to IFRSs - 2015–2017 Cycle. The amendments are effective as of 1 January 2019. Earlier application is permitted. The Group does not expect that application of these improvements to IFRSs will have significant impact on its consolidated financial statements.

IFRS 3 Business Combinations and *IFRS 11 Joint Arrangements*

IFRS 3 and IFRS 11 are amended to clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business. If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value. If a party maintains (or obtains) joint control, then the previously held interest is not remeasured.

IAS 12 Income Taxes

IAS 12 is amended to clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income (OCI) or equity.

IAS 23 Borrowing Costs

IAS 23 is amended to clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non-qualifying assets – are included in that general pool.

3. SIGNIFICANT ACCOUTING POLICIES (continued)

b) Standards issued but not yet effective and not early adopted (continued)

Improvements to IFRSs (continued)

Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement -

On 7 February 2018, IASB issued Plan Amendment, Curtailment or Settlement (Amendments to IAS 19). The amendments clarify the accounting when a plan amendment, curtailment or settlement occurs. A company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI). The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 19.

The revised Conceptual Framework

The revised Conceptual Framework issued on 28 March 2018 by the IASB. The Conceptual Framework sets out the fundamental concepts for financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the Standards. The revised Framework is more comprehensive than the old one – its aim is to provide the Board with the full set of tools for standard setting. It covers all aspects of standard setting from the objective of financial reporting, to presentation and disclosures. For companies that use the Conceptual Framework to develop accounting policies when no IFRS Standard applies to a particular transaction, the revised Conceptual Framework is effective for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted.

c) Significant accounting assessments, estimates and assumptions

In order to prepare financial statements in accordance with TMS, certain assumptions affecting notes to the financial statements and critical accounting estimations related to assets, liabilities, contingent assets and contingent liabilities are required to be used. Although these estimations are made upon the best afford of the management by interpreting the cyclical circumstances, actual results may differ from the forecasts. Issues that are complex and needs further interpretation, which might have a critical impact on financial statements. There is no change in judgments and critical accounting estimates compared to prior year used in interim condensed consolidated financial statements as 30 June 2018.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. These fair values are determined for disclosure purposes.

ii) Derivatives

The fair value of interest rate swaps are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group when appropriate.

iii) Non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

iiii) Property, plant and equipment

Land and land improvements and building and machinery and equipment are measured at their fair values at the revaluation date. Measurement of land and building and land improvements and machinery and equipment has been made by an independent valuation expert, as at 31 December 2017.

5. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these condensed consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group considers its risks in respect of financial risks (credit, market, geographical, foreign exchange, liquidity and interest rate), operational and legal risks. The Group's risk management policies are established to identify and analyze the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

5. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and bank balances.

The Group has procedures in place to ensure that services are provided to customers with an appropriate credit history. The carrying amount of trade or other receivables, net of provision for impairment of receivables, and the total of cash and cash equivalents, and restricted bank balances represent the maximum amount exposed to credit risk. The main customer is TEİAŞ. Based on past history with these customers, the Group management believes there is no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys derivatives, and also incur financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by lenders and executives of the Group. The Group applies hedge accounting in order to manage volatility in interest rates.

i) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. As at 30 June 2018, the Group had balances that are denominated in a currency other than the respective functional currencies of Group entities, primarily TL, but also GHS which are disclosed within the relevant notes to these condensed consolidated for the year ended financial statements. The currencies in which these transactions primarily denominated are USD and EUR. The Group manages this currency risk by maintaining foreign currency cash balances and using some financial instruments as mentioned in Note 16.

ii) Interest rate risk

Group, exposes interest rate risk due to reprising of variable interest rate borrowing risk of bank loans and financial lease liabilities. The aim of risk management is to optimize net interest gains and market interest rate in accordance with company policies The Group signed interest rate swap related with some variable rate borrowings.

Capital management

The main objective of the Company's capital management is to maintain a strong capital ratio in order to support its future development of the business and maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments on it according to its growth and economic conditions and competition at the market. In order to maintain or adjust the capital structure, the shareholders may make a direct cash contribution of the needed working capital to the Company.

There were no changes in the Group's approach to capital management during the period.

(Amounts expressed in Turkish Lira unless otherwise stated.)

6. REVENUE

The details of the Group's revenue, for the six-month period ended on 30 June is as follows:

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Domestic sales	1,259,014,743	642,810,725	1,476,781,070	807,902,363
Foreign sales	799,274,723	393,358,666	136,216,254	66,698,326
Net sales	**2,058,289,466**	**1,036,169,391**	**1,612,997,324**	874,600,689
Cost of sales (-)	(1,771,671,994)	(888,568,766)	(1,538,833,877)	(824,074,234)
Gross profit	**286,617,472**	**147,600,625**	**74,163,447**	**50,526,455**

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Revenue – amount				
Electricity	2,039,737,682	1,017,635,415	1,579,706,309	864,532,120
Other	18,551,784	18,533,976	33,291,015	10,068,569
Total	**2,058,289,466**	**1,036,169,391**	**1,612,997,324**	**874,600,689**
Gross margin - amount				
Electricity	280,986,807	141,983,313	62,234,337	48,318,576
Other	5,630,665	5,617,312	11,929,110	2,207,879
Total	**286,617,472**	**147,600,625**	**74,163,447**	**50,526,455**

(Amounts expressed in Turkish Lira unless otherwise stated.)

7. FINANCIAL INCOME AND FINANCIAL EXPENSES

The details of the Group's financial income and expenses, for the six-month period ended on 30 June is as follows:

Financial income	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Foreign exchange gain, net	144,833,025	124,921,827	28,579,520	(70,308,734)
Income from derivative transactions	32,742,061	25,005,033	4,386,323	360,155
Interest and discount income from related parties (Note 17)	5,618,200	1,750,285	3,872,227	2,705,215
Interest and discount income	1,355,045	624,772	20,133,281	13,613,818
Total	**184,548,331**	**152,301,917**	**56,971,351**	**(53,629,546)**

Financial expenses	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Interest and discount expenses	190,240,659	87,633,321	185,260,326	113,363,640
Foreign exchange loss from borrowings, net	148,949,999	120,894,010	61,242,777	(95,848,329)
Guarantee letters and bank commission expenses	13,980,555	8,840,429	5,284,617	1,207,649
Interest expense on financial liabilities and loans to related parties (Note 17)	5,397,576	3,366,009	28,273,724	15,181,354
Expenses from derivative transactions	1,031,472	1,019,958	8,078,549	3,981,109
Total	**359,600,261**	**221,753,727**	**288,139,993**	**37,885,423**

8. TAXATION

Turkey

Corporate income tax is levied on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

Corporate income tax is levied at the rate of 20% (2017: 20%) and advance tax returns are filed on a quarterly basis. However, according to the Article 91 of the Law numbered 7061 "Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation" which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the provisional clause 10 added to the Corporate Tax Law numbered 5520; corporate tax rate for the taxation periods of 2018, 2019 and 2020 is amended to 22%, which would later be applied as 20% at the end of these periods. During these periods, Council of Ministers is entitled to decrease the corporate tax rate of 22% to 20%.

According to the new Corporate Tax Law, 75% (2017: 75%) of the capital gains arising from the sale of properties and investments owned for at least two years are exempted from corporate tax on the condition that such gains are kept under equity as restricted funds within five years from the date of the sale. The remaining 25% of such capital gains are subject to corporate tax.

8. TAXATION (continued)

Turkey (continued)

The tax legislation provides for a temporary tax of 20% (2017: 20%) to be calculated and paid based on earnings generated for each quarter for the six month period ended 30 June 2018. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. With the amendment to the Law, corporate rate is set to 22% for the years 2018, 2019 and 2020. 75% of the income derived by entities from the sale of participation shares, immovable property, preferential rights, founders' shares and redeemed shares which are carried in assets at least for two years is exempt from corporate tax as of 30 June 2018. However, according to the amendments by Law numbered 7061, this rate is reduced from 75% to 50% and tax declarations starting from 2018 will be calculated using 50%.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. According to the amendments in the tax legislations, which became effective from 24 April 2003, dividends that are paid to the shareholders from the profits of the years between 1999 and 2002 are immune from the withholding tax, if such profits are exempted from corporation tax bases of the companies. As per the decision no.2006/10731 of the Council of Ministers published in the Official Gazette no.26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no:5520 revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions, was increased from 10% to 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the condensed consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

Transfer pricing regulations

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Tax applications for foreign subsidiaries of the Group

Republic of Ghana

The applicable corporate tax rate in Republic of Ghana is 25% (31 December 2017: 25%).

Turkish Republic Of Northern Cyprus (“KKTC”)

The applicable corporate tax rate in KKTC is 23,5% (31 December 2017: 23,5%).

Netherlands

Corporate income tax is levied at the rate of 20% (31 December 2017: 20%) on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the year 2017. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. There is an additional dividend tax of 5% computed only on the amounts of dividend distribution at the time of such payments.

(Amounts expressed in Turkish Lira unless otherwise stated.)

8. TAXATION (continued)

Netherlands (continued)

Under the Dutch taxation system, tax losses can be carried forward to be offset against future taxable income for nine years. Tax losses can be carried back to offset profits up to one year. Entities must file their tax returns within six months following the close of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months). Tax returns are open for five years from the date of final assessment of the tax return during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Republic Of Mauritius

The applicable corporate tax rate in Mauritius is nil (31 December 2017: nil).

Republic Of Mali

The applicable corporate tax rate in Mali 25% (31 December 2017: 30%).

Madagascar

The applicable corporate tax rate in Madagascar 20% (31 December 2017: 20%).

Tax recognized in profit or loss

Income tax income for the six-month period ended 30 June comprised the following items:

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Current tax expense				
Current period tax expense	(26,345,695)	(23,842,457)	(5,750,697)	(2,229,533)
Deferred tax expense				
Origination and reversal of temporary differences	28,867,205	1,298,328	24,780,855	6,132,349
Total tax income/(expense)	**2,521,510**	**(22,544,129)**	**19,030,158**	**3,902,816**

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 30 June 2018 and 31 December 2017 as follows:

	30 June 2018	31 December 2017
Property, plant and equipment	3,616,185,634	3,574,857,896
Mining assets	58,277,733	70,003,434
Total	**3,674,463,367**	**3,644,861,330**

(Amounts expressed in Turkish Lira unless otherwise stated.)

9. PROPERTY, PLANT AND EQUIPMENT (continued)

The movements of property and equipment comprise fixed asset and mining assets and related accumulated depreciation for the six-month period ended 30 June were as follows:

Cost	Land and buildings and land improvements	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Balance at 1 January 2018	**128,098,665**	**4,294,400,424**	**3,519,590**	**12,529,180**	**26,792,310**	**111,719,413**	**4,577,059,582**
Effect of movements in exchange rates	9,217,059	235,831,054	406,015	469,655	--	7,883,471	**253,807,254**
Transfers	--	72,006,437	--	--	2,814	--	**72,009,251**
Additions	101,312	16,904,713	--	443,381	(636)	16,009,465	**33,458,235**
Disposals	(108,810)	(41,585,935)	--	(3,845)	--	--	**(41,698,590)**
Balance at 30 June 2018	**137,308,226**	**4,577,556,693**	**3,925,605**	**13,438,371**	**26,794,488**	**135,612,349**	**4,894,635,732**
Accumulated depreciation							
Balance at 1 January 2018	**6,363,919**	**990,927,731**	**795,296**	**9,314,568**	**3,863,953**	**--**	**1,011,265,467**
Depreciation for the period	3,299,217	189,855,308	171,470	411,852	9,778	--	**193,747,625**
Disposals	(57,428)	--	--	(2,814)	(636)	--	**(60,878)**
Effect of movements in exchange rates	1,592,873	71,571,344	170,924	162,743	--	--	**73,497,884**
Balance at 30 June 2018	**11,198,581**	**1,252,354,383**	**1,137,690**	**9,886,349**	**3,873,095**	**--**	**1,278,450,098**
Carrying amount as of 30 June 2018	**126,109,645**	**3,325,202,310**	**2,787,915**	**3,552,022**	**22,921,393**	**135,612,349**	**3,616,185,634**

(Amounts expressed in Turkish Lira unless otherwise stated.)

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Cost	Land and buildings and land improvements	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Balance at 1 January 2017	**96,875,469**	**2,674,891,949**	**3,144,551**	**12,403,165**	**515,366**	**369,786,001**	**3,157,616,501**
Effect of movements in exchange rates	33,891	(2,925,972)	(5,570)	179,134	280,848	(1,113,187)	**(3,550,855)**
Additions	5,035	84,705,582	--	474,001	--	111,813,928	**196,998,546**
Disposals	(162,808)	(503,886)	--	(202,610)	--	(1,533,775)	**(2,403,079)**
Transfers	13,423,239	275,354,908	--	--	--	(288,778,147)	**--**
Transfers to assets held for sale	(127,105)	(77,914,446)	--	(81,221)	(1,347)	(224,424)	**(78,348,543)**
Balance at 30 June 2017	**110,047,721**	**2,953,608,135**	**3,138,981**	**12,772,469**	**794,867**	**189,950,397**	**3,270,312,570**
Accumulated depreciation							
Balance at 1 January 2017	**7,085,940**	**780,438,257**	**574,175**	**9,148,228**	**227,867**	**--**	**797,474,467**
Depreciation for the period	1,564,667	94,585,955	229,860	623,237	13,231	--	**97,016,950**
Effect of movements in exchange rates	(29,804)	372,297	(6,838)	(3,821)	--	--	**331,834**
Disposals	--	(415,611)	--	(911)	--	--	**(416,522)**
Transfers to assets held for sale	(42,023)	(11,009,096)	--	(31,709)	(1,260)	--	**(11,084,088)**
Balance at 30 June 2017	**8,578,780**	**863,971,802**	**797,197**	**9,735,024**	**239,838**	**--**	**883,322,641**
Carrying amount as of 30 June 2017	**101,468,941**	**2,089,636,333**	**2,341,784**	**3,037,445**	**555,029**	**189,950,397**	**2,386,989,929**

(Amounts expressed in Turkish Lira unless otherwise stated.)

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Construction in progress

At 30 June 2018 and 31 December 2017, construction in progress represents, stationary export and import warehouse.

Project	30 June 2018	Technical completion rate (%)	31 December 2017	Technical completion rate (%)
Ghana investment	121,013,763	99%	97,120,827	99%
Other (*)	14,598,586		14,598,586	
Total	**135,612,349**		**111,719,413**	

(*) This balance comprises of ongoing investments project in Africa region

Mining assets

At 30 June 2018 and 31 December 2017, mining assets comprise mining development assets and stripping cost.

Cost:	30 June 2018	31 December 2017
Stripping costs	62,755,127	73,578,865
Mining development assets	5,477,773	5,477,772
Total	**68,232,900**	**79,056,637**
Amortization:		
Stripping costs	9,722,834	8,820,870
Mining development assets	232,333	232,333
Total	**9,955,167**	**9,053,203**
Carrying amount	**58,277,733**	**70,003,434**

(Amounts expressed in Turkish Lira unless otherwise stated.)

10. GOODWILL

At 30 June 2018 and 31 December 2017, goodwill comprised the following:

	30 June 2018	31 December 2017
Goodwill	3,349,356	3,349,356
-İdil İki Enerji	*3,349,356*	*3,349,356*
Total	**3,349,356**	**3,349,356**

11. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is provided in respect of taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences relating to goodwill not deductible for tax purposes and the initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

Recognized deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities at 30 June 2018 and 31 December 2017 are attributable to the items detailed in the table below:

	30 June 2018	31 December 2017
	Asset / (Liability)	Asset / (Liability)
Property and equipment and intangible assets	(142,986,301)	(170,103,431)
Provision to doubtful receivables	3,455,595	3,063,900
Inventory impairment loss	2,820,678	2,775,698
Derivatives	(5,778,730)	671,543
Loans and borrowings	4,882,412	(795,447)
Reserve for employee severance indemnity	695,657	600,041
Bonds issued	1,529,253	701,603
Litigation provisions	207,123	152,323
Vacation pay liability	376,934	369,445
Other asset	471,771	471,771
Losses carried forward	71,843,268	70,943,563
Other	(6,727,032)	(5,469,913)
Net deferred tax liabilities	**(69,209,380)**	**(96,618,904)**
Deferred tax liability	(69,209,380)	(96,618,904)
Net deferred tax liabilities	**(69,209,380)**	**(96,618,904)**

(Amounts expressed in Turkish Lira unless otherwise stated.)

11. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Recognized deferred tax assets and liabilities

Movements in deferred tax balances for the six-month period ended 2018 and 2017 are as follows:

	1 January 2018	*Effects of translation*	*Recognized in profit or loss*	*Recognized in othe comprehensive incom*	*30 June 2018*
Total deferred tax liabilities	**(96,618,904)**	(1,724,209)	28,867,205	266,528	**(69,209,380)**

	1 January 2017	*Effects of translation*	*Recognized in profit or loss*	*Recognized in other comprehensive income*	*30 June 2017*
Total deferred tax assets	**90,946,111**	11,716	24,780,855	159,577	**115,898,259**

12. CAPITAL AND RESERVES

Paid in capital

At 30 June 2018, the Group's statutory nominal value of authorized and paid-in share capital is TL 613,169,118 (31 December 2017: TL 613,169,118) (comprising of 613,169,118 registered shares (31 December 2017: 613,169,118) having par value of TL 1 (31 December 2017: TL 1) each).

At 30 June 2018 and 31 December 2017, the shareholding structure of the Company was as follows:

	30 June 2018		**31 December 2017**	
Shareholders	**(%)**	**Amount**	**(%)**	**Amount**
Kazancı Holding	78.60	481,976,743	61.98	380,064,978
Public share (*)	21.39	131,158,000	21.39	131,158,000
Other	0.01	34,375	0.01	34,375
Goldman Sachs International(**)	--	--	16.62	101,911,765
Inflation adjustment to share capital	--	1,987,932	--	1,987,932
Paid in capital in TL (nominal)	**100.00**	**615,157,050**	**100.00**	**615,157,050**

	30 June 2018		**31 December 2017**	
Group	**(%)**	**Amount**	**(%)**	**Amount**
A Group (Registered share)	47.93	293,896,220	47.93	293,896,220
B Group (Bearer share)	52.07	319,272,898	52.07	319,272,898
Inflation adjustment to share capital	--	1,987,932	--	1,987,932
Paid in capital	**100.00**	**615,157,050**	**100.00**	**615,157,050**

TL 131,158,000 of bearer B group share are traded in Borsa İstanbul A.Ş.

* Kazancı Holding's purchases from the shares which is under the part of public shares that Kazancı holding obtained them in 2012 and 2013, are shown in the table above into the part of public shares. These shares are the number of 4.458.962 (31 December 2017: 4.458.962) as the date of 30 June 2018.

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12. CAPITAL AND RESERVES (continued)

** The possession of 16,62% of the shares held by Goldman Sachs International (GSI) in Aksa Enerji was transferred to Kazancı Holding under the authorization of Energy Market Regulation Authority dated 20 April 2018 and numbered 19793. By the provisions of the relevant agreement between GSI and Kazancı Holding 101.911.765 shares has been purchased back from Goldman Sachs International (GSI) by Kazancı Holding on April 20, 2018

On the date of 2 August 2016, a new loan agreement with a total of US $ 800 million was signed between Kazancı Holding A.Ş. And Aksa partnership Co. and with the Bank's consortium under the leadership of Türkiye Garanti Bankası A.Ş. And Türkiye İş Bankası, with the participation of T.C. Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Odea Bank A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş. With this created financing, all of the old loan mentioned above was repaid and the shares of Aksa Enerji in the property owned by Kazancı Holding liberalized. In addition to these liberalized shares belonging to the Kazancı Holding, representing %61.98 capital shares of Aksa Energy which is owned by Kazancı Holding and is 9.74% shares of Kazancı Holding, was pledged to be a guarantee for the new loan, to the Guarantee Representative Türkiye İş Bankası AŞ by Kazancı Holding. Additionally, shares of Aksa Enerji which represent the 16,62% of capital and purchased back by Kazancı Holding, are pledged to İş Bank by Kazancı Holding for becoming additional guarantee of the new loan.

Legal reserves

According to the Turkish Commercial Code ("TCC"), legal reserves are comprised of first and second legal reserves.

The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the

Company's statutory accounts until it reaches 20% of paid-in share capital. If the dividend distribution is made in accordance with Dividend Distribution Communiqué II-19.1, a further 1/10 of dividend distributions, in excess of 5% of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5% of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. At 30 June 2018, legal reserves of the Group amounted to TL 48,267,560 (31 December 2017: TL 48,267,560)

Share premium

Share premium represents differences resulting from the sale of the Company's subsidiaries' and associates' shares at a price exceeding the face value of those shares or differences between the face value and the fair value of shares issued for acquired companies.

Actuarial gain/loss:

Actuarial gain/loss reserves comprises actuarial gains and losses recognized in other comprehensive income based on IAS (2011).

Gain on revaluation of property, plant end equipment:

Gain on revaluation of property, plant end equipment comprise of fair value gain of land and land improvements and buildings and machinery and equipment in property, plant and equipment.

(Amounts expressed in Turkish Lira unless otherwise stated.)

12. CAPITAL AND RESERVES (continued)

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred, net of tax.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign and domestic operations from their functional currencies to presentation currency of TL.

Dividend distribution

Publicly held companies distribute dividends based on the Capital Market Board ("CMB") Dividend Communique numbered II-19.1 effective from 1 February 2014.

The Company pay at least 50% of the distributable net profit for the period following the deduction of previous years' loss on the basis of the net profit for the period, if any, in accordance with the Turkish Commercial Code, capital market legislation and the general accounting principles determined in accordance with generally accepted accounting principles. General Assembly of Shareholders decide on the addition and distribution of the shares to be issued to the shareholders as a bonus, or to use them in combination with certain ratios or to leave them within the Group.

Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "Non-controlling interests" in the condensed consolidated financial statements.

As at 30 June 2018 and 31 December 2017 the related amounts in the "Non-controlling interests" in the condensed consolidated statement of financial position are respectively TL 124,399,597 liability and TL 57,466,771 liability. In addition, net profit or loss in a subsidiary that is not attributable, directly or indirectly, to a parent is also classified under the "Non-controlling interests" in the condensed consolidated financial statements.

13. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 30 June 2018 and 2017 is as follows:

	1 January-30 June 2018	**1 April-30 June 2018**	**1 January-30 June 2017**	**1 April-30 June 2017**
Numerator:				
Profit/(loss) for the period attributable to equity holders	16,748,463	3,916,222	(93,690,649)	(5,858,028)
Weighted average number of shares	613,169,118	613,169,118	613,169,118	613,169,118
Basic and diluted gain/(loss) per share (full TL)	0.027	0.006	(0.153)	(0.009)

(Amounts expressed in Turkish Lira unless otherwise stated.)

14. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risks, see Note 16.

	30 June 2018	31 December 2017
Current liabilities		
Current portion of bank loans	1,289,467,310	840,155,894
Short term bank loans	385,768,072	440,990,351
Finance lease liabilities	550,123	638,020
Total	**1,675,785,505**	**1,281,784,265**
Non-current liabilities		
Long term bank loans	1,314,636,292	1,158,627,222
Total	**1,314,636,292**	**1,158,627,222**
Total loans and borrowings	**2,990,421,797**	**2,440,411,487**

The Group's total bank loans and finance lease liabilities as at 30 June 2018 and 31 December 2017 are as follows:

	30 June 2018	31 December 2017
Bank loans	2,989,871,674	2,439,773,467
Finance lease liabilities	550,123	638,020
	2,990,421,797	**2,440,411,487**

Redemption schedules of the Group's bank loans according to original maturities as at 30 June 2018 are as follows:

30 June 2018			
Maturity	**Currency**	**Amount**	**TL Amount**
0-12 months	USD	125,854,347	573,983,916
	EUR	13,219,578	70,185,385
	TL	1,031,066,078	1,031,066,078
1-2 year	USD	40,793,469	186,046,772
	EUR	5,876,067	31,197,215
	TL	401,189,043	401,189,043
2-3 year	USD	30,077,021	137,172,271
	EUR	2,878,271	15,281,317
	TL	133,382,398	133,382,398
3-4 year	USD	25,055,379	114,270,069
	TL	32,148,363	32,148,363
4-5 year	USD	22,180,131	101,156,924
	TL	4,862,708	4,862,708
5 year and more	USD	34,628,284	157,929,215
Total			**2,989,871,674**

(Amounts expressed in Turkish Lira unless otherwise stated.)

14. LOANS AND BORROWINGS (continued)

Redemption schedules of the Group's bank loans according to original maturities as at 31 December 2017 are as follows:

		31 December 2017	
Maturity	**Currency**	**Amount**	**TL Amount**
0-12 months	USD	144,022,552	541,282,499
	EUR	13,213,331	59,664,798
	TL	680,198,948	680,198,948
1-2 year	USD	45,376,992	171,157,476
	EUR	10,361,626	46,787,921
	TL	258,454,686	258,454,686
2-3 year	USD	33,667,403	126,990,076
	EUR	2,999,060	13,542,255
	TL	119,621,836	119,621,836
3-4 year	USD	25,701,580	96,943,790
	EUR	1,589,367	7,176,785
	TL	33,505,833	33,505,833
4-5 year	USD	22,818,684	86,069,793
	TL	17,729,119	17,729,119
5 year and more	USD	47,893,012	180,647,652
Total			**2,439,773,467**

Terms and debt repayment schedule

The breakdown of bank loans as at 30 June 2018 is as follows:

Original Currency	**Nominal Interest rate %**	**Face Value**	**Carrying Amount**
TL	% 14.40 - %27.90	1,576,087,479	1,602,648,587
USD	Libor6M +%0.15 Libor6M+%6.35	1,273,283,311	1,270,559,171
EUR	Euribor6M+% 1.60 - % 3.84	122,692,789	116,663,916
Total			**2,989,871,674**

The breakdown of bank loans as at 31 December 2017 is as follows:

Original Currency	**Nominal Interest rate %**	**Face Value**	**Carrying Amount**
TL	% 12.25 -% 18.50	1,085,499,166	1,109,510,423
USD	6MLibor +%0.15-6MLibor+%6.35	1,191,195,863	1,203,091,285
EUR	Euribor6M +% 1.60 - % 3.84	136,291,496	127,171,759
Total			**2,439,773,467**

(Amounts expressed in Turkish Lira unless otherwise stated.)

14. LOANS AND BORROWINGS (continued)

The breakdown of finance lease as at 30 June 2018 is as follows:

	30 June 2018		
Maturity	**Currency**	**Amount**	**TL Amount**
0-12 Months	EUR	103,617	550,123
Total			**550,123**

The breakdown of financial lease as at 31 December 2017 is as follows:

	31 December 2017		
Maturity	**Currency**	**Amount**	**TL Amount**
0-12 Months	EUR	141,295	638,020
Total			**638,020**

At 30 June 2018 and 31 December 2017, other short term financial liabilities comprised the following:

Other short term financial liabilities	**30 June 2018**	**31 December 2017**
Factoring liabilities	77,314,242	175,783,689
Bond issued	146,951,149	84,023,074
Other financial liabilities	3,350	7,850
Total	**224,268,741**	**259,814,613**

At 30 June 2018 and 31 December 2017, other long term financial liabilities comprised the following:

Other long term financial liabilities	**30 June 2018**	**31 December 2017**
Bond issued	--	119,166,031
Factoring liabilities	54,787,563	17,112,079
Total	**54,787,563**	**136,278,110**

The Company has bond issuance at a nominal amount of TL 60,000,000, to be quarterly paid within 2 years maturity bond based on 3.3763 % coupon rate on 24 June 2016. These bonds matured on 28 June 2018.
The Company has bond issuance at a nominal amount of TL 140,000,000, to be quarterly paid within 3 years maturity bond based on 3.6795% coupon rate on 24 June 2016. The maturity date of restated bonds is on 26 June 2019.

(Amounts expressed in Turkish Lira unless otherwise stated.)

14. LOANS AND BORROWINGS (continued)

The breakdown of factoring liabilities as at 30 June 2018 and 31 December 2017 is as follows:

30 June 2018

Maturity	Currency	TL Amount
Less than 1 year	TL	77,314,242
1-2 years	TL	37,659,343
2-3 years	TL	17,128,221
Total		**132,101,806**

31 December 2017

Maturity	Currency	TL Amount
Less than 1 year	TL	175,783,689
1-2 years	TL	17,112,079
Total		**192,895,768**

The breakdown of bond issues as at 30 June 2018 and 31 December 2017 is as follows:

30 June 2018

Maturity	Currency	TL Amount
Less than 1 year	TL	146,951,149
Total		**146,951,149**

31 December 2017

Maturity	Currency	TL Amount
Less than 1 year	TL	84,023,074
1-2 Year	TL	119,166,031
Total		**203,189,105**

(Amounts expressed in Turkish Lira unless otherwise stated.)

15. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Collateral / Pledge / Mortgage ("CPM")

As of 30 June 2018 and 31 December 2017, the Group's collateral, pledge and mortgage (CPM) position is disclosed as follows:

	30 June 2018	31 December 2017
A. CPM given for companies own legal personality	2,756,178,755	2,519,454,202
B. CPM given in behalf of fully consolidated companies	1,702,672,020	1,428,109,100
C. CPM given for continuation of its economic activities on behalf of third parties	--	--
D. Total amount of other CPM's	--	--
i. Total amount of CPM's given on behalf of majority shareholder	--	--
ii. Total amount of CPM's given on behalf of other Group companies which are not in scope of B and C	--	--
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	--	--
Total CPM	**4,458,850,775**	**3,947,563,302**

Letters of guarantees given to:

30 June 2018	**TL**	**USD**	**EUR**	**CHF**	**TL Equivalent**
Republic of Turkey Energy Market Regulatory Authority	12,758,000	--	--	--	12,758,000
Turkey Electricity Transmission Company (TEIAS)	8,529,721	2,062,080	100,000	--	18,465,169
Turkish Coal Enterprises Institution(TKI)	5,225,526	--	--	--	5,225,526
Botaş–Petroleum Pipeline Corporation	665,042	--	--	--	665,042
Enforcement offices	615,402	--	--	--	615,402
Electricity distribution companies	26,862	--	--	--	26,862
Banks	--	--	1,457,143	--	7,736,263
Other	34,830,258	9,650,119	1,250,000	800,000	89,141,255
Total	**62,650,811**	**11,712,199**	**2,807,143**	**800,000**	**134,633,519**

(Amounts expressed in Turkish Lira unless otherwise stated.)

15. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

31 December 2017	**TL**	**USD**	**EUR**	**CHF**	**TL Equivalent**
Banks	--	--	1,457,143	--	6,579,728
Botaş–Petroleum Pipeline Corporation	665,042	--	--	--	665,042
Electricity distribution companies	19,264,093	--	--	--	19,264,093
Republic of Turkey Energy Market Regulatory Authority	21,758,000	--	--	--	21,758,000
Enforcement offices	196,444	--	--	--	196,444
Turkey Electricity Transmission Company (TEIAS)	7,776,984	2,062,080	100,000	--	16,006,493
Turkish Coal Enterprises Institution(TKI)	4,525,476	--	--	--	4,525,476
Other	38,973,171	41,715,000	1,250,000	800,000	205,046,194
Total	**93,159,210**	**43,777,080**	**2,807,143**	**800,000**	**274,041,470**

Guarantees received

At 30 June 2018 and 31 December 2017, the details of guarantees received is as follows:

Type of guarantees	**TL**	**USD**	**EUR**	**30 June 2018 TL Equivalent**
Letter of guarantee	79,691,154	76,080,250	2,345,500	439,123,079
Notes taken for colleterals	26,326,505	1,034,174	1,184,169	37,330,050
Cheques taken for colleterals	11,387,533	28,000	3,456,000	29,863,827
Mortgage	700,000	--	--	700,000
Total	**118,105,192**	**77,142,424**	**6,985,669**	**507,016,956**

Type of guarantees	**TL**	**USD**	**EUR**	**31 December 2017 TL Equivalent**
Letter of guarantee	190,849,018	76,080,250	2,345,500	488,407,218
Notes taken for colleterals	26,326,505	1,034,174	1,184,169	35,574,419
Cheques taken for colleterals	11,387,533	28,000	3,456,000	27,098,714
Mortgage	700,000	--	--	700,000
Total	**229,263,056**	**77,142,424**	**6,985,669**	**551,780,351**

(Amounts expressed in Turkish Lira unless otherwise stated.)

16. FINANCIAL INSTRUMENTS

Credit Risk

Impairment losses

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 30 June 2018 and 31 December 2017 is:

	Receivables				
	Trade receivables		Other receivables		
30 June 2018	**Related Parties**	**Other**	**Related Parties**	**Other**	**Deposits at banks**
Maximum credit risk exposed to as at 30 June 2018 (A+B+C+D+E)	117,964,583	1,113,347,013	12,455,524	99,255,731	18,603,126
A. Carrying amount of financial assets not overdue or not impaired	117,964,583	1,113,347,013	12,455,524	99,255,731	18,603,126
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	--	--	--	--	--
C. Carrying amount of financial assets overdue but not impaired	--	--	--	--	--
D. Carrying amount of assets impaired	--	--	--	--	--
- Overdue (gross book value)	275,922	6,637,562	--	9,069,773	--
- Impairment (-)	(275,922)	(6,637,562)	--	(9,069,773)	--
E. Off balance sheet items with credit risk	--	--	--	--	--

	Receivables				
	Trade Receivables		Other Receivables		
31 December 2017	**Related Parties**	**Other**	**Related Parties**	**Other**	**Deposits at banks**
Maximum credit risk exposed to as at 31 December 2017 (A+B+C+D+E)	32,140,674	674,609,398	9,234,230	84,953,694	59,347,355
A. Carrying amount of financial assets not overdue or not impaired	32,140,674	674,609,398	9,234,230	84,953,694	59,347,355
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	--	--	--	--	--
C. Carrying amount of financial assets overdue but not impaired	--	--	--	--	--
D. Carrying amount of assets impaired	--	--	--	--	--
- Overdue (gross book value)	--	--	--	--	--
- Impairment (-)	275,922	9,233,263	--	9,004,945	--
E. Off balance sheet items with credit risk	(275,922)	(9,233,263)	--	(9,004,945)	--

(Amounts expressed in Turkish Lira unless otherwise stated.)

16. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

The followings are the contractual maturities of financial liabilities, including estimated interest payments:

30 June 2018	**Carrying amount**	**Contractual cash flows(=I+II+III+IV)**	**3 months or less (I)**	**3-12 months (II)**	**1-5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities	**3,269,478,101**	**3,904,144,327**	**656,323,663**	**1,406,983,974**	**1,586,328,592**	**254,508,098**
Financial liabilities	2,989,871,674	3,401,380,134	471,411,821	1,135,673,363	1,539,786,852	254,508,098
Financial lease liabilities	550,123	585,237	--	585,237	--	--
Other financial liabilities	279,056,304	502,178,956	184,911,842	270,725,374	46,541,740	--
Derivative financial liabilities	**(26,266,956)**	**118,050,463**	**118,050,463**	--	--	--
Cash inflow	--	(74,600,062)	(74,600,062)	--	--	--
Cash outflow	--	192,650,525	192,650,525	--	--	--

	Carrying amount	**Contractual cash flows (=I+II+III +IV)**	**3 months or less (I)**	**3-12 months (II)**	**1-5 years (III)**	**More than 5 years (IV)**
Non derivative financial liabilities	**449,372,062**	**449,372,062**	**449,372,062**	--	--	--
Trade and other payables to related parties	125,487,746	125,487,746	125,487,746	--	--	--
Trade and other payables to third parties	323,884,316	323,884,316	323,884,316	--	--	--

31 December 2017	**Carrying amount**	**Contractual cash flows (=I+II+III +IV+V)**	**3 months or less (I)**	**3-12 months (II)**	**1-5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities	**2,836,504,210**	**3,381,297,556**	**476,778,516**	**1,187,987,892**	**1,452,538,649**	**263,992,499**
Financial liabilities	2,439,773,467	2,925,181,025	395,369,546	988,979,191	1,276,839,789	263,992,499
Financial lease liabilities	638,020	744,957	220,519	524,438	--	--
Other financial liabilities	396,092,723	455,371,574	81,188,451	198,484,263	175,698,860	--
Derivative financial liabilities	**475,697**	**139,223,054**	**50,412,540**	**88,810,514**	--	--
Cash inflow	(2,576,770)	(50,746,864)	(40,330,032)	(10,416,832)	--	--
Cash outflow	3,052,467	189,969,918	90,742,572	99,227,346	--	--

	Carrying amount	**Contractual cash flows (=I+II+III +IV)**	**3 months or less (I)**	**3-12 months (II)**	**1-5 years (III)**	**More than 5 years (IV)**
Non derivative financial liabilities	**513,440,838**	**507,809,075**	**507,809,075**	--	--	--
Trade and other payables to related parties	85,276,884	76,256,568	76,256,568	--	--	--
Trade and other payables to third parties	428,163,954	431,552,507	431,552,507	--	--	--

(Amounts expressed in Turkish Lira unless otherwise stated.)

16. FINANCIAL INSTRUMENTS (continued)

Currency risk

The summary of quantitative data about the Group entities' exposure to foreign currency risk as follows:

FOREIGN CURRENCY RISK						
	30 June 2018					
	TL Equivalent	**USD**	**EUR**	**GBP**	**CHF**	**Other (*)**
1. Trade receivables	206,474,819	31,419,797	11,899,825	--	--	--
2a. Monetary financial assets	401,626	47,555	30,830	3,521	--	--
2b. Non-monetary financial assets	--	--	--	--	--	--
3. Other	--	--	--	--	--	--
4. CURRENT ASSETS	**206,876,445**	**31,467,352**	**11,930,655**	**3,521**	**--**	--
5. Trade receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	--	--	--	--	--	--
8. NON-CURRENT ASSETS	**--**	**--**	**--**	**--**	**--**	--
9. TOTAL ASSETS	**206,876,445**	**31,467,352**	**11,930,655**	**3,521**	**--**	--
10. Trade payables	52,596,716	4,571,676	5,327,521	70,414	664,043	--
11. Financial liabilities	530,377,525	100,783,217	13,323,195	--	--	--
12a. Other financial liabilities	--	--	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--	--	--
13. SHORT TERM LIABILITIES	**582,974,241**	**105,354,893**	**18,650,716**	**70,414**	**664,043**	--
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	743,053,785	152,734,285	8,754,338	--	--	--
16a. Other financial liabilities	--	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--	--
17. LONG TERM LIABILITIES	**743,053,785**	**152,734,285**	**8,754,338**	**--**	**--**	--
18. TOTAL LIABILITIES	**1,326,028,026**	**258,089,178**	**27,405,054**	**70,414**	**664,043**	--
19. Off statement of financial position derivatives net asset/liability position	322,609,515	70,736,842	--	--	--	--
20. Net foreign currency asset liability position	**(1,119,151,581)**	**(226,621,826)**	**(15,474,399)**	**(66,893)**	**(664,043)**	--
21. Net foreign currency asset / (liability) (position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(1,119,151,581)**	**(226,621,826)**	**(15,474,399)**	**(66,893)**	**(664,043)**	--
22. Fair value of derivative instruments used in foreign currency hedge	**4,797,201**	**1,051,856**	**--**	**--**	**--**	**--**
23. Hedged portion of foreign currency assets	**--**	**--**	**--**	**--**	**--**	**--**
24. Hedged portion of foreign currency liabilities	**--**	**--**	**--**	**--**	**--**	**--**

(Amounts expressed in Turkish Lira unless otherwise stated.)

16. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

FOREIGN CURRENCY RISK						
	31 December 2017					
	TL Equivalent	**USD**	**EUR**	**GBP**	**CHF**	**Other (*)**
1. Trade receivables	64,625,015	8,247,606	7,422,405	--	--	--
2a. Monetary financial assets	28,397,766	7,447,143	64,222	3,522	--	--
2b. Non-monetary financial assets	3,881,748	456,282	478,507	--	--	--
3. Other	--	--	--	--	--	--
4. CURRENT ASSETS	**96,904,529**	**16,151,031**	**7,965,134**	**3,522**	**--**	**--**
5. Trade receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	--	--	--	--	--	--
8. NON-CURRENT ASSETS	--	--	--	--	--	--
9. TOTAL ASSETS	**96,904,529**	**16,151,031**	**7,965,134**	**3,522**	**--**	**--**
10. Trade payables	197,403,257	17,041,239	29,194,301	72,656	241,109	--
11. Financial liabilities	601,585,316	144,022,552	13,354,626	--	--	--
12a. Other financial liabilities	--	--	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--	--	--
13. SHORT TERM LIABILITIES	**798,988,573**	**161,063,791**	**42,548,927**	**72,656**	**241,109**	**--**
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	729,315,747	175,457,670	14,950,052	--	--	--
16a. Other financial liabilities	--	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--	--
17. LONG TERM LIABILITIES	**729,315,747**	**175,457,670**	**14,950,052**	**--**	**--**	**--**
18. TOTAL LIABILITIES	**1,528,304,320**	**336,521,461**	**57,498,979**	**72,656**	**241,109**	**--**
19. Off statement of financial position derivatives net asset/liability position	--	--	--	--	--	--
20. Net foreign currency asset liability position	**(1,431,399,791)**	**(320,370,430)**	**(49,533,845)**	**(69,134)**	**(241,109)**	**--**
21. Net foreign currency asset / (liability) (position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(1,435,281,539)**	**(320,826,712)**	**(50,012,352)**	**(69,134)**	**(241,109)**	**--**
22. Fair value of derivative instruments used in foreign currency hedge	**(2,576,770)**	**(683,149)**	**--**	**--**	**--**	**--**
23. Hedged portion of foreign currency assets	**--**	**--**	**--**	**--**	**--**	**--**
24.Hedge portion of foreign currency liabilities	**285,870,320**	**75,789,475**	**--**	**--**	**--**	**--**

(Amounts expressed in Turkish Lira unless otherwise stated.)

16. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

Foreign currency risk sensitivity analysis

The Group is mainly exposed to foreign currency risks in USD and Euro.

The following table shows the Group's sensitivity to a 10% increase and decrease in USD and Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit / loss and other equity.

Sensitivity Analysis				
30 June 2018				
	Profit/Loss		**Equity**	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
10% appreciation / depreciation of TL against the USD				
1 - USD net asset / liability	(103,355,416)	103,355,416	(103,355,416)	103,355,416
2- Portion secured from USD(-)	32,260,952	(32,260,952)	32,260,952	(32,260,952)
3- USD net effect (1 +2)	**(71,094,464)**	**71,094,464**	**(71,094,464)**	**71,094,464**
10% appreciation / depreciation of TL against EUR				
4 - Euro net asset / liability	(8,215,668)	8,215,668	(8,215,668)	8,215,668
5 - Portion secured from Euro (-)	--	--	--	--
6 - Euro net effect (4+5)	**(8,215,668)**	**8,215,668**	**(8,215,668)**	**8,215,668**
10% appreciation / depreciation of TL against other currencies				
7- Other foreign currency net asset/liability	(344,074)	344,074	(344,074)	344,074
8- Portion secured from other currency (-)	--	--	--	--
9- Other currency net effect (7+8)	(344,074)	344,074	(344,074)	344,074
Total (3+6+9)	**(79,654,206)**	**79,654,206**	**(79,654,206)**	**79,654,206**

Sensitivity Analysis				
31 December 2017				
	Profit/Loss		**Equity**	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
10% appreciation / depreciation of TL against the USD				
1 - USD net asset / liability	(120,644,906)	120,644,906	(120,644,906)	120,644,906
2- Portion secured from USD(-)	28,587,032	(28,587,032)	28,587,032	(28,587,032)
3- USD net effect (1 +2)	**(92,057,874)**	**92,057,874**	**(92,057,874)**	**92,057,874**
10% appreciation / depreciation of TL against EUR				
4 - Euro net asset / liability	(22,367,008)	22,367,008	(22,367,008)	22,367,008
5 - Portion secured from Euro (-)	--	--	--	--
6 - Euro net effect (4+5)	**(22,367,008)**	**22,367,008**	**(22,367,008)**	**22,367,008**
10% appreciation / depreciation of TL against other currencies				
7- Other foreign currency net asset/liability	(128,065)	128,065	(128,065)	128,065
8- Portion secured from other currency (-)	--	--	--	--
9- Other currency net effect (7+8)	**(128,065)**	**128,065**	**(128,065)**	**128,065**
Total (3+6+9)	**(114,552,947)**	**114,552,947**	**(114,552,947)**	**114,552,947**

(Amounts expressed in Turkish Lira unless otherwise stated.)

16. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis (continued)

Interest rate risk

Profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

Interest rate position		
	30 June 2018	**31 December 2017**
Fixed rate instruments		
Financial assets	18,972,614	51,813,380
Financial liabilities	1,989,452,468	1,550,925,460
Other financial liabilities	279,056,304	396,092,723
Variable rate instruments		
Financial liabilities	1,000,969,329	889,486,027

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and the Group does not designate derivatives (interest rate swaps) as hedging instruments under fair value hedge accounting model. Therefore, a change in interest rate as of the reporting date would not affect profit or loss and equity.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates as at 30 June 2018 would have increased / (decreased) profit or loss by amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as at 31 December 2017.

	Profit or loss		**Equity**	
	1% increase	**1% decrease**	**1% increase**	**1% decrease**
30 June 2018				
Variable rate instruments	24,232,580	(22,907,001)	24,232,580	(22,907,001)
Cash flow sensitivity (net)	**1,325,579**	--	**1,325,579**	--
31 December 2017				
Variable rate instruments	22,067,871	(21,559,136)	22,067,871	(21,559,136)
Cash flow sensitivity (net)	**508,736**	--	**508,736**	--

(Amounts expressed in Turkish Lira unless otherwise stated.)

16. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis (continued)

Capital risk management

The risk related with each of the capital class and group capital cost is considered by the top management of the Group.

The primary objective of the Group's capital management objectives is to ensure that it maintains a healthy capital structure in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may obtain new loans, repay existing loans; make dividend payments to shareholders, issue new shares based on Management's evaluation. The Group manages the capital structure so as to ensure the Group's ability to continue as a going concern; and maximize its profitability by maintaining an adequate capital to overall financing structure ratio.

The Group monitors capital using a gearing ratio, which is net debt divided by total financing used. The Group includes within net financial debt, borrowings, less cash and cash equivalents. Financing used is the sum of total equity and net financial debt.

The following table sets out the gearing ratios as of 30 June 2018 and 31 December 2017:

	30 June 2018	**31 December 2017**
Total financial liabilities	3,269,478,101	2,836,504,210
Less: cash and cash equivalents	(18,972,149)	(59,577,791)
Net financial debt	**3,250,505,952**	**2,776,926,419**
Total equity	1,875,468,325	1,667,177,753
Gearing ratio (net financial debt to overall financing used ratio)	**173%**	**167%**

(Amounts expressed in Turkish Lira unless otherwise stated.)

16. FINANCIAL INSTRUMENTS (continued)

Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	30 June 2018		31 December 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	18,972,149	18,972,149	59,577,791	59,577,791
Financial investment	412,408	412,408	412,408	412,408
Trade and other receivables (*)	1,342,403,697	1,342,403,697	706,750,072	706,750,072
Derivative assets	26,266,956	26,266,956	2,576,770	2,576,770
Financial liabilities				
Financial liabilities	2,990,421,797	2,990,421,797	2,440,411,487	2,440,411,487
Trade and other payables (**)	426,472,578	426,472,578	485,992,026	485,992,026
Other financial liabilities	279,056,304	279,056,304	396,092,723	396,092,723
Derivative liabilities	--	--	3,052,466	3,052,466

(*)Non-financial instruments such as deposits given, VAT, prepayment and advances given are excluded from receivables and other current asset.

(**) Non-financial instruments such as VAT payables, withholding tax payable and social security premiums payable are excluded from trade and other receivables.

The basis for determining fair values is discussed in Note 4.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. Fair value hierarchy table as at 30 June 2018 is as follows:

	Fair value measurement			
30 June 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value:				
Derivative assets	--	26,266,956	--	26,266,956
	--	**26,266,956**	**--**	**26,266,956**
Financial liabilities measured at fair value:				
Derivative liabilities	--	--	--	--
	--	--	--	--
31 December 2017				
Financial assets measured at fair value:				
Derivative assets	--	2,576,770	--	2,576,770
	--	**2,576,770**	--	**2,576,770**
Financial liabilities measured at fair value:				
Derivative liabilities	--	(3,052,467)	--	(3,052,467)
	--	**(3,052,467)**	**--**	**(3,052,467)**

(Amounts expressed in Turkish Lira unless otherwise stated.)

17. RELATED PARTIES

The Company has a number of operating and financial relationships with its shareholders and other entities owned by its shareholders. There are no set payment terms for any of the related party transactions. The related party receivables and payables resulting from operating activities are generally settled in the normal course of business.

Parent and ultimate controlling party

The controlling party of the Company is Kazancı Holding, holding 61.98% of the Company's shares.

Key management personnel compensation

The remuneration of directors and other members of key management during the six-month period comprised the following:

	1 January-30 June 2018	**1 January-30 June 2017**
Short-term and long-term employee benefits (salaries, bonuses, employee termination benefits etc.)	1,138,658	1,178,256
	1,138,658	**1,178,256**

As at 30 June 2018 and 31 December 2017, current trade and other receivables are as follows:

	30 June 2018		**31 December 2017**	
Current trade and other receivables	**Trade**	**Other**	**Trade**	**Other**
Trade receivables due from related parties	117,964,583	12,455,524	32,140,674	9,234,230
Doubtful trade receivables	275,922	--	275,922	--
Provisions for doubtful trade receivables (-)	(275,922)	--	(275,922)	--
Total	**117,964,583**	**12,455,524**	**32,140,674**	**9,234,230**

(Amounts expressed in Turkish Lira unless otherwise stated.)

17. RELATED PARTIES (continued)

Other related party balances

	30 June 2018		31 December 2017	
Due from Kazancı Holding's associates and subsidiaries:	**Trade**	**Other**	**Trade**	**Other**
Aksa Elektrik Satış A.Ş.	95,001,359	--	29,919,413	--
Datça Rüzgar Enerjisi Elektrik Üretimi A.Ş.	--	11,851,589	--	8,584,875
Other	122,692	--	78,393	--
	95,124,051	**11,851,589**	**29,997,806**	**8,584,875**
Due from Kazancı Holding's indirect investments and subsidiaries:	**Trade**	**Other**	**Trade**	**Other**
Aksa Power Generation (Dubai)	6,621,345	--	--	--
Aksa Satış ve Pazarlama A.Ş.	271,951	--	--	--
Aksa Teknoloji A.Ş.	--	195,886	--	176,482
Other	27,192	--	--	271,949
	6,920,488	**195,886**	**--**	**448,431**
Due from related parties:	**Trade**	**Other**	**Trade**	**Other**
Koni İnşaat Sanayi A.Ş.	15,920,044	--	2,142,868	--
Flamingo Bioyakit Üretim Sanayi ve Ticaret Ltd.Şti.	--	408,049	--	200,924
	15,920,044	**408,049**	**2,142,868**	**200,924**
Total	**117,964,583**	**12,455,524**	**32,140,674**	**9,234,230**

(Amounts expressed in Turkish Lira unless otherwise stated.)

17. RELATED PARTIES (continued)

Other related party balances (continued)

	30 June 2018		31 December 2017	
Short term due to related parties	**Trade**	**Other**	**Trade**	**Other**
Trade payables due to related parties	119,273,329	6,214,417	76,256,568	9,020,316
Total	**119,273,329**	**6,214,417**	**76,256,568**	**9,020,316**

	30 June 2018		31 December 2017	
Due to Kazancı Holding's associates and subsidiaries:	**Trade**	**Other**	**Trade**	**Other**
Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.	4,883,219	--	3,873,273	--
ATK Sigorta Aracılık Hiz. A.Ş.	4,833,398	--	9,185,129	--
Aksa Manisa Doğalgaz Dağıtım A.Ş.	730,393	--	2,610,581	--
Aksa Jeneratör Sanayi A.Ş.	599,009	--	388,027	--
Aksa Havacılık A.Ş.	111,869	--	101,368	--
Aksa Elektrik Satış A.Ş.	--	--	9,925	--
Kazancı Holding	--	3,062,554	--	5,971,956
	11,157,888	**3,062,554**	**16,168,303**	**5,971,956**
Due to Kazancı Holding's indirect investments and subsidiaries:	**Trade**	**Other**	**Trade**	**Other**
Fırat Elektrik Perakende Satış A.Ş.	58,207,224	--	16,816,838	--
Çoruh Elektrik Perakende Satış A.Ş.	46,113,370	--	36,183,950	--
Aksa Far East PTE Ltd.	2,316,207	--	1,915,605	--
Aksa Power Generation Fze	--	--	1,294,416	--
Other	177,376	--	400,658	--
	106,814,177	**--**	**56,611,467**	**--**
Due to related parties	**Trade**	**Other**	**Trade**	**Other**
Elektrik Altyapı Hizmetleri Ltd. Şti.	958,206	--	674,375	--
Koni İnşaat Sanayi A.Ş.	197,165	--	260,721	--
Flamingo Enerji Üretim A.Ş	--	3,151,863	--	3,048,360
Other	145,893	--	2,541,702	--
	1,301,264	**3,151,863**	**3,476,798**	**3,048,360**
Total	**119,273,329**	**6,214,417**	**76,256,568**	**9,020,316**

(Amounts expressed in Turkish Lira unless otherwise stated.)

17. RELATED PARTIES (continued)

Related party transactions

	1 January – 30 June 2018		1 April – 30 June 2018		1 January – 30 June 2017		1 April – 30 June 2017	
Sales to Kazancı Holding's associates and subsidiaries	**Goods services**	**Other**	**Goods services**	**Other**	**Goods services**	**Other**	**Goods services**	**Other**
Aksa Elektrik Satış A.Ş.	66,320,390	17,304	33,175,827	17,304	231,812,229	44,594	66,202,062	35,533
Other	7,884	47,651	--	18,862	200	40,781	200	6,878
Total	**66,328,274**	**64,955**	**33,175,827**	**36,166**	**231,812,429**	**85,375**	**66,202,262**	**42,411**
Sales to Kazancı Holding's indirect investments and subsidiaries:	**Goods services**	**Other**	**Goods services**	**Other**	**Goods services**	**Other**	**Goods services**	**Other**
Çoruh Elektrik Perakende Satış A.Ş.	16,968,320	--	7,800,827	--	47,320,059	--	21,188,338	--
Fırat Aksa Elektrik Perakende Satış A.Ş.	12,176,406	--	6,127,674	--	23,463,017	--	10,846,315	--
Aksa Power Generation (Dubai)	7,433,416	--	7,433,416	--	--	--		--
Other		--		--	48,593	--	48,593	--
Total	**36,578,142**	**--**	**21,361,917**	**--**	**70,831,669**	**--**	**32,083,246**	**--**
Sales to related parties	**Goods services**	**Other**	**Goods services**	**Other**	**Goods services**	**Other**	**Goods services**	**Other**
Koni İnşaat	10,537,531	992,048	10,308,324	429,308	14,554,400	210,970	--	58,481
Other	--	7,845	--	7,845	157,029	7,846	157,029	2,830
Total	**10,537,531**	**999,893**	**10,308,324**	**437,153**	**14,711,429**	**218,816**	**157,029**	**61,311**
Total	**113,443,947**	**1,064,848**	**64,846,068**	**473,319**	**317,355,527**	**304,191**	**98,442,537**	**103,722**

(Amounts expressed in Turkish Lira unless otherwise stated.)

17. RELATED PARTIES (continued)

Related party transactions (continued)

	1 January – 30 June 2018		1 April – 30 June 2018		1 January – 30 June 2017		1 April – 30 June 2017	
Purchases from Kazancı Holding's associates and subsidiaries	**Goods & Services**	**Other**	**Goods & Services**	**Other**	**Goods & Services**	**Other**	**Goods & Services**	**Other**
Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.	27,404,266	--	13,228,276	--	19,481,304	--	6,188,752	--
Aksa Manisa Doğalgaz Dağıtım A.Ş.	11,373,674	--	4,855,056	--	11,640,819	3,663	2,771,438	3,663
Aksa Elektrik Satış A.Ş.	3,386,827	215,658	2,565,191	84,133	9,846,073	19,418	495,483	19,418
Kazancı Holding	187,968	2,941,197	92,318	2,787,683	3,588,250	270,046	49	135,023
ATK Sigorta aracılık Hizmetleri A.Ş	22,979	1,001,937	8,715	69,870	1,455,038	3,234,504	234	--
Aksa Jeneratör Sanayi A.Ş.	6,962	208,033	6,962	208,033	12,234	10,086	5,199	2,423
Other	62,917	62,875	16,722	--	2,750,974	1,943,005	2,738,341	177,493
Total	**42,445,593**	**4,429,700**	**20,773,240**	**3,149,719**	**48,774,692**	**5,480,722**	**12,199,496**	**338,020**

(Amounts expressed in Turkish Lira unless otherwise stated.)

17. RELATED PARTIES (continued)

Related party transactions (continued)

	1 January – 30 June 2018		1 April – 30 June 2018		1 January – 30 June 2017		1 June – 30 June 2017	
Purchases from Kazancı Holding's indirect investments and subsidiaries:	**Goods & Services**	**Other**	**Goods & Services**	**Other**	**Goods & Services**	**Other**	**Goods & Services**	**Other**
Çoruh Elektrik Perakende Satış A.Ş.	2,005,748	--	1,435,905	--	3,631,908	--	1,912,834	--
Fırat Elektrik Perakende Satış A.Ş.	4,466,786	--	2,460,831	--	2,477,332	--	532,135	--
Aksa Power Generation	168,930	--	--	--	108,024	57,486	--	--
Çoruh Elektrik Dağıtım A.Ş.	--	--	--	--	--	15,700	--	15,700
Other	--	--	--	--	24,535	680	2,600	460
Total	**6,641,464**	**--**	**3,896,736**	**--**	**6,241,799**	**73,866**	**2,447,569**	**16,160**

	Goods & Services	Other	Goods & Services	Other	Goods & Services	Other	Goods & Services	Other
Purchases from related parties	221,264	1,108,177	38,707	627,680	735	1,185,929	--	603,009
Elektrik Altyapı Hizmetleri Ltd. Şti.	--	613,191	--	613,191	--	658,723	--	348,433
Other	191,877	275,475	--	--	140,555	36,318	131,815	21,746
	413,141	**1,996,843**	**38,707**	**1,240,871**	**141,290**	**1,880,970**	**131,815**	**973,188**
Total	**49,500,198**	**6,426,543**	**24,708,683**	**4,390,590**	**55,157,781**	**7,435,558**	**14,778,880**	**1,327,368**

(Amounts expressed in Turkish Lira unless otherwise stated.)

17. RELATED PARTIES (continued)

Related party transaction (continued)

Financial Income from Related Parties

	1 January - 30 June 2018	1 April - 30 June 2018	1 January - 30 June 2017	1 April - 30 June 2017
Kazancı Holding's associates and subsidiaries:	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**
Kazancı Holding A.Ş.	2,494,337	88,386	7,023	7,023
Aksa Elektrik Satış A.Ş.	1,361,872	461,563	1,528,989	1,527,792
Datça Rüzgar Enerjisi Elektrik Üretim A.Ş.	910,120	496,000	330,376	224,135
Aksa Jeneratör Sanayi A.Ş.	--	--	1,299,043	587,507
Other	17,091	9,533	--	--
	4,783, 420	**1,055,482**	**3,165,431**	**2,346,457**
Kazancı Holding's indirect investments and subsidiaries:	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**
Çoruh Elektrik Parakende Satış A.Ş.	69,636	69,636	177,471	--
Fırat Elektrik Perakende Satış A.Ş.	10,341	10,341	164,964	10,387
	79,977	**79,977**	**342,435**	**10,387**
Related parties:	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**
Koni İnşaat	598,702	598,702	326,010	326,010
Other	156,101	16,123	38,351	22,361
	754,803	**614,825**	**364,361**	**348,371**
Total	**5,618,200**	**1,750,284**	**3,872,227**	**2,705,215**

(Amounts expressed in Turkish Lira unless otherwise stated.)

17. RELATED PARTIES (continued)

Related party transaction (continued)

Financial Expense to Related Parties

	1 January - 30 June 2018	1 April - 30 June 2018	1 January - 30 June 2017	1 April - 30 June 2017
Kazancı Holding's associates and subsidiaries:	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**
Aksa Elektrik Satış A.Ş.	829,173	829,173	5,308,862	3,511,622
Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.	--	--	11,280,027	5,311,457
Aksa Manisa Doğalgaz Dağıtım A.Ş.	--	--	10,117,316	5,444,850
Kazancı Holding A.Ş.	--	--	884,138	503,632
Other	56,219	33,525	109,648	82,239
	885,392	**862,698**	**27,699,991**	**14,853,800**
Kazancı Holding's indirect investments and subsidiaries:	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**
Çoruh Elektrik Perakende Satış A.Ş.	3,252,065	1,828,661	235,329	235,329
Fırat Elektrik Perakende Satış A.Ş.	928,274	495,145	285,365	64,378
Other	52,454	46,539	2,690	2,690
	4,232,793	**2,370,345**	**523,384**	**302,397**
Related Parties:	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**	**Interest and exchange difference**
Koni İnşaat Sanayi A.Ş.	15,644	6,950	35,683	16,021
Other	263,747	126,016	14,666	9,136
	279,391	**132,966**	**50,349**	**25,157**
Total	**5,397,576**	**3,366,009**	**28,273,724**	**15,181,354**

18. ASSETS AND LIABILITIES HELD FOR SALE

On 17 January 2018 the Group has sold Incesu power plant which was held by Aksa Enerji to Deniz Elektrik Üretim Ltd.Şti which is held by Fernas Şirketler Grubu

Asset held for sale	**30 June 2018**	**31 December 2017**
Property, plant and equipment	--	45,353,859
Intangible assets	--	659,434
	--	**46,013,293**

(Amounts expressed in Turkish Lira unless otherwise stated.)

19. OPERATING SEGMENTS

The geographic information analyses the Group's revenue, EBITDA, assets and liabilities by the Group's country of domicile and other countries. In presenting the geographic information, segment revenue and EBITDA has been based on the geographic location of customers and segment assets and liabilities were based on the geographic location of the assets and liabilities

	1 January – 30 June 2018		
	Turkey (*)	**Africa**	**Total**
Total segment income	1,446,853,521	611,435,945	**2,058,289,466**
Profit before interest, tax, depreciation and amortisation (EBITDA)	112,050,284	338,272,887	**450,323,171**

	1 January – 30 June 2017		
	Turkey (*)	**Africa**	**Total**
Total segment income	1,442,963,808	170,033,516	**1,612,997,324**
Profit before interest, tax, depreciation and amortisation (EBITDA)	101,244,810	56,049,677	**157,294,487**

	1 January – 30 June 2018		
	Turkey (*)	**Africa**	**Total**
Reconciliation of EBITDA with profit before taxes:	112,050,284	338,272,887	**450,323,171**
Depreciation and amortisation expenses	(63,944,518)	(131,756,188)	**(195,700,706)**
Finance income/(expenses), net	(156,703,015)	(18,348,915)	**(175,051,930)**
Income/(expenses) from investing activities	2,609,175	--	**2,609,175**
Profit/(loss) before tax	**(105,988,074)**	**188,167,784**	**82,179,710**

	1 January – 30 June 2017		
	Turkey (*)	**Africa**	**Total**
Reconciliation of EBITDA with profit before taxes:	101,244,810	56,049,677	**157,294,487**
Depreciation and amortisation expenses	(98,717,575)	(4,973,482)	**(103,691,057)**
Finance income/(expenses), net	(198,310,211)	(32,858,431)	**(231,168,642)**
Income/(expenses) from investing activities	80,049,509	--	**80,049,509**
Profit/(loss) before tax	**(115,733,467)**	**18,217,764**	**(97,515,703)**

(Amounts expressed in Turkish Lira unless otherwise stated.)

19. OPERATING SEGMENTS (continued)

	30 June 2018		
	Turkey (*)	**Africa**	**Total**
Total segment assets	4,170,883,420	1,551,587,594	**5,722,471,014**
Total segment liabilities	3,601,160,182	245,842,507	**3,847,002,689**

	31 December 2017		
	Turkey (*)	**Africa**	**Total**
Total segment assets	4,065,254,594	1,140,265,431	**5,205,520,025**
Total segment liabilities	3,245,238,256	293,104,016	**3,538,342,272**

(*) Includes KKTC.

20. SUPPLEMENTARY CASH FLOW INFORMATION

Change of Group’s liabilities from financing activities between 1 January – 30 June 2018 are presented below:

	1 January 2018	**Cash inflows**	**Cash outflows**	**Non-cash transactions**	**30 June 2018**
Financial borrowings	2,836,504,211	1,526,736,201	(1,336,151,069)	242,388,758	3,269,478,101
Total financial liabilities	**2,836,504,211**	**1,526,736,201**	**(1,336,151,069)**	**242,388,758**	**3,269,478,101**

Change in “Proceeds from issued bank borrowings” and “Repayments from banks borrowings” which is presented in cash flows from financing activities.

21. SUBSEQUENT EVENTS

None.