

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ  
AND ITS SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER, 30 2020**

**(ENGLISH CONVENIENCE TRANSLATION OF CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN  
TURKISH)**

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2020**

(Amounts are expressed in Turkish Lira ("TL"))

	Notes	Unaudited Current Period <u>30.09.2020</u>	Audited Previous Period <u>31.12.2019</u>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>341.219.464</b>	<b>237.949.255</b>
Cash and Cash Equivalents	3	90.778.618	34.494.610
Trade Receivables		46.197.459	27.012.961
<i>Trade Receivables from Non Related Parties</i>	5	<i>46.197.459</i>	<i>27.012.961</i>
Other Receivables		101.383	120.342
<i>Other Receivables from Related Parties</i>	19	<i>-</i>	<i>40.000</i>
<i>Other Receivables from Non Related Parties</i>		<i>101.383</i>	<i>80.342</i>
Assets Arising from Customer Contracts		195.199.092	160.118.020
<i>Contractual Assets Arising from Constructions in Progress</i>	6	<i>195.199.092</i>	<i>160.118.020</i>
Inventories		6.706.517	10.413.247
Prepaid Expenses		1.479.548	3.954.043
Other Current Assets		756.847	1.836.032
<b>Non Current Assets</b>		<b>49.798.345</b>	<b>57.325.069</b>
Other Receivables		43.694	42.444
<i>Other Receivables from Non Related Parties</i>		<i>43.694</i>	<i>42.444</i>
Investment Properties	7	27.120.000	36.130.000
Tangible Assets	8	16.655.987	17.170.255
Right of Use Assets		185.291	323.070
Intangible Assets	9	32.725	56.601
Non-Current Assets Relating with Current Period Tax	17	5.760.647	3.602.699
<b>TOTAL ASSETS</b>		<b>391.017.809</b>	<b>295.274.324</b>

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

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2020**

(Amounts are expressed in Turkish Lira ("TL"))

		<b>Unaudited</b>	<b>Audited</b>
		<b>Current Period</b>	<b>Previous Period</b>
	<b>Notes</b>	<b>30.09.2020</b>	<b>31.12.2019</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Short-Term Liabilities</b>		<b>119.127.451</b>	<b>71.330.152</b>
Short-Term Financial Liabilities	4	53.040.711	28.708.331
Current Maturities of Long Term Financial Liabilities	4	15.224.108	8.062.111
Trade Payables		16.057.878	17.634.196
<i>Trade Payables to Non Related Parties</i>	5	<i>16.057.878</i>	<i>17.634.196</i>
Liabilities Related With Employee Benefits	11	3.648.009	2.293.317
Other Payables		4.039.048	2.740.158
<i>Other Payables to Related Parties</i>	19	<i>19.155</i>	<i>19.155</i>
<i>Other Payables to Non Related Parties</i>		<i>4.019.893</i>	<i>2.721.003</i>
Liabilities Arising from Customer Contracts		26.633.201	11.470.677
<i>Contractual Liabilities Arising from Constructions in Progress</i>	6	<i>26.633.201</i>	<i>11.470.677</i>
Current Income Tax Liability	17	9.106	-
Short Term Provisions		475.390	421.362
<i>Short Term Provisions Related With Employee Benefits</i>	11	<i>193.675</i>	<i>113.342</i>
<i>Other Short Term Provisions</i>	10	<i>281.715</i>	<i>308.020</i>
<b>Long-Term Liabilities</b>		<b>52.308.436</b>	<b>38.117.367</b>
Long Term Financial Liabilities	4	14.612.731	8.033.180
Long Term Provisions		1.157.079	1.052.232
<i>Long Term Provisions Related With Employee Benefits</i>	11	<i>1.157.079</i>	<i>1.052.232</i>
Deferred Tax Liabilities	17	36.538.626	29.031.955
<b>TOTAL LIABILITY</b>		<b>171.435.887</b>	<b>109.447.519</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>219.581.922</b>	<b>185.826.805</b>
<b>Parent Company's Equity</b>		<b>219.581.944</b>	<b>185.826.825</b>
Paid in Capital	12	50.000.000	50.000.000
Premiums Relating with Shares (Discounts)	12	2.098.440	1.310.410
Other Accumulated Comprehensive Income or Loss Not to Be Reclassified in Profit / Loss		(125.032)	(210.444)
<i>Loss / Gain Due to Defined Benefit Plans</i>	12	<i>(125.032)</i>	<i>(210.444)</i>
Restricted Reserves Set Aside from Profit	12	3.346.890	5.236.867
Profit / Loss of Previous Years	12	131.379.969	84.182.247
Net Profit / Loss for the Year	18	32.881.677	45.307.745
<b>Non-Controlling Interests</b>	12	<b>(22)</b>	<b>(20)</b>
<b>TOTAL OF LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>391.017.809</b>	<b>295.274.324</b>

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

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD BETWEEN JANUARY 1, 2020 - SEPTEMBER 30, 2020**  
(Amounts are expressed in Turkish Lira ("TL"))

		Unaudited			
	Notes	Current Period 01.01.-30.09.2020	Previous Period 01.01.-30.09.2019	Current Period 01.07.-30.09.2020	Previous Period 01.07.-30.09.2019
<b>PROFIT/LOSS SECTION</b>					
Revenue	13	118.081.096	101.475.252	44.803.744	39.578.694
Cost of Sales (-)	13	(75.460.976)	(59.194.463)	(27.251.957)	(22.034.308)
<b>GROSS OPERATING PROFIT / LOSS</b>		<b>42.620.120</b>	<b>42.280.789</b>	<b>17.551.787</b>	<b>17.544.386</b>
General Administration Expenses (-)		(6.036.773)	(4.858.865)	(2.491.429)	(1.990.267)
Other Income from Operating Activities	14	8.862.897	4.416.194	5.456.796	1.614.422
Other Loss from Operating Activities (-)	14	(6.183.477)	(3.068.152)	(4.871.048)	(1.216.398)
<b>NET OPERATING PROFIT / LOSS</b>		<b>39.262.767</b>	<b>38.769.966</b>	<b>15.646.106</b>	<b>15.952.143</b>
Income from Investment Activities	15	2.097.869	438.177	1.082.677	120.148
Loss from Investment Activities	15	(918.856)	-	(360.287)	-
<b>OPERATING INCOME / LOSS BEFORE FINANCING EXPENSES</b>		<b>40.441.780</b>	<b>39.208.143</b>	<b>16.368.496</b>	<b>16.072.291</b>
Financial Incomes	16	9.405.618	1.374.513	5.535.660	7.717
Financial Expenses (-)	16	(7.408.608)	(3.937.604)	(2.696.377)	(1.894.325)
<b>CONTINUING OPERATIONS' PROFIT/LOSS BEFORE TAX FOR THE YEAR</b>		<b>42.438.790</b>	<b>36.645.052</b>	<b>19.207.779</b>	<b>14.185.683</b>
Continuing Operations' Tax Income/Expense		(9.557.115)	(8.262.339)	(4.305.239)	(3.132.658)
Current Period Tax Income/ Loss	17	(2.071.797)	(616.663)	(1.559.021)	(430.630)
Deferred Tax Income/ Loss	17	(7.485.318)	(7.645.676)	(2.746.218)	(2.702.028)
<b>CONTINUING OPERATIONS' PROFIT/LOSS FOR THE YEAR</b>		<b>32.881.675</b>	<b>28.382.713</b>	<b>14.902.540</b>	<b>11.053.025</b>
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>32.881.675</b>	<b>28.382.713</b>	<b>14.902.540</b>	<b>11.053.025</b>
<b>Distribution of Profit / Loss for the Year</b>					
Minority Shareholders	12	(2)	(1)	(1)	2
Parent's Company	18	32.881.677	28.382.714	14.902.541	11.053.023
<b>Earnings Per Share</b>					
Earnings Per Share from Continuing Activities	18	0,658	0,57	0,30	0,22
<b>ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY</b>					
<b>FOR THE PERIOD BETWEEN JANUARY 1, 2020 - SEPTEMBER 30, 2020</b>					
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>32.881.675</b>	<b>28.382.713</b>	<b>14.902.540</b>	<b>11.053.025</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Income Not to Be Reclassified in Profit / Loss		85.412	(144.541)	95.306	(51.567)
Loss / Gain on Defined Benefit Plans' Remeasurement	11	106.765	(180.676)	119.132	(64.458)
Taxes Relating with Loss / Gain on Defined Benefit Plans' Remeasurement		(21.353)	36.135	(23.826)	12.891
- Current Tax Loss / Gain		-	-	-	-
- Deferred Tax Loss / Gain	17	(21.353)	36.135	(23.826)	12.891
<b>Income to Be Reclassified in Profit / Loss</b>		<b>85.412</b>	<b>(144.541)</b>	<b>95.306</b>	<b>(51.567)</b>
<b>TOTAL COMPREHENSIVE INCOMES</b>		<b>32.967.087</b>	<b>28.238.172</b>	<b>14.997.846</b>	<b>11.001.458</b>
<b>Distribution of Total Comprehensive Incomes</b>					
Minority Shareholders	12	(2)	(1)	(1)	2
Parent's Company		32.967.089	28.238.173	14.997.847	11.001.456

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2020

(Amounts are expressed in Turkish Lira ("TL"))

Unaudited	Notes									Parent's Equity	Non-Controlling Interest	Shareholders' Equity		
		Paid In Capital	Treasury Shares	Premiums Relating with Shares (Discounts)	Loss / Gain on Defined Benefit Plans' Remeasurement	Other Accumulated Comprehensive Income or Loss Not to Be Reclassified in Profit / Loss	Restricted Reserves Set Aside from Profit						Accumulated Profits	
								Profit/Loss of Previous Years	Net Profit / Loss for the Current Period					
PREVIOUS PERIOD														
Balances as of January 1, 2019		50,000.000	(2,870,458)	457,651	92,666	92,666	5,416,820	32,601,265	51,434,516	84,035,781	137,132,460	(18)	137,132,442	
Transfers		-	-	-	-	-	(87,225)	51,521,741	(51,434,516)	87,225	-	-	-	
Total Comprehensive Income / (Loss)		-	-	-	(144,541)	(144,541)	-	-	28,382,714	28,382,714	28,238,173	(1)	28,238,172	
Profit / (Loss) for the Period		-	-	-	-	-	-	-	28,382,714	28,382,714	28,382,714	(1)	28,382,713	
Other Comprehensive Income / (Loss)		-	-	-	(144,541)	(144,541)	-	-	-	-	(144,541)	-	(144,541)	
Increase / (Decrease) Arising from Treasury Shares		-	87,225	-	-	-	-	-	-	-	87,225	-	87,225	
Balances as of September 30, 2019		50,000.000	(2,783,233)	457,651	(51,875)	(51,875)	5,329,595	84,123,006	28,382,714	112,505,720	165,457,858	(19)	165,457,839	
CURRENT PERIOD														
Balances as of January 1, 2020		12	50,000.000	-	1,310,410	(210,444)	(210,444)	5,236,867	84,182,247	45,307,745	129,489,992	185,826,825	(20)	185,826,805
Transfers		-	-	-	-	-	(1,889,977)	47,197,722	(45,307,745)	1,889,977	-	-	-	
Total Comprehensive Income		-	-	-	85,412	85,412	-	-	32,881,677	32,881,677	32,967,089	(2)	32,967,087	
Profit / (Loss) for the Period		-	-	-	-	-	-	-	32,881,677	32,881,677	32,881,677	(2)	32,881,675	
Other Comprehensive Income / (Loss)		-	-	-	85,412	85,412	-	-	-	-	85,412	-	85,412	
Increase / (Decrease) Arising from Treasury Shares		-	-	788,030	-	-	-	-	-	-	788,030	-	788,030	
Balances as of September 30, 2020		12	50,000.000	-	2,098,440	(125,032)	(125,032)	3,346,890	131,379,969	32,881,677	164,261,646	219,581,944	(22)	219,581,922

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

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

(Amounts are expressed in Turkish Lira ("TL"))

	Notes	Unaudited Current Period 01.01.-30.09.2020	Previous Period 01.01.-30.09.2019
<b>A. CASH FLOWS ARISING FROM OPERATING ACTIVITIES</b>		<b>9.986.683</b>	<b>(15.189.471)</b>
Profit / Loss for the Year		32.881.675	28.382.713
<b>Adjustments:</b>		<b>10.138.065</b>	<b>8.421.581</b>
Adjustments Relating with Depreciation and Amortization (+)	7,8,9	718.403	704.730
Adjustments Relating with Provisions		185.307	60.110
- Provisions Related With Employee Benefits		185.307	60.110
Adjustments Relating with Interest (Incomes) / Losses		186.425	47.200
- Deferred Financial Expenses Arising from Purchases		402.308	355.162
- Deferred Financial Incomes Arising from Sales		(215.883)	(307.962)
Adjustments Relating with Tax Expense / Income		7.515.777	7.609.541
Adjustments Relating with (Incomes) / Losses of Disposals of Fixed Assets		1.532.153	-
Adjustments Relating with (Incomes) / Losses of Disposals of Fixed Assets		1.532.153	-
<b>Operating Profit Before Changes in Working Capital</b>		<b>(33.033.057)</b>	<b>(51.336.209)</b>
Increase / (Decrease) in Trade Receivables	5	(19.586.806)	(6.879.841)
Increase / (Decrease) in Other Receivables		17.709	(33.050)
Increase / (Decrease) in Contractual Assets Arising from Constructions in Progress	6	(19.918.548)	(34.471.385)
Increase / (Decrease) in Inventories		3.706.730	(679.805)
Increase / (Decrease) in Prepaid Expenses		2.474.494	207.118
Increase / (Decrease) in Trade Payables	5	(1.360.435)	(8.559.230)
Increase / (Decrease) in Liabilities Related With Employee Benefits	11	1.625.284	337.799
Increase / (Decrease) in Other Liabilities		1.298.890	1.548.050
Other Changes in Working Capital		(1.290.375)	(2.805.865)
<b>Cash Generated From Operating Activities</b>		<b>9.986.683</b>	<b>(14.531.915)</b>
Tax Payment / Return		-	(657.556)
<b>B. CASH FLOWS ARISING FROM INVESTMENT ACTIVITIES</b>		<b>7.297.588</b>	<b>(3.107.527)</b>
Cash Inflows From Sale of Tangible and Intangible Assets	8,9	104.612	51.850
Cash Outflows From Purchase of Tangible and Intangible Assets	8,9	(284.871)	(849.298)
Cash Inflows From Sale of Investment Properties	7	7.477.847	-
Cash Inflows From Purchase of Investment Properties	7	-	(2.310.079)
<b>C. CASH FLOWS ARISING FROM FINANCING ACTIVITIES</b>		<b>38.999.737</b>	<b>12.066.366</b>
Cash Inflows from Treasury Shares		788.030	87.225
Cash Inflows from Borrowings	4	38.073.928	12.347.280
Cash Outflows Related to Loan Payments Arising from Lease Agreements		137.779	(368.139)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE IMPACT OF FOREIGN CURRENCY DIFFERENCES (A+B+C)</b>		<b>56.284.008</b>	<b>(6.230.632)</b>
<b>D. THE EFFECT OF FOREIGN CURRENCY VALUATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>-</b>	<b>-</b>
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>56.284.008</b>	<b>(6.230.632)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>3</b>	<b>34.494.610</b>	<b>19.556.583</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (A4B+C+D+E)</b>	<b>3</b>	<b>90.778.618</b>	<b>13.325.951</b>

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

# ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020

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

TABLE OF CONTENTS	PAGE
NOTE 1 – GROUP’S ORGANIZATION AND NATURE OF OPERATIONS.....	2
NOTE 2 – PRINCIPLES RELATED TO PRESENTATION OF THE FINANCIAL STATEMENTS..	3
NOTE 3 – CASH AND CASH EQUIVALENTS .....	8
NOTE 4 – FINANCIAL BORROWINGS.....	9
NOTE 5 – TRADE RECEIVABLES AND PAYABLES .....	10
NOTE 6 - RECEIVABLES AND LIABILITIES ARISING FROM CUSTOMER CONTRACTS .....	12
NOTE 7 – INVESTMENT PROPERTIES .....	12
NOTE 8 – TANGIBLE FIXED ASSETS.....	12
NOTE 9 – INTANGIBLE FIXED ASSETS.....	13
NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES.....	13
NOTE 11 - PAYABLES RELATED WITH EMPLOYEE BENEFITS .....	16
NOTE 12 - SHAREHOLDERS’ EQUITY, RESERVES AND OTHER EQUITY ITEMS .....	17
NOTE 13 – REVENUE .....	19
NOTE 14 - OTHER INCOMES / EXPENSES ARISING FROM OPERATING ACTIVITIES .....	19
NOTE 15 - INCOMES / EXPENSES ARISING FROM INVESTMENT ACTIVITIES.....	20
NOTE 16 - FINANCIAL INCOMES / EXPENSES .....	20
NOTE 17 – INCOME TAXES .....	20
NOTE 18 - EARNINGS PER SHARE .....	24
NOTE 19 – RELATED PARTY DISCLOSURES.....	24
NOTE 20 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS...	25
NOTE 21 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING .....	31
NOTE 22 – SUBSEQUENT EVENTS.....	32
NOTE 23 – OTHER ISSUES CONSIDERABLY AFFECTING FINANCIAL STATEMENTS AND REQUIRED TO BE EXPLAINED FOR ENSURING THAT FINANCIAL STATEMENTS ARE CLEAR, INTERPRETABLE AND UNDERSTANDABLE .....	32

## ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020

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

#### NOTE 1 – GROUP’S ORGANIZATION AND NATURE OF OPERATIONS

Orge Enerji Elektrik Taahhüt Anonim Şirketi (the “Company”) was incorporated on 1998. The activity of the Company and its subsidiary (the “Group”) is to engage electrical contracting works and residential and business construction works.

The Company’s name has changed and registered from Orge Enerji Sistemleri İnşaat Metal Ticaret ve Taahhüt A.Ş. to Orge Enerji Elektrik Taahhüt A.Ş. on September 30, 2010.

The Company’s shares are traded on Borsa İstanbul as of May 15, 2012

Headquarter of the Group is located in Kozyatağı Mahallesi Değirmen Sokak Nida Kule No:18 Kat: A 34742 Kadıköy, İstanbul and there is no branch office.

The average number of personnel employed by the Group within the period ended September 30, 2020 is 478, and there are no employees within the subsidiary as of the balance sheet date. (December 31, 2019: 562 employees). The Group also employs personnel through subcontractors. As of September 30, 2020, the average number of subcontracted personnel is 13. (December 31, 2019: 3 employees.)

As of September 30, 2020 the Company’s capital amount is 50.000.000 TRY (December 31, 2019: 50.000.000 TRY) and %46,15 of the capital is traded publicly. Main shareholder and the party which is holding the control of the Group is Gündüz family. (Note 12)

Subsidiary included in full consolidation in the accompanying consolidated financial statements;

<u>Name of the Subsidiary</u>	<u>Field of Activities</u>	<u>Effective Shareholding</u>	<u>Location</u>
		<u>Percentage (%)</u>	
And Insaat Ticaret A.Ş.	Material of Construction	99,96	Turkey

The Group does not have any subsidiaries listed on the stock exchange.



**NOTE 2 – PRINCIPLES RELATED TO PRESENTATION OF THE FINANCIAL STATEMENTS**

**A. Basis of Presentation**

**Basis of Presentation of Consolidated Financial Statements**

The Company keeps its accounting records and statutory financial statements in accordance with the Turkish Commercial Code and the tax legislation.

The accompanying interim condensed consolidated financial statements in accordance with the provisions of the "Communiqué on Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette dated 13 June 2013 and numbered 28676 of the Capital Markets Board ("CMB"). Public Oversight Accounting and Auditing Standards Board ("POA") that have been put into force by Turkey Financial Reporting Standards (TFRS) was prepared in accordance. Turkey Financial Reporting Standards, comprise additions and interpretations on them. It is also presented in accordance with the TAS taxonomy published by the POA.

The Group has prepared its financial statements for the interim period ended September 30, 2020, in accordance with the Turkey Financial Reporting Standards No. 34 (Interim Financial Reporting).

The interim condensed financial statements of the Group do not include all the disclosures and footnotes required by the end-of-year financial statements and should therefore be read in conjunction with the Group's financial statements dated December 31, 2019.

The Group maintains its books of account and prepares its statutory financial statements in Turkish Lira (TRY) in accordance with the Turkish Commercial Code, Turkish Tax Legislation and Uniform Chart of Accounts issued by the Ministry of Finance.

The interim condensed consolidated financial statements are based on the statutory records and expressed in TRY with adjustments and reclassifications for the purpose of fair presentation in accordance with TFRS published by POA.

Preparation of the interim condensed consolidated financial statements in accordance with TFRS requires the use of certain assumptions and significant accounting estimates that will affect the explanatory notes on assets and liabilities and contingent assets and liabilities. Although these estimates are based on management's best estimates in the context of current events and actions, actual results may be different than expected. Assumptions and forecasts that require complex and more sophisticated interpretation can have a significant impact on the financial statements. The assumptions and significant accounting estimates used in the preparation of the financial statements ended as of September 30, 2020 have not changed.

There are no seasonal and periodical changes that will significantly affect the Group's activities.

Consolidated financial statements are prepared on the historical cost basis, except for the revaluation of financial instruments and investment properties.

**NOTE 2 – PRINCIPLES RELATED TO PRESENTATION OF THE FINANCIAL STATEMENTS  
(Continued)**

**A. Basis of Presentation (Continued)**

**Restatement for the Effects of Inflation**

With the decision taken on March 17, 2005 and numbered 11/367, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their consolidated financial statements in accordance with the financial reporting standards accepted by the CMB. Accordingly, Turkish Accounting Standards 29, “Financial Reporting in Hyperinflationary Economies”, issued by the POA, has not been applied in the consolidated financial statements for the accounting year commencing January 1, 2005

**Comparative Information and Adjustment of Previous Year Financial Statements**

The Group’s consolidated financial statements are prepared in comparison with the previous period in order to determine the financial position and performance of the Group and the trends in cash flows. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements.

**Going Concern Basis**

Consolidated financial statements have been prepared on the going concern basis, assuming that the Group will benefit from its assets and fulfill its obligations in the following year and within the natural flow of its operations.

**Offsetting**

Financial assets and liabilities are indicated in net amounts in cases where there is the necessary legal right to do the same, there is an intention to evaluate the said assets and liabilities in net amounts and the acquisition of assets and the fulfillment of the obligations related to are realized concurrently.

**New and Revised Standards and Interpretations**

The accounting policies used in the preparation of the consolidated financial statements for the period ending on September 30, 2020 have been applied consistently with those used in the previous year, with the exception of the new and amended TFRS standards and TFRYK interpretations as of January 1, 2020, summarized below. Effects of these standards and interpretations on Group’s financial position and performance summarized following paragraphs.

**a) Standards, amendments and interpretations applicable as at January 1, 2020:**

***Definition of a Business (Amendments to TFRS 3)***

In May 2019, POA published amendments regarding the definition of business in TFRS 3 Business Combinations. The purpose of this change helps to determine whether a company will be recognized as a business combination or an asset acquisition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

---

**NOTE 2 – PRINCIPLES RELATED TO PRESENTATION OF THE FINANCIAL STATEMENTS  
(Continued)**

**A. Basis of Presentation (Continued)**

**a) Standards, amendments and interpretations applicable as at January 1, 2020:**

These amendments are as below:

- Clarification of minimum requirements for the company
- Elimination of the assessment of market participants in completing the missing items;
- Add implementation guide to help businesses assess whether the acquisition process is important;
- To limit the definitions of the business and outputs; and
- Publishing an optional fair value concentration test

The amendment is applied for annual periods beginning on or after January 1, 2020.

The amendment did not have significant impact on the financial position or performance of the Group.

***Amendments to IFRS 9, TAS 39 and IFRS 7 – Interest Rate Benchmark Reform;***

Effective for annual periods beginning on or after 1 January 2020, in TFRS 9 and TAS 39, facilitating practices are provided in four basic issues related to interest rate benchmark reform. These applications are related to hedge accounting, in summary:

- The provision regarding the high probability of transactions,
- Prospective assessments
- Retrospective assessments
- They are separately identifiable risk components

The exemptions applied to the amendment to TFRS 9 and TAS 39 are intended to be disclosed in the financial statements in accordance with the regulation in TFRS 7.

The amendment did not have significant impact on the financial position or performance of the Group.

***Definition of Materiality (Amendments to IAS 1 and IAS 8)***

In June 2019, the POA made amendments to the TAS 1 “Presentation of Financial Statements” and TAS 8 “Accounting Policies, Changes and Errors in Accounting Estimates”. The purpose of these amendments is to adapt the definition of “materiality” between standards and clarify certain parts of the definition. According to the new definition, information is important if it can be assumed that financial statements may affect the decisions made by primary users based on these statements if the information is stored, inaccurate or not provided. The amendments explain that the importance of the information will depend on the nature, size, or both. Companies are obliged to evaluate the materiality of the impact on the financial statements when information is used alone or in combination with other information.

The amendment is applied for annual periods beginning on or after January 1, 2020. Early application is allowed.

The amendment did not have a significant impact on the financial position or performance of the Group.

**NOTE 2 – PRINCIPLES RELATED TO PRESENTATION OF THE FINANCIAL STATEMENTS  
(Continued)**

**A. Basis of Presentation (Continued)**

**New and Revised Standards and Interpretations (Continued)**

**b) Standards that are issued but not effective and early applied**

The new standards, interpretations and amendments that have been published as of the date of approval of the consolidated financial statements but have not yet entered into force for the current reporting period and have not started to be applied early by the Group are as follows. Unless otherwise stated, the Group will make the necessary changes that will affect the consolidated financial statements and footnotes after the new standards and interpretations become effective.

***IFRS 10 and IAS 28: Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture – Amendment***

The POA postponed the validity date of the amendments made in IFRS 10 and IAS 28 in December 2017, to be changed depending on the ongoing research project outputs related to the equity method. However, it still allows early implementation. The Company will evaluate the effects of these changes after the relating standards become final.

***IFRS 17 Insurance Contracts***

In February 2019, POA issued TFRS 17, a comprehensive new accounting standard for insurance contracts that includes accounting and measurement, presentation and disclosure. IFRS 17 introduces a model that enables both measurement of liabilities arising from insurance contracts with current balance sheet values and accounting for profit during the period when services are provided. Some changes in future cash flow estimates and risk adjustment are also accounted for during the period when the services are provided. Companies may choose to account for the effects of changes in discount rates on profit or loss or other comprehensive income. The standard includes special guidance for the measurement and presentation of insurance contracts with participation features. TFRS 17 will be effective in the annual periods beginning on or after January 1, 2023, on or before this date early application is permitted for companies applying TFRS 9 Financial Instruments and TFRS 15 Customer Contracts. The effects of the standard on the financial position and performance of the Group are evaluated.

***Amendments in IAS 1 - Classification of liabilities as short and long term***

On March 12, 2020, the POA made amendments in the TAS 1 “Presentation of Financial Statements” standard. These amendments, which are effective for annual reporting periods beginning on or after 1 January 2022, provide explanations to the criteria for the long and short term classification of liabilities. The amendments should be applied retrospectively according to TAS 8 “Accounting Policies, Changes and Errors in Accounting Estimates”. Early application is allowed.

The effects of the standard on the financial position and performance of the Group are evaluated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020

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

NOTE 2 – PRINCIPLES RELATED TO PRESENTATION OF THE FINANCIAL STATEMENTS  
(Continued)

A. Basis of Presentation (Continued)

**Basis of Consolidation**

**Subsidiaries**

Subsidiaries are the companies, in which the Company has more than 50% shares, voting rights or the majority of management or the majority of management within the framework of capital and management relations, either directly or through other subsidiaries. The Group receives a share from the results of the subsidiary's activities, depending on the ability of its subsidiary companies to execute its financial and operational policies. The subsidiary of the Company, detailed in the balance sheet footnote 1, is subject to full consolidation.

**Subsidiary: And İnşaat Ticaret A.Ş.**

The Company acquired 98% of the shares of And İnşaat Ticaret A.Ş. (“Subsidiary”) in 2010. As a result of the capital increase on March 03, 2014, the acquisition rate increased to 99.96%. Due to these shares, the voting right of the parent company in the general assembly of the mentioned subsidiary is 99.96%.

The activity of And İnşaat Ticaret A.Ş. is to build residences and workplaces, industrial buildings, factories, touristic facilities, social buildings, educational facilities, trade centers in the construction sector. Also, it performs and establish for their own and as contracting service or on behalf of another private or legal person and the state public all infrastructure, survey, feasibility, plan, project, construction, installation, furnishing, decoration and opening services.

Subsidiary’s address is in Kozyatağı Mahallesi Değirmen Sokak Nida Kule No:18 Kat A 34742 Kadıköy, İstanbul. The subsidiary does not have any actual activity.

As of September 30, 2020, the effective share ratio of the consolidated subsidiary and parent company is as follows:

<b><u>Name of the Subsidiary</u></b>	<b><u>Capital</u></b>	<b><u>Participation Amount (TRY)</u></b>	<b><u>Effective Shareholding Percentage (%)</u></b>
And Insaat Ticaret A.Ş.	250.000	249.900	99,96

***Consolidated balance sheet and consolidated income statement regulation principles***

***Full Consolidation Method***

- The paid-in capital and balance sheet items of the Company and the subsidiary have been collected. In the collection process, the receivables and payables of the partnership subject to consolidation method are eliminated mutually.
- Paid-in capital of the consolidated balance sheet is the paid-in capital of the Company; The paid-in capital of the subsidiary is not included in the consolidated balance sheet.
- From all equity group items including the paid / issued capital of the subsidiary within the scope of consolidation, the amounts corresponding to the parent and non-subsidiary shares were deducted and shown as the “Non-Controlling Shares” account group after the equity account group of the consolidated balance sheet.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 2 – PRINCIPLES RELATED TO PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**Basis of Consolidation (Continued)**

- Current and non-current assets purchased by companies subject to consolidation are included in the consolidated balance sheet based on their amounts, which are prior to the sales transaction, by making adjustments to ensure that these assets are presented to the company subject to consolidation.
- The income statement items of the company and the subsidiary are collected separately, and the sales of goods and services made by the company subject to consolidation method in the collection made are deducted from the total sales and the cost of the goods sold.  
The profit arising from the purchase and sale of goods between these companies regarding the inventories of the company subject to consolidation method has been added to the cost of the goods sold by deducting from the inventories in the consolidated financial statements, and the loss has been reduced from the cost of the goods sold. Income and expense items that occurred due to the transactions of the company subject to consolidation method are mutually offset in the related accounts.
- The portion of the subsidiary within the scope of consolidation that hits shares other than the net profit or loss of the subsidiary, which is subject to consolidation method, is shown as the "Non-Controlling Shares" account group after the net consolidated period profit.
- In cases deemed necessary, adjustments have been booked to bring the financial statements of the subsidiary in line with the accounting principles applied by other in-group companies.

**B. Changes in Accounting Policies**

There has been no significant change in the accounting policies announced for the accounting period ending on December 31, 2019.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

	<u>30.09.2020</u>	<u>31.12.2019</u>
Cash	52.147	12.444
Cash in Banks		
- Demand Deposits	813.836	5.916.350
- Time Deposits less than 3 Months	89.912.635	28.565.816
Total	<u>90.778.618</u>	<u>34.494.610</u>

Detail of the time deposits as of 30.09.2020 and 31.12.2019 is as below:

<u>Currency</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>30.09.2020</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>31.12.2019</u>
	(%)			(%)		
TL	6,50-13,00	1.11.2020	43.859.287	2,65-11,00	2.01.2020	13.464.35
USD	1,00-3,00	24.10.2020	17.414.248	1,75-2,40	17.01.2020	9.235.13
EUR	0,10-1,50	1.11.2020	28.639.100	0,30-0,67	13.01.2020	5.866.31
Total			<u>89.912.635</u>			<u>28.565.81</u>

25.178.213 TRY of the time deposits consists of participation banks profit share participation accounts (December 31, 2019: 6.009.133 TRY).

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)**

The foreign currency distribution for deposits is as follows:

	<u>30.09.2020</u>	<u>31.12.2019</u>
TRY Deposits	44.542.215	16.579.338
USD Deposits	17.514.671	9.247.521
EURO Deposits	28.669.585	8.655.307
Total	<u>90.726.471</u>	<u>34.482.166</u>

**NOTE 4 – FINANCIAL BORROWINGS**

	<u>30.09.2020</u>	<u>31.12.2019</u>
a) Bank Loans	82.694.867	43.565.893
b) Lease Liabilities	139.627	325.273
c) Credit Cards	43.056	912.456
Total	<u>82.877.550</u>	<u>44.803.622</u>

a) Bank Loans:

		<u>30.09.2020</u>		
	<u>Average</u>		<u>Current Maturities</u>	
<u>Currency</u>	<u>Interest Rate</u>	<u>Short Term</u>	<u>of Long Term</u>	<u>Long Term</u>
	<u>(%)</u>		<u>Financial</u>	
			<u>Liabilities</u>	
TRY	7,50 -17,04	52.868.834	15.224.108	14.601.925
Total		<u>52.868.834</u>	<u>15.224.108</u>	<u>14.601.925</u>

		<u>31.12.2019</u>		
	<u>Average</u>		<u>Current Maturities</u>	
<u>Currency</u>	<u>Interest Rate</u>	<u>Short Term</u>	<u>of Long Term</u>	<u>Long Term</u>
	<u>(%)</u>		<u>Financial</u>	
			<u>Liabilities</u>	
TRY	10,9 -26,00	27.684.678	8.062.111	7.819.104
Total		<u>27.684.678</u>	<u>8.062.111</u>	<u>7.819.104</u>

	<u>30.06.2020</u>	<u>31.12.2019</u>
Payable in 1 years	65.422.691	35.746.789
Payable in 1-2 years	9.445.572	6.071.068
Payable in 2-3 years	6.278.547	1.748.036
Total	<u>81.146.810</u>	<u>43.565.893</u>

19.349.258 TRY of bank loans consists of participation bank loans. (December 31, 2019: 12.121.589 TRY)

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 4 – FINANCIAL BORROWINGS (Continued)****b) Lease Liabilities**

	<u>30.09.2020</u>	
<u>Lease Liabilities</u>	<u>Minimum Rent Payments</u>	<u>Present Value of Minimum Payments</u>
Less than 1 year	136.978	128.821
More than 1 year - Less than 5 years	11.922	10.806
Present Value of Lease Liabilities	148.900	139.627

  

	<u>31.12.2019</u>	
<u>Lease Liabilities</u>	<u>Minimum Rent Payments</u>	<u>Present Value of Minimum Payments</u>
Less than 1 year	137.568	111.197
More than 1 year - Less than 5 years	219.549	214.076
Present Value of Lease Liabilities	357.117	325.273

**NOTE 5 – TRADE RECEIVABLES AND PAYABLES****a) Trade Receivables**

Detail of the trade receivables of the Group as of balance sheet date is as below:

<u>Short Term Trade Receivables</u>	<u>30.09.2020</u>	<u>31.12.2019</u>
Receivables (*)	29.833.200	25.100.746
Notes Receivables (*)	16.588.781	1.963.973
Less: Deferred Finance Income	(224.522)	(51.758)
Doubtful Trade Receivables (**)	1.155.319	1.091.162
Less: Provision for Doubtful Trade Receivables	(1.155.319)	(1.091.162)
Total	46.197.459	27.012.961

As of September 30, 2020, the effective weighted average interest rate used in the deferred financial income that calculated for short-term trade receivables in TRY is 11,45 %, in USD is 0,205%, in EURO is 0% per annum and the weighted average maturity of the receivables is 60 days. (December 31, 2019: TRY 10,67%, USD 1,833%, EURO 0% - average maturity is 60 days).

<u>(*) Trade and Notes Receivables</u>	<u>30.09.2020</u>	<u>31.12.2019</u>
1-3 Months	43.187.041	26.680.819
3-6 Months	3.234.940	383.900
Total	46.421.981	27.064.719

As of September, 30 2020, amounting to 1.155.319 TRY (December 31, 2019: 1.091.162 TRY) of trade receivables is doubtful receivable. During this period, 64.157 TRY doubtful receivable provision is provided.

(\*\*) The movement of provision for doubtful trade receivables is as follows:



**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 5 – TRADE RECEIVABLES AND PAYABLES (Continued)**

<b>Doubtful Trade Receivables</b>	<b>30.09.2020</b>	<b>31.12.2019</b>
Beginning of the Period	1.091.162	1.015.427
Period Expense	64.157	75.735
Less: Current Year Reverse	-	-
End of the Period	1.155.319	1.091.162

**Long Term Trade Receivables**

None. (December 31, 2019: None)

**b) Trade Payables**

Detail of the trade payables of the Group as of balance sheet date is as below:

<b><u>Short Term Trade Payables</u></b>	<b>30.09.2020</b>	<b>31.12.2019</b>
Payables (*)	11.785.853	6.579.470
Notes Payable(*)	4.436.150	11.232.512
Less: Deferred Finance Expense	(164.125)	(177.786)
Total	16.057.878	17.634.196

As of September 30, 2020, the effective weighted average interest rate used in the deferred financial expense that calculated for short-term trade payables in TRY is 11,45 %, in USD is 0,205%, in EURO is 0% per annum and the weighted average maturity of the receivables is 55 days. (December 31, 2020: TRY 10,67%, USD 1,833%, EURO 0% - average maturity is 55 days).

<b><u>(*) Payables, Notes Payable</u></b>	<b>30.09.2020</b>	<b>31.12.2019</b>
1-3 Months	14.704.154	16.845.191
3-6 Months	1.517.849	966.791
Total	16.222.003	17.811.982

**Long Term Trade Payables**

None. (December 31, 2019: None)

## ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020

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

#### NOTE 6 - RECEIVABLES AND LIABILITIES ARISING FROM CUSTOMER CONTRACTS

	<u>30.09.2020</u>	<u>31.12.2019</u>
Assets Arising from Customer Contracts	195.199.092	160.118.020
Total	<u>195.199.092</u>	<u>160.118.020</u>

Detail of the assets relating with customer contracts is as below:

	<u>30.09.2020</u>	<u>31.12.2019</u>
Receivables Arising from Customer Contracts	195.199.092	160.118.020
- Assets relating with domestic construction contracts	-	-
- Assets not yet acquired relating with domestic construction contracts (*)	195.199.092	160.118.020

(\*) Reasonable assurance has been established that the conditions required to obtain assets that have not yet been acquired are met by the entity, and are reflected in the consolidated financial statements on an accrual basis at the fair value of the collectible value.

	<u>30.09.2020</u>	<u>31.12.2019</u>
Liabilities Arising from Customer Contracts	26.633.201	11.470.677
Total	<u>26.633.201</u>	<u>11.470.677</u>

Detail of the liabilities relating with customer contracts is as below:

	<u>30.09.2020</u>	<u>31.12.2019</u>
Liabilities Arising from Customer Contracts		
Advances Received	25.333.619	8.631.095
Incomes For the Following Months	1.299.582	2.839.582
Total	<u>26.633.201</u>	<u>11.470.677</u>

#### NOTE 7 – INVESTMENT PROPERTIES

The Group has not purchased any investment property in the interim period. (December 31, 2019: 7.226.106 TRY).

During the interim period, there was an investment property sale amounting to 7.477.847 TRY (December 31, 2019: 2.107.663 TRY).

#### NOTE 8 – TANGIBLE FIXED ASSETS

The Group has purchased amounting to 274.321 TRY tangible fixed assets in the interim period. (December 31, 2019: 982.014 TRY).

The Group does not have any tangible asset sales of 104.612 TL during the interim period. (December 31, 2019: 77.095 TRY).

## ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020

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

---

#### NOTE 9 – INTANGIBLE FIXED ASSETS

The Group has purchased 10.500 TL intangible fixed assets during the interim period. (December 31, 2019: 3.210 TRY).

During the interim period, there was not any intangible fixed asset sale. (December 31, 2019: None).

#### NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

<b><u>Short Term Provisions</u></b>	<b><u>30.09.2020</u></b>	<b><u>31.12.2019</u></b>
Provision for lawsuits	281.715	308.020
Total	281.715	308.020

(\*) Provisions for lawsuits are relating to labor claims received by employees.

#### **Long Term Provisions**

None. (December 31, 2019: None)

#### **Contingent Assets and Contingent Liabilities**

None. (December 31, 2019: None)

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES (Continued)****Guarantees – Pledges – Mortgages - Bailments**

Detail of the guarantees, pledges, mortgages and bailments as of September 30, 2020 and December 31, 2019 is as follows.

	<u>30.09.2020</u>			
<b><u>CPMB's given by the Company (Collaterals, Pledges, Mortgages, Bails)</u></b>	<b><u>TRY</u></b>	<b><u>USD</u></b>	<b><u>EURO</u></b>	<b><u>TRY</u></b>
	<b><u>Equivalent</u></b>			
A) CPMB's given for Company's own legal personality	88.444.815	172.706	6.506.821	27.701.414
B) CPMB's given on behalf of fully consolidated companies	-	-	-	-
C) CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause	-	-	-	-
E) Total amount of other CPMB's	-	-	-	-
i) Total amount of CPMB's given on behalf of majority shareholder	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-
Total	88.444.815	172.706	6.506.821	27.701.414

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES (Continued)**

**Guarantees – Pledges – Mortgages – Bailments (Continued)**

	<u>31.12.2019</u>			
<b><u>CPMB's given by the Company (Collaterals, Pledges, Mortgages, Bails)</u></b>	<b><u>TRY</u></b>	<b><u>USD</u></b>	<b><u>EURO</u></b>	<b><u>TRY</u></b>
<b><u>Equivalent</u></b>				
A) CPMB's given for Company's own legal personality	53.950.400	-	2.436.505	37.449.170
B) CPMB's given on behalf of fully consolidated companies	-	-	-	-
C) CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause	-	-	-	-
E) Total amount of other CPMB's	-	-	-	-
i) Total amount of CPMB's given on behalf of majority shareholder	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-
<b>Total</b>	<b>53.950.400</b>	<b>-</b>	<b>2.436.505</b>	<b>37.449.170</b>

The distribution of Guarantees – Pledges – Mortgages - Bailments given as of September 30, 2020 and December 31, 2019 are given below:

	<u>30.09.2020</u>				<u>31.12.2019</u>			
<b><u>Guarantees - Pledges - Mortgages - Bailments</u></b>	<b><u>Total TRY</u></b>	<b><u>USD</u></b>	<b><u>EUR</u></b>	<b><u>TRY</u></b>	<b><u>Total TRY</u></b>	<b><u>USD</u></b>	<b><u>EUR</u></b>	<b><u>TRY</u></b>
<b><u>Equivalents</u></b>					<b><u>Equivalents</u></b>			
Guarantees	88.444.815	172.706	6.506.821	27.701.414	53.950.400	50.000	2.436.505	37.449.170
<b>Total</b>	<b>88.444.815</b>	<b>172.706</b>	<b>6.506.821</b>	<b>27.701.414</b>	<b>53.950.400</b>	<b>50.000</b>	<b>2.436.505</b>	<b>37.449.170</b>

The ratio of the Guarantees – Pledges – Mortgages - Bailments given to Group's equity is 0% as of September 30, 2020. (December 31, 2019)

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 11 - PAYABLES RELATED WITH EMPLOYEE BENEFITS**

<b><u>Liabilities Related with Employee Benefits</u></b>	<b><u>30.09.2020</u></b>	<b><u>31.12.2019</u></b>
Due to Personal	1.074.564	1.495.579
SSI Payable	2.573.445	797.738
Total	<u>3.648.009</u>	<u>2.293.317</u>
<b><u>Short Term Provisions Related with Employee Benefits</u></b>	<b><u>30.09.2020</u></b>	<b><u>31.12.2019</u></b>
Provisions for Unused Leave of Absence Wages	193.675	113.342
Total	<u>193.675</u>	<u>113.342</u>
<b><u>Long Term Provisions Related with Employee Benefits</u></b>	<b><u>30.09.2020</u></b>	<b><u>31.12.2019</u></b>
Severance Pay Provision	1.157.079	1.052.232
Total	<u>1.157.079</u>	<u>1.052.232</u>

Pursuant to the laws of the Republic of Turkey, the Company is obliged to make a severance payment to each employee who has retired (at the age of 58 for women and 60 for men) following the working life of 25 years after having completed a time in service of at least one year or whose employment is terminated or who is called for military service or has died.

The obligation of severance payment is not subject to any funding. The provision for severance pay is calculated through the prediction of the present value of the amount of probable liability arising from the retirement of the Company's employees. TAS 19 (“Employee Benefits”) stipulates that the liabilities of the Company should be developed using actuarial valuation plans within the scope of the defined benefit plans. In this direction, the actuarial assumptions used in the calculation of total liabilities are specified herein below:

Provisions on the balance sheet date are calculated based on the assumption of an expected salary increase of 7% annually and a discount rate of 11.50%, real discount rate of approximately 4.21% and retirement assumptions below. (December 31, 2019: Respectively % 7, % 11,50 ve % 4,21).

	<b><u>30.09.2020</u></b>	<b><u>31.12.2019</u></b>
Annual discount rate (%)	4,21	4,21
Retirement possibility (%)	96,53	97,35

The principal assumption is that maximum amount of liability for each year of service should increase parallel to the inflation. Therefore, the rate of discount applied refers to the real rate expected after the adjustment of the effects of inflation in the future. For this reason, the provisions included as of September 30, 2020 in the consolidated financial statements enclosed herewith are calculated estimating the present value of the probable liability which may arise from the retirement of employees.

The severance pay provision of the Group is calculated over the amount of 7.177 TRY (December 31, 2019: 6.380 TRY) valid as of July 01, 2020 since the retirement pay ceiling is adjusted every six months.

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 11 - PAYABLES RELATED WITH EMPLOYEE BENEFITS (Continued)**

Movement of the provision for employee termination benefits for the period is as follows:

	<u>30.09.2020</u>	<u>31.12.2019</u>
As of January 01	1.052.232	529.079
Service Cost	452.309	258.738
Interest Cost	33.220	28.570
No Longer Required Severance Pay Provisions	(273.917)	(143.042)
Actuarial Loss / Gain (*)	(106.765)	378.887
End of Period	1.157.079	1.052.232

(\*) As of September 30, 2020, actuarial gains / losses amounting to 106.765 TRY (December 31, 2019: 378.887 TRY).

**NOTE 12 - SHAREHOLDERS' EQUITY, RESERVES AND OTHER EQUITY ITEMS****a) Paid in Share Capital**

Shareholding structure of the Company as of September 30, 2020 and December 31, 2019 is as follows:

<u>Shareholders</u>	<u>30.09.2020</u>		<u>31.12.2019</u>	
	<u>Share Rate (%)</u>	<u>Share Amount (TRY)</u>	<u>Share Rate (%)</u>	<u>Share Amount (TRY)</u>
Nevhan Gündüz	21,32	10.657.504	21,32	10.657.504
Mahmut Gündüz	0,00	500	0,00	500
Orhan Gündüz	32,50	16.248.750	32,50	16.248.750
Nevin Gündüz	0,00	500	0,00	500
Murat Kartaloğlu	0,00	250	0,00	250
Publicly Traded	46,18	23.092.496	46,18	23.092.496
<b>Paid Capital</b>	<b>100</b>	<b>50.000.000</b>	<b>100</b>	<b>50.000.000</b>

The Company has entered the registered capital system and its registered capital ceiling is 50.000.000 TRY and its issued capital is 50.000.000 TRY (December 31, 2019: 50.000.000 TRY). The Company's share capital consists of 50.000.000 shares with 1 TRY per value each. There are no privileged shares.

.

**b) Premiums Relating with Shares (Discounts)**

	<u>30.09.2020</u>	<u>31.12.2019</u>
Premiums Relating with Shares (Discounts)	2.098.440	1.310.410

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 12 - SHAREHOLDERS' EQUITY, RESERVES AND OTHER EQUITY ITEMS (Continued)****c) Treasury Shares**

In the current period, the Company repurchased 216.334 shares at an average price of 6,7269 TRY, on 07.08.2020, and sold 441.334 total repurchased shares at an average price of 7.2764 TRY on 20.08.2020.

As of September 30, 2020, the Company does not have any treasury shares nor shares repurchased in the scope of liquidity provision.

(31.12.2019 : None)

**d) Other Accumulated Comprehensive Income or Loss Not to Be Reclassified in Profit / Loss**

	<u>30.09.2020</u>	<u>31.12.2019</u>
Loss / Gain Due to Defined Benefit Plans	(125.032)	(210.444)
Total	(125.032)	(210.444)

**e) Restricted Reserves Set Aside from Profit**

	<u>30.09.2020</u>	<u>31.12.2019</u>
Legal Reserves	3.346.890	5.236.867
Total	3.346.890	5.236.867

According to article 519 of the Turkish Commercial Code ("TCC") numbered 6102, the companies allocate 5% of their annual profits as legal reserves until they reach 20% of their paid capital. If the company has losses from previous years, annual profit is deducted from 5%. In accordance with clause c of article 519 of TCC, after paying 5% dividend to shareholders, 10% of the portion decided to be distributed to shareholders and other persons participating in the land is added to the legal reserves.

**f) Profit / Loss of Previous Years**

	<u>30.09.2020</u>	<u>31.12.2019</u>
Extraordinary Reserves	16.740.839	-
Profit /Loss of Previous Years	114.639.130	84.182.247
Total	131.379.969	84.182.247

**g) Non - Controlling Interests**

	<u>30.09.2020</u>	<u>31.12.2019</u>
January 01	(20)	(18)
Income / (Loss) Share Parent Company	(2)	(2)
Total	(22)	(20)



**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 13 – REVENUE**

	<u>01.01-</u> <u>30.09.2020</u>	<u>01.01-</u> <u>30.09.2019</u>	<u>01.07-</u> <u>30.09.2020</u>	<u>01.07-</u> <u>30.09.2019</u>
<b><u>Sale Revenue (net)</u></b>				
Contractual Sale Income	114.267.939	89.469.077	41.119.890	34.476.970
Trade Good Sale Income	3.813.157	12.011.703	3.683.854	5.101.724
Total Incomes	118.081.096	101.480.780	44.803.744	39.578.694
- Cost of services given (-)	-	(5.528)	-	-
Sale Revenue,net	118.081.096	101.475.252	44.803.744	39.578.694
	<u>01.01-</u> <u>30.09.2020</u>	<u>01.01-</u> <u>30.09.2019</u>	<u>01.07-</u> <u>30.09.2020</u>	<u>01.07-</u> <u>30.09.2019</u>
<b><u>Cost of Sales (-)</u></b>				
-Cost of Services Sold	(73.480.742)	(52.819.731)	(25.307.457)	(21.035.570)
-Cost of Trade Goods Sold	(1.980.234)	(6.374.732)	(1.944.500)	(998.738)
Cost of Sales	(75.460.976)	(59.194.463)	(27.251.957)	(22.034.308)
Gross Margin	42.620.120	42.280.789	17.551.787	17.544.386

**NOTE 14 - OTHER INCOMES / EXPENSES ARISING FROM OPERATING ACTIVITIES**

	<u>01.01-</u> <u>30.09.2020</u>	<u>01.01-</u> <u>30.09.2019</u>	<u>01.07-</u> <u>30.09.2020</u>	<u>01.07-</u> <u>30.09.2019</u>
<b><u>Other Incomes Arising from Operating Activities</u></b>				
Deferred Financial Income	215.883	307.962	68.601	(150.718)
Incentive Incomes	810.079	1.311.572	120.521	442.778
Scrap Sale Incomes	479.192	567.350	361.788	400.331
Provision no Longer Required	300.222	149.438	72.901	149.438
FX Incomes	6.209.083	1.305.517	4.537.409	754.808
Price Differences	50.546	460.220	10.880	3.650
Other	797.892	314.135	284.696	14.135
Total	8.862.897	4.416.194	5.456.796	1.614.422
	<u>01.01-</u> <u>30.09.2020</u>	<u>01.01-</u> <u>30.09.2019</u>	<u>01.07-</u> <u>30.09.2020</u>	<u>01.07-</u> <u>30.09.2019</u>
<b><u>Other Expenses Arising from Operating Activities</u></b>				
Deferred Financial Expenses (-)	(402.308)	(355.162)	(199.936)	48.876
FX Losses (-)	(5.312.476)	(2.087.088)	(4.406.473)	(784.118)
Provision Expenses				
Provision for Doubtful Receivables (-)	(64.158)	-	(59.342)	-
Other (-)	(276.320)	(551.882)	(159.576)	(407.136)
Penalty Expenses for Construction Worksite (-)	(128.215)	(74.020)	(45.721)	(74.020)
Total	(6.183.477)	(3.068.152)	(4.871.048)	(1.216.398)

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 15 - INCOMES / EXPENSES ARISING FROM INVESTMENT ACTIVITIES**

	<u>01.01-</u> <u>30.09.2020</u>	<u>01.01-</u> <u>30.09.2019</u>	<u>01.07-</u> <u>30.09.2020</u>	<u>01.07-</u> <u>30.09.2019</u>
<b><u>Incomes Arising from Investment Activities</u></b>				
Interest Incomes	2.036.852	438.177	1.062.338	120.148
Rental Income	61.017	-	20.339	-
Total	<u>2.097.869</u>	<u>438.177</u>	<u>1.082.677</u>	<u>120.148</u>
	<u>01.01-</u> <u>30.09.2020</u>	<u>01.01-</u> <u>30.09.2019</u>	<u>01.07-</u> <u>30.09.2020</u>	<u>01.07-</u> <u>30.09.2019</u>
<b><u>Expenses Arising from Investment Activities (-)</u></b>				
Investment Property Sale Expenses (-)	(918.856)	-	(360.287)	-
Total	<u>(918.856)</u>	<u>-</u>	<u>(360.287)</u>	<u>-</u>

**NOTE 16 - FINANCIAL INCOMES / EXPENSES**

	<u>01.01-</u> <u>30.09.2020</u>	<u>01.01-</u> <u>30.09.2019</u>	<u>01.07-</u> <u>30.09.2020</u>	<u>01.07-</u> <u>30.09.2019</u>
<b><u>Financial Incomes</u></b>				
FX Incomes	9.405.618	1.374.513	5.535.660	7.717
Total	<u>9.405.618</u>	<u>1.374.513</u>	<u>5.535.660</u>	<u>7.717</u>
	<u>01.01-</u> <u>30.09.2020</u>	<u>01.01-</u> <u>30.09.2019</u>	<u>01.07-</u> <u>30.09.2020</u>	<u>01.07-</u> <u>30.09.2019</u>
<b><u>Financial Expenses</u></b>				
Interest and Comission Expenses (-)	(7.230.554)	(3.293.193)	(2.662.279)	(3.053.505)
FX Losses (-)	(178.054)	(644.411)	(34.098)	1.159.180
Total	<u>(7.408.608)</u>	<u>(3.937.604)</u>	<u>(2.696.377)</u>	<u>(1.894.325)</u>

**NOTE 17 – INCOME TAXES****Current Assets Relating with Current Period Tax**

None. (December 31, 2019: None)

**Non - current income tax assets**

	<u>30.09.2020</u>	<u>31.12.2019</u>
Pre - paid Taxes and Funds	5.760.647	3.602.699

**Tax provisions**

	<u>30.09.2020</u>	<u>31.12.2019</u>
Current year corporation tax expense	799.374	790.268
Prepaid taxes and withholding taxes (-)	(790.268)	(790.268)
Tax provisions	<u>9.106</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 17 – INCOME TAXES (Continued)****Tax Income / (Expense)**

	<u>30.09.2020</u>	<u>30.09.2019</u>
Corporate and income taxes payable (-)	(2.071.797)	(616.663)
Deferred tax revenue ( expense)	(7.485.318)	(7.645.676)
Total	<u>(9.557.115)</u>	<u>(8.262.339)</u>

**Corporate Income Tax**

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the Group’s results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate applied in 2020 is 22% (2019: 22%).

Provisional tax in Turkey is calculated as three-month period and are accrued. The provisional tax rate that must be calculated over the corporate earnings at the stage of taxing the corporate earnings of 2020 as of the provisional tax periods is 22%. The financial losses indicated in the tax return may be deducted from the Company’s earnings pursuant to the Turkish tax legislation, provided that the time period therefor is limited to 5 years. However, the financial losses cannot be set off against the profits of the previous year.

As stated in Article 91 of the “Law Amending Some Tax Laws and Other Laws” numbered 7061, published in the Official Gazette No. 30261 dated 5 December 2017, in accordance with the provisional article 10 added to the Corporate Tax Law No. 5520, the 20% rate in the first paragraph of Article 32 of this Law will be applied as 22% for corporate earnings for the taxation periods of 2018, 2019 and 2020 (for institutions for which special accounting period is assigned, to the accounting periods starting in the related year).

There is not a final and definitive agreement on tax assessment procedures are in Turkey. The companies prepare their tax returns between April 1-25 of the year following the closing period of the relevant year. These returns and the accounting records that are based on this can be examined and changed by the Tax Office within 5 years.

***Income Withholding Tax***

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 22 July 2006, this rate has been changed to 15% upon the Council of Minister’s’ Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 17 – INCOME TAXES (Continued)**

*Reconciliation of period tax expense with period profit is as follows:*

	<u>30.09.2020</u>	<u>31.12.2019</u>
Profit/Loss Before Tax	42.438.790	57.096.820
Taxable Profit / Loss	42.438.790	57.096.820
Corporate Tax rate	22%	22%
Calculated Tax	(9.336.534)	(12.561.300)
Disallowable expenses	(25.847)	(35.480)
Others	(194.734)	807.703
Total	(9.557.115)	(11.789.077)

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 17 – INCOME TAXES (Continued)****Deferred Tax**

The Company calculates deferred tax assets and liabilities considering the temporary differences between the valuation of balance sheet items according to TFRS and in accordance with Turkish Commercial Code and Turkish Tax Legislation. These temporary differences give rise to accounting of revenues and expenses in different reporting periods according to TFRS and Tax Laws.

The tax rate used in calculating deferred tax assets and liabilities is 22% for taxable earnings to be realized between 2018-2020 and 20% for later (31 December 2019: 22% for 2018-2020 – 20% for later).

	<b>Total Temporary Differences</b>		<b>Deferred Tax Assets / (Liabilities)</b>	
	<u>30.09.2020</u>	<u>31.12.2019</u>	<u>30.09.2020</u>	<u>31.12.2019</u>
<b>Deferred Tax Asset</b>				
Provision for Doubtful Receivables	1.155.319	1.091.161	254.170	240.055
Provision for Severance Pay	1.157.079	1.052.232	231.416	210.446
Provision for Unused Leave of Absence Wages	193.675	113.342	42.609	24.935
Loan Interest Accruals	1.777.239	272.312	390.993	59.909
Unearned finance income	224.522	51.758	49.395	11.387
Construction contracts adjustments	240.054.584	162.343.623	52.812.008	35.715.597
Provision for lawsuit risks	281.715	308.020	61.977	67.764
Other Adjustments	65.793	305.563	19.173	71.615
<b>Total</b>	<b>244.909.926</b>	<b>165.538.011</b>	<b>53.861.741</b>	<b>36.401.708</b>
<b>Deferred Tax Liabilities</b>				
Difference between the tax base and carrying amount of investment property,	(17.074.254)	(18.606.407)	(1.707.425)	(1.860.641)
Difference between the tax base and carrying amount of tangible and intangible assets	(1.303.971)	(1.459.228)	(260.794)	(291.846)
Unearned finance expense	(164.125)	(177.786)	(36.108)	(39.113)
Corrections year income to common construction projects	(401.420.606)	(287.152.666)	(88.312.533)	(63.173.587)
Interest Accruals	(211.249)	(17.686)	(46.475)	(3.891)
Other Adjustments	(185.158)	(322.937)	(37.032)	(64.585)
<b>Total</b>	<b>(420.359.363)</b>	<b>(307.736.710)</b>	<b>(90.400.367)</b>	<b>(65.433.663)</b>
<b>Deferred tax assets / liabilities, net</b>	<b>(175.449.437)</b>	<b>(142.198.699)</b>	<b>(36.538.626)</b>	<b>(29.031.955)</b>
<b>Deferred tax expense / (Income)</b>			<b>(7.506.671)</b>	<b>(10.913.588)</b>
Acturail Gain or Loss			21.353	(75.777)
Impact of Adjustments on the Application of the TFRS 9 Standard			-	(9.444)
<b>Current Period Deferred Tax (Expense) / (Income)</b>			<b>(7.485.318)</b>	<b>(10.998.809)</b>

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 17 – INCOME TAXES (Continued)**

The movement of deferred tax assets / liabilities is as follows:

	<u>30.09.2020</u>	<u>31.12.2019</u>
Opening Balance	(29.031.955)	(18.118.367)
Current Income Tax Income / (Expense)	(7.485.318)	(10.998.809)
Defined Benefit Plans Remeasurement Gains / Losses	(21.353)	75.777
Impact of Adjustments on the Application of the TFRS 9 Standard	-	9.444
Total	<u>(36.538.626)</u>	<u>(29.031.955)</u>

**NOTE 18 - EARNINGS PER SHARE**

	<u>01.01- 30.09.2020</u>	<u>01.01- 30.09.2019</u>	<u>01.07- 30.09.2020</u>	<u>01.07- 30.09.2019</u>
Profit / (Loss) for the Period	32.881.677	28.382.714	14.902.541	11.053.023
Weighted Average Number of Shares	50.000.000	50.000.000	50.000.000	50.000.000
Earnings Per Share form Continuing Activities	0,66	0,57	0,30	0,22

**NOTE 19 – RELATED PARTY DISCLOSURES**

	<u>30.09.2020</u>	
	<u>Receivables</u>	<u>Payables</u>
	<u>Short Term</u>	<u>Short Term</u>
Balances with the related parties	Un- commercial	Un- commercial
<u>Shareholders</u>		
Orhan Gündüz	-	19.155
Total	-	19.155
	<u>31.12.2019</u>	
	<u>Receivables</u>	<u>Payables</u>
	<u>Short Term</u>	<u>Short Term</u>
Balances with the related parties	Un- commercial	Un- commercial
<u>Shareholders</u>		
Orhan Gündüz	40.000	19.155
Total	40.000	19.155

## ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020

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

#### NOTE 19 – RELATED PARTY DISCLOSURES (Continued)

Detail of the transactions with the related parties as of 01.01. – 30.09.2020 and 01.01. – 30.09.2019 is as follows:

	30.09.2020
Transactions with related parties	Rental Incomes
Orhan Gündüz	61.017
Total	61.017

  

	30.09.2019
Transactions with related parties	Rental Incomes
Orhan Gündüz	20.339
Total	20.339

The key management of the Group consist of the Chairman and Members of the Board of Directors and the general manager. Salaries and other fringe benefits provided to key management as of January 01, 2020 – September 30, 2020 and January 01, 2019 – September 30, 2019 are as below:

<b>Benefits Provided for Key Management</b>	<b>01.01-30.09.2020</b>	<b>01.01-30.09.2019</b>
Benefits Provided for Key Management	283.500	283.500
Total	283.500	283.500

#### NOTE 20 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

##### **a) Financial Risk Factors**

The Group is exposed to market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk due to its activities. The Group's risk management program focuses on minimizing the potential negative effects of uncertainty in the financial markets on the Group's financial performance.

##### **a.1) Credit Risk:**

Credit risk consists of the customers exposed to the credit risk covering the deposits held in banks, uncollected receivables and the committed transactions. Risk control evaluates the credibility of the customer taking into consideration the customer's financial position, past experiences and the other factors. The group management meets these risks restricting the average risk for the opposite party and receiving a security, if need be, in each agreement. The management does not expect any loss due to the non-performance of the parties.

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 20 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)****a) Financial Risk Factors (Continued)****a.1) Credit Risk: (Continued)**

30.09.2020	Receivables					Cash and Cash Equivalents
	Ticari Alacaklar		Diğer Alacaklar			
Current Period	Related Parties	Other Parties	Related Parties	Other Parties	Assets Arising from Customer Contracts	Cash at Banks
Maximum credit risk as of balance sheet date (A+B+C+D) (1)						
	-	46.197.459	-	145.077	195.199.092	90.726.471
-The collateral, and the part of the maximum risk secured by	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (2)	-	46.197.459	-	145.077	195.199.092	90.726.471
B. Book value of financial assets that are past due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets (3)	-	-	-	-	-	-
-Past due (Gross book value)		1.155.319	-	-	-	-
-Impairment (-)		(1.155.319)	-	-	-	-
-The part of net value under guarantee with collateral etc	-	-	-	-	-	-
-Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
-The part of net value under guarantee with collateral etc	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-



# ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020

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

### NOTE 20 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

#### a) Financial Risk Factors (Continued)

##### a.1) Credit Risk: (Continued)

31.12.2019	Receivables					Cash and Cash Equivalents
	Trade Receivables		Other Receivables			
Previous Period	Related Parties	Other Parties	Related Parties	Other Parties	Assets Arising from Customer Contracts	Cash at Banks
Maximum credit risk as of balance sheet date (A+B+C+D) (1)						
	-	27.012.961	40.000	122.786	160.118.020	34.482.166
-The collateral, and the part of the maximum risk secured by	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (2)	-	27.012.961	40.000	122.786	160.118.020	34.482.166
B. Book value of financial assets that are past due but not impaired	-	-	-	-	-	-
C. Net book value of impaired assets (3)	-	-	-	-	-	-
-Past due (Gross book value)		1.091.162	-	-	-	-
-Impairment (-)		(1.091.162)	-	-	-	-
-The part of net value under guarantee with collateral etc	-	-	-	-	-	-
-Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
-The part of net value under guarantee with collateral etc	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-

(1) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.

(2) All trade receivables consist of note receivables and open receivables from customers. Considering its past experience, the management of the Group foresees that no problems will be encountered in collecting the relevant amounts.

(3) Impairment tests were conducted within the framework of the suspicious receivable policy determined by the management regarding the receivables of the Group from its customers.

**NOTE 20 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

**a) Financial Risk Factors (Continued)**

**a.2) Market Risk Management:**

Market risk is the risk of fluctuations in the fair value of a financial instrument or in future cash flows that will adversely affect a business due to changes in market prices. These are foreign currency risk, interest rate risk and financial instruments or inventory price change risk.

In the current year, there was no change in the market risk the Group was exposed to or the methods of management and measurement of the risks exposed, compared to the previous year.

**a.2.1) Foreign Exchange Risk:**

Foreign currency transactions cause currency risk. These risks are limiting and following by analyzing the foreign exchange position.

The distribution of the Group's foreign currency monetary and non-monetary assets and liabilities as of the balance sheet date is as follows:

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 20 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)****a) Financial Risk Factors (Continued)****a.2) Market Risk Management: (Continued)****a.2.1) Foreign Exchange Risk: (Continued)**

<b>FOREIGN CURRENCY POSITION STATEMENT</b>						
	<b>30.09.2020</b>			<b>31.12.2019</b>		
	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>TRY Equivalent</b>	<b>USD</b>	<b>EUR</b>
1. Trade Receivables	27.523.710	265.278	2.788.359	9.329.369	-	1.402.786
2a. Monetary Financial Assets	46.184.256	2.243.170	3.140.805	17.893.878	1.555.571	1.301.157
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>73.707.967</b>	<b>2.508.448</b>	<b>5.929.164</b>	<b>27.223.246</b>	<b>1.555.571</b>	<b>2.703.943</b>
Liabilities	-	-	-	-	-	-
6. Other	-	-	-	-	-	-
7. Other Non - Current Assets	-	-	-	-	-	-
<b>8. Total Assets (4+5+6)</b>	<b>73.707.967</b>	<b>2.508.448</b>	<b>5.929.164</b>	<b>27.223.246</b>	<b>1.555.571</b>	<b>2.703.943</b>
9. Trade Payables	5.042.109	150.566	423.581	8.152.333	103.830	1.133.065
10. Financial Liabilities	-	-	-	-	-	-
11- Monetary Financial Liabilities	-	-	-	-	-	-
12. Non - Monetary Financial Liabilities	-	-	-	-	-	-
13. Other	-	-	-	-	-	-
<b>14. Short Term Liabilities</b>	<b>5.042.109</b>	<b>150.566</b>	<b>423.581</b>	<b>8.152.333</b>	<b>103.830</b>	<b>1.133.065</b>
15. Financial Liabilities	-	-	-	-	-	-
<b>16. Long Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>17. Total Liabilities</b>	<b>5.042.109</b>	<b>150.566</b>	<b>423.581</b>	<b>8.152.333</b>	<b>103.830</b>	<b>1.133.065</b>
<b>18. Net Asset/ (Liability) Position in Foreign Currency (8-17)</b>	<b>68.665.858</b>	<b>2.357.882</b>	<b>5.505.583</b>	<b>19.070.913</b>	<b>1.451.741</b>	<b>1.570.878</b>
<b>19. Monetary Items Net Foreign Currency Asset / (Liability) Position</b>	<b>68.665.858</b>	<b>2.357.882</b>	<b>5.505.583</b>	<b>19.070.913</b>	<b>1.451.741</b>	<b>1.570.878</b>

**NOTE 20 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)**

**a) Financial Risk Factors (Continued)**

**a.2) Market Risk Management: (Continued)**

**a.2.1) Foreign Exchange Risk: (Continued)**

The Group is exposed to currency risk in US Dollars and Euro.

The statement below shows the Group's sensitivity to the 10% increase and decrease in the USD and Euro. The rate of 10% is the rate used for reporting to senior executives in exchange rate risk within the Group, and this rate represents the possible change expected by management in exchange rates. The sensitivity analysis covers only monetary items in open foreign currency at the end of the year and shows the effects of the 10% exchange rate change at the end of the year. Positive value refers to the increase in profit / loss and other equity items.

Exchange Rate Sensitivity Analysis Table				
30.09.2020				
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
10% change in USD against TL:				
1- U S Dollar net assets / liabilities	1.841.034	(1.841.034)	-	-
2- U S Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>1.841.034</b>	<b>(1.841.034)</b>	-	-
10% change in EUR against TL:				
4- EUR net assets / liabilities	5.025.551	(5.025.551)	-	-
5- EUR Hedged (-)	-	-	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>5.025.551</b>	<b>(5.025.551)</b>	-	-
<b>Total (3+6)</b>	<b>6.866.585</b>	<b>(6.866.585)</b>	-	-

Exchange Rate Sensitivity Analysis Table				
31.12.2019				
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
10% change in USD against TL:				
1- U S Dollar net assets / liabilities	862.363	(862.363)	-	-
2- U S Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>862.363</b>	<b>(862.363)</b>	-	-
10% change in EUR against TL:				
4- EUR net assets / liabilities	1.044.728	(1.044.728)	-	-
5- EUR Hedged (-)	-	-	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>1.044.728</b>	<b>(1.044.728)</b>	-	-
<b>Total (3+6)</b>	<b>1.907.091</b>	<b>(1.907.091)</b>	-	-

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020**

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

**NOTE 21 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING)**

<b>30.09.2020</b>	Fair value changes measured on other comprehensive income	Fair value changes measured in profit or loss	Financial liabilities shown at amortized cost	Book Value	Note
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	90.778.618	90.778.618	3
Trade Receivables	-	-	46.197.459	46.197.459	5
<b>Financial Liabilities</b>					
Financial Payables	-	-	82.877.550	82.877.550	4
Trade Payables	-	-	16.057.878	16.057.878	5
Other Financial Liabilities	-	-	9.106	9.106	17

  

<b>31.12.2019</b>	Fair value changes measured on other comprehensive income	Fair value changes measured in profit or loss	Financial liabilities shown at amortized cost	Book Value	Note
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	34.494.610	34.494.610	3
Trade Receivables	-	-	27.012.961	27.012.961	5
<b>Financial Liabilities</b>					
Financial Payables	-	-	44.803.622	44.803.622	4
Trade Payables	-	-	17.634.196	17.634.196	5

The Group management believes that the recorded values of financial instruments reflect their fair values.

---

**NOTE 21 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING (Continued))**

Fair value classification for financial assets and liabilities of the Group is as follows:

Level 1: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.

Level 2: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability directly or indirectly in the market, other than the stock exchange price specified at the first level.

Level 3: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used in finding the fair value of the asset or liability.

The Group does not have financial assets that are shown at their fair values as of September 30, 2020 and December 31, 2019.

**NOTE 22 – SUBSEQUENT EVENTS**

30.09.2020

After end of current period, the Company repurchased 50.000 shares at an average price of 7.1050 TRY, on 26.10.2020. As of disclosure date, treasury shares of company in paid-in capital reached 0,01%.

31.12.2019

None.

**NOTE 23 – OTHER ISSUES CONSIDERABLY AFFECTING FINANCIAL STATEMENTS AND REQUIRED TO BE EXPLAINED FOR ENSURING THAT FINANCIAL STATEMENTS ARE CLEAR, INTERPRETABLE AND UNDERSTANDABLE**

None. (December 31, 2019: None)