

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries

**Interim Condensed Consolidated Financial Statements
As at and For The Three-Month Period
Ended 31 March 2020**

20 May 2020

This report includes 56 pages of condensed consolidated financial statements together with their explanatory notes.

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries

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Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Financial Position
As at 31 March 2020

(Amounts expressed in Turkish Lira unless otherwise stated.)

ASSETS	Notes	Unaudited 31 March 2020	Audited 31 December 2019
Current assets			
Cash and cash equivalents		309,157,528	121,503,123
Trade and other receivables	16	2,069,427,962	1,863,493,659
Due from related parties	20	203,523,928	212,976,505
Derivative financial assets	17	26,061,242	4,387,466
Inventories		243,563,080	325,994,737
Prepayments		40,474,731	26,202,474
Current tax assets		37,812,333	39,110,786
Other current assets		65,346,264	90,292,154
Total current assets		2,995,367,068	2,683,960,904
Non-current assets			
Financial investments		412,408	412,408
Trade receivables and other receivables		5,028,142	7,096,176
Property, plant and equipment	10	5,666,844,809	5,499,257,130
Intangible assets		106,445,526	99,461,368
Right of use assets	11	55,236,422	3,349,357
Goodwill		3,349,357	6,722,646
Prepayments		2,986,950	48,706,223
Deferred tax asset		95,665,779	155,505,193
Total non-current assets		5,935,969,393	5,820,510,501
TOTAL ASSETS		8,931,336,461	8,504,471,405

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

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Financial Position
As at 31 March 2020

(Amounts expressed in Turkish Lira unless otherwise stated.)

LIABILITIES	Notes	Unaudited 31 March 2020	Audited 31 December 2019
Current liabilities			
Loans and borrowings	15	2,188,476,419	1,992,383,760
Short term finance lease liabilities	15	13,823,066	11,556,577
<i>Finance lease liabilities from related parties</i>		4,443,681	4,232,174
<i>Finance lease liabilities from third parties</i>		9,379,385	7,324,403
Short term portion of long term finance lease liabilities	15	3,136,686	3,033,070
Other financial liabilities	15	171,160,435	79,680,483
Trade payables and other payables		647,382,893	618,798,734
Due to related parties	20	19,415,048	17,449,910
Derivative financial liabilities	17	57,171,923	33,642,251
Taxation payable on income		185,124,985	167,942,891
Provisions		5,454,924	5,136,526
Other current liabilities		17,729,369	14,786,208
Total current liabilities		3,308,875,748	2,944,410,410
Non-current liabilities			
Loans and borrowings	15	1,087,876,700	1,133,695,421
Long term finance lease liabilities	15	39,922,342	34,745,275
Trade payables and other payables	16	38,010,000	39,601,341
Other financial liabilities		--	8,361,393
Reserve for employee severance indemnity		6,464,634	4,715,939
Deferred tax liabilities	12	470,711,315	513,729,995
Total non-current liabilities		1,642,984,991	1,734,849,364
Total liabilities		4,951,860,739	4,679,259,774
EQUITY			
Share capital	13	615,157,050	615,157,050
Legal reserve	13	68,742,954	64,980,588
Cash flow hedge reserves		(22,297,461)	(13,622,807)
Actuarial gain/loss		793,476	793,476
Translation reserves		301,287,746	245,554,861
Share premium		247,403,635	247,403,635
Gains on revaluation of property, plant and equipment		2,249,343,441	2,262,917,793
Accumulated losses		83,323,170	(255,671,716)
Net profit for the period		74,390,951	329,182,900
Total equity attributable to equity holders of the Company		3,618,144,962	3,496,695,780
Non-controlling interests	13	361,330,760	328,515,851
Total equity		3,979,475,722	3,825,211,631
TOTAL EQUITY AND LIABILITIES		8,931,336,461	8,504,471,405

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

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Three-Month Period Ended 31 March 2020

(Amounts expressed in Turkish Lira unless otherwise stated.)

INCOME STATEMENT	Notes	Unaudited 1 January- 31 March 2020	Reviewed 1 January- 31 March 2019
Revenues	7	1,846,833,556	1,155,422,198
Cost of sales	7	(1,548,287,888)	(892,164,845)
Gross profit		298,545,668	263,257,353
Administrative expenses		(25,360,897)	(23,268,831)
Marketing and selling expenses		(674,548)	(663,209)
Other operating income		466,058	1,502,388
Other operating expenses		(5,320,013)	(2,641,310)
Operating profit		267,656,268	238,186,391
Impairment losses accordance with IFRS 9		(5,256,628)	(81,854)
Gain from investing activities		72,548	412,453
Operating profit before finance costs		262,472,188	238,516,990
Financial income	8	99,858,231	109,700,871
Financial expenses	8	(272,979,770)	(258,618,421)
Net financial costs		(173,121,539)	(148,917,550)
Profit before tax for the period		89,350,649	89,599,440
Tax benefit		17,855,211	18,440,128
Current tax expense	9	(6,092,100)	(5,921,463)
Deferred tax benefit	9	23,947,311	24,361,591
Profit for the period		107,205,860	108,039,568
Non-controlling interest		32,814,909	57,122,238
Attributable to equity holders of the parent		74,390,951	50,917,330
Total profit for the year from continuing operations		107,205,860	108,039,568
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit liability		--	--
Tax on items that will not be reclassified to profit or loss		--	--
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		(11,557,967)	(6,063,831)
Foreign currency translation differences from foreign operations		55,732,885	166,266,288
Tax on items that are or may be reclassified subsequently to profit or loss		2,883,313	1,212,766
Other comprehensive income for the period, net off tax		47,058,231	161,415,223
Total comprehensive income for the period		154,264,091	269,454,791
Non-controlling interests		32,814,909	57,122,221
Attributable to equity holders of the parent		121,449,182	212,332,570

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

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Three-Month Period Ended 31 March 2020

(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 2019	615,157,050	247,403,635	48,267,560	898,193	(3,518,526)	821,844,347	43,037,685	(156,832,331)	26,094,071	1,642,351,684	181,851,117	1,824,202,801
Net profit for the period	--	--	--	--	--	--	--	--	50,917,330	50,917,330	57,122,238	108,039,568
Translation difference	--	--	--	--	--	--	166,266,288	--	--	166,266,288	--	166,266,288
Effective portion of changes in fair value of cash hedges	--	--	--	--	(4,851,048)	--	--	--	--	(4,851,048)	(17)	(4,851,065)
Total other comprehensive loss for the period	--	--	--	--	(4,851,048)	--	166,266,288	--	50,917,330	212,332,570	57,122,221	269,454,791
Transfer to retained earnings	--	--	16,713,028	--	--	--	--	9,381,043	(26,094,071)	--	--	--
Transaction with owners of the Company, recognized directly in equity	--	--	16,713,028	--	--	--	--	9,381,043	(26,094,071)	--	--	--
Balance at 31 March 2019	615,157,050	247,403,635	64,980,588	898,193	(8,369,574)	821,844,347	209,303,973	(147,451,288)	50,917,330	1,854,684,254	238,973,338	2,093,657,592

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 2020	615,157,050	247,403,635	64,980,588	793,476	(13,622,807)	2,262,917,793	245,554,861	(255,671,716)	329,182,900	3,496,695,780	328,515,851	3,825,211,631
Net profit for the period	--	--	--	--	--	--	--	--	74,390,951	74,390,951	32,814,909	107,205,860
Translation difference	--	--	--	--	--	--	55,732,885	--	--	55,732,885	--	55,732,885
Effective portion of changes in fair value of cash hedges	--	--	--	--	(8,674,654)	--	--	--	--	(8,674,654)	--	(8,674,654)
Total other comprehensive loss for the period	--	--	--	--	(8,674,654)	--	55,732,885	--	74,390,951	121,449,182	32,814,909	154,264,091
Transfer to retained earnings	--	--	3,762,366	--	--	(13,574,352)	--	338,994,886	(329,182,900)	--	--	--
Transaction with owners of the Company, recognized directly in equity	--	--	3,762,366	--	--	(13,574,352)	--	338,994,886	(329,182,900)	--	--	--
Balance at 31 March 2020	615,157,050	247,403,635	68,742,954	793,476	(22,297,461)	2,249,343,441	301,287,746	83,323,170	74,390,951	3,618,144,962	361,330,760	3,979,475,722

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

Aksa Enerji Üretim A.Ş.
Consolidated Statement of Cash Flow
For the Three-Month Period Ended 31 March 2020
(Amounts expressed in Euro unless otherwise stated.)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	Unaudited 1 January- 31 March 2020	Reviewed 1 January- 31 March 2019
Net profit for the period		107,205,860	108,039,568
Depreciation and amortization		109,068,725	112,652,450
Provision for employee severance indemnity		1,905,157	400,884
Interest expenses	8	126,718,806	206,736,314
Interest income	8	(70,880,689)	(31,175,757)
Tax benefit	9	(17,855,211)	(18,440,128)
Expense from derivative transactions, net		12,530,758	(4,739,664)
Gain on sale of property, plant and equipment and intangible assets		(72,548)	--
Unrealized foreign currency income/loss		53,699,922	185,134,834
Operating profit before working capital changes		322,320,780	558,608,501
Change in inventories		83,699,257	(79,621,575)
Change in trade and other receivables		(203,866,269)	(253,117,884)
Change in due from related parties		9,452,577	69,063,181
Change in trade and other payables		26,992,818	219,335,642
Change in due to related parties		1,965,138	(208,983,939)
Change in other current liabilities		28,104,367	515,831
Change in other current assets		(11,804,161)	(6,257,214)
		256,864,507	299,542,543
Taxes paid		(26,782,709)	(82,298,675)
Employee termination indemnity paid		(222,676)	(378,426)
Interest paid		(126,718,806)	(154,107,628)
Interest received		70,880,689	31,175,757
Net cash provided from operating activities		174,021,005	93,933,571
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment and intangible assets	10	199,224	--
Purchases of property, plant and equipment	10	(80,023,979)	(3,203,666)
Purchases of intangible assets		(19,200)	(264,151)
Other cash inflow/(outflow)		(43,292,009)	--
Net cash provided from/(used in) investing activities		(123,135,964)	(3,467,817)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issued bank borrowings	21	1,382,132,952	404,938,794
Repayments from issued debt instruments	21	(1,216,491,132)	(416,777,386)
Net cash outflow from lease agreement		(18,197,594)	
Net cash outflow from derivatives		(10,674,862)	(15,159,000)
Net cash (used in)/provided from financing activities		136,769,364	(26,997,592)
NET DECREASE IN CASH AND CASH EQUIVALENTS		187,654,405	63,468,162
CASH AND CASH EQUIVALENTS AT 1 JANUARY		121,471,803	52,995,042
CASH AND CASH EQUIVALENTS AT 31 MARCH		309,126,208	116,463,204

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

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Cash Flows
For The Three-Month Period Ended 31 March 2020

(Amounts expressed in Turkish Lira unless otherwise stated.)

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

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Cash Flows
For The Three-Month Period Ended 31 March 2020

(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 Çıkmaşı, 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. As of 31 December 2019, 21.39% of the Group’s shares are listed on BIST.

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:

Name of subsidiary – Foreign Branch	Principal activity	Place of operation	Voting power held (%)	
			31 March 2020	31 December 2019
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 Uzbekistan B.V. (**)	Holding company	Netherlands	100.00	100.00
Aksa Ghana B.V. (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	100.00	100.00
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
Aksa Energy Company Congo (“Aksa Enerji Kongo”)*	Electricity production	Congo	100.00	100.00
Aksa Energy Cameroon (“Aksa Enerji Kamerun”)*	Electricity production	Cameroon	100.00	100.00

(*) Aksa Energy Congo and Aksa Energy Cameroon companies have been established and have not started operating yet.

(**) Aksa Indonesia BV changed its title in 2020 and continues its activities as Aksa Uzbekistan Investment BV.

At 31 March 2020, the number of employees of the Group is 862 (31 December 2019: 907).

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. As of 19 November 2018, the installed capacity of Ghana Fuel Oil Power Plant has increased from 218 MW to 370 MW and thus the guaranteed capacity has been increased from 235,5 MW to 332 MW. Aksa Energy Ghana, sells all of the electricity generated during the agreement to the Ghana Electricity Authority (ECG) on a tariff basis determined in terms of US Dollars.

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Cash Flows
For The Three-Month Period Ended 31 March 2020

(Amounts expressed in Turkish Lira unless otherwise stated.)

1. REPORTING ENTITY (continued)

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. The mentioned lease contract was revised in 2019 and the period was extended until 23 December 2024.

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 Ghana B.V and Aksa Madagascar B.V are affiliated companies of Aksa Global B.V.

Aksa Göynük Enerji:

Aksa Göynük Enerji has a 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. Negotiations are on going to extend the duration of the guaranteed purchase agreement.

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 the 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.

The field, fuel oil supply, all license and permissions related to the project will be provided by Jirama. At the last quarter of the year 2016 construction has been started. On 4 August 2017, Installed power of power plant has increased to 50 MW and the remaining 16 MW powered portion from the first phase of 66 MW installed powered in total, has been put in use on 7 September 2017. Second phase of 54 MW installed power will be planned to put in use subsequent to the completion of transmission lines in the area.

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Cash Flows
For The Three-Month Period Ended 31 March 2020

(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. İdil 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.

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 05 March 2010 from one of the related parties of Koni İnşaat.

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.

Aksa Energy Company Congo:

Aksa Energy Company Congo was established in the Republic of Congo on July 24, 2019

Aksa Energy Cameroon :

Aksa Energy Cameroon was established in the Cameroon on 21 November 21, 2019

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.

As of 31 March 2020, electricity production licenses held by the Group are as follows:

License Owner	Location	Type of Facility	Date of License Started	License Duration	The capacity of the plant (MWh)
Aksa Enerji	TRNC	Fuel oil	1 April 2009	15+3	153
Aksa Enerji	Antalya	Natural Gas	13 November 2007	30 years	900
Aksa Göynük	Bolu	Thermal	25 March 2008	30 years	270
Aksa Enerji Gana	Gana	Fuel Oil	1 August 2017	6.5 years	370
Aksa Mali S.A	Mali	Fuel Oil	28 September 2017	3 years	40
Aksaf Power	Madagaskar	Fuel Oil	5 September 2017	20 years	66
Rasa Enerji	Şanlıurfa	Natural Gas	12 May 2011	49 years	147
Toplam					1,946

License Owner	Location	Name of Facility	Type of Facility	Date of License Started	License Duration	Type of Contract	The capacity in use (MWh)
Societe Jiro Sy Rano Malagasy (Jirama)	Madagaskar	CTA-2	Fuel oil	8 January 2019	5 years	Maintenance & Operation	24

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Cash Flows
For The Three-Month Period Ended 31 March 2020

(Amounts expressed in Turkish Lira unless otherwise stated.)

2. BASIS OF PREPARATION

a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2020 were approved by the Board of Directors on 20 May 2020.

b) Basis of measurement

The consolidated 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 2004, except for the followings:

- derivative financial instruments
- financial assets
- land and building and land improvements and machinery and equipment in property, plants and equipment

The methods used to measure the fair values are discussed further in Note 4.

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 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.	US Dollars (“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

* Aksa Energy Congo and Aksa Energy Cameroon companies have been established on the other hand have not started operating yet.

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 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*”.

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2. BASIS OF PREPARATION (continued)

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 its 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 recognized 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 recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognized 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 recognized at the carrying amounts recognized previously in the Group controlling shareholder's 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 recognized 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 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 recognized in profit or loss.

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.

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2. BASIS OF PREPARATION (continued)

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.

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 31 December 2020 and 31 March 2019 are as follows:

	31 March 2020	31 December 2019
EUR/TL	7.2150	6.5506
USD/TL	6.5160	5.9402
GHS/USD	0.1840	0.1807
TL/USD	0.1535	0.1683

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3. SIGNIFICANT ACCOUNTING POLICIES

a) Summary of significant accounting policies

Significant changes in the accounting principles and significant accounting errors should be applied retrospectively and prior period financial statements should be restated.

The new standards, amendments and interpretations that are mandatorily effective from 2020

Amendments to IFRS 3 Definition of a Business

The definition of “business” is important because the accounting for the acquisition of an activity and asset group varies depending on whether the group is a business or only an asset group. The definition of “business” in IFRS 3 Business Combinations standard has been amended. With this change:

- By confirming that a business should include inputs and a process; clarified that the process should be essential and that the process and inputs should contribute significantly to the creation of outputs.
- The definition of a business has been simplified by focusing on the definition of goods and services offered to customers and other income from ordinary activities.
- An optional test has been added to facilitate the process of deciding whether a company acquired a business or a group of assets.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of ‘material’ and align the definition used in the Conceptual Framework and the standards.

Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

The amendments clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

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

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 IFRS by the POA, thus they do not constitute part of IFRS. 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 IFRS.

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2021.

Amendments to IAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2022 and earlier application is permitted.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments

i) Recognition and measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI – equity investment, or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized 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 to hold assets to collect contractual cash flows and selling 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 amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets and equity investments measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales. Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

Financial assets- Assessment whether contractual cash flows are solely payments of principal and interest

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Since the principal is the present value of expected cash flows, trade receivables and other receivables meets the solely payments of principal and interest criteria. It is managed in accordance with the business model based on collection of these receivables.

ii) Classification and subsequent measurement (continued)

Financial assets- Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Equity instruments at FVOCI	These assets are measured at fair value in subsequent periods. Dividends are recognized in profit or loss unless it is expressly intended to recover part of the investment cost. Other net gains and losses are recognized in other comprehensive income and cannot be reclassified to profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Group does not have any financial liabilities at FVTPL except for derivatives and issued debt instruments. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. Non Derivative financial liabilities were comprised of loans, trade and other payables, payables to related parties and other payables. Such financial liabilities were recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities were measured at amortized cost using the effective interest method.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

iii) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group continues to recognize the financial asset in the statement of financial position if it retains substantially all the risks and benefits arising from the ownership of a financial asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv) Offsetting

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously

v) Derivative financial instrument and hedge accounting

Derivative financial instrument and hedge accounting

The Group uses derivative financial instruments for the purpose of hedging foreign currency and interest risk rate. Embedded derivative instruments are separated from the host contract and recognized separately when the underlying contract is not a financial asset and met certain criteria.

Derivatives are initially recognized at fair value. Subsequent to initial recognition of derivative instruments, changes in fair value are recognized in profit or loss.

The Group defines certain derivatives as hedging instruments in order to maintain the variability in the cash flows related to the high probability of realization arising from the changes in exchange rates and interest rates. The Group defines certain derivatives and non-derivative financial liabilities as hedging instruments for net investment in foreign operations.

At the beginning of the hedge relationship, the Group makes a certification regarding the risk management purpose and strategy that causes the hedging relationship and the operation of the enterprise.

The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and the hedging means are expected to offset each other.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

Hedge accounting

If a derivative instrument is designed as a cash flow hedge hedging instrument, the effective portion of the change in the fair value of the derivative instrument is recognized in other comprehensive income and presented under equity in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognized directly in profit or loss. The effective portion of the change in the fair value of the derivative instrument determined on the present value basis from the beginning of the hedging relationship recognized in other comprehensive income is limited to the cumulative effect of the change in the fair value of the hedging instrument. In the cash flow hedge relationship, the group defines only the change in the spot item of the forward contract as a means of hedging. The change in the fair value of forward value of forward foreign exchange purchase contracts is recognized as hedging reserve as a hedging cost in equity as a hedging cost.

In the event that a non-financial asset or liability is subsequently recognized in the financial statements, the amount accumulated in the hedging fund and the cost of hedging are included directly in the initial cost of the non-financial asset or liability.

For all other hedge transactions, the hedging reserve and the hedging cost are classified in profit or loss in the hedging reserve in the period or periods when the estimated future cash flows are affected by profit or loss.

The hedge accounting is discontinued in case the hedging relationship (or part of it) no longer meets the required criteria, the hedging instrument is expired or sold, terminated or used. In case of discontinuation of cash flow hedge accounting, the retained amount in the hedging fund shall continue to be classified under equity until the hedged estimate of the non-financial item is recorded; hedging cost is classified as profit or loss in the period or periods in which the estimated future cash flows are affected by profit or loss.

If the expected future cash flows are no longer expected to materialize, the amount accumulated in the hedge fund and the cost of that fund are immediately classified in profit or loss.

Derivative financial instrument and hedge accounting

The accounting policy applied for the comparative information presented for 2017 is similar to the accounting policy applied in the 2018 financial statements.

d) Impairment

i. Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- bank balances for which credit risk has not increased significantly since initial recognition.

The Group applied lifetime ECL for calculation of loss allowances for trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Impairment (continued)

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. In other words, it is the credit losses that are measured on the present value of all the cash deficits (for example, the difference between the cash inflows to the entity and the cash flows expected by the entity to be collected based on the contract).

The cash deficit is the difference between the cash flows to be incurred and the cash flows expected to be received by the entity. As the amount and timing of payments are considered in anticipated credit losses, a credit loss occurs even if the entity expects to receive the full payment in the contract with the maturity specified in the contract. Expected credit loss are discounted over the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of impairment in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The loss provision for the debt instruments measured at fair value through profit or loss is reflected in the other comprehensive income instead of decreasing the carrying amount of the financial asset in the statement of financial position.

i. Non-derivative financial assets

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where trade receivables, other receivables, other assets and contract assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Group considers evidence of impairment for these assets at both an individual asset level. All individually significant assets are individually assessed for impairment.

An impairment loss on a financial asset is the difference between the carrying amount of the financial asset and its expected future cash flows, discounted to its present value at the original effective interest rate. Losses are recorded in profit or loss and are presented using the accrual account.

If a subsequent event after impairment recognition causes decrease of impairment amount, the impairment loss is net off with impairment loss previously accounted in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Impairment (continued)

ii. Non-derivative financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

e) Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. The cost of inventories is calculated using the weighted average method.

f) Related parties

Parties are considered related to the Group if;

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

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property and equipment

i) Recognition and measurement

Property, plant and equipment except for land and buildings and land improvements and machinery and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The Company has opted for the option of measuring the land and buildings and land improvements and machinery and equipment in the tangible fixed assets by revaluation method in accordance with IAS 16 “Property, Plant and Equipment”.

The revaluation frequency depends on the differences at the fair values of tangible fixed assets. If net book value of an asset increases as a result of the revaluation, this increase is recognized at statement of other comprehensive income and presented under the revaluation fund account in the equity. However a revaluation value increase can only be recognized in the profit or loss statement to the extent of impairment recorded in the previous periods for the same asset. If net book value of an asset decreases during the revaluation, this decrease is recognized as expense. However this decrease can only be recognized as much as all kinds of credit balance about this asset in the revaluation surplus. The subjected decrease recognized in other comprehensive income, decreases the amount accumulated in equity under revaluation surplus. In the case of sales of revalued building or land, revaluation surplus part of revalued asset is classified to accumulated profit/(loss).

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property and equipment, and are recognized net within “Gain/(loss) from investing activities” in profit or loss. During the production phase of the mine, the material removed when stripping in the production phase, often it will be a combination of ore and waste. Removal of material with a low ratio of ore to waste may produce some usable material, which can be used to produce inventory. This removal might also provide access to deeper levels of material that have a higher ratio of ore to waste that will be mined in future periods. The Group, recognize stripping activity asset when it is probable that the future economic benefit associated with the stripping activity will flow to the Group, identify the component of the ore body for which access has been improved; and the costs relating to the stripping activity associated with that component can be measured reliably. The Group shall allocate the production stripping costs between the inventory produced and the stripping activity asset by using an allocation basis that is based on mineral content of the ore extracted compared with expected mineral content to be extracted, for a given quantity of ore produced. Since some incidental operations may take place at the same time as the production stripping activity, but which are not necessary for the production stripping activity to continue as planned, these incidental operations are not be included in the cost of the stripping activity asset.

ii) Subsequent costs

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are available for use, or in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The revalued amount is the fair value at the revaluation date, less accumulated depreciation and subsequent accumulated impairment losses. Gain on fair value of land and buildings and land improvements and machinery and equipment are recognized in revaluation of property, plant and equipment after net off tax. The cost of certain items of property and equipment at 1 January 2005, the Group’s date of transition to IFRS, was determined with reference to its fair value at that date.

After initial recognition, the stripping activity asset is initially measured at its cost less depreciation and less impairment losses. Stripping activity asset is depreciated on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Property and equipment (continued)

The estimated useful lives for the current and comparative periods are as follows:

Buildings	10 - 50 years
Machinery and equipment	3 - 40 years
Furniture and fixtures	5 - 15 years
Vehicles	5 - 8 years
Land improvements	5 years
Leasehold improvements	5 years

Power generation plants depreciated over shorter of license term and their useful lives. The Group depreciates its power generation plants in different useful lives in accordance to their different useful lives.

Fuel oil power plants	4-22 years
Natural gas power plants	33 years
Coal plants	43 years

Overhaul costs related to power generation plants have different useful lives, then they are accounted as separate items (major components) of power generation plants. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

i) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

j) Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives of licenses for the current and comparative periods are between 2 and 49 years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Current year amortization expense of revalued land, land improvements, building and machinery and equipment recognizes in profit or loss. When revalued land, land improvements, building and machinery and equipment are sold or withdraw from the service, the remaining balance in the revaluation reserve is transferred directly to the previous years' losses.

k) Leases

i. As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Leases (cont'd)

i. As a lessee (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

l) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money where appropriate, and the risks specific to the liability.

m) Employee benefits

i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. According to the current Labor Law in Turkey is obliged to pay for any reason claimed by the employee if the ending, but unused annual leave belonging fee gross salary at the date when the contract expires and contractual other interests him or rights to their owners over the total. The unused vacation liability is the undiscounted total liability amount that all employees deserve but which are not yet used as of the reporting date. Liabilities arising from unused vacation rights are accrued in the period in which they are entitled.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Employee benefits (continued)

ii) Other long-term employee benefits

In accordance with the existing labor law in Turkey, the Group entities in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. Such payments are calculated on the basis of 30 days' pay maximum TL 6,730 as at 31 March 2019 (31 December 2019: TL 6,730) per year of employment at the of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the financial statements on a current basis. The management of the Group used some assumptions in the calculation of the retirement pay provision. The calculation was based upon the retirement pay ceiling announced by the Government.

Remeasurements arising from retirement pay comprise actuarial gains and losses. The Group recognizes actuarial differences in other comprehensive income.

iii) Contingent assets and liabilities

Possible assets or obligations that arise from past events and for which their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Group are treated as contingent assets or liabilities.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If the possibility of transfer of assets is probable, contingent liability is recognized in the consolidated financial statements.

A contingent asset is disclosed, when the possibility of an inflow of economic benefits to the entity is probable. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

n) Revenue

General model for accounting of revenue

The Group transferred revenue to a customer and recognizes the revenue in its consolidated financial statements as it fulfills or fulfills the performance obligation. When an assets is checked (or passed) by the customer, the assets is transferred.

The Group recognizes the revenue in the financial statements in accordance with the following basic principles:

- Identify the contracts with customer
- Identify the performance obligations in contracts
- Determine the transaction price in contracts
- Transaction price allocation to performance obligations
- Revenue recognition when each performance obligations are met.

A contract with a customer is in the scope of the new standard when the contract is legally enforceable and certain criteria are met. If the criteria are not met, then the contract does not exist for purposes of applying the general model of the new standard, and any consideration received from the customer is generally recognized as a deposit (liability).

At the beginning of the contract, the Group evaluates the goods or services it commits on the contract with the customer and defines each commitment to transfer it to the customer as a separate performance obligation. The Group also determines at the start of the contract whether or not it fulfills each performance obligation over time or at a certain time of time.

The Group considers the contractual terms and trade practices to determine the transaction price. The transaction price is the amount that the Group expects to pay in return for the transfer of goods or services to the customer, excluding the amounts collected on behalf of third parties (e.g. certain sales taxes). When evaluating, it is taken into account whether the contract contains elements of variable amounts and an important financing component.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Revenue (continued)

In accordance with IFRS 15, has Revenue from contracts with customers fair, replacing IAS 18, the Group's performance obligations consist of ancillary services related to electricity sales and electricity sales. The electricity sold is transmitted to the customer via the transmission lines and the customer consumes the benefit of the operation simultaneously. Revenue from the sales of electricity and ancillary services for electricity sales is recognized at the time of delivery. IFRS 15 did not have a significant impact on the financial position or performance of the Group due to the Group's operations.

o) Finance income and finance costs

The Group's finance income and finance costs include interest income, interest expense, the foreign currency gain or loss on financial assets and financial liabilities, bank commission expense and discount expense the net gain or loss on hedging instruments that are recognized in profit or loss and interest and late charge fees obtained from related parties. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

p) Tax

Tax expense comprises current and deferred tax. Tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

It is calculated by taking into consideration the tax rates which are in effect as of the end of the reporting period or which are close to the registration date.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

iii) Tax exposures

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Borrowing costs

In the case of assets requiring significant time-consuming (qualifying assets) to be ready for use and sale, borrowing costs that are directly attributable to the acquisition, construction or production are included in the cost of the asset until the asset is ready for use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r) Earnings per share

Earnings per share disclosed in profit or loss and other comprehensive income statement as calculated by dividing the net profit for the period by the weighted average number of shares in the market during the relevant period.

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.

iv) Property, plant and equipment

Land and land improvements and building and machinery and equipment are measured at their fair values at the revaluation date.

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 consolidated financial statements.

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

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5. FINANCIAL RISK MANAGEMENT (continued)

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.

Internal audit plans are based on risk assessments as well as the issues highlighted by the Audit Committee of Aksa Enerji management. Risk assessment is conducted on a continuous basis so as to identify not only existing risks but also emerging risks. Formally, risk assessment is made annually but more often if necessary.

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 31 December 2017, 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 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 32.

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.

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6. 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 – 31 March 2020		
	Turkey (*)	Africa	Total
Total segment income	1,470,890,394	375,943,162	1,846,833,556
Profit before interest, tax, depreciation and amortization	113,272,594	258,195,771	371,468,365

	1 January – 31 March 2019		
	Turkey (*)	Africa	Total
Total segment income	744,630,424	410,791,774	1,155,422,198
Profit before interest, tax, depreciation and amortization	116,172,827	234,584,160	350,756,987

	1 January – 31 March 2020		
	Turkey (*)	Africa	Total
Reconciliation of EBITDA with profit before taxes:	113,272,594	258,195,771	371,468,365
Depreciation and amortization expenses	(42,599,953)	(66,468,772)	(109,068,725)
Finance income/(expenses), net	(130,234,153)	(42,887,386)	(173,121,539)
Income from investing activities	--	72,548	72,548
Profit/(loss) before tax	(59,561,512)	148,912,161	89,350,649

	1 January – 31 March 2019		
	Turkey (*)	Africa	Total
Reconciliation of EBITDA with profit before taxes:	116,172,827	234,584,160	350,756,987
Depreciation and amortization expenses	(64,551,080)	(48,101,370)	(112,652,450)
Finance income/(expenses), net	(150,113,245)	1,195,695	(148,917,550)
Income from investing activities	412,453	--	412,453
Profit/(loss) before tax	(98,079,045)	187,678,485	89,599,440

	31 March 2020		
	Turkey (*)	Africa	Total
Total segment assets	5,561,609,240	3,369,727,221	8,931,336,461
Total segment liabilities	3,767,420,801	1,184,439,938	4,951,860,739

	31 December 2019		
	Turkey (*)	Africa	Total
Total segment assets	5,788,808,384	2,715,663,021	8,504,471,405
Total segment liabilities	3,765,547,185	913,712,589	4,679,259,774

(*) Includes TRNC.

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7. REVENUE

The details of the Group's revenue, for the three-month period ended on 31 March is as follows:

	1 January- 31 March 2020	1 January- 31 March 2019
Domestic sales	1,466,180,546	688,297,562
Foreign sales	380,653,010	467,124,636
Net sales	1,846,833,556	1,155,422,198
Cost of sales (-)	(1,548,287,888)	(892,164,845)
Gross profit	298,545,668	263,257,353
	1 January- 31 March 2020	1 January- 31 March 2019
Revenue – amount		
Electricity	1,845,408,802	1,138,303,248
Other	1,424,754	17,118,950
Total	1,846,833,556	1,155,422,198
Gross margin - amount		
Electricity	298,315,353	262,401,406
Other	230,315	855,947
Total	298,545,668	263,257,353

8. FINANCIAL INCOME AND FINANCIAL EXPENSES

The details of the Group's financial income and expenses, for the three-month period ended on 31 March is as follows:

Financial income	1 January- 31 March 2020	1 January- 31 March 2019
Interest and discount income	36,279,381	31,175,757
Foreign exchange gain, net	28,977,542	73,785,450
Derivative transaction income	34,601,308	4,739,664
Total	99,858,231	109,700,871
Financial expenses	1 January- 31 March 2020	1 January- 31 March 2019
Interest and discount income	126,718,806	200,203,244
Foreign exchange gain, net	108,283,214	43,368,395
Derivative transaction loss	22,070,550	6,533,070
Other	15,907,200	8,513,712
Total	272,979,770	258,618,421

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9. 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 22% (2019: 22%) 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% (2019: 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.

The tax legislation provides for a temporary tax of 22% (2019: 22%) to be calculated and paid based on earnings generated for each quarter for the three month period ended 31 March 2020. 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 31 March 2020. 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.

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9. TAXATION (continued)

Tax applications for foreign subsidiaries of the Group

Republic of Ghana

The applicable corporate tax rate in Republic of Ghana is 25% (31 December 2019: 25%).

Turkish Republic Of Northern Cyprus ("KKTC")

The applicable corporate tax rate in KKTC is 23,5% (31 December 2019: 23,5%).

Netherlands

Corporate income tax is levied at the rate of 20% (31 December 2019: 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.

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 0% (31 December 2019: 0%).

Republic Of Mali

The applicable corporate tax rate in Mali 25% (31 December 2019: 25%).

Madagascar

The applicable corporate tax rate in Madagascar 20% (31 December 2019: 20%).

Tax recognized in profit or loss

Income tax income for the three-month period ended 31 March comprised the following items:

	1 January- 31 March 2020	1 January- 31 March 2019
<u>Current tax expense</u>		
Current period tax expense	(6,092,100)	(5,921,463)
<u>Deferred tax expense</u>		
Origination and reversal of temporary differences	23,947,311	24,361,591
<u>Total tax income</u>	<u>17,855,211</u>	<u>18,440,128</u>

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 31 March 2020 and 31 December 2019 as follows:

	31 March 2020	31 December 2019
Property, plant and equipment	5,638,402,077	5,468,215,676
Mining assets	28,442,732	31,041,454
Total	5,666,844,809	5,499,257,130

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10. PROPERTY, PLANT AND EQUIPMENT (continued)

The movements of property and equipment comprise fixed asset and mining assets and related accumulated depreciation for the three-month period ended 31 March were as follows:

Cost	Land and buildings and land improvements	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Constructi on in progress	Total
Balance at 1 January 2020	217,142,425	7,027,288,865	7,421,782	16,357,642	26,815,088	160,937,044	7,455,962,846
Effect of movements in exchange rates	8,397,230	208,225,228	566,002	535,645	--	19,278,029	237,002,134
Additions	952,359	5,154,349	332,558	169,455	--	73,415,258	80,023,979
Disposal	--	--	(173,515)	--	--	--	(173,515)
Transfers	--	43,292,009	--	--	--	--	43,292,009
Balance at 31 March 2020	226,492,014	7,283,960,451	8,146,827	17,062,742	26,815,088	253,630,331	7,816,107,453
Accumulated depreciation							
Balance at 1 January 2020	35,113,603	1,929,664,937	3,134,271	14,704,316	5,130,043	--	1,987,747,170
Depreciation for the period	2,619,014	96,039,397	100,610	797,351	12,900	--	99,569,272
Disposal	--	--	(46,839)	--	--	--	(46,839)
Effect of movements in exchange rates	3,169,386	86,448,017	339,664	478,706	--	--	90,435,773
Balance at 31 March 2020	40,902,003	2,112,152,351	3,527,706	15,980,373	5,142,943	--	2,177,705,376
Carrying amount as of 31 March 2020	185,590,011	5,171,808,100	4,619,121	1,082,369	21,672,145	253,630,331	5,638,402,077

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10. PROPERTY, PLANT AND EQUIPMENT (continued)

Cost	Land and buildings and land improvements	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Constructi on in progress	Total
Balance at 1 January 2019	150,463,925	4,975,385,471	4,312,293	14,233,479	26,810,511	78,220,961	5,249,426,640
Effect of movements in exchange rates	2,717,464	143,465,979	314,637	399,794	--	5,123,909	152,021,783
Additions	--	2,469,554	195,215	154,102	--	384,796	3,203,667
Transfers	62,099	257,584,120	--	--	--	(581,819)	257,064,400
Balance at 31 March 2019	153,243,488	5,378,905,124	4,822,145	14,787,375	26,810,511	83,147,847	5,661,716,490
Accumulated depreciation							
Balance at 1 January 2019	16,527,317	1,502,744,760	1,231,642	10,566,137	3,886,227	--	1,534,956,083
Depreciation for the period	3,609,613	102,581,214	174,901	485,676	1,781	--	106,853,185
Effect of movements in exchange rates	12,061,140	75,185,433	68,526	136,876	--	--	87,451,975
Balance at 31 March 2019	32,198,070	1,680,511,407	1,475,069	11,188,689	3,888,008	--	1,729,261,243
Carrying amount as of 31 March 2019	121,045,418	3,698,393,717	3,347,076	3,598,686	22,922,503	83,147,847	3,932,455,247

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10. PROPERTY, PLANT AND EQUIPMENT (continued)

Construction in progress

At 31 March 2020 and 31 December 2019, construction in progress represents, stationary export and import warehouse.

Project	31 March 2020	Technical completion rate (%)	31 December 2019	Technical completion rate (%)
Ghana investment	204,572,324	99%	117,138,279	99%
Bolu Göynük power plant investment	3,698,373	99%	3,698,373	99%
Kıbrıs Kalecik – Mobile power plant investment	16,978,750	99%	15,092,713	99%
Other (*)	28,380,884	99%	25,007,679	99%
Total	253,630,331		160,937,044	

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

Mining assets

At 31 March 2020 and 31 December 2019, mining assets comprise mining development assets and stripping cost.

Cost:	31 March 2020	31 March 2019
Stripping costs	53,265,844	58,154,935
Mining development assets	5,477,772	5,477,772
Total	58,743,616	63,632,707
Amortization:		
Stripping costs	30,300,884	17,842,727
Mining development assets	232,333	232,333
Total	30,300,884	18,075,060
Carrying amount	28,442,732	45,557,647

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11. RIGHT OF USE ASSETS

	Land of power plants	Machinery and equipment	Vehicles	Total
Balance at 1 January 2020	46,989,961	1,161,619	554,643	48,706,223
Additions	6,513,559	4,200,993	4,060,105	14,774,657
Disposals	--	(2,013,747)	--	(2,013,747)
Amortization for the period	(3,097,957)	(1,949,454)	(1,183,300)	(6,230,711)
Balance at 31 March 2020	50,405,563	1,399,411	3,431,448	55,236,422

The Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

12. 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 31 March 2020 and 31 December 2019 are attributable to the items detailed in the table below:

	31 March 2020	31 December 2019
	Asset / (Liability)	Asset / (Liability)
Property and equipment and intangible assets	(397,935,032)	(379,657,915)
Provision to doubtful receivables	3,242,305	1,742,540
Inventory impairment loss	(4,242,667)	(4,347,706)
Derivatives	6,673,606	2,864,107
Loans and borrowings	(4,420,809)	(3,096,886)
Losses carried forward	21,205,461	21,205,461
Other	431,600	3,065,597
Net deferred tax liabilities	(375,045,536)	(358,224,802)
Deferred tax asset	95,665,779	155,505,193
Deferred tax liability	(470,711,315)	(513,729,995)
Net deferred tax liabilities	(375,045,536)	(358,224,802)

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12. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Recognized deferred tax assets and liabilities

Movements in deferred tax balances for the three-month period ended 2020 and 2019 are as follows:

	<i>1 January 2020</i>	<i>Effects of translation</i>	<i>Recognized in profit or loss</i>	<i>Recognized in other comprehensive income</i>	<i>31 March 2020</i>
Total deferred tax liabilities	(358,224,802)	(43,651,357)	23,947,311	2,883,313	(375,045,535)

	<i>1 January 2019</i>	<i>Effects of translation</i>	<i>Recognized in profit or loss</i>	<i>Recognized in other comprehensive income</i>	<i>31 March 2019</i>
Total deferred tax assets	(59,458,281)	(2,268,317)	24,361,591	1,212,766	(36,152,241)

13. CAPITAL AND RESERVES

Paid in capital

The registered authorized capital of the Company is 4,750,000,000 (31 December 2019: 4,750,000,000) Turkish Lira with the permission of the CMB dated 16.04.2010 and numbered by 10/330. This is valid for the years between 2014 and 2018. The Company should get permission of CMB to increase capital.

At 31 March 2020, the Group's statutory nominal value of authorized and paid-in share capital is TL 613,169,118 (31 December 2019: TL 613,169,118) (comprising of 613,169,118 registered shares (31 December 2019: 613,169,118) having par value of TL 1 (31 December 2019: TL 1) each).

At 31 March 2020 and 31 December 2019, the shareholding structure of the Company was as follows:

Shareholders	31 March 2020		31 December 2019	
	(%)	Amount	(%)	Amount
Kazancı Holding	78.6	481,991,868	78.6	481,991,868
Public share	21.39	131,158,000	21.39	131,158,000
Other	0.003	19,250	0.003	19,250
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

Group	31 March 2020		31 December 2019	
	(%)	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
Paid in capital	100.00	613,169,118	100.00	613,169,118

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

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13. CAPITAL AND RESERVES (continued)

* Kazancı Holding's purchases from the shares which is under the part of public shares that Kazancı Holding obtained them in 2012, 2013 and 2018, are shown in the table above into the part of public shares. These shares are the number of 4,958,962 (31 December 2019: 4,958,962) as the date of 31 March 2020.

Due to a loan agreement (old loan) amounting to US \$ 500 million between the parent partner of the Company, Kazancı Holding with Goldman Sachs International, China Development Bank, Türkiye Garanti Bankası A.Ş. and Türkiye İş Bankası A.Ş., the Company has established a pledge as a collateral for loan agreement in favor of Türkiye Garanti Bankası A.Ş., which is the loan collateral representative, on the shares corresponding to 68,86 % of the capital.

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 A.Ş. by Kazancı Holding. In addition, Aksa Energy shares, representing 16.62% capital acquired by Kazancı Holding, have been pledged to İşbank by Kazancı Holding to provide additional collateral for 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 31 March 2020, legal reserves of the Group amounted to TL 68,742,954 (31 December 2019: TL 64,980,588)

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. As of 31 March 2020, TL 96,523,266 of share premium amounting to TL 247,403,635 (31 December 2019: 247,403,635) have occurred as a result of first public offering in 2010 and TL 150,880,369 have occurred as a result of allocated capital increase in 2012.

Actuarial gain/loss:

Actuarial gain/loss reserves comprises actuarial gains and losses recognized in other comprehensive income based on IAS (2011). As of 31 March 2020, the Group's actuarial gain/loss is TL 793,476 (31 December 2019: TL 793,476).

Gain on revaluation of property, plant and equipment:

Gain on revaluation of property, plant and equipment comprise of fair value gain of land and land improvements and buildings and machinery and equipment in property, plant and equipment. As of 31 March 2020, Group's gain on revaluation of property, plant and equipment is TL 2,249,343,441 (31 December 2019: TL 2,262,917,793)

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13. 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. As of 31 March 2020, Group's cash flow hedge reserve liabilities is TL 22,297,461 (31 December 2019: TL 13,622,807)

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. As of 31 March 2020, Group's translation reserve is TL 301,287,746 (31 December 2019: TL 245,554,861)

Dividend distribution

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

Companies distribute their profits in accordance with their dividend policy determined by the General Assembly and with General Assembly resolution in accordance with provisions of the relevant legislation.

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 consolidated financial statements.

As at 31 March 2020 and 31 December 2019 the related amounts in the "Non-controlling interests" in the consolidated statement of financial position are respectively TL 361,330,760 liability and TL 328,515,851 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 consolidated financial statements.

14. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 31 March 2020 and 2019 is as follows:

	1 January- 31 March 2020	1 January- 31 March 2019
<u>Numerator:</u>		
Profit/(loss) for the period attributable to equity holders	74,390,951	50,917,330
Weighted average number of shares	613,169,118	613,169,118
Basic and diluted loss per share (full TL)	0.121	0.083

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15. 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 18.

	31 March 2020	31 December 2019
Current liabilities		
Current portion of bank loans	854,779,753	1,206,661,882
Short term bank loans	1,333,696,666	785,721,878
Total	2,188,476,419	1,992,383,760
Non-current liabilities		
Long term bank loans	1,087,876,700	1,133,695,421
Total	1,087,876,700	1,133,695,421
Total loans and borrowings	3,276,353,119	3,126,079,181

The Group's total bank loans and finance lease liabilities as at 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Bank loans	3,276,353,119	3,126,079,181
	3,276,353,119	3,126,079,181

Redemption schedules of the Group's bank loans according to original maturities as at 31 March 2020 are as follows:

31 March 2020			
Maturity	Currency	Amount	TL Amount
0-12 months	USD	127,204,173	828,862,391
	EUR	3,019,442	21,785,273
	TL	1,337,828,755	1,337,828,755
1-2 year	USD	63,888,850	416,299,745
	TL	228,306,352	228,306,352
2-3 year	USD	25,119,098	163,676,042
	TL	15,766,595	15,766,595
3-4 year	USD	21,744,720	141,688,598
4-5 year	USD	18,744,532	122,139,368
Total			3,276,353,119

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15. LOANS AND BORROWINGS (continued)

Redemption schedules of the Group's bank loans according to original maturities as at 31 December 2019 are as follows:

31 December 2019			
Maturity	Currency	Amount	TL Amount
0-12 months	USD	120,490,666	715,738,654
	EUR	3,555,751	23,647,876
	TL	1,252,997,230	1,252,997,230
1-2 year	USD	66,975,270	397,846,496
	EUR	1,416,747	9,422,220
	TL	232,375,291	232,375,291
2-3 year	USD	27,003,097	160,403,798
	TL	24,706,529	24,706,529
3-4 year	USD	23,252,747	138,125,965
4-5 year	USD	19,922,058	118,341,009
5 year and more	USD	8,833,728	52,474,113
Total			3,126,079,181

Terms and debt repayment schedule

The breakdown of bank loans as at 31 March 2020 is as follows:

Original Currency	Nominal Interest rate %	Face Value	Carrying Amount
TL	% 10,00 - %27,90	1,731,700,028	1,613,309,817
USD	Libor6M +%0,15 - %8,50	1,882,964,364	1,641,258,029
EUR	Euribor6M+% 1,95 - % 3,84	24,133,850	21,785,273
Total		3,638,798,242	3,276,353,119

The breakdown of bank loans as at 31 December 2019 is as follows:

Original Currency	Nominal Interest rate %	Face Value	Carrying Amount
TL	% 11.50 - %28.90	1,585,745,753	1,510,079,050
USD	Libor6M +%0.15-8.35%	1,615,650,942	1,582,930,035
EUR	Euribor6M+% 1.95 - % 3.84	35,715,704	33,070,096
Total		3,237,112,399	3,126,079,181

Other short term financial liabilities

At 31 March 2020 and 31 December 2019, other short term financial liabilities comprised the following:

Other short term financial liabilities	31 March 2020	31 December 2019
Factoring liabilities	171,160,435	79,680,483
Total	171,160,435	79,680,483

Other long term financial liabilities

At 31 March 2020 and 31 December 2019, other long term financial liabilities comprised the following:

Other long term financial liabilities	31 March 2020	31 December 2019
Factoring liabilities	--	8,361,393
Total	--	8,361,393

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15. LOANS AND BORROWINGS (continued)

The breakdown of factoring liabilities as at 31 March 2020 and 31 December 2019 is as follows:

31 March 2020		
Maturity	Currency	TL Amount
Less than 1 year	TL	171,160,435
Total		171,160,435

31 December 2019		
Maturity	Currency	TL Amount
Less than 1 year	TL	79,680,483
1-2 years	TL	8,361,393
Total		88,041,876

Redemption schedules of the Group's finance lease payables according to original maturities as at 31 March 2020 are as follows::

Currency	Interest Type	Agreement Date	Interest Rate	TL Amount
TL	Fixed	1 March 2038	%11.68-%29.40	55,078,798
USD	Fixed	1 October 2039	%3.79-%7.70	996,206
EUR	Fixed	1 February 2022	%3.75-%7.00	807,090
Total				56,882,094

16. TRADE AND OTHER RECEIVABLES AND PAYABLES

At 31 March 2020 and 31 December 2019, trade receivables to third parties comprised the following:

	31 March 2020	31 December 2019
Trade receivables	1,927,210,493	1,723,674,034
Receivables from sale of subsidiary (*)	140,160,501	131,677,523
Doubtful receivables	21,220,288	16,664,599
Allowance for doubtful receivables (-)	(21,220,288)	(16,664,599)
Other receivables	2,056,968	8,142,102
Total	2,069,427,962	1,863,493,659

(*) Receivables from Borusan EnBW Enerji Yatırımlar ve Üretim A.Ş. in relation to sale of Alenka Enerji.

The exposure to credit and market risks and impairment losses related to trade and other receivables are disclosed in Note 5.

At 31 March 2020 and 31 December 2019, trade and other payables to third parties comprised the following:

	31 March 2020	31 December 2019
Trade and other payables to third parties	647,382,893	625,626,056
Unearned credit finance charges (-)	-	(6,827,322)
Total	647,382,893	618,798,734

The exposure to credit and liquidity related to trade and other payables are disclosed in Note 5.

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16. TRADE AND OTHER RECEIVABLES AND PAYABLES (continued)

At 31 March 2020 and 31 December 2019, long term trade and other receivables comprised the following:

	31 March 2020	31 December 2019
Deposits given	5,028,142	7,096,176
Total	5,028,142	7,096,176

At 31 March 2020 and 31 December 2019, long term trade and other payables comprised the following:

	31 March 2020	31 December 2019
Other payables(*)	38,010,000	39,601,341
Total	38,010,000	39,601,341

(*) Aksa Madagascar B.V., a wholly-owned subsidiary of Aksa Enerji Üretim A.Ş. ("Aksa Energy") has acquired 416.5 shares, each with a nominal value of 1 (one) US Dollar, in AKSAF Power Ltd, a company established for the construction of a power plant and electricity sales in Republic of Madagascar, in which Aksa Madagascar B.V. had a 58.35% stake and our foreign partner AF Power Ltd had a 41.65% stake, for a consideration of USD 15.000.000. USD 5.000.000 portion of the share transfer price has been paid up on the transfer date and the remaining portion will be paid in quarterly installments of USD 833.333 to be completed by December 31, 2022.

17. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 March 2020 and 31 December 2019, derivative financial instruments comprised the following:

	31 March 2020		31 December 2019	
	Carrying Value		Carrying Value	
Derivative financial instruments	Asset	Liability	Asset	Liability
Cash flow hedges	--	(17,027,995)	--	(12,630,351)
Held for trading	26,061,242	(40,143,928)	4,387,466	(21,011,900)
Total	26,061,242	(57,171,923)	4,387,466	(33,642,251)

All derivatives in a net receivable position (positive fair value) are reported as derivative assets. All derivatives in a net payable position (negative fair value) are reported as derivative liabilities.

Further disclosure regarding the derivative contracts of the Group are explained at Note 19.

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18. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Collateral / Pledge / Mortgage (“CPM”)

As of 31 March 2020 and 31 December 2019, the Group’s collateral, pledge and mortgage (CPM) position is disclosed as follows:

	31 March 2020	31 December 2019
A. CPM given for companies own legal personality	2,364,561,436	2,161,287,700
B. CPM given in behalf of fully consolidated companies	8,987,556,450	6,628,392,413
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	11,352,117,886	8,789,680,113

Letters of guarantees given to:

31 March 2020	TL	USD	EUR	CHF	TL Equivalent
Botaş-Petroleum Pipeline Corporation	665,042	--	--	--	665,042
Electricity generation and distribution companies Republic of Turkey	107,892,728	6,000,000	--	--	146,988,728
Energy Market Regulatory Authority	23,108,000	--	--	--	23,108,000
Ministry of Custom and Trade	11,229,885	--	--	--	11,229,885
Enforcement offices	19,008,306	2,062,080	200,000	--	33,887,819
Turkey Electricity Transmission Company (TEIAS)	7,497,253	--	--	--	7,497,253
Turkish Coal Enterprises Institution(TKI)	28,228,808	3,946,000	370,000	800,000	62,051,534
Other					
Total	197,630,022	12,008,080	570,000	800,000	285,428,261

31 December 2019	TL	USD	EUR	CHF	TL Equivalent
Botaş-Petroleum Pipeline Corporation	665,042	--	--	--	665,042
Electricity distribution companies Republic of Turkey	93,552,659	8,441,001	--	--	143,693,893
Energy Market Regulatory Authority	23,108,000	--	--	--	23,108,000
Ministry of Custom and Trade	10,561,169	--	--	--	10,561,169
Enforcement offices	28,981,241	2,062,080	300,000	--	43,225,589
Turkey Electricity Transmission Company (TEIAS)	15,874,115	--	--	--	15,874,115
Turkish Coal Enterprises Institution(TKI)	35,094,380	3,000,000	370,000	800,000	60,250,262
Other					
Total	207,836,606	13,503,081	670,000	800,000	297,378,070

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18. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Guarantees received

At 31 March 2019 and 31 December 2019, the details of guarantees received is as follows:

Type of guarantees	TL	USD	EUR	31 March 2020 TL Equivalent
Letter of guarantee	59,515,941	75,000,000	1,590,000	559,687,791
Notes taken for collaterals	26,268,905	1,034,174	1,184,169	41,551,362
Cheques taken for collaterals	8,400,000	28,000	3,456,000	33,517,488
Mortgage	700,000	--	--	700,000
Total	94,884,846	76,062,174	6,230,169	635,456,641

Type of guarantees	TL	USD	EUR	31 December 2019 TL Equivalent
Letter of guarantee	80,832,604	75,000,000	1,625,750	537,159,817
Notes taken for collaterals	26,268,905	1,034,174	1,184,169	40,287,540
Cheques taken for collaterals	11,387,533	28,000	3,456,000	34,538,332
Mortgage	700,000	--	--	700,000
Total	119,189,042	76,062,174	6,265,919	612,685,689

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19. FINANCIAL INSTRUMENTS

Credit Risk

Impairment losses

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 March 2020 and 31 December 2019 is:

	Receivables				Deposits at banks	Other
31 March 2020	Trade receivables		Other receivables			
	Related Parties	Other	Related Parties	Other		
Maximum credit risk exposed to as at 31 March 2020 (A+B+C+D+E)	189,266,463	1,927,210,493	14,257,465	141,814,408	309,157,528	197,107,700
A. Carrying amount of financial assets not overdue or not impaired	189,266,463	1,826,943,539	14,257,465	1,653,907	309,157,528	197,107,700
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	--	100,266,954	--	140,160,501	--	--
D. Carrying amount of assets impaired	--	--	--	--	--	--
- Overdue (gross book value)	--	21,220,288	--	5,228	855,041	--
- Impairment (-)	--	(21,220,288)	--	(5,228)	(855,041)	--
E. Off balance sheet items with credit risk	--	--	--	--	--	--

	Receivables				Deposits at banks	Other
31 December 2019	Trade receivables		Other receivables			
	Related Parties	Other	Related Parties	Other		
Maximum credit risk exposed to as at 31 December 2019 (A+B+C+D+E)	209,200,606	1,723,674,034	3,775,899	131,776,524	121,503,123	--
A. Carrying amount of financial assets not overdue or not impaired	209,200,606	1,631,320,389	3,775,899	4,001,600	121,503,123	--
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	--	92,353,645	--	127,774,924	--	--
D. Carrying amount of assets impaired	--	--	--	--	--	--
- Overdue (gross book value)	--	16,569,801	--	94,798	159,330	--
- Impairment (-)	--	(16,569,801)	--	(94,798)	(159,330)	--
E. Off balance sheet items with credit risk	--	--	--	--	--	--

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19. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

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

31 March 2020	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	3,504,395,648	3,884,515,993	368,306,428	1,105,154,853	2,411,054,712	--
Financial liabilities	3,276,353,119	3,638,798,241	249,697,518	1,032,538,057	2,356,562,666	--
Other financial liabilities	171,160,435	179,288,764	117,164,387	62,124,377	--	--
Financial leases	56,882,094	66,428,988	1,444,523	10,492,419	54,492,046	--
Derivative financial liabilities	31,110,681	9,223,535	9,223,535	--	--	--
Cash inflow	--	(85,948,778)	(85,948,778)	--	--	--
Cash outflow	--	95,172,312	95,172,312	--	--	--

	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	666,797,941	666,797,941	666,797,941	--	--	--
Trade and other payables to related parties	19,415,048	19,415,048	19,415,048	--	--	--
Trade and other payables to third parties	647,382,893	647,382,893	647,382,893	--	--	--

31 December 2019	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	3,263,455,979	3,753,089,848	1,076,870,040	1,261,833,512	1,335,967,698	78,418,598
Financial liabilities	3,126,079,181	3,604,119,633	990,024,202	1,211,251,610	1,324,425,223	78,418,598
Other financial liabilities	88,041,876	99,635,293	37,510,916	50,581,902	11,542,475	--
Financial leases	49,334,922	49,334,922	49,334,922	--	--	--
Derivative financial liabilities	29,254,785	(6,772,317)	(1,315,083)	(5,457,234)	--	--
Cash inflow	--	(234,193,205)	(117,010,980)	(117,182,225)	--	--
Cash outflow	--	227,420,888	115,695,897	111,724,991	--	--

	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	675,849,985	675,849,985	675,849,985	--	--	--
Trade and other payables to related parties	17,449,910	17,449,910	17,449,910	--	--	--
Trade and other payables to third parties	658,400,075	658,400,075	658,400,075	--	--	--

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19. FINANCIAL INSTRUMENTS (continued)

Currency risk

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

	FOREIGN CURRENCY RISK					
	31 December 2020					
	TL Equivalent	USD	EUR	GBP	CHF	Other (*)
1. Trade receivables	233,026,792	26,915,545	7,989,619	--	--	--
2a. Monetary financial assets	40,210,985	3,322,257	2,569,766	2,767	--	--
2b. Non-monetary financial assets	10,964,058	986,515	628,680	--	--	--
3. Other	140,160,502	21,510,206	--	--	--	--
4. CURRENT ASSETS	424,362,337	52,734,523	11,188,065	2,767	--	--
5. Trade receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	--	--	--	--	--	--
8. NON-CURRENT ASSETS	--	--	--	--	--	--
9. TOTAL ASSETS	424,362,337	111,302,970	22,222,773	2,769	--	--
10. Trade payables	64,621,526	3,382,795	5,516,458	70,377	325,070	--
11. Financial liabilities	414,385,279	60,147,367	3,113,657	--	--	--
12a. Other financial liabilities	5,573,550	800,000	50,000	--	--	--
12b. Other non-monetary liabilities	--	--	--	--	--	--
13. SHORT TERM LIABILITIES	484,580,355	64,330,162	8,680,115	70,377	325,070	--
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	593,401,637	91,048,850	17,648	--	--	--
16a. Other financial liabilities	--	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--	--
17. LONG TERM LIABILITIES	593,401,637	91,048,850	17,648	--	--	--
18. TOTAL LIABILITIES	1,077,981,992	155,379,012	8,697,763	70,377	325,070	--
19. Off statement of financial position derivatives net asset/liability position	(28,585,961)	(4,387,041)	--	--	--	--
20. Net foreign currency asset liability position	(682,205,615)	(107,031,530)	2,490,302	(67,610)	(325,070)	--
21. Net foreign currency asset / (liability) (position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a))	(804,744,215)	(125,141,210)	1,861,622	(67,610)	(325,070)	--
22. Fair value of derivative instruments used in foreign currency hedge	(2,524,718)	(387,464)	--	--	--	--
23. Hedged portion of foreign currency assets	--	--	--	--	--	--
24. Hedge portion of foreign currency liabilities	411,536,838	63,157,894	--	--	--	--

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19. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

FOREIGN CURRENCY RISK						
	31 December 2019					
	TL Equivalent	USD	EUR	GBP	CHF	Other (*)
1. Trade receivables	598,879,062	82,063,750	16,750,966	--	--	--
2a. Monetary financial assets	66,503,464	7,146,484	3,613,266	2,769	--	--
2b. Non-monetary financial assets	15,820,757	582,530	1,858,541	--	--	--
3. Other	127,774,926	21,510,206	--	--	--	--
4. CURRENT ASSETS	808,978,209	111,302,970	22,222,773	2,769	--	--
5. Trade receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	--	--	--	--	--	--
8. NON-CURRENT ASSETS	--	--	--	--	--	--
9. TOTAL ASSETS	808,978,209	111,302,970	22,222,773	2,769	--	--
10. Trade payables	255,209,373	38,398,388	3,733,611	70,114	285,445	--
11. Financial liabilities	409,050,724	64,068,658	4,280,829	--	--	--
12a. Other financial liabilities	5,084,690	800,000	50,000	--	--	--
12b. Other non-monetary liabilities	--	--	--	--	--	--
13. SHORT TERM LIABILITIES	669,344,787	103,267,046	8,064,440	70,114	285,445	--
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	664,951,375	110,354,728	1,416,747	--	--	--
16a. Other financial liabilities	--	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--	--
17. LONG TERM LIABILITIES	664,951,375	110,354,728	1,416,747	--	--	--
18. TOTAL LIABILITIES	1,334,296,162	213,621,774	9,481,187	70,114	285,445	--
19. Off statement of financial position derivatives net asset/liability position	(17,027,993)	(2,866,569)	--	--	--	--
20. Net foreign currency asset liability position	(542,345,946)	(105,185,373)	12,741,586	(67,345)	(285,445)	--
21. Net foreign currency asset / (liability) (position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a))	(668,913,636)	(124,411,540)	10,883,045	(67,345)	(285,445)	--
22. Fair value of derivative instruments used in foreign currency hedge	(12,648,241)	(2,141,155)	10,622	--	--	--
23. Hedged portion of foreign currency assets	--	--	--	--	--	--
24. Hedge portion of foreign currency liabilities	450,204,639	75,789,475	--	--	--	--

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19. 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				
31 March 2020				
	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	(81,542,012)	81,542,012	(81,542,012)	81,542,012
2- Portion secured from USD(-)	41,153,684	(41,153,684)	41,153,684	(41,153,684)
3- USD net effect (1 +2)	(40,388,328)	40,388,328	(40,388,328)	40,388,328
10% appreciation / depreciation of TL against EUR				
4 - Euro net asset / liability	1,343,160	(1,343,160)	1,343,160	(1,343,160)
5 - Portion secured from Euro (-)	--	--	--	--
6 - Euro net effect (4+5)	1,343,160	(1,343,160)	1,343,160	(1,343,160)
10% appreciation / depreciation of TL against other currencies				
7- Other foreign currency net asset/liability	(275,569)	275,569	(275,569)	275,569
8- Portion secured from other currency (-)	--	--	--	--
9- Other currency net effect (7+8)	(275,569)	275,569	(275,569)	275,569
Total (3+6+9)	(39,320,737)	39,320,737	(39,320,737)	39,320,737

Sensitivity Analysis				
31 December 2019				
	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	(73,902,943)	73,902,943	(73,902,943)	73,902,943
2- Portion secured from USD(-)	45,020,464	(45,020,464)	45,020,464	(45,020,464)
3- USD net effect (1 +2)	(28,882,479)	28,882,479	(28,882,479)	28,882,479
10% appreciation / depreciation of TL against EUR				
4 - Euro net asset / liability	7,237,878	(7,237,878)	7,237,878	(7,237,878)
5 - Portion secured from Euro (-)	--	--	--	--
6 - Euro net effect (4+5)	7,237,878	(7,237,878)	7,237,878	(7,237,878)
10% appreciation / depreciation of TL against other currencies				
7- Other foreign currency net asset/liability	(226,298)	226,298	(226,298)	226,298
8- Portion secured from other currency (-)	--	--	--	--
9- Other currency net effect (7+8)	(226,298)	226,298	(226,298)	226,298
Total (3+6+9)	(21,870,899)	21,870,899	(21,870,899)	21,870,899

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19. 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		
	31 December 2020	31 December 2019
Fixed rate instruments		
Financial assets	41,728,456	78,415,120
Financial liabilities	2,404,022,259	2,198,597,373
Financial leases	56,882,094	49,334,922
Other financial liabilities	171,160,435	88,041,876
Variable rate instruments		
Financial liabilities	872,330,860	927,481,808

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 31 March 2020 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 2019.

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2020				
Variable rate instruments	(18,524,444)	17,824,347	(18,524,444)	17,824,347
Cash flow sensitivity (net)	(700,097)		(700,097)	
31 December 2019				
Variable rate instruments	(18,778,906)	18,049,918	(18,778,906)	18,049,918
Cash flow sensitivity (net)	(728,988)		(728,988)	

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19. 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 31 March 2020 and 31 December 2019:

	31 March 2020	31 December 2019
Total financial liabilities	3,504,395,648	3,263,455,979
Less: cash and cash equivalents	(309,157,528)	(121,503,123)
Net financial debt	3,195,238,120	3,141,952,856
Total equity	3,979,475,722	3,825,211,631
Gearing ratio (net financial debt to overall financing used ratio)	80%	82%

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19. 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:

	31 March 2020		31 December 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	309,157,528	309,157,528	121,503,123	121,503,123
Financial investment	412,408	412,408	412,408	412,408
Trade receivables	2,116,476,956	2,116,476,956	1,932,874,640	1,932,874,640
Other receivables (*)	155,870,780	155,870,780	135,363,852	135,363,852
Derivative assets	26,061,242	26,061,242	4,387,466	4,387,466
Financial liabilities				
Financial liabilities	3,276,353,119	3,276,353,119	3,126,079,181	3,126,079,181
Financial leases	56,882,094	56,882,094	49,334,922	49,334,922
Trade payables	636,966,608	636,966,608	599,548,139	599,548,139
Other financial liabilities	171,160,435	171,160,435	88,041,876	88,041,876
Derivative liabilities	57,171,923	57,171,923	33,642,251	33,642,251
Other payables (**)	40,813,801	40,813,801	42,447,481	42,447,481

(*)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 31 March 2020 is as follows:

	Fair value measurement			
31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative assets	--	26,061,242	--	26,061,242
	--	26,061,242	--	26,061,242
Financial liabilities measured at fair value:				
Derivative liabilities	--	(57,171,923)	--	(57,171,923)
	--	(57,171,923)	--	(57,171,923)
31 December 2019				
Financial assets measured at fair value:				
Derivative assets	--	4,387,466	--	4,387,466
	--	4,387,466	--	4,387,466
Financial liabilities measured at fair value:				
Derivative liabilities	--	(33,642,251)	--	(33,642,251)
	--	(33,642,251)	--	(33,642,251)

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20. 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 three-month period comprised the following:

	1 January- 31 March 2020	1 January- 31 March 2019
Short-term and long-term employee benefits (salaries, bonuses, employee termination benefits etc.)	375,000	335,000
	375,000	335,000

As at 31 March 2020 and 31 December 2019, current trade and other receivables are as follows:

	31 March 2020		31 December 2019	
Current trade and other receivables	Trade	Other	Trade	Other
Trade receivables due from related parties	189,266,463	14,257,465	209,200,606	3,775,899
Total	189,266,463	14,257,465	209,200,606	3,775,899

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20. RELATED PARTIES (continued)

Related party balances

	31 March 2020		31 December 2019	
	Trade	Other	Trade	Other
Aksa Elektrik Satış A.Ş.	159,829,381	14,257,465	157,669,120	3,770,092
Koni İnşaat Sanayi A.Ş.	7,038,969	--	32,497,061	--
Aksa Power Generation FZE	6,150,794	--	5,966,648	--
Fırat Elektrik Perakende Satış A.Ş.	5,892,380	--	7,693,333	--
Çoruh Elektrik Perakende Satış A.Ş.	4,211,294	--	2,077,944	--
Aksa Doğalgaz Toptan Satış A.Ş.	3,791,242	--	--	--
Flamingo Biyoyakıt Üretim ve Sanayi A.Ş.	1,329,203	--	1,263,465	--
Other	1,023,200	--	2,033,035	5,807
Total	189,266,463	14,257,465	209,200,606	3,775,899

	31 March 2020		31 December 2019	
Current trade and other payables	Trade	Other	Trade	Other
Trade payables due to related parties	19,415,048	--	17,177,126	272,784
Total	19,415,048	--	17,177,126	272,784

	31 March 2020		31 December 2019	
	Trade	Other	Trade	Other
ATK Sigorta Aracılık Hizmetleri A.Ş.	12,831,046	--	11,479,357	--
Aksa Jeneratör Sanayi A.Ş.	3,383,234	--	1,816,970	3,000
Kazancı Holding	2,002,161	--	1,580,435	269,188
Aksa Elektrik Satış A.Ş.	369,735	--	167,186	--
Koni İnşaat Sanayi A.Ş.	368,082	--	49,419	--
Fırat Elektrik Perakende Satış A.Ş.	17,810	--	7,619	--
Çoruh Elektrik Perakende Satış A.Ş.	8,396	--	5,957	--
Aksa Şanlıurfa Doğal Gaz Dağıtım A.Ş.	4,466	--	2,013,906	--
Diğer	430,118	--	56,277	596
Total	19,415,048	--	17,177,126	272,784

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20. RELATED PARTIES (continued)

Related party transactions

1 January – 31 March 2020

	Electricity Sales	Electricity Purchases	Gas Purchases	Interest Income	Interest Expenses	Rent Expenses	Administrative Expenses	Common Expenses Reflection	Material Purchases	Material Sales	Other Expenses and Income, Net
Aksa Elektrik Satış A.Ş.	115.054.537	521.609	-	6.520.041	-	-	5.200	-	-	-	-
ATK Sigorta Aracılık Hizmetleri A.Ş.	-	-	-	-	-	-	-	-	39	-	(661.453)
Aksa Doğal Gaz Toptan Satış A.Ş.	-	-	47.267.517	-	-	-	-	-	-	-	(289.778)
Kazancı Holding A.Ş.	-	-	-	-	51.163	-	-	3.266.234	-	-	-
Koni İnşaat Sanayi A.Ş.	-	-	-	653.809	2.090	937.793	314.588	-	-	75.672	36.808
Aksa Jeneratör Sanayi A.Ş.	-	-	-	-	48.810	-	3.679	-	-	-	(544.841)
Renk Transmisyon Sanayi A.Ş.	-	-	-	-	1.139	-	-	-	301.188	-	-
Flamingo Enerji Üretim A.Ş.	-	-	-	29.157	-	-	-	-	-	-	-
Flamingo Biyokütle Üretim Sanayi A.Ş.	-	-	-	40.539	-	-	-	-	-	-	-
Aksa Jeneratör Sanayi A.Ş.	-	-	-	-	-	-	-	-	3.519	-	(4)
Aksa Power Generation (Dubai)	-	-	-	-	-	-	-	-	-	-	(65.497)
Aksa Ankara Makine Sat. ve Servis A.Ş.	-	-	-	-	-	-	-	-	-	-	(5.805)
Fırat Elektrik Perakende Satış A.Ş.	17.953.421	-	-	-	299.995	-	-	-	-	-	-
Çoruh Elektrik Perakende Satış A.Ş.	16.930.066	-	-	-	343.494	-	-	-	-	-	-
Aksa Generators Ghana LTD.	-	-	-	-	-	-	-	-	-	32.084	(2.510)
Aksa Satış ve Pazarlama A.Ş.	-	-	-	-	-	-	-	-	-	-	(240)
Aksa Şanlıurfa Doğal Gaz Dağıtım A.Ş.	-	-	361.032	-	15.600	-	-	-	-	-	-
	149.938.024	521.609	47.628.549	7.243.546	762.291	937.793	323.468	3.266.234	304.746	107.756	(1.533.320)

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20. RELATED PARTIES (continued)

Related party transactions

1 January – 31 March 2019

	Electricity Sales	Electricity Purchases	Gas Purchases	Interest Income	Interest Expenses	Rent Expenses	Administrative Expenses	Common Expenses Reflection	Material Purchases	Material Sales	Other Expenses and Income, Net
Aksa Elektrik Satış A.Ş.	12.737.818	-	-	18.350.483	268	-	-	-	-	-	(52.093)
ATK Sigorta Aracılık Hizmetleri A.Ş.	-	-	-	-	-	-	-	-	20	-	(1.924.848)
Aksa Satış ve Pazarlama A.Ş.	-	-	-	-	-	-	-	-	-	-	(755)
Kazancı Holding A.Ş.	-	-	-	1.289.364	78.954	-	-	2.744.917	-	-	-
Koni İnşaat Sanayi A.Ş.	-	-	-	3.944.025	7.962	982.830	261.756	-	9.000	284.212	154.671
Elektrik Altyapı Hizmetleri ve Ltd. Şti.	-	-	-	840.077	-	-	-	-	423	-	(57.376)
Renk Transmisyon Sanayi A.Ş.	-	-	-	-	16.548	324.105	-	-	-	-	(5.600)
Flamingo Enerji Üretim A.Ş.	-	-	-	11.778	-	-	-	-	-	-	-
Flamingo Biyoyakıt Üretim Sanayi A.Ş.	-	-	-	40.182	-	-	-	-	-	-	-
Aksa Jeneratör Sanayi A.Ş.	-	-	-	5.444	-	-	-	-	-	448	-
Aksa Power Generation (Dubai)	-	-	-	-	-	-	-	-	-	-	(920.603)
Aksa Ankara Makine Sat. ve Servis A.Ş.	-	-	-	-	-	-	-	-	-	-	(2.804)
Fırat Elektrik Perakende Satış A.Ş.	12.156.201	16.292	-	-	8.373.284	-	-	-	-	-	-
Çoruh Elektrik Perakende Satış A.Ş.	9.546.067	700	-	-	8.250.957	-	-	-	-	735	-
Aksa Şanlıurfa Doğal Gaz Dağıtım A.Ş.	-	-	13.017.081	-	-	-	-	-	-	-	-
	34.440.086	16.992	13.071.081	24.481.353	16.727.973	1.306.935	261.756	2.744.917	9.443	285.396	(2.809.408)

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21. SUPPLEMENTARY CASH FLOW INFORMATION

Change of Group's liabilities from financing activities between 1 January – 31 March 2020 are presented below:

	1 January 2020	Cash inflows	Cash outflows	Non-cash transactions	31 March 2020
Financial borrowings	3,263,455,979	1,382,132,952	(1,234,688,726)	93,495,443	3,504,395,648
Total financial liabilities	3,263,455,979	1,382,132,952	(1,234,688,726)	93,495,443	3,504,395,648
	1 January 2019	Cash inflows	Cash outflows	Non-cash transactions	31 March 2019
Financial borrowings	3,745,498,591	404,938,794	(416,777,386)	181,842,486	3,915,502,485
Total financial liabilities	3,745,498,591	404,938,794	(416,777,386)	181,842,486	3,915,502,485

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

22. SUBSEQUENT EVENTS

- Aksa Enerji Üretim A.Ş. ("Aksa Energy") has signed an agreement with the Ministry of Energy of Uzbekistan for the construction of a 240 MW natural gas combined cycle (CCGT) power plant in Tashkent, the capital of Uzbekistan, and sale of the energy generated in the plant based on a guaranteed capacity payment for a duration of 25 years.
- As previously announced on the Public Disclosure Platform on 15.06.2017 and 01.12.2017, an agreement was executed with Borusan EnBW Energy Investments & Production and Borusan Consultancy & Joint Services for the sale of the 28 MWm (27 MWe) Kıyıköy Wind Power Plant for USD 60,100,000.00 ("Company Value").

USD 38,500,000.00 of the aforementioned value was received in cash as a lump sum payment; and it was agreed by the parties that the remaining balance of USD 21,600,000.00, payable for a capacity increase up to 72 MW, was to be paid after all necessary permits were received for the investment.

As the installed turbines in the license region will cast a shadow on the Marine Force's radar deployed nearby, and therefore hinder their operations, a new radar will be installed at a different location. The installment process is expected to take nearly 2 years and the estimated installment cost of USD 4,191,360.00 will be covered by Aksa Energy. Permits have already been received for 18 of the 20 turbines for the planned the capacity increase; the project has been launched; and today Aksa Energy has received USD 15,185,249.27 after deduction of the estimated radar installment cost.

The remaining balance is expected to be collected in accordance with the completion of approval processes for the remaining permits in 2020.

- The application filed with Turkish Electricity Transmission Corporation (TEIAS) to resume operations at Sanliurfa Natural Gas Combined Cycle Power Plant has been approved; and the Plant has resumed operations as of 6th of April, 2020.