

**Çalık Holding Anonim Şirketi  
and its Subsidiaries**

Condensed Consolidated Interim  
Financial Statements  
As at and For the Six-Month Period Ended  
30 June 2020  
With Independent Auditor's Report on Review of  
Condensed Consolidated Interim Financial Information

9 September 2020

This report includes 1 pages of independent auditor's report on review of condensed consolidated interim financial information and 50 pages of condensed consolidated interim financial statements together with their explanatory notes.

## **Çalık Holding Anonim Şirketi and its Subsidiaries**

### **Table of Contents**

Independent Auditor's Report on Review of Interim Condensed Consolidated Financial Statements	
Condensed Consolidated Statement of Financial Position	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	
Condensed Consolidated Statement of Changes in Equity	
Condensed Consolidated Statement of Cash Flows	
Notes to the Condensed Consolidated Interim Financial Statements	



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## **Report on Review of Interim Condensed Consolidated Financial Statements**

### **To the Board of Directors of Çalık Holding Anonim Şirketi**

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Çalık Holding Anonim Şirketi ("the Company") and its subsidiaries ("the Group") as of June 30, 2020 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



9 September 2020  
İstanbul, Türkiye

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Condensed Consolidated Statement of Financial Position

### As at 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

Assets	Notes	Reviewed 30 June 2020	Audited 31 December 2019
<b>Current assets</b>			
Cash and cash equivalents	7	870.966	1.754.177
Financial investments	8	1.580.168	1.283.164
Financial assets related to concession agreements	9	42.970	48.974
Trade receivables	10	325.357	330.326
<i>Due from related parties</i>	6	36.035	46.927
<i>Due from third parties</i>		289.322	283.399
Receivables related to finance sector operations	11	595.242	644.707
<i>Due from related parties</i>	6	4.869	3.061
<i>Due from third parties</i>		590.373	641.646
Other receivables		251.696	229.296
<i>Due from related parties</i>	6	53.671	46.540
<i>Due from third parties</i>		198.025	182.756
Contract assets		71.370	101.621
<i>Contract assets arising from ongoing construction and contracting works</i>		71.370	101.621
Inventories	12	238.257	229.382
Derivatives	19	12.361	4.943
Prepayments		81.386	46.925
Current tax assets	22	4.780	8.156
Other current assets		497.963	631.920
<b>Subtotal</b>		<b>4.572.516</b>	<b>5.313.591</b>
Assets held for sale	4	54.045	55.607
<b>Total current assets</b>		<b>4.626.561</b>	<b>5.369.198</b>
<b>Non- current assets</b>			
Trade receivables	10	80.655	98.617
<i>Due from related parties</i>	6	1.980	2.280
<i>Due from third parties</i>		78.675	96.337
Receivables related to finance sector operations	11	1.681.859	1.478.473
<i>Due from third parties</i>		1.681.859	1.478.473
Other receivables		326.750	327.171
<i>Due from related parties</i>	6	320.005	320.000
<i>Due from third parties</i>		6.745	7.171
Contract assets		68	--
<i>Contract assets arising from ongoing construction and contracting works</i>		68	--
Financial investments	8	1.415.769	1.165.032
Financial assets related to concession agreements	9	216.563	242.083
Investments in equity-accounted investees	13	208.765	199.546
Investment properties	17	155.352	153.039
Property, plant and equipment	14	549.489	615.564
Intangible assets	15	141.168	146.034
<i>Goodwill</i>		14.560	7.802
<i>Other intangible assets</i>		126.608	138.232
Right of use assets	16	38.652	40.409
Prepayments		92.943	27.639
Deferred tax assets		43.184	53.061
Other non-current assets		1.278	1.518
<b>Total non-current assets</b>		<b>4.952.495</b>	<b>4.548.186</b>
<b>Total assets</b>		<b>9.579.056</b>	<b>9.917.384</b>

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

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2020 (continued)**

(Amounts expressed in thousands of USD unless otherwise stated.)

<b>Liabilities</b>	<b>Notes</b>	<b>Reviewed 30 June 2020</b>	<b>Audited 31 December 2019</b>
<b>Short term liabilities</b>			
Short term loans and borrowings	18	1.609.885	2.163.347
Short term portion of long term loans and borrowings	18	224.944	235.658
Derivatives	19	6.494	2.867
Trade payables	10	245.185	256.331
<i>Due to related parties</i>	6	11.908	3.756
<i>Due to third parties</i>		233.277	252.575
Payables related to finance sector operations	11	3.981.630	3.964.962
<i>Due to related parties</i>	6	4.096	932
<i>Due to third parties</i>		3.977.534	3.964.030
Payables related to employee benefits		10.043	9.415
Other payables		56.380	62.917
<i>Due to related parties</i>	6	26.602	27.819
<i>Due to third parties</i>		29.778	35.098
Contract liabilities		80.968	93.134
<i>Contract liabilities arising from ongoing construction and contracting works</i>		80.968	93.134
Deferred revenue		143.348	77.424
Current tax liabilities	22	18.739	4.082
Short term provisions	20	33.020	37.729
<i>Short term employee benefits</i>	20	15.154	17.913
<i>Other short term provisions</i>	20	17.866	19.816
Other short term liabilities		115.492	129.838
<b>Subtotal</b>		<b>6.526.128</b>	<b>7.037.704</b>
Liabilities held for sale	4	9.612	8.352
<b>Total short term liabilities</b>		<b>6.535.740</b>	<b>7.046.056</b>
<b>Long term liabilities</b>			
Long term loans and borrowings	18	580.448	525.225
Trade payables	10	8.690	8.959
<i>Due to third parties</i>		8.690	8.959
Payables related to finance sector operations	11	465.093	448.111
<i>Due to third parties</i>		465.093	448.111
Other payables		50.744	48.254
<i>Due to third parties</i>		50.744	48.254
Contract liabilities		30.875	35.487
<i>Contract liabilities arising from ongoing construction and contracting works</i>		30.875	35.487
Deferred revenue		94.232	91.735
Long term provisions	20	12.286	12.112
<i>Long term employee benefits</i>	20	11.401	11.208
<i>Other long-term provisions</i>	20	885	904
Deferred tax liabilities		61.235	63.399
Other long-term liabilities		413	2.721
<b>Total long term liabilities</b>		<b>1.304.016</b>	<b>1.236.003</b>
<b>Total liabilities</b>		<b>7.839.756</b>	<b>8.282.059</b>

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2020 (*continued*)**

(Amounts expressed in thousands of USD unless otherwise stated.)

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

	Notes	Reviewed 30 June 2020	Audited 31 December 2019
<b>Equity</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		210.761	210.761
Adjustment to share capital		3.388	3.388
Other comprehensive income that is or will not be reclassified to profit or loss		(2.014)	(1.551)
<i>Accumulated re-measurements loss of defined benefit plans</i>		(2.014)	(1.551)
Other comprehensive income that is or may be reclassified to profit or loss		(353.868)	(227.815)
<i>Translation differences</i>		(403.981)	(286.634)
<i>Fair value reserve of financial assets available-for-sale</i>		50.113	58.819
Restricted reserves		693.345	611.516
Retained earnings		848.849	638.147
Profit / (loss) for the year		229.485	293.470
<b>Total equity attributable to the owners of the Company</b>		<b>1.629.946</b>	<b>1.527.916</b>
<b>Total non-controlling interests</b>		<b>109.354</b>	<b>107.409</b>
<b>Total equity</b>		<b>1.739.300</b>	<b>1.635.325</b>
<b>Total equity and liabilities</b>		<b>9.579.056</b>	<b>9.917.384</b>

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

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Condensed Consolidated Statement of Profit or Loss and**  
**Other Comprehensive Income**  
**For the Six-Month Period Ended 30 June 2020**

(Amounts expressed in thousands of USD unless otherwise stated.)

<b>PROFIT OR LOSS</b>	<b>Notes</b>	<i>Reviewed</i> <b>2020</b>	<i>Reviewed</i> <b>2019</b>
Revenue		657.672	700.846
Cost of sales		(453.175)	(473.252)
<b>Gross profit from non-finance sector operations</b>		<b>204.497</b>	<b>227.594</b>
Revenue from finance sector operations		226.179	216.451
Cost of revenue from finance sector operations		(80.499)	(98.880)
<b>Gross profit from finance sector operations</b>		<b>145.680</b>	<b>117.571</b>
<b>Gross profit</b>		<b>350.177</b>	<b>345.165</b>
General and administrative expenses		(93.629)	(91.343)
Selling, marketing and distribution expenses		(21.553)	(25.117)
Research and development expenses		(3.703)	(7.114)
Other income from operating activities		23.293	68.701
Other expenses from operating activities		(59.332)	(32.564)
<b>Operating profit</b>		<b>195.253</b>	<b>257.728</b>
Gain from investing activities		58.389	56.136
Loss from investing activities		(97)	(1.554)
Share of profit of equity accounted investees	13	24.651	24.860
<b>Operating profit before finance costs</b>		<b>278.196</b>	<b>337.170</b>
Finance income		76.931	43.737
Finance costs		(81.972)	(112.779)
<b>Net finance costs</b>		<b>(5.041)</b>	<b>(69.042)</b>
<b>Profit before tax from continuing operations</b>		<b>273.155</b>	<b>268.128</b>
Current tax expense	22	(36.582)	(34.212)
Deferred tax income / (expense)	22	(1.917)	4.128
<b>Total tax expense</b>	<b>22</b>	<b>(38.499)</b>	<b>(30.084)</b>
<b>Profit from continuing operations</b>		<b>234.656</b>	<b>238.044</b>
<b>Profit for the period</b>		<b>234.656</b>	<b>238.044</b>

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

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Condensed Consolidated Statement of Profit or Loss and**  
**Other Comprehensive Income**  
**For the Six-Month Period Ended 30 June 2020 (*continued*)**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

	Notes	Reviewed 2020	Reviewed 2019
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Profit for the period</b>		<b>234.656</b>	<b>238.044</b>
<b>Items that are or may be reclassified to profit or loss</b>			
Foreign currency translation differences for foreign operations and reporting currency translation differences		(113.820)	(65.220)
Change in fair value of available-for-sale financial assets		(11.161)	26.765
Deferred tax expense		2.455	(5.888)
<b>Total</b>		<b>(122.526)</b>	<b>(44.343)</b>
<b>Items that are or will not be reclassified to profit or loss</b>			
Actuarial gains (losses)		(594)	--
Deferred tax expense		131	--
<b>Total</b>		<b>(463)</b>	<b>--</b>
<b>Total other comprehensive income</b>		<b>(122.989)</b>	<b>(44.343)</b>
<b>Total comprehensive income</b>		<b>111.667</b>	<b>193.701</b>
<b>Total profit for the period attributable to:</b>			
Owners of the Company		229.485	231.634
Non-controlling interests		5.171	6.410
<b>Net profit for the period</b>		<b>234.656</b>	<b>238.044</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		102.969	177.697
Non-controlling interests		8.698	16.004
<b>Total other comprehensive income</b>		<b>111.667</b>	<b>193.701</b>

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



**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Condensed Consolidated Statement of Changes in Equity**  
**For the Six-Month Period Ended 30 June 2020**

(Amounts expressed in thousands of USD unless otherwise stated.)

	Attributable to owners of the Company										Non-controlling interests	Total equity
			Restricted reserves	Accumulative other comprehensive income / (expense) that are or will not be reclassified to profit or loss	Accumulative other comprehensive income / (expense) that are or may be reclassified to profit or loss		Retained earnings					
	Paid-in capital	Adjustment to share capital	Legal reserves	Accumulated re-measurements loss of defined benefit plans	Fair value reserve of financial assets available-for-sale	Translation reserve	Retained earnings	Profit for the period	Total			
<b>Balances at 1 January 2019</b>	<b>210.761</b>	<b>3.388</b>	<b>537.963</b>	--	<b>20.087</b>	<b>(214.308)</b>	<b>715.812</b>	<b>(5.728)</b>	<b>1.267.975</b>	<b>102.048</b>	<b>1.370.023</b>	
Profit for the period	--	--	--	--	--	--	--	231.634	231.634	6.410	238.044	
Net fair value change in financial assets available-for-sale	--	--	--	--	20.877	--	--	--	20.877	--	20.877	
Foreign currency translation differences for foreign operations and reporting currency translation differences	--	--	--	--	--	(74.814)	--	--	(74.814)	9.594	(65.220)	
<b>Other comprehensive income</b>	--	--	--	--	<b>20.877</b>	<b>(74.814)</b>	--	--	<b>(53.937)</b>	<b>9.594</b>	<b>(44.343)</b>	
<b>Total comprehensive income for the period</b>	--	--	--	--	<b>20.877</b>	<b>(74.814)</b>	--	<b>231.634</b>	<b>177.697</b>	<b>16.004</b>	<b>193.701</b>	
<b>Transactions with owners, recorded directly in equity</b>												
Change in non-controlling interest in consolidated subsidiaries without change in control	--	--	--	--	--	--	(1.473)	--	(1.473)	1.473	--	
Dividends paid	--	--	--	--	--	--	--	--	--	(10.185)	(10.185)	
Transfers	--	--	58.183	--	--	--	(63.911)	5.728	--	--	--	
<b>Total transactions with owners</b>	--	--	<b>58.183</b>	--	--	--	<b>(65.384)</b>	<b>5.728</b>	<b>(1.473)</b>	<b>(8.712)</b>	<b>(10.185)</b>	
<b>Balances at 30 June 2019</b>	<b>210.761</b>	<b>3.388</b>	<b>596.146</b>	--	<b>40.964</b>	<b>(289.122)</b>	<b>650.428</b>	<b>231.634</b>	<b>1.444.199</b>	<b>109.340</b>	<b>1.553.539</b>	
<b>Adjusted balance at 1 January 2020</b>	<b>210.761</b>	<b>3.388</b>	<b>611.516</b>	<b>(1.551)</b>	<b>58.819</b>	<b>(286.634)</b>	<b>638.147</b>	<b>293.470</b>	<b>1.527.916</b>	<b>107.409</b>	<b>1.635.325</b>	
Profit for the period	--	--	--	--	--	--	--	229.485	229.485	5.171	234.656	
Net fair value change in financial assets available-for-sale	--	--	--	--	(8.706)	--	--	--	(8.706)	--	(8.706)	
Actuarial gains/(loses)	--	--	--	(463)	--	--	--	--	(463)	--	(463)	
Foreign currency translation differences for foreign operations and reporting currency translation differences	--	--	--	--	--	(117.347)	--	--	(117.347)	3.527	(113.820)	
<b>Other comprehensive income</b>	--	--	--	<b>(463)</b>	<b>(8.706)</b>	<b>(117.347)</b>	--	--	<b>(126.516)</b>	<b>3.527</b>	<b>(122.989)</b>	
<b>Total comprehensive income from the period</b>	--	--	--	<b>(463)</b>	<b>(8.706)</b>	<b>(117.347)</b>	--	<b>229.485</b>	<b>102.969</b>	<b>8.698</b>	<b>111.667</b>	
<b>Transactions with owners, recorded directly in equity</b>												
Change in non-controlling interest in consolidated subsidiaries without change in control	--	--	(1.625)	--	--	--	686	--	(939)	755	(184)	
Dividends paid	--	--	--	--	--	--	--	--	--	(7.508)	(7.508)	
Transfers	--	--	83.454	--	--	--	210.016	(293.470)	--	--	--	
<b>Total transactions with owners</b>	--	--	<b>81.829</b>	--	--	--	<b>210.702</b>	<b>(293.470)</b>	<b>(939)</b>	<b>(6.753)</b>	<b>(7.692)</b>	
<b>Balances at 30 June 2020</b>	<b>210.761</b>	<b>3.388</b>	<b>693.345</b>	<b>(2.014)</b>	<b>50.113</b>	<b>(403.981)</b>	<b>848.849</b>	<b>229.485</b>	<b>1.629.946</b>	<b>109.354</b>	<b>1.739.300</b>	

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

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Condensed Consolidated Statement of Cash Flows**  
**For the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

	Notes	Reviewed 2020	Reviewed 2019
<b>A.CASH FLOWS FROM OPERATING / (USED IN) ACTIVITIES</b>		<b>336.155</b>	<b>489.671</b>
<b>Profit for the period</b>		<b>234.656</b>	<b>238.044</b>
<b>Adjustments to reconcile cash flow generated from operating activities:</b>		<b>68.296</b>	<b>(18.730)</b>
Adjustments for depreciation and amortisation	14-15-16	37.313	37.559
Loss/(gain) on sale of derivative financial instruments		(7.039)	(7.053)
Adjustments for fair value gains of financial investments		(32.303)	(31.807)
Adjustments for dividends		(25.088)	--
Adjustments for provision for doubtful receivables	10	3.041	5.646
Adjustments for inventory impairment, net		821	(512)
Adjustments for provision for long term employee benefits	20	662	(2.152)
Adjustments for provisions for loan impairment	11	25.691	12.002
Adjustments for gains(losses) on acquisitions or sale of associates, joint ventures and other financial investments		988	--
Adjustments for provisions for litigation	20	(1.261)	577
Adjustments for other provisions		1.328	917
Adjustments for share of profit of equity accounted investees	13	(24.651)	(24.860)
Adjustments for interest income, expenses and interest rediscount , net		(16.935)	2.862
Adjustments for fair value related privileged service contracts	9	(17.719)	(18.836)
Deferred financial expenses on forward purchases		482	459
Unrealized foreign currency loss/(income)		84.979	(24.206)
Adjustments for tax expense	22	38.499	30.084
Adjustments for the gains and losses on sales of property, plant and equipment, net		(512)	590
<b>Changes in working capital</b>		<b>(16.143)</b>	<b>229.754</b>
Adjustments for change in inventories		(9.623)	(21.633)
Adjustments for change in trade receivables		16.482	173.390
Adjustments for change in payables related to employee benefits		628	5.723
Adjustments for change in other receivables , other current assets		112.218	11.730
Adjustments for change in contract assets and contract liabilities		13.405	(172.170)
Adjustments for change in financial assets related to concession agreements		10.483	39.998
Adjustments for change in assets held for sale		1.562	2.768
Adjustments for change in liabilities held for sale		1.260	479
Adjustments for change in receivables from finance sector operations		(170.399)	77.206
Adjustments for change in payables from finance sector operations		33.649	119.207
Change in restricted cash and cash equivalents		36.435	(3.973)
Adjustments for change in trade payables		(11.415)	(62.332)
Adjustments for change in prepayments		(99.765)	11.232
Adjustments for change in deferred income (except liabilities arising from consumer contracts)		68.421	17.741
Adjustments for change in other payables and other liabilities related with operating activities		(19.484)	30.388

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

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Condensed Consolidated Statement of Cash Flows**  
**For the Six-Month Period Ended 30 June 2020 (continued)**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

<b>Cash flows from operating activities</b>		<b>49.346</b>	<b>40.603</b>
Employee termination indemnity paid	20	(337)	(80)
Other cash inflows (outflows)		1.560	20
Interest received		156.895	191.744
Interest paid		(87.954)	(121.234)
Collection from doubtful receivables		1.009	1.905
Taxes paid	22	(21.827)	(31.752)
<b>B. CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(611.062)</b>	<b>(91.206)</b>
Proceeds from sales of property, plant and equipment and intangible assets		23.886	3.711
Proceeds from disposal of held to maturity financial investments /financial assets at amortised costs		32.233	41.541
Acquisition of investment property	17	(2.705)	(795)
Formation and capital contribution of share capital of equity accounted investees	13	(1.283)	(3.614)
Cash inflows from dividends and other financial instruments		25.988	--
Proceeds from sales of available for sale financial investments / financial assets at FVTOCI		372.918	337.850
Proceeds from formation and capital increase of subsidiaries without change in control		(184)	1.473
Proceeds from / (repayment of) derivative financial instruments		3.247	8.882
Acquisition of held to maturity financial investments /financial assets at amortised costs		(136.974)	(14.312)
Acquisition of available for sale financial investments / financial assets at FVTOCI		(891.063)	(369.282)
Acquisition of property, plant and equipment	14	(20.223)	(76.215)
Acquisition of intangible assets	15	(16.902)	(20.445)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(571.870)</b>	<b>(228.616)</b>
Proceeds from the funding of related parties		(1.217)	(25.151)
Dividend payment		(7.508)	(10.185)
Proceeds from / (repayment of) loans and borrowings, net		(511.140)	(119.909)
Interest paid		(52.005)	(73.371)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(846.777)</b>	<b>169.849</b>
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD</b>	<b>7</b>	<b>1.645.679</b>	<b>739.534</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>	<b>7</b>	<b>798.902</b>	<b>909.383</b>

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

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**Notes to the condensed consolidated interim financial statements**

<u>Notes</u>	<u>Description</u>	<u>Pages</u>
1	Reporting entity	10-14
2	Basis of preparation	15-21
3	Acquisitions and disposals of subsidiaries and non controlling interests	21-23
4	Discontinued operation and disposal group held for sale	23
5	Operating segments	24-26
6	Related party balances	27-28
7	Cash and cash equivalents	28-29
8	Financial investments	29-30
9	Financial assets related to concession agreements	31
10	Trade receivables and payables	31-33
11	Receivables and payables from finance sector activities	33-35
12	Inventories	35
13	Investments in equity-accounted investees	35
14	Property, plant and equipment	36
15	Intangible assets and goodwill	36
16	Right of use assets	36
17	Investment properties	37
18	Loans and borrowings	37-39
19	Derivatives Operating segments	40
20	Provisions	40-41
21	Commitments and contingencies	41-42
22	Taxation	42-43
23	Financial instruments – Fair values and risk management	44-49
24	Subsequent events	50

# **Çalık Holding Anonim Şirketi and its Subsidiaries**

## **Notes to the Condensed Consolidated Interim Financial Statements**

### **As at and for the Six-Month Period Ended 30 June 2020**

*(Amounts expressed in thousands of USD unless otherwise stated.)*

#### **1 Reporting entity**

Çalık Holding Anonim Şirketi (“Çalık Holding” or “the Company”) was established in 1997 and the Company’s main operations are to manage and coordinate the activities of its subsidiaries operating in different industries, including textile, energy, telecommunication, construction, real estate, investment, banking and finance and marketing to make investments in these industries.

Çalık Holding was established at its registered office address is Büyükdere Caddesi No: 163 Zincirlikuyu İstanbul/Turkey, on 20 March 1997.

As at 30 June 2020, Çalık Holding has 112 (31 December 2019: 133) subsidiaries (“the Subsidiaries”), 7 (31 December 2019: 11) joint ventures (“the Joint Ventures”), and 19 (31 December 2019: 16) associates (“the Associates”) (referred to as “the Group” or “Çalık Group” herein and after). The condensed consolidated interim financial statements of the Group as at and for the six-month period ended 30 June 2019 comprises Çalık Holding and its subsidiaries and the Group’s interest in associates and joint ventures.

As at 30 June 2020, the number of employees of the Group is 17.959 (31 December 2019: 18.134).

As explained in more detail in Note 5, as at 30 June 2020 the Group operates mainly under six segments:

- Energy
- Construction
- Textile
- Marketing
- Telecommunication
- Banking and finance

As 30 June 2020, the new addition to the group as follows:

<b>Company Name</b>	<b>Type of partnership</b>	<b>Country</b>	<b>Sector</b>
Lidya Aurasia	Subsidiary	Uzbekistan	Other

As 30 June 2020, the direct and effective ownership interests of the Group's Subsidiaries, Joint Ventures and Subsidiaries are as follows:

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

#### 1 Reporting entity (continued)

##### 1.1 Entities in energy segment

Company Names	Types of Partnership	Country
Adacami Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Akılcı Bilişim Hizmetleri ve Danışmanlık Anonim Şirketi (*)	Subsidiary	Turkey
Ant Enerji Sanayi ve Ticaret Limited Şirketi	Subsidiary	Turkey
Atayurt İnşaat Anonim Şirketi	Subsidiary	Turkey
Başak Yönetim Sistemleri Anonim Şirketi	Subsidiary	Turkey
Çalık Elektrik Dağıtım Anonim Şirketi	Subsidiary	Turkey
Çalık Enerji Dubai FZE	Subsidiary	UAE
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Çalık Enerji Swiss AG	Subsidiary	Switzerland
Çalık Georgia LLC (*)	Subsidiary	Georgia
Çalık Limak Adi Ortaklığı	Joint venture	Turkey
Çalık NTF Elektrik Üretim ve Madencilik Anonim Şirketi	Subsidiary	Turkey
Çalık Rüzgar Enerjisi Elektrik Üretim Limited Şirketi	Subsidiary	Turkey
ÇL Enerji Üretim ve İnşaat A.Ş.(*)	Joint venture	Turkey
Demircili Rüzgar Enerjisi Elektrik Üretim Anonim Şirketi	Subsidiary	Turkey
Doğu Aras Enerji Yatırımları Anonim Şirketi	Joint venture	Turkey
Gap Elektrik Dağıtım Sanayi ve Ticaret Anonim Şirketi(*)	Subsidiary	Turkey
Irmak Yönetim Sistemleri Anonim Şirketi	Subsidiary	Turkey
İkideniz Petrol ve Gaz Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
JSC Calik Georgia Wind	Subsidiary	Georgia
Kızılırmak Enerji Elektrik Anonim Şirketi	Subsidiary	Turkey
Kosova Çalık Limak Energy Sh.A.	Joint venture	Kosovo
LC Electricity Supply and Trading d.o.o.	Joint venture	Serbia
Momentum Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Onyx Trading Innovation FZE	Subsidiary	UAE
Saudi Jalik Energy Company(*)	Subsidiary	Saudi Arabia
Taşkent Merkez Park Gayrimenkul Yatırım A.Ş.	Subsidiary	Iran
TCB İnşaat Yatırım Anonim Şirketi	Subsidiary	Turkey
Technological Energy N.V.	Subsidiary	Netherlands
Technovision Mühendislik Danışmanlık ve Dış Ticaret Limited Şirketi	Subsidiary	Turkey
Türkmen'in Altın Asrı Elektrik Enerjisi Toptan Satış Anonim Şirketi	Subsidiary	Turkey
UZTUR Investment and Development	Subsidiary	Uzbekistan
Yeşilçay Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Yeşilirmak Elektrik Dağıtım Anonim Şirketi	Subsidiary	Turkey
Yeşilirmak Elektrik Perakende Satış Anonim Şirketi	Subsidiary	Turkey

(\*) The subsidiaries of the Group, Akılcı Bilişim Hizmetleri ve Danışmanlık A.Ş., Çalık Georgia LLC, Saudi Jalik Energy Company, Gap Elektrik Dağıtım Sanayi ve Ticaret A.Ş. and ÇL Enerji Üretim ve İnşaat Anonim Şirketi, are inactive or newly established companies, and are not included in the consolidation as of 30 June 2020 since their effects on the consolidated financial statements for the period ended on the same date are immaterial.

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

## 1 Reporting entity (continued)

### 1.2 Entities in construction segment

Company Names	Types of Partnership	Country
Çalık İnşaat Anonim Şirketi (“Çalık İnşaat”)	Subsidiary	Turkey
Gap Construction Co.	Subsidiary	Libya
Gap Construction Investment and Foreign Trade LLC-Qatar (“Gap İnşaat Katar”)	Subsidiary	Qatar
Gap İnşaat Construction and Investment Co. Ltd. (“Gap İnşaat Sudan”)	Subsidiary	Sudan
Gap İnşaat Dubai FZE	Subsidiary	UAE
Gap İnşaat Ukraine Ltd. (“Gap İnşaat Ukrayna”)	Subsidiary	Ukraine
Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi (“Gap İnşaat”)	Subsidiary	Turkey
Innovative Construction Technologies Trading FZE (“Innovative Construction”)	Subsidiary	UAE
Kentsel Dönüşüm İnşaat Anonim Şirketi	Subsidiary	Turkey
White Construction N.V.	Subsidiary	Netherlands

### 1.3 Entities in textile segment

Company Names	Types of Partnership	Country
Balkan Dokuma TGPI	Associate	Turkmenistan
Calik Denim B.V.	Subsidiary	Netherlands
Çalık Alexandria For Readymade Garments	Subsidiary	Egypt
Çalık Denim Tekstil Sanayi ve Ticaret Anonim Şirketi (“Çalık Denim”)	Subsidiary	Turkey
Gap Türkmen-Türkmenbaşı Jeans Kompleksi	Associate	Turkmenistan
Malatya Boya ve Emprime Anonim Şirketi (“Malatya Boya”)	Subsidiary	Turkey
Serdar Pamuk Egrigi Fabriği ÇJB	Associate	Turkmenistan
Türkmenbaşı Tekstil Kompleksi	Associate	Turkmenistan

### 1.4 Entities in marketing segment

Company Names	Types of Partnership	Country
Gap Pazarlama Anonim Şirketi	Subsidiary	Turkey
Gap Pazarlama FZE Jebel Ali Free Zone	Subsidiary	UAE – Dubai
Gappa Textile Inc.	Subsidiary	USA
Synchron Global Trading FZE	Subsidiary	UAE – Dubai
Tura Moda Mağazacılık ve Elektronik Tic. Anonim Şirketi	Subsidiary	Turkey

### 1.5 Entities in telecommunication segment

Company Names	Types of Partnership	Country
Albtelecom Sh. A.	Subsidiary	Albania
Cetel Telekom İletişim Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey

### 1.6 Entities in banking and finance segment

Company Names	Types of Partnership	Country
Aktif Yatırım Bankası Anonim Şirketi	Subsidiary	Turkey
Albania Leasing Company	Associate	Albania
Banka Kombetare Tregtare Sh.a	Subsidiary	Albania
Banka Kombetare Tregtare Kosovë JSC	Subsidiary	Kosovo
Çalık Finansal Hizmetler Anonim Şirketi	Subsidiary	Turkey
Haliç Finansal Kiralama Anonim Şirketi	Associate	Turkey
Kazakhstan Ijara Company KIC Leasing	Associate	Kazakhstan
Euro-Mediterranean Investment Company Limited	Associate	TRNC
Euroasian Leasing Company	Associate	Tatarstan-Russia
Mükafat Portföy Yönetimi Anonim Şirketi	Subsidiary	Turkey
Sigortayeri Sigorta ve Reasürans Brokerliği Anonim Şirketi	Subsidiary	Turkey

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

#### 1 Reporting entity (continued)

##### 1.7 Entities in other segments

Company Names	Types of Partnership	Country
Aktif Yatırım Bankası Sukuk Varlık Kiralama Anonim Şirketi	Associate	Turkey
Akuamarin Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Albatros Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Amethyst Holding N.V.	Subsidiary	Netherlands
Ametist Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Artmin Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Attivo Bilişim Anonim Şirketi	Subsidiary	Turkey
Aytaşı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Cydev Investment Ltd.	Associate	TRNC
Çalık Dijital ve Bilişim Hizmetleri Anonim Şirketi	Subsidiary	Turkey
Çalık Hava Taşımacılık Turizm Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Çalık Pamuk Doğal ve Sentetik Elyaf Ticaret Anonim Şirketi	Subsidiary	Turkey
Çalık Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi	Subsidiary	Turkey
Çiğdem Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Çöl Yıldızı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Defne Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Deniz Güneş Enerjisi Üretimi Anonim Şirketi	Subsidiary	Turkey
Deniz Yıldızı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Dome Zero Inc	Associate	USA
Duru Güneş Enerjisi Üretimi Anonim Şirketi	Subsidiary	Turkey
E-Kent Geçiş Sistemleri ve Biletleme Teknolojileri Anonim Şirketi	Subsidiary	Turkey
Eko Biokütle Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Emlak Girişim Danışmanlığı Anonim Şirketi	Subsidiary	Turkey
Emyap Development Limited	Associate	TRNC
E-post Elektronik Perakende Otomasyon Satış Ticaret Anonim Şirketi	Subsidiary	Turkey
Esen Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkey
Gelincik Solar Enerji Üretim Anonim Şirketi.	Subsidiary	Turkey
Güneştaşı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Halk Yenilenebilir Enerji Anonim Şirketi	Associate	Turkey
Idea Farm Ventures Limited	Associate	UAE
İnovaban İnovasyon ve Finansal Danışmanlık Anonim Şirketi	Subsidiary	Turkey
İpek Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkey
Kaplan Gözü Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Kartaltepe Madencilik Sanayi ve Ticaret Anonim Şirketi	Joint Venture	Turkey
Kasımpatı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Kıbrıs Besicilik ve Çiftçilik Teşebbüsleri Limited	Associate	TRNC
Kuvars Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Lapis Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Leylak Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Lidya Aurasia (*)	Subsidiary	Uzbekistan
Lidya Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Lilyum Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Martı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey



**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**

(Amounts expressed in thousands of USD unless otherwise stated.)

**1 Reporting entity (continued)**

**1.7. Entities in other segments (continued)**

<b>Company Names</b>	<b>Types of Partnership</b>	<b>Country</b>
Mehtap Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkey
Mercan Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Nilüfer Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
N-Kolay Ödeme Kuruluşu Anonim Şirketi	Subsidiary	Turkey
Nouvelle Frontier Sarl	Subsidiary	D. Congo
Oniki Teknoloji A.Ş.	Subsidiary	Turkey
Oniks Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Opal Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Passo Spor Oyunları Kulübü Yazılım Ve Pazarlama A.Ş.	Subsidiary	Turkey
Pavo Teknik Servis Elektrik ve Elektronik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Polimetal Madencilik Sanayi ve Ticaret Anonim Şirketi(**)	Subsidiary	Turkey
Polimetal Mineral Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Secom Aktif Elektronik Güvenlik Çözümleri A.Ş.	Associate	Turkey
Secom Aktif Güvenlik Yatırım Anonim Şirketi	Associate	Turkey
Seher Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkey
Silent Valley Partnership	Associate	TRNC
Tanyeri Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkey
Tunçpınar Madencilik Sanayi ve Ticaret Anonim Şirketi	Joint Venture	Turkey
Türkuvaz Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkey
Ufuk Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkey
UPT Lithuania UAB	Subsidiary	Lithuania
UPT Ödeme Hizmetleri Anonim Şirketi	Subsidiary	Turkey
Workindo Teknoloji ve İnsan Kaynakları Danışmanlık A.Ş.	Subsidiary	Turkey
Yakamoz Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkey

(\*) The company established was in 2020.

(\*\*) In 2020, the shareholder structure of the company changed and changed from a joint venture to a subsidiary.

## **Çalık Holding Anonim Şirketi and its Subsidiaries**

### **Notes to the Condensed Consolidated Interim Financial Statements**

#### **As at and for the Six-Month Period Ended 30 June 2020**

*(Amounts expressed in thousands of USD unless otherwise stated.)*

## **2 Basis of presentation of consolidated financial statements**

### **2.1 Basis of preparation**

#### **2.1.1 Financial reporting standards**

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting”. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the consolidated financial position and the consolidated performance of the Group since the last annual consolidated financial statements as of and for the period ended June 30, 2020.

These condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and should be considered together with consolidated financial statements as at and for the period ended June 30, 2020. Interim financial results alone cannot be indicative of year-end results.

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

#### **2.1.2 Comparatives and adjustment of prior periods’ financial statements**

The current period condensed consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period condensed consolidated financial statements.

#### **2.1.3 Foreign currency conversion**

##### **Functional and presentation currency**

Each item in the financial statements of the Company, its Subsidiaries, Joint Ventures and Associates is accounted for using the currency of the primary economic environment in which the entity operates (the “functional currency”). Considering the size of projects abroad relative to the local ones and the potential dividend paying main subsidiaries being abroad, the company has determined its functional currency as USD. As of 30 June 2020, there is no change in functional currencies compared to year-end. The condensed interim consolidated financial statements are presented in USD, which is the presentation currency of Çalık Holding.

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

## 2 Basis of presentation of consolidated financial statements (continued)

### 2.1 Basis of preparation (continued)

#### Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (2017: available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI 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
- qualifying cash flow hedges to the extent that the hedges are effective.

The following significant foreign exchange rates are applied as at 30 June 2020 and 31 December 2019 are as follows:

	<u>30 June 2020</u>	<u>31 December 2019</u>
Euro / TL	7,7082	6,6506
USD / TL	6,8422	5,9402
Euro / USD	1,1266	1,1196
TL / USD	0,1462	0,1683

The accounting policies applied in the preparation of the consolidated financial statements as of 1 January - 30 June 2020 are consistent with those applied in the preparation of the consolidated financial statements as of 31 December 2019, except for the new and amended IFRS standards which are valid as of 1 January 2020 and International Financial Reporting Interpretations Committee's ("IFRIC") interpretations summarised below.

### 2.2 The new standards, amendments and interpretations in International Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at June 30, 2020 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2020. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

- i. *The new standards, amendments and interpretations which are effective as at January 1, 2020 are as follows:*

#### Definition of a Business (Amendments to IFRS 3)

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether an acquired set of activities assets is a business or not.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**2 Basis of presentation of consolidated financial statements (continued)**

**2.2 Amendments in International Financial Reporting Standards (continued)**

- i. The new standards, amendments and interpretations which are effective as at January 1, 2020 are as follows: (continued)*

**Definition of a Business (Amendments to IFRS 3) (continued)**

The amendments:

- clarify the minimum requirements for a business;
- remove the assessment of whether market participants are capable of replacing any missing elements;
- add guidance to help entities assess whether an acquired process is substantive;
- narrow the definitions of a business and of outputs; and
- introduce an optional fair value concentration test.

The amendments to IFRS 3 are effective for annual reporting periods beginning on or after 1 January 2020 and apply prospectively.

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

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

The amendments issued to IFRS 9 and IAS 39 which are effective for periods beginning on or after 1 January 2020 provide reliefs which enable hedge accounting to continue. For these reliefs, it is assumed that the benchmark on which the cash flows of hedged risk or item are based and/or, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform in connection with interest rate benchmark reform.

Reliefs used as a result of amendments in IFRS 9 and IAS 39 is aimed to be disclosed in financial statements based on the amendments made in IFRS 7.

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

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

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition. The new definition states that, ‘Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments to IAS 1 and IAS 8 are required to be applied for annual periods beginning on or after 1 January 2020.

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

## **Çalık Holding Anonim Şirketi and its Subsidiaries**

### **Notes to the Condensed Consolidated Interim Financial Statements**

#### **As at and for the Six-Month Period Ended 30 June 2020**

*(Amounts expressed in thousands of USD unless otherwise stated.)*

## **2 Basis of presentation of consolidated financial statements (continued)**

### **2.2 Amendments in International Financial Reporting Standards (continued)**

#### **i. The new standards, amendments and interpretations which are effective as at January 1, 2020 are as follows: (continued)**

##### **Amendments to IFRS 16 – Covid-19 Rent Related Concessions**

In May 2020, the IASB issued amendments to IFRS 16 Leases to provide relief to lessees from applying IFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. A lessee that makes this election accounts for any change in lease payments related rent concession the same way it would account for the change under the standard, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021
- There is no substantive change to other terms and conditions of the lease.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 June 2020. Early application of the amendments is permitted. The amendments did not have a significant impact on the financial position or performance of the Group.

#### **ii. Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when 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 (Amendments)**

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

##### **IFRS 17 - The new Standard for insurance contracts**

The IASB issued IFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. IFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

## **Çalık Holding Anonim Şirketi and its Subsidiaries**

### **Notes to the Condensed Consolidated Interim Financial Statements**

#### **As at and for the Six-Month Period Ended 30 June 2020**

*(Amounts expressed in thousands of USD unless otherwise stated.)*

## **2 Basis of presentation of consolidated financial statements (continued)**

### **2.2 Amendments in International Financial Reporting Standards (continued)**

#### **ii. Standards issued but not yet effective and not early adopted (continued)**

##### **Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

23 January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements. The amendments issued to IAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

##### **Amendments to IFRS 3 – Reference to the Conceptual Framework**

In May 2020, the IASB issued amendments to IFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of IFRS 3. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to IFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied retrospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS standards (March 2018).

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

##### **Amendments to IAS 16 – Proceeds before intended use**

In May 2020, the IASB issued amendments to IAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to IAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied prospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for the first time adopters.

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**

*(Amounts expressed in thousands of USD unless otherwise stated.)*

**2 Basis of presentation of consolidated financial statements (continued)**

**2.2 Amendments in International Financial Reporting Standards (continued)**

**Amendments to IAS 37 – Onerous contracts – Costs of Fulfilling a Contract**

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent assets. . The amendments issued to IAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

**Annual Improvements – 2018–2020 Cycle**

In May 2020, the IASB issued Annual Improvements to IFRS Standards 2018–2020 Cycle, amending the followings:

- *IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter:* The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- *IFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities:* The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.
- *IAS 41 Agriculture – Taxation in fair value measurements:* The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of IAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

## 2 Basis of presentation of consolidated financial statements (continued)

### 2.3 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended 30 June 2020 have been prepared in accordance with IAS 34. The accounting policies used in the preparation of these interim condensed consolidated financial statements for the period ended 30 June 2020 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2019 except for the changes in accounting policies explained in Note 2. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2019.

### 2.4 Significant Accounting Evaluations, Estimates and Assumptions

Preparation of consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results. Significant accounting estimates and assumptions are consistent with financial statements for the year ended 31 December 2019.

## 3 Acquisitions and disposals of subsidiaries and non-controlling interests

### 3.1 Partial share purchase and sale transactions with non-controlling interests that did not cause any change in control in 2020

#### *Çalık Solar*

On 31.01.2020, Çalık Solar merged with Momentum Enerji Elektrik Üretim San. Ve Tic A.Ş., one of the group companies, based on the 31.12.2019 balance sheets with the facilitated merger method.

#### *Çalık Yenilenebilir Enerji*

On 31.01.2020, Çalık Yenilenebilir Enerji merged with Momentum Enerji Elektrik Üretim San. Ve Tic A.Ş., one of the group companies, based on the 31.12.2019 balance sheets with the facilitated merger method.

#### *Çedaş Elektrik Dağıtım Yatırımları*

On 13.04.2020, Çedaş Elektrik Dağıtım Yatırımları merged with Çalık Enerji San. Ve Tic. A.Ş., one of the group companies, based on the 31.12.2019 balance sheets with the facilitated merger method

#### *Gap Elektrik Dağıtım*

As a result of the share transfer agreement signed on June 15, 2020, Çalık Holding A.Ş., Ahmet Çalık and Çalık Denim Tekstil San. ve Tic. A.Ş. left the partnership by transferring all the shares, corresponding to 99.98% of the company shares, to TCB İnşaat Yatırım A.Ş., one of the group companies.

#### *Gapyapı İnşaat*

In 2020, Gap İnşaat A.Ş. took over 50,000 shares of Gapyapı İnşaat A.Ş. ("Gapyapı") free of charge, which is owned by its main shareholder, corresponding to 100% of its 50 TL paid-in capital.

#### *Petrotrans Enerji*

On 30.04.2020, Petrotrans Enerji merged with Çalık Holding A.Ş., based on the 31.12.2019 balance sheets with the facilitated merger method.



## **Çalık Holding Anonim Şirketi and its Subsidiaries**

### **Notes to the Condensed Consolidated Interim Financial Statements**

#### **As at and for the Six-Month Period Ended 30 June 2020**

*(Amounts expressed in thousands of USD unless otherwise stated.)*

### **3 Acquisitions and disposals of subsidiaries and non-controlling interests (continued)**

#### **3.1 Partial share purchase and sale transactions with non-controlling interests that did not cause any change in control in 2020 (continued)**

##### *Sembol Enerji*

On 31.01.2020, Sembol Enerji merged with Momentum Enerji Elektrik Üretim San. Ve Tic A.Ş., one of the group companies, based on the 31.12.2019 balance sheets with the facilitated merger method.

##### *Çalık Güneş Enerji*

On 31.01.2020, Çalık Güneş Enerji merged with Momentum Enerji Elektrik Üretim San. Ve Tic A.Ş., one of the group companies, based on the 31.12.2019 balance sheets with the facilitated merger method.

##### *Olimpos Solar*

On 26.08.2020, Olimpos Solar merged with Momentum Enerji Elektrik Üretim San. Ve Tic A.Ş., one of the group companies, based on the 31.12.2019 balance sheets with the facilitated merger method.

##### *Pasifik Solar*

On 26.08.2020, Pasifik Solar merged with Momentum Enerji Elektrik Üretim San. Ve Tic A.Ş., one of the group companies, based on the 31.12.2019 balance sheets with the facilitated merger method.

#### **3.2 Share changes that cause a change in control in 2020**

##### *Akyarlar Enerji*

On 13 July 2020, all of the shares of the company were sold to Best Brands Grup Enerji Yatırım A.Ş..

##### *Energy Sabz Arman Pars, Enerji Sabz Pouya Pars*

On April 26, 2020, Energy Sabz Arman Pars and Enerji Sabz Pouya Pars were liquidated.

##### *Gök Safir Solar, Kızılyıldız Solar, Kuzey Yıldız Solar, Olivin Solar, Sedef Solar, Seher Yıldız, Yakut Solar, Zirkon Solar*

On April 16, 2020, all of shares of Gök Safir Solar, Kızılyıldız Solar, Kuzey Yıldız Solar, Olivin Solar, Sedef Solar, Seher Yıldız, Yakut Solar and Zirkon Solar were sold to Vonsteel Group A.Ş..

##### *Hamerz Green Energy, Mayestan Clean Energy*

On May 2, 2020, companies Hamerz Green Energy and Mayestan Clean Energy were liquidated.

##### *Kadıkalesi İnşaat, Yalıkavak Enerji*

On July 13, 2020, all shares of Kadıkalesi İnşaat and Yalıkavak Enerji company shares were sold to Best Brands Grup Enerji Yatırım A.Ş..

##### *Kamelya Solar*

On February 3, 2020, all the shares of the Kamelya Solar company were sold to real persons.

##### *Kırlangıç Solar*

On January 31, 2020, all the shares of the Kırlangıç Solar company were sold to real persons.

##### *Olimpos Solar*

On June 18, 2020, all of the preferred shares, corresponding to 26,58% of Olimpos Solar company shares, were sold to Momentum Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş..

## Çalık Holding Anonim Şirketi and its Subsidiaries

### Notes to the Condensed Consolidated Interim Financial Statements

#### As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

### 3 Acquisitions and disposals of subsidiaries and non-controlling interests (continued)

#### 3.2 Share changes that cause a change in control in 2020 (continued)

##### *Pasifik Solar*

On June 18, 2020, all of the preferred shares, corresponding to 26,58% of Pasifik Solar company shares, were sold to Momentum Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş..

##### *Polimetal Madencilik*

On January 3, 2020, Polimetal Madencilik Sanayi ve Ticaret A.Ş. shareholder Alacer Gold Madencilik A.Ş. transferred its shares to Lidya Madencilik San. ve Tic. A.Ş., and left the partnership.

### 4 Discontinued operation and disposal group held for sale

The Group reclassified assets and liabilities of Çalık Alexandria operating in textile sector as “Assets held for sale” as the Group plans to dispose its production and retail facilities of this subsidiary. All assets and liabilities of this subsidiary except the cash and cash equivalents have been classified as “Assets held for sale” and “Liabilities held for sale” in the consolidated financial statements, respectively. In addition, properties acquired as a result of legal proceedings of uncollectable loans and receivables of banking sector operations have been re-presented under “Assets held for sale”.

As at 30 June 2020, assets and liabilities including those of discontinued operations are USD 54.045 and USD 9.612 (31 December 2019: USD 55.607 and USD 8.352), respectively, and details are as follows:

Assets held for sale	30 June 2020	31 December 2019
Property, plant and equipment (*)	48.747	50.926
Inventories	4.655	4.177
Intangible assets	28	30
Other assets	615	474
<b>Total</b>	<b>54.045</b>	<b>55.607</b>
<b>Liabilities held for sale</b>		
Trade payables	9.185	8.352
Other payables	427	--
<b>Total</b>	<b>9.612</b>	<b>8.352</b>

(\*)Property, plant and equipment consist of properties classified as held for sale of the subsidiaries in textile sector amounting to USD 9.441 (31 December 2019: USD 9.059), land and buildings with a carrying value of USD 679 (31 December 2019: USD 679 ) obtained against the doubtful receivables in marketing sector and properties amounting to USD 38.627 (31 December 2019: USD 41.188) which were acquired as a result of legal proceedings of uncollectable loans and receivables of banking sector operations.

## **Çalık Holding Anonim Şirketi and its Subsidiaries**

### **Notes to the Condensed Consolidated Interim Financial Statements**

#### **As at and for the Six-Month Period Ended 30 June 2020**

*(Amounts expressed in thousands of USD unless otherwise stated.)*

## **5 Operating segments**

The Group has six reportable segments, as described below, which are largely organised and managed separately according to the nature of products and services provided, distribution channels and profile of customers.

Assets, liabilities, profit and measurement of financial results of the segments are dependent to accounting policies of the Group. Segment operating profit, assets and liabilities consist of items directly belonging to these segment or items that can be distributed fairly.

The Group's main reportable operating segments are as follows:

*Energy:* Entities in energy segment operate in sale of electricity, operation of natural gas and crude oil resources, maintenance and repair services, exploration-production of these resources and sale and transportation of these resources to international markets.

*Construction:* Entities in construction segment are operating in construction, contracting and decoration businesses both within Turkey and abroad. In addition, these entities are managing mining of all kinds of minerals, marble, lime, clay, coal and stone as long as the necessary permits are granted and trading of marble, store cutting machines with its spare parts, ceramic floor and wall tiles both within the country and abroad. These entities are also providing services for land development and project development services for urban renewal, office residential and housing markets.

*Textile:* Entities in textile segment mainly deal with production and trading activities of yarn, texture and ready wear besides providing consulting services related to importation and exportation of cotton.

*Marketing:* Entities in marketing segment mainly supplies goods used in the production and the domestic or foreign projects carried out mainly by the Group entities.

*Telecommunication:* Entities in telecommunication segment mainly provides telecommunication, communication, press and internet services.

*Banking and finance:* Entities in banking and finance segment mainly provides commercial and investment banking, financial leasing, insurance, project financing, other financial services, trading of marketable securities and credit financial services.

*Other:* Entities in other segment mainly engage in electronic fee collection, organisation, mining, transportation energy licence procurement and various services.

The Group management prepares segment reporting in accordance with same policies applied to the consolidated financial statements as at and for the year ended 30 June 2020.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2019**

(Amounts expressed in thousands of USD unless otherwise stated.)

**5 Operating segments (continued)**

The following information was prepared according to the accounting policies applied for subsidiaries, associates, joint ventures and joint operations.

<b>30 June 2020</b>									
	<b>Energy</b>	<b>Construction</b>	<b>Textile</b>	<b>Marketing</b>	<b>Tele-communication</b>	<b>Banking and finance</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
Revenue	399.251	112.708	62.366	22.465	33.648	282.085	11.072	(39.744)	883.851
Gross profit	166.234	(4.688)	11.927	615	12.435	173.343	7.344	(17.033)	350.177
Other income/(expenses), net	(33.131)	(10.298)	(5.374)	(3.882)	(10.632)	(92.776)	(7.060)	8.229	(154.924)
<b>Results from operating activities</b>	<b>133.103</b>	<b>(14.986)</b>	<b>6.553</b>	<b>(3.267)</b>	<b>1.803</b>	<b>80.567</b>	<b>284</b>	<b>(8.804)</b>	<b>195.253</b>
Gains /(loss) from investing activities	4.776	364	132	--	27	23.173	188.555	(158.735)	58.292
Share of profit/(loss) of equity accounted	25.896	--	--	--	--	(816)	(429)	--	24.651
Interest expense	(6.573)	(1.895)	(14.576)	(4.040)	(3.894)	(2.620)	(29.588)	11.182	(52.004)
Finance income/(expenses), net	4.801	7.862	(17.293)	2.963	(3.636)	8.012	45.627	(1.373)	46.963
<b>Consolidated income/(loss) before tax</b>	<b>162.003</b>	<b>(8.655)</b>	<b>(25.184)</b>	<b>(4.344)</b>	<b>(5.700)</b>	<b>108.316</b>	<b>204.449</b>	<b>(157.730)</b>	<b>273.155</b>
Tax benefit/(expense)	(17.843)	1.563	464	316	(46)	(20.714)	(2.220)	(19)	(38.499)
<b>Net profit/(loss) for the period</b>	<b>144.160</b>	<b>(7.092)</b>	<b>(24.720)</b>	<b>(4.028)</b>	<b>(5.746)</b>	<b>87.602</b>	<b>202.229</b>	<b>(157.749)</b>	<b>234.656</b>

  

	<b>Energy</b>	<b>Construction</b>	<b>Textile</b>	<b>Marketing</b>	<b>Tele-communication</b>	<b>Banking and finance</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
Segment assets	1.125.493	1.120.663	296.837	142.272	234.383	7.163.398	1.415.047	(1.919.037)	<b>9.579.056</b>
Segment liabilities	(554.008)	(796.191)	(275.538)	(100.605)	(192.854)	(6.293.538)	(682.923)	1.055.901	<b>(7.839.756)</b>
Capital expenditure(*)	5.555	2.813	5.846	36	3.905	6.586	15.089	--	<b>39.830</b>
Depreciation and amortisation(*)	(8.908)	(4.791)	(4.999)	(194)	(6.627)	(8.753)	(1.055)	89	<b>(35.238)</b>

(\*) Additions and depreciation related to right of use assets are not included.

## Çalık Holding Anonim Şirketi and its Subsidiaries

### Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

#### 5 Operating segments (continued)

30 June 2019									
	Energy	Construction	Textile	Marketing	Tele-communication	Banking and finance	Other	Eliminations	Total
Revenue	400.729	101.286	94.613	28.878	35.423	279.473	24.453	(47.558)	917.297
Gross profit	152.854	10.424	27.313	3.792	12.866	122.801	16.839	(1.724)	345.165
Other income/(expenses), net	(29.479)	35.048	(8.625)	(3.109)	(11.400)	(54.408)	(9.739)	(5.725)	(87.437)
<b>Results from operating activities</b>	<b>123.375</b>	<b>45.472</b>	<b>18.688</b>	<b>683</b>	<b>1.466</b>	<b>68.393</b>	<b>7.100</b>	<b>(7.449)</b>	<b>257.728</b>
Gains /(loss) from investing activities	42	78	(3)	--	(315)	37.114	231.383	(213.717)	54.582
Share of profit/(loss) of equity accounted	23.292	--	--	--	--	(2.074)	3.535	107	24.860
Interest expense	(6.400)	(2.528)	(13.847)	(3.183)	(4.718)	(1.434)	(43.108)	1.846	(73.372)
Finance income/(expenses), net	(9.245)	(548)	(11.543)	700	597	4.179	19.784	406	4.330
<b>Consolidated income/(loss) before tax</b>	<b>131.064</b>	<b>42.474</b>	<b>(6.705)</b>	<b>(1.800)</b>	<b>(2.970)</b>	<b>106.178</b>	<b>218.694</b>	<b>(218.807)</b>	<b>268.128</b>
Tax benefit/(expense)	(7.273)	(2.953)	5.534	(1.104)	(652)	(18.989)	(3.234)	(1.413)	(30.084)
<b>Net profit/(loss) for the period</b>	<b>123.791</b>	<b>39.521</b>	<b>(1.171)</b>	<b>(2.904)</b>	<b>(3.622)</b>	<b>87.189</b>	<b>215.460</b>	<b>(220.220)</b>	<b>238.044</b>

  

	Energy	Construction	Textile	Marketing	Tele-communication	Banking and finance	Other	Eliminations	Total
Segment assets	1.184.560	1.094.123	350.469	135.889	240.217	7.451.321	1.351.354	(1.890.549)	<b>9.917.384</b>
Segment liabilities	(577.704)	(756.235)	(298.715)	(92.972)	(192.037)	(6.575.153)	(805.004)	1.015.761	<b>(8.282.059)</b>
Capital expenditure	18.166	1.815	14.970	4	2.967	60.055	3.588	(4.110)	<b>97.455</b>
Depreciation and amortisation	(9.110)	(6.249)	(4.708)	(94)	(7.005)	(5.777)	(2.555)	(39)	<b>(35.537)</b>

(\*) Items related to profit or loss of income are presented as at 30 June 2019, while items related to the statements of financial position are presented as at 31 December 2019.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2019**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**6 Related party balances**

The joint ventures and associates of the Group have been accounted for using the equity method in the consolidated financial statements. Accordingly, the transactions of Group's subsidiaries with joint ventures and the balances from joint ventures and associates are not subject to elimination.

***Related party balances***

As at 30 June 2020 and 31 December 2019, the Group had the following balances outstanding from its related parties:

<b>30 June 2020</b>					
	<b>Shareholders</b>	<b>Associates</b>	<b>Joint ventures</b>	<b>Other</b>	<b>Total</b>
Trade receivables <sup>(***)</sup>	--	20.855	1.951	15.209	38.015
Other receivables <sup>(**)</sup>	324.937	--	1.663	47.076	373.676
Receivables related to financial sector operations	--	977	--	3.892	4.869
Prepaid expenses	--	4.371	--	--	4.371
Borrowings <sup>(****)</sup>	--	(179.384)	--	(380)	(179.764)
Trade payables	--	--	(178)	(11.730)	(11.908)
Payables related to finance sector operations	(77)	(357)	(2.551)	(1.111)	(4.096)
Deferred revenue	--	(1)	(6.577)	(8.479)	(15.057)
Other payables <sup>(*)</sup>	(16.882)	--	(3.150)	(6.570)	(26.602)
<b>Total</b>	<b>307.978</b>	<b>(153.539)</b>	<b>(8.842)</b>	<b>37.907</b>	<b>183.504</b>

  

<b>31 December 2019</b>					
	<b>Shareholders</b>	<b>Associates</b>	<b>Joint ventures</b>	<b>Other</b>	<b>Total</b>
Trade receivables <sup>(***)</sup>	--	21.912	1.496	25.799	49.207
Other receivables <sup>(**)</sup>	320.266	149	1.535	44.590	366.540
Receivables related to finance sector operations	--	108	--	2.953	3.061
Prepaid expenses	--	2.549	--	6.385	8.934
Borrowings <sup>(****)</sup>	--	(121.206)	--	(268)	(121.474)
Trade payables	--	(2.033)	(823)	(900)	(3.756)
Payables related to finance sector operations	(86)	(10)	(141)	(695)	(932)
Deferred revenue	--	(1)	(29)	(10.372)	(10.402)
Other payables <sup>(*)</sup>	(24.381)	--	(25)	(3.413)	(27.819)
<b>Total</b>	<b>295.799</b>	<b>(98.532)</b>	<b>2.013</b>	<b>64.079</b>	<b>263.359</b>

<sup>(\*)</sup> As of 30 June 2020, USD 16,473 (31 December 2019: USD 24,381) portion of the other payables to shareholders is comprised of the debt of GAP İnşaat Dubai FZE to shareholders.

<sup>(\*\*)</sup> As of 30 June 2020, USD 320,000 (31 December 2019: USD 320,000) of the other receivables from the shareholders consist of the receivable of the GAP Construction Dubai FZE from Delta Netherlands B.V.

<sup>(\*\*\*)</sup> As of 30 June 2020, USD 12,609 (31 December 2019: USD 22,131) of the trade receivables is composed of the receivables of Çalık Enerji, which consists of the receivables arising from subcontractor activities in Iraq and Uzbekistan for Mitsubishi Corporation

<sup>(\*\*\*\*)</sup> As of 30 June 2020, USD main portion of the borrowings consists of sukuk amounts to Aktif Sukuk Varlık Kiralama A.Ş.

No impairment losses have been recognised against balances outstanding as at 30 June 2020 (31 December 2019: None) and no specific allowance has been made for impairment losses on balances with the related parties.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**

(Amounts expressed in thousands of USD unless otherwise stated.)

**6 Related party balances (continued)**

**Related party transactions**

For the six-month periods ended 30 June 2020 and 2019, the revenues earned and expenses incurred by the Group in relation to transactions with its related parties were as summarised below:

	<b>2020</b>				
	<b>Shareholders</b>	<b>Associates</b>	<b>Joint ventures</b>	<b>Other</b>	<b>Total</b>
Revenue (*)	89	7.616	1.529	19.396	28.630
Cost of sales	--	(2.211)	(506)	(752)	(3.469)
General and administrative expenses	(72)	(20)	(13)	(79)	(184)
Income from investment operations(**)	--	27.784	907	138	28.829
Income / (expense) from other operations	--	1	1.179	(91)	1.089
Income/(expense) from financing activities	307	(4.607)	3	(114)	(4.411)
<b>Total</b>	<b>324</b>	<b>28.563</b>	<b>3.099</b>	<b>18.498</b>	<b>50.484</b>

	<b>2019</b>				
	<b>Shareholders</b>	<b>Associates</b>	<b>Joint ventures</b>	<b>Other</b>	<b>Total</b>
Revenue	--	15.498	1.399	822	17.719
Cost of sales	(4)	(9.275)	(58)	(104)	(9.441)
General and administrative expenses	(22)	(18)	(128)	(78)	(246)
Sales, marketing and distribution expenses	--	--	--	(3)	(3)
Income from investment operations	--	--	--	70	70
Income / (Expense) from other operations	2	2	685	9	698
Income/(expense) from financing activities	804	(4.558)	1.279	75	(2.400)
<b>Total</b>	<b>780</b>	<b>1.649</b>	<b>3.177</b>	<b>791</b>	<b>6.397</b>

(\*) As of 30 June 2020, USD 18.367 portion of the revenue is comprised of the revenue from Mitsubishi Corporation of the projects in Malawi and Iraq.

(\*\*) As of 30 June 2020, USD 25.088 of the income from investment operations consists of dividend received from Anagold Madencilik.

**Transactions with key management personnel**

On a consolidated basis, key management costs included in general and administrative expenses for the six-month period ended 30 June 2020 amounted to USD 11.666 (2019: USD 11.991).

**7 Cash and cash equivalents**

At 30 June 2020 and 31 December 2019, cash and cash equivalents comprised the following:

<b>30 June 2020</b>	<b>Finance(*)</b>	<b>Non-finance(**)</b>	<b>Total</b>
Cash on hand	76.372	649	<b>77.021</b>
Cash at banks	407.934	265.026	<b>672.960</b>
-Demand deposits	281.244	126.906	408.150
-Time deposits	126.690	138.120	264.810
Balances at central bank (excluding statutory reserve)	21.112	--	<b>21.112</b>
Other cash and cash equivalents(***)	99.341	532	<b>99.873</b>
<b>Cash and cash equivalents</b>	<b>604.759</b>	<b>266.207</b>	<b>870.966</b>
Restricted amounts	(40.688)	(31.376)	<b>(72.064)</b>
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>564.071</b>	<b>234.831</b>	<b>798.902</b>

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

#### 7 Cash and cash equivalents (continued)

31 December 2019	Finance <sup>(*)</sup>	Non-finance <sup>(**)</sup>	Total
Cash on hand	82.141	504	82.645
Cash at banks	1.168.286	260.438	1.428.724
-Demand deposits	532.903	99.672	632.575
-Time deposits	635.383	160.766	796.149
Balances at central bank (excluding statutory reserve)	10.579	--	10.579
Other cash and cash equivalents <sup>(***)</sup>	232.108	121	232.229
<b>Cash and cash equivalents</b>	<b>1.493.114</b>	<b>261.063</b>	<b>1.754.177</b>
Restricted amounts	(44.307)	(64.191)	(108.498)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>1.448.807</b>	<b>196.872</b>	<b>1.645.679</b>

<sup>(\*)</sup> Finance represents the Group's entities operating in banking and finance business.

<sup>(\*\*)</sup> Non-finance represents the Group's entities operating in businesses other than banking and finance.

<sup>(\*\*\*)</sup> Other cash and cash equivalents mainly consist of reverse repo transaction amounting to USD 87.710 (31 December 2019: 227.648), money in transit amounting to USD 446 (31 December 2019: 110), credit card receivables amounting to USD 1.924 (31 December 2019: USD 1.012) and receivables from money markets amounting to USD 9.793 (31 December 2019: USD 3.459).

As at 30 June 2020, the restricted cash and cash equivalents amounting to USD 72.064 (31 December 2019: USD 108.498) are not available for the Group's daily operations. USD 2.700 of the restricted amount are held in a bank in Sweden (31 December 2019: None), the amount of USD 638 (31 December 2019: 639) in the bank in Georgia in relation to the maintenance contracts, and the portion amounting to USD 21.163 (31 December 2019: USD 59.756) are held in local banks as part of the collaterals for the borrowings. The rest amount of restricted cash amounting to USD 3.443 (31 December 2019: USD 3.774) comprised of cash collateral given to İstanbul Takas ve Saklama Bankası A.Ş. due to purchased electricity from Enerji Piyasaları İşletme A.Ş. ("EPIAŞ"). The remaining portion amounting to USD 18 (31 December 2019: USD 22) comprised of restricted amounts required by the courts in respect of ongoing government litigations.

USD 3.413 (31 December 2019: None.) is blocked about online collections to electricity distribution company.

The mandatory restricted account amounting to USD 40.689 (31 December 2019: USD 44.307). This amount arising from the Group's banking activities in Albania and Turkey.

The Group's exposure to currency risks related to cash and cash equivalents are disclosed in Note 23.

#### 8 Financial investments

At 30 June 2020 and 31 December 2019, financial investments comprised the following:

	30 June 2020		
	Current	Non-current	Total
Financial assets at FVTOCI	1.256.991	1.260.455	2.517.446
Financial assets at FVTPL	204.200	30.506	234.706
Financial assets at amortised costs	118.977	124.808	243.785
	<b>1.580.168</b>	<b>1.415.769</b>	<b>2.995.937</b>



## Çalık Holding Anonim Şirketi and its Subsidiaries

### Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

#### 8 Financial investments (continued)

	31 December 2019		
	Current	Non-current	Total
Financial assets at FVTOCI	996.683	1.072.655	2.069.338
Financial assets at FVTPL	197.600	30.506	228.106
Financial assets at amortised costs	88.881	61.871	150.752
	<b>1.283.164</b>	<b>1.165.032</b>	<b>2.448.196</b>

As at 30 June 2020 financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss and as at 31 December 2019 available for sale financial investments and financial assets at fair value through profit or loss comprised the following:

	30 June 2020	31 December 2019
	Carrying amount	Carrying Amount
<b>Financial investments of finance sector companies' entities</b>		
Public sector bonds, notes and bills	1.639.861	1.584.906
Private sector bonds, notes and bills	599.813	259.694
Asset backed securities and lease certificates	201.587	140.226
Investment funds	57.353	68.256
Equity securities – listed	18.640	15.400
<b>Equity securities – non-listed</b>		
Anagold Madencilik Sanayi ve Ticaret Anonim Şirketi	204.200	197.600
Bursagaz Bursa Şehiriçi		
Doğal Gaz Dağıtım Ticaret ve Taahhüt Anonim Şirketi	18.990	18.990
Kayserigaz Kayseri Doğalgaz		
Dağıtım Pazarlama Ticaret Anonim Şirketi	11.516	11.516
Other	192	856
<b>Total</b>	<b>2.752.152</b>	<b>2.297.444</b>

As at 30 June 2020 financial assets at amortised costs and as at 31 December 2019 held to maturity financial investments comprised the following:

	30 June 2020	31 December 2019
	Carrying amount	Carrying amount
Asset backed securities and lease certificates	48.194	46.855
Private sector bonds, notes and bills	120.259	44.793
Public sector bonds, notes and bills	66.551	45.413
Other <sup>(*)</sup>	8.781	13.691
<b>Total</b>	<b>243.785</b>	<b>150.752</b>

<sup>(\*)</sup>As at 30 June 2020, the amount consists of interbank time deposits with maturity of 30 June 2020, realized by the Group's subsidiaries operating in the banking sector with banking activities.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**9 Financial assets related to concession agreements**

As at 30 June 2020 and 31 December 2019, financial assets related to concession agreements comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Current financial assets related to concession agreements	42.970	48.974
Non-current financial assets related to concession agreements	216.563	242.083
	<b>259.533</b>	<b>291.057</b>

Movements of Financial assets related to concession agreements for the years ended 30 June were as follows:

	<b>2020</b>	<b>2019</b>
<b>Financial asset at the beginning of the period</b>	<b>291.057</b>	<b>329.395</b>
Investments during the year	7.109	6.652
<b>Collections</b>	<b>(37.532)</b>	<b>(34.922)</b>
<i>Principal collections</i>	<i>(22.475)</i>	<i>(20.272)</i>
<i>Financial income collections</i>	<i>(15.057)</i>	<i>(14.650)</i>
Financial income	19.939	16.729
Fair value difference and other corrections	17.719	18.836
Foreign currency translation differences	(38.759)	(28.456)
<b>End of Period Financial asset</b>	<b>259.533</b>	<b>308.234</b>

As at 30 June 2020 and 31 December 2019, the maturity breakdown of the financial assets related to concession agreements:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Up to 1 year	42.970	48.974
Up to 1 - 3 years	91.276	73.117
Up to 3 - 5 years	116.635	100.081
Over 5 years	8.652	68.885
<b>Total</b>	<b>259.533</b>	<b>291.057</b>

**10 Trade receivables and payables**

**Trade receivables**

**Short-term trade receivables**

As at 30 June 2020 and 31 December 2019, short-term trade receivables comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Due from related parties	36.035	46.927
Due from third parties	289.322	283.399
<b>Total</b>	<b>325.357</b>	<b>330.326</b>

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**

(Amounts expressed in thousands of USD unless otherwise stated.)

**10 Trade receivables and payables (continued)**

**Trade receivables (continued)**

**Short-term trade receivables (continued)**

As at 30 June 2020 and 31 December 2019, short-term trade receivables comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Accounts receivables	303.720	286.571
Doubtful receivables	54.354	54.238
Notes receivables <sup>(*)</sup>	16.034	40.242
Postdated cheques received	4.704	2.597
Other trade receivables	993	944
	<b>379.805</b>	<b>384.592</b>
Allowances for doubtful trade receivables (-)	(54.354)	(54.238)
Discount on trade receivables (-)	(94)	(28)
<b>Total</b>	<b>325.357</b>	<b>330.326</b>

<sup>(\*)</sup> As of June 30, 2020, USD 13.502 of notes receivable consists of notes received from Çalık Denim's commercial activities (31 December 2019: USD 30.580).

**Long-term trade receivables**

As at 30 June 2020 and 31 December 2019, long-term trade receivables comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Due from related parties	1.980	2.280
Due from third parties	78.675	96.337
<b>Total</b>	<b>80.655</b>	<b>98.617</b>

As at 30 June 2020 and 31 December 2019, long-term trade receivables comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Accounts receivables	80.664	98.629
<b>Total</b>	<b>80.664</b>	<b>98.629</b>
Discount on trade receivables (-)	(9)	(12)
<b>Total</b>	<b>80.655</b>	<b>98.617</b>

Movements of allowance for doubtful receivables for the six-month periods ended 30 June were as follows:

	<b>2020</b>	<b>2019</b>
<b>Balance at 1 January</b>	<b>54.238</b>	<b>53.599</b>
Allowance for the period	5.096	7.542
Recoveries of amounts previously impaired (-)	(1.009)	(1.905)
Reversal of impairment allowances no longer required (-)	(2.055)	(1.896)
Translation difference	(1.916)	(518)
<b>Total</b>	<b>54.354</b>	<b>56.822</b>

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**10 Trade receivables and payables (continued)**

**Trade payables**

**Short-term trade payables**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Due from related parties	11.908	3.756
Due from third parties	233.277	252.575
<b>Total</b>	<b>245.185</b>	<b>256.331</b>

As at 30 June 2020 and 31 December 2019, short-term trade payables comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Accounts payables	219.690	222.514
Notes payable	--	23.326
Cheques and payment orders given	18.916	--
Other trade payables	7.016	10.491
<b>Total</b>	<b>245.622</b>	<b>256.331</b>
Discount on trade payables (-)	(437)	--
<b>Total</b>	<b>245.185</b>	<b>256.331</b>

**Long term trade payables**

As at 30 June 2020 and 31 December 2019, long-term trade payables comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Accounts payables	9.814	8.959
<b>Total</b>	<b>9.814</b>	<b>8.959</b>
Discount on trade payables (-)	(1.124)	--
<b>Total</b>	<b>8.690</b>	<b>8.959</b>

The Group's exposure to currency risks related to trade receivables and trade payables are disclosed in Note 21.

**11 Receivables and payables from finance sector activities**

**Short Term Receivables from finance sector activities**

As at 30 June 2020 and 31 December 2019, current receivables related to finance sector activities comprised the following:

<b>Short Term Receivables related to finance sector activities</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
Due from third parties	4.869	3.061
Due from related parties	590.373	641.646
<b>Total</b>	<b>595.242</b>	<b>644.707</b>

<b>Short Term Receivables related to finance sector activities</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
Loans and receivables from customers	424.231	571.109
Loans and receivables from banks	169.862	60.608
Non-performing loans and receivables	46.270	53.289
<b>Subtotal</b>	<b>640.363</b>	<b>685.006</b>
Provision for impairment in value of loans and receivables	(45.121)	(40.299)
<b>Total</b>	<b>595.242</b>	<b>644.707</b>

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**11 Receivables and payables from finance sector activities (continued)**

**Short Term Receivables from finance sector activities (continued)**

As at 30 June 2020 and 31 December 2019, short term payables related to finance sector activities comprised the following:

<b>Long Term Receivables related to finance sector activities</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
Due from third parties	1.681.859	1.478.473
<b>Total</b>	<b>1.681.859</b>	<b>1.478.473</b>

  

<b>Long Term Receivables related to finance sector activities</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
Loans and receivables from customers	1.620.747	1.467.915
Loans and receivables from banks	127.795	68.705
<b>Subtotal</b>	<b>1.748.542</b>	<b>1.536.620</b>
Provision for impairment in value of loans and receivables	(66.683)	(58.147)
<b>Total</b>	<b>1.681.859</b>	<b>1.478.473</b>

For the six-month period ended on 30 June 2020, impairment losses for loans and receivables was USD 1.560, whereas the reversal and recovery of the provision for impairment in value of loans and receivables of the amount was USD 25.691. (30 June 2019: impairment expense for loans and receivables and reversal and recovery of the provision for impairment in value of loans and receivables amounting to USD 20 and USD 12.002, respectively).

**Payables related to finance sector activities**

As at 30 June 2020 and 31 December 2019, short term payables related to finance sector activities comprised the following:

<b>Short Term payables related to finance sector activities</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
Due from related parties	4.096	932
Due from third parties	3.977.534	3.964.030
<b>Total</b>	<b>3.981.630</b>	<b>3.964.962</b>

<b>Short term payables related to finance sector activities</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Due to banks</b>	<b>57.857</b>	<b>35.972</b>
<i>Time deposits</i>	<i>44.253</i>	<i>27.420</i>
<i>Current accounts</i>	<i>13.604</i>	<i>8.552</i>
<b>Due to customers</b>	<b>2.914.268</b>	<b>2.960.754</b>
<i>Individual</i>	<i>2.357.410</i>	<i>2.360.156</i>
<i>Private enterprises</i>	<i>422.412</i>	<i>461.697</i>
<i>Public institutions</i>	<i>81.745</i>	<i>87.965</i>
<i>Other</i>	<i>52.701</i>	<i>50.936</i>
<b>Funds and Payment Accounts (*)</b>	<b>303.131</b>	<b>311.044</b>
<b>Funds from repo transactions</b>	<b>706.374</b>	<b>657.192</b>
<b>Total</b>	<b>3.981.630</b>	<b>3.964.962</b>

(\*) The customer accounts represent the transitory balances of loan customers for the respective transactions. As at 30 June 2020, this account does not include any deposit amount (31 December 2019: None).

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**11 Receivables and payables from finance sector activities (continued)**

**Payables related to finance sector activities (continued)**

As at 30 June 2020 and 31 December 2019, long term payables related to finance sector activities comprised the following:

<b>Long term payables related to finance sector operations</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
Payables from finance sector activities to third parties	465.093	448.111
<b>Total</b>	<b>465.093</b>	<b>448.111</b>

<b>Long term payables related to finance sector activities</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Due to customers</b>		
Individual	416.054	407.022
Private enterprises	28.128	23.590
Public institutions	20.036	16.492
Other	875	1.007
<b>Total</b>	<b>465.093</b>	<b>448.111</b>

**12 Inventories**

As at 30 June, the Group wrote down provision for impairment about its inventory is amounting to USD 6.081 (31 December 2019: USD 5.229).

**13 Investments in equity-accounted investees**

*i) Joint ventures*

For the six-month periods ended 30 June, the movements in investments in joint ventures were as follows:

	<b>2020</b>	<b>2019</b>
Balance at 1 January	188.441	140.214
Share of profit of equity accounted investees	25.467	26.827
Capital contribution to share capital increase in joint ventures	125	1.103
Dividends	(900)	--
Change in share of associates	(13.615)	--
Currency translation difference	(1.121)	15.510
<b>Balance at 30 June</b>	<b>198.397</b>	<b>183.654</b>

*ii) Associates*

For the six month periods ended 30 June, the movements in investments in associates were as follows:

	<b>2020</b>	<b>2019</b>
Balance at 1 January	11.105	10.969
Share of profit of equity-accounted investees	(816)	(1.967)
Capital contribution to share capital increase in associates	1.158	2.511
Currency translation difference	(1.079)	(398)
<b>Balance at 30 June</b>	<b>10.368</b>	<b>11.115</b>

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**14 Property, plant and equipment**

For the six-month periods ended 30 June, movements in the property, plant and equipment were as follows:

	2020	2019
<b>Net carrying value at 1 January</b>	<b>615.564</b>	<b>626.911</b>
Additions (+)	20.223	76.215
Disposals (-)	(14.762)	(4.383)
Currency translation difference	(45.709)	3.570
Transfers	(1.092)	2.283
Additions through acquisitions	2.532	--
Depreciation for the period (-)	(27.267)	(28.772)
<b>Net carrying value at 30 June</b>	<b>549.489</b>	<b>675.824</b>

**15 Intangible assets and goodwill**

For the six-month periods ended 30 June, movements in the intangible assets and goodwill were as follows:

	2020	2019
<b>Net carrying value at 1 January</b>	<b>146.034</b>	<b>133.145</b>
Additions (+)	16.902	20.445
Disposals (-)	(8.150)	--
Currency translation difference	(16.793)	(11.132)
Transfers	1.092	11
Additions through acquisitions	10.054	--
Amortisation for the period (-)	(7.971)	(6.766)
<b>Net carrying value at 30 June</b>	<b>141.168</b>	<b>135.703</b>

**16 Right of Use Assets**

For the years ended 30 June, movements in right of use assets were as follows:

	Balance at 1 January 2020	Additions	Additions through acquisitions	Disposal	Foreign currency translation differences	Balance at 30 June 2020
<b>Right of Use Assets</b>						
Right of Use Assets	47.413	2.186	82	(43)	(1.809)	47.829
Depreciation of Right of Use Assets	(7.004)	(2.075)	(41)	(17)	(40)	(9.177)
<b>Net carrying value</b>	<b>40.409</b>	<b>111</b>	<b>41</b>	<b>(60)</b>	<b>(1.849)</b>	<b>38.652</b>

  

	Balance at 1 January 2019	Additions	Additions through acquisitions	Disposal	Foreign currency translation differences	Balance at 30 June 2019
<b>Right of Use Assets</b>						
Right of Use Assets	17.676	14.496	--	(128)	(62)	31.982
Depreciation of Right of Use Assets	--	(2.021)	--	82	(79)	(2.018)
<b>Net carrying value</b>	<b>17.676</b>	<b>12.475</b>	<b>--</b>	<b>(46)</b>	<b>(141)</b>	<b>29.964</b>

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**17 Investment properties**

As at 30 June 2020 and 31 December 2019, investment properties comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Investment property under development	126.327	123.565
Investment property in use	29.025	29.474
<b>Total</b>	<b>155.352</b>	<b>153.039</b>

For the six month periods ended 30 June, movements in investment properties were as follows:

	<b>2020</b>	<b>2019</b>
Balance at 1 January	153.039	133.915
Additions	2.705	795
Transfers	--	(2.294)
Disposals	(401)	--
Currency translation difference	9	(6.345)
<b>Balance at 30 June</b>	<b>155.352</b>	<b>126.071</b>

As at 30 June 2020, the Group has not obtained a valuation report related to operating investment properties and investment properties under construction. However, the Group obtained a valuation report related to investment properties and investment properties under construction as at 31 December 2019.

The Group obtained independent appraisal reports for each item of investment property and measured them at their fair values at the year ends. Fair value information for all investment property within the scope of IFRS 13 based on fair value hierarchy are as follows:

<b>30 June 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investment properties	--	155.352	--	155.352
<b>Total</b>	<b>--</b>	<b>155.352</b>	<b>--</b>	<b>155.352</b>

  

<b>31 December 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investment properties	--	153.039	--	153.039
<b>Total</b>	<b>--</b>	<b>153.039</b>	<b>--</b>	<b>153.039</b>

**18 Loans and borrowings**

As at 30 June 2020 and 31 December 2019, loans and borrowings comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Short term loans and borrowings</b>		
Securities issued	1.025.894	1.019.645
Funds borrowed by the Group's banking subsidiaries	335.965	787.836
Bank loans	226.850	332.965
Current portion of long term bank loans	224.297	233.768
Factoring payables	4.859	6.578
Lease obligations	15.872	16.323
Issued bonds	647	1.890
Other financial liabilities	445	--
<b>Total</b>	<b>1.834.829</b>	<b>2.399.005</b>



**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**18 Loans and borrowings (continued)**

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Long term loans and borrowings</b>		
Bank loans	263.225	304.903
Securities issued	31.576	7.141
Lease obligations	38.438	42.233
Subordinated liabilities	28.017	28.021
Funds borrowed by the Group's banking subsidiaries	21.972	24.927
Other financial liabilities	197.220	118.000
<b>Total</b>	<b>580.448</b>	<b>525.225</b>

As at 30 June 2020 and 31 December 2019, the terms and conditions of outstanding loans and borrowings including factoring payables comprised the following:

<b>30 June 2020</b>					
	<b>Currency</b>	<b>Nominal interest rate (%)</b>	<b>Year of maturity</b>	<b>Nominal value</b>	<b>Carrying amount</b>
Secured bank borrowings	TL	10-19	2020-2030	282.280	349.153
Secured bank borrowings	USD	0.7-8.64	2020-2030	239.402	239.582
Secured bank borrowings	USD	Libor+4	2020	8.170	8.100
Secured bank borrowings	EUR	0.3-6.5	2020-2029	48.944	48.874
Secured bank borrowings	ALL	4.50-5.50	2020-2030	1.483	2.011
Unsecured bank borrowings	TL	Revolving	2020	3.677	3.657
Unsecured bank borrowings	TL	7.5-25.68	2020-2029	265.731	278.673
Unsecured bank borrowings	USD	Revolving	2020	7.789	7.707
Unsecured bank borrowings	USD	0.05-8.64	2020-2021	201.950	205.330
Unsecured bank borrowings	EUR	0.01-7.35	2020-2025	135.423	146.365
Unsecured bank borrowings	AUD	2.25	2020	1.606	1.619
Unsecured bank borrowings	XAU	0.8	2020	2.559	2.560
Unsecured bank borrowings	CHF	0.25	2020	4.356	4.360
Debt securities issued	TL	0.0001-28	2020-2022	882.307	882.307
Debt securities issued	USD	2-7.5	2020-2022	108.597	109.085
Debt securities issued	EUR	0.4-2	2020-2021	66.725	66.725
Factoring payables	USD	8-8.75	2020	2.191	2.191
Factoring payables	EUR	3.50-12.64	2020	2.669	2.668
Lease payables	TL	--	2020-2025	8.831	7.834
Lease payables	USD	--	2024-2028	379	379
Lease payables	EUR	--	2020-2049	38.541	39.085
Lease payables	ALL	--	2020-2049	8.378	6.941
Lease payables	JPY	--	2020-2022	71	71
<b>Total</b>				<b>2.322.059</b>	<b>2.415.277</b>

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**

(Amounts expressed in thousands of USD unless otherwise stated.)

**18 Loans and borrowings (continued)**

<b>31 December 2019</b>					
	<b>Currency</b>	<b>Nominal interest rate (%)</b>	<b>Year of maturity</b>	<b>Nominal value</b>	<b>Carrying amount</b>
Secured bank borrowings	TL	14-27	2020-2024	240.806	255.620
Secured bank borrowings	USD	2.64-8.64	2020-2029	329.225	328.518
Secured bank borrowings	USD	Libor +4	2020	13.554	13.212
Secured bank borrowings	EUR	0.65-7.75	2020-2035	57.933	57.781
Secured bank borrowings	ALL	4.50-5.50	2020-2029	2.139	2.139
Unsecured bank borrowings	TL	Revolving	2020	4.609	4.317
Unsecured bank borrowings	TL	9-29	2020-2029	320.589	318.329
Unsecured bank borrowings	USD	Revolving	2020	4.764	4.763
Unsecured bank borrowings	USD	1-8.64	2020-2021	297.094	298.600
Unsecured bank borrowings	EUR	0.01-7.90	2020-2025	520.597	521.814
Unsecured bank borrowings	GBP	1.45	2020	3.940	3.943
Unsecured bank borrowings	AUD	3.75	2020	1.643	1.698
Unsecured bank borrowings	XAU	2.76	2020	15.202	15.555
Unsecured bank borrowings	CHF	0.4	2020	4.123	4.131
Debt securities issued	TL	8.5–28.65	2020-2021	862.439	862.439
Debt securities issued	USD	2–7.5	2020-2022	69.348	70.102
Debt securities issued	EUR	0.5-2	2020	96.135	96.135
Factoring payables	TL	12.7 – 21.29	2020	776	776
Factoring payables	USD	8-8.25	2020	2.350	2.350
Factoring payables	EUR	3.45–3.55	2020	3.452	3.452
Lease payables	EUR	--	2020-2049	43.149	42.491
Lease payables	TL	--	2020-2025	8.225	6.937
Lease payables	USD	--	2020-2028	409	409
Lease payables	ALL	--	2020-2049	8.605	8.605
Lease payables	JPY	--	2020-2022	114	114
<b>Total</b>				<b>2.911.220</b>	<b>2.924.230</b>

As at 30 June 2020, there are mortgages amounting to USD 200.000 (31 December 2019: USD 200.000) on the investment property under construction owned by the Group against the bank borrowings. As at 30 June 2020 there are no mortgages on the administrative building owned by the building. (31 December 2019: USD 100.000)

There are pledges over Çalık Enerji's shares of YEDAŞ, YEPAŞ, ÇEDAŞ, with numbers of 85 (USD 0,0124), 115 (USD 0,0168), 377.622.000 (USD 55.190) respectively and ÇEDAŞ shares of YEPAŞ and YEDAŞ, with numbers of 6.358.770.388 (USD 9.293) and 35.700.685.312 (USD 52.177), as a guarantee for the bank borrowings user or will be used by Çalık Holding, ÇEDAŞ, YEDAŞ, YEPAŞ from a bank.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**19 Derivatives**

The carrying values of derivative instruments held at 30 June 2020 and 31 December 2019, were as follows:

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<u><b>Assets</b></u>	<u><b>Liabilities</b></u>	<u><b>Assets</b></u>	<u><b>Liabilities</b></u>
Forward transactions	2.969	(2.523)	286	(280)
Swap transactions	8.810	(3.443)	3.543	(1.336)
Currency options	582	(528)	1.114	(1.251)
<b>Total</b>	<b>12.361</b>	<b>(6.494)</b>	<b>4.943</b>	<b>(2.867)</b>

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.

**20 Provisions**

As at 30 June 2020 and 31 December 2019, provisions comprised the following items:

	<b>30 June 2020</b>	<b>31 December 2019</b>
<u><b>Short term provisions</b></u>		
Short term employee benefits	15.154	17.913
Other short term provisions	17.866	19.816
<b>Total short term provisions</b>	<b>33.020</b>	<b>37.729</b>
<u><b>Long term provisions</b></u>		
Long term employee benefits	11.401	11.208
Other long term provisions	885	904
<b>Total long term provisions</b>	<b>12.286</b>	<b>12.112</b>
<b>Total provisions</b>	<b>45.306</b>	<b>49.841</b>

As at 30 June 2020 and 31 December 2019, short-term and long term employee benefits comprised the following items:

	<b>30 June 2020</b>	<b>31 December 2019</b>
<u><b>Short-term</b></u>		
Bonus provisions	11.195	13.433
Vacation pay liability	3.959	4.480
<b>Total</b>	<b>15.154</b>	<b>17.913</b>
<u><b>Long term</b></u>		
Employee termination benefits	11.401	11.208
<b>Total</b>	<b>11.401</b>	<b>11.208</b>

As at 30 June 2020 and 31 December 2019, other provisions comprised the following items:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Provision for litigations	13.598	16.350
Provisions for expenses	2.012	1.200
Other current provisions	3.141	3.170
<b>Total</b>	<b>18.751</b>	<b>20.720</b>

For the six-month periods ended 30 June, movements in the provisions were as follows:

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**20 Provisions (continued)**

For the six-month periods ended 30 June, movements in the provisions were as follows:

<b>2020</b>	<b>1 January</b>	<b>Provision for the period</b>	<b>Recoveries/ payments during the year</b>	<b>Currency translation difference</b>	<b>30 June</b>
Provision for litigations	16.350	589	(1.850)	(1.491)	13.598
Bonus provisions	13.433	5.932	(6.655)	(1.515)	11.195
Reserve for severance payments <sup>(*)</sup>	11.208	1.527	(337)	(997)	11.401
Vacation pay liability	4.480	1.020	(1.162)	(379)	3.959
Other expense provisions	4.370	1.422	(94)	(545)	5.153
<b>Total</b>	<b>49.841</b>	<b>10.490</b>	<b>(10.098)</b>	<b>(4.927)</b>	<b>45.306</b>

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<b>2019</b>					
Provision for litigations	12.596	2.061	(1.484)	(497)	12.676
Bonus provisions	11.868	3.737	(7.285)	(777)	7.543
Reserve for severance payments <sup>(*)</sup>	8.279	932	(80)	(623)	8.508
Vacation pay liability	4.572	761	(297)	(98)	4.938
Other expense provisions	3.347	919	(3)	(257)	4.006
<b>Total</b>	<b>40.662</b>	<b>8.410</b>	<b>(9.149)</b>	<b>(2.252)</b>	<b>37.671</b>

<sup>(\*)</sup>The reserve has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees.

**Litigation and claims**

As at 30 June 2020, the expected cash outflow amount for the pending claims filed against to the Group is USD 13.598 (31 December 2019: USD 16.350). As at 30 June 2020 and 31 December 2019, the provision for litigation and claims are mainly related to the labor cases against the Group. The Group made a provision for the whole amount related to these claims.

**21 Commitments and contingencies**

Guarantee, pledge and mortgages (“GPM”) in respect of commitment and contingencies realised in the ordinary course of business outside the finance sector were given as at 30 June 2020 are as follows:

<b>30 June 2020</b>	<b>Original currency (USD equivalent)</b>			
	<b>USD</b>	<b>TL</b>	<b>Others</b>	<b>Total</b>
A Total amount of GPMs given in the name of its own legal personality	343.996	54.421	75.092	473.509
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	--	116.661	--	116.661
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	116.661	--	116.661
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D Other GPMs given	--	27.182	--	27.182
<b>Total</b>	<b>343.996</b>	<b>198.264</b>	<b>75.092</b>	<b>617.352</b>

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

## 21 Commitments and contingencies (continued)

GPMs in respect of commitment and contingencies realised in the ordinary course of business outside the finance sector were given as at 31 December 2019 are as follows:

31 December 2019	Original currency (USD equivalent)			
	USD	TL	Others	Total
A Total amount of GPMs given in the name of its own legal personality	508.736	87.562	86.302	682.600
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	--	134.375	--	134.375
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	134.375	--	134.375
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D Other GPMs given(*)	1.970	31.922	--	33.892
<b>Total</b>	<b>510.706</b>	<b>253.859</b>	<b>86.302</b>	<b>850.867</b>

## 22 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.

In Turkey, corporate tax rate is 22 percent as at 30 June 2020 (31 December 2019: 22 percent) temporary corporate tax return are filled on a quarterly basis. According to the Corporate Tax Law, 75 percent of the income obtained from the sales of subsidiaries and real estates owned for at least two years is subject to tax exemption if it is recorded in the equity accounts within five years from the date of sale. The remaining 25 percent is subject to corporate tax. As of 2018 the rates has been revised to 50 percent for real estate.

In accordance with the “Law on the Amendment of Certain Tax Acts and Some Other Laws” numbered 7061 and published in Official Gazette on 5 December 2017; the corporate tax rate for the years 2018, 2019 and 2020 has been increased from 20% to 22%. Therefore, deferred tax assets and liabilities are calculated with 22% tax rate for the temporary differences that will be realised in 2018, 2019 and 2020; and with 20% tax rate for the temporary differences that will be realised after 2021 and onwards.

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 nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions was increased from 10 percent to 15 percent. In applying the withholding tax rates on dividend payments to the nonresident 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 consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

## 22 Taxation (continued)

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.

### Possible tax audits

In Turkey, the tax and other government authorities (Social Security Institution) have the right to inspect the Group's tax returns and accounting records for the past five fiscal years. The Group has not recorded a provision for any additional taxes for the fiscal years that remained unaudited, as the amount cannot be estimated with any degree of uncertainty. The Group's management believes that no material assessment will arise from any future inspection for unaudited fiscal years.

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

### Tax applications for foreign subsidiaries and joint ventures of the Group

As of 30 June 2020, there is no change the Group, its subsidiary and joint ventures tax applications compared to year-end.

### Tax recognised in profit or loss

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

	<b>2020</b>	<b>2019</b>
Taxes expense	36.582	34.212
Deferred tax expense / (income)	1.917	(4.128)
<b>Total income tax expense</b>	<b>38.499</b>	<b>30.084</b>

### Taxes assets / taxes payable on income

Taxes assets / taxes payable on income as at 30 June 2020 and 31 December 2019 comprised the following:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Taxes on income	36.582	59.550
Less: Corporation taxes paid in advance	(21.827)	(63.816)
Foreign currency translation difference	(796)	192
<b>Current tax liabilities/(assets), net</b>	<b>13.959</b>	<b>(4.074)</b>

As at 30 June 2020, taxes payable on income amounting to USD 18.739 (31 December 2019: USD 4.082) is not offset with prepaid taxes amounting to USD 4.780 (31 December 2019: USD 8.156) since they are related to different tax jurisdictions.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**

(Amounts expressed in thousands of USD unless otherwise stated.)

**23 Financial instruments – Fair values and risk management**

**Currency risk**

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. Such transactions with a currency other than the functional currency pose a currency risk.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group is exposed to currency risk through the impact of rate changes on the translation of foreign currency denominated payables and bank borrowings from financial institutions. Such risk is monitored by the Board of Directors and limited through taking positions within approved limits as well as using derivative instruments where necessary

To minimise risk arising from foreign currency denominated statement of financial position items, the Group sometimes utilises derivative instruments as well as keeping part of its idle cash in foreign currencies.

At 30 June 2020, the currency risk exposures of the Group in USD equivalents are as follows:

CURRENCY POSITION STATEMENT		30 June 2020		
	USD equivalent	TL	EURO	Other <sup>(*)</sup>
1. Trade Receivables	52.919	22.144	25.561	20.886
2a. Monetary financial assets	1.826.792	142.030	920.947	768.526
2b. Non-monetary financial assets	--	--	--	--
3. Other	222.501	43.442	176.218	17.631
<b>4. Current assets (1+2+3)</b>	<b>2.102.212</b>	<b>207.616</b>	<b>1.122.726</b>	<b>807.043</b>
5. Trade Receivables	1.418	9.702	--	--
6a. Monetary financial assets	1.420.000	23.429	853.986	454.503
6b. Non-monetary financial assets	--	--	--	--
7. Other	8.542	1.465	2.492	5.520
<b>8. Non-current assets (5+6+7)</b>	<b>1.429.960</b>	<b>34.596</b>	<b>856.478</b>	<b>460.023</b>
<b>9. Total Assets (4+8)</b>	<b>3.532.172</b>	<b>242.212</b>	<b>1.979.204</b>	<b>1.267.066</b>
10. Trade payables	(1.885.090)	(174.056)	(1.448.283)	(228.063)
11. Financial liabilities	(655.107)	(925.867)	(184.389)	(312.063)
12a. Other monetary liabilities	(734.758)	(121.558)	(172.322)	(522.861)
12b. Other non-monetary liabilities	(1.639)	--	(243)	(1.365)
<b>13. Short term liabilities (10+11+12)</b>	<b>(3.276.594)</b>	<b>(1.221.481)</b>	<b>(1.805.237)</b>	<b>(1.064.352)</b>
14. Trade payables	(271.825)	--	(220.262)	(23.685)
15. Financial liabilities	(365.767)	(1.549.821)	(86.719)	(41.563)
16a. Other monetary liabilities	(1.294)	--	--	(1.294)
16b. Other non-monetary liabilities	--	--	--	--
<b>17. Long term liabilities (14+15+16)</b>	<b>(638.886)</b>	<b>(1.549.821)</b>	<b>(306.981)</b>	<b>(66.542)</b>
<b>18. Total liabilities (13+17)</b>	<b>(3.915.480)</b>	<b>(2.771.302)</b>	<b>(2.112.218)</b>	<b>(1.130.894)</b>
<b>19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)</b>	<b>1.376</b>	<b>(104.836)</b>	<b>(76.512)</b>	<b>102.895</b>
19a. Hedged portion of assets amount	647.084	282	230.329	387.562
19b. Hedged portion of liabilities amount	(645.708)	(105.118)	(306.841)	(284.667)
<b>20. Net foreign currencies assets / (liability) position (9+18+19)</b>	<b>(381.932)</b>	<b>(2.633.926)</b>	<b>(209.526)</b>	<b>239.067</b>
<b>21. Monetary items Net foreign currencies assets / (liability) position (IFRS 7.b23)</b>				
<b>(=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(612.712)</b>	<b>(2.573.997)</b>	<b>(311.481)</b>	<b>114.386</b>

(\*) USD equivalents are given.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**

(Amounts expressed in thousands of USD unless otherwise stated.)

**23 Financial instruments – Fair values and risk management (continued)**

**Currency risk (continued)**

At 31 December 2019, the currency risk exposures of the Group in USD equivalents are as follows:

CURRENCY POSITION STATEMENT	31 December 2019			
	USD equivalent	TL	EURO	OTHER <sup>(*)</sup>
1. Trade Receivables	99.661	65.455	34.655	49.843
2a. Monetary financial assets	2.341.155	118.381	1.348.862	811.050
2b. Non-monetary financial assets	--	--	--	--
3. Other	229.969	66.703	179.942	17.278
<b>4. Current assets (1+2+3)</b>	<b>2.670.785</b>	<b>250.539</b>	<b>1.563.459</b>	<b>878.171</b>
5. Trade Receivables	2.280	13.544	--	--
6a. Monetary financial assets	1.113.667	58.042	604.429	427.182
6b. Non-monetary financial assets	--	--	--	--
7. Other	4.088	23	2.586	1.189
<b>8. Non-current assets (5+6+7)</b>	<b>1.120.035</b>	<b>71.609</b>	<b>607.015</b>	<b>428.371</b>
<b>9. Total Assets (4+8)</b>	<b>3.790.820</b>	<b>322.148</b>	<b>2.170.474</b>	<b>1.306.542</b>
10. Trade payables	(1.701.683)	(110.652)	(1.485.234)	(20.200)
11. Financial liabilities	(1.280.605)	(811.299)	(490.905)	(594.414)
12a. Other monetary liabilities	(685.774)	(27.744)	(205.739)	(450.759)
12b. Other non-monetary liabilities	(1.754)	--	(149)	(1.588)
<b>13. Short term liabilities (10+11+12)</b>	<b>(3.669.816)</b>	<b>(949.695)</b>	<b>(2.182.027)</b>	<b>(1.066.961)</b>
14. Trade payables	(253.178)	--	(203.901)	(24.891)
15. Financial liabilities	(408.431)	(1.139.543)	(153.136)	(45.145)
16a. Other monetary liabilities	(3.310)	--	(1.762)	(1.338)
16b. Other non-monetary liabilities	--	--	--	--
<b>17. Long term liabilities (14+15+16)</b>	<b>(664.919)</b>	<b>(1.139.543)</b>	<b>(358.799)</b>	<b>(71.374)</b>
<b>18. Total liabilities (13+17)</b>	<b>(4.334.735)</b>	<b>(2.089.238)</b>	<b>(2.540.826)</b>	<b>(1.138.335)</b>
<b>19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)</b>	<b>25.684</b>	<b>(142.385)</b>	<b>27.932</b>	<b>18.382</b>
19a. Hedged portion of assets amount	519.754	--	184.656	313.015
19b. Hedged portion of liabilities amount	(494.070)	(142.385)	(156.724)	(294.633)
<b>20. Net foreign currencies assets / (liability) position (9+18+19)</b>	<b>(518.231)</b>	<b>(1.909.475)</b>	<b>(342.420)</b>	<b>186.589</b>
<b>21. Monetary items Net foreign currencies assets / (liability) position (IFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(776.218)</b>	<b>(1.833.816)</b>	<b>(552.731)</b>	<b>151.328</b>

(\*) USD equivalents are given.



# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Six-Month Period Ended 30 June 2020

(Amounts expressed in thousands of USD unless otherwise stated.)

### 23 Financial instruments – Fair values and risk management (continued)

#### Currency risk (continued)

##### Sensitivity analysis

A strengthening/weakening of the USD against the other currencies below would have increased/(decreased) the comprehensive income and profit/loss (excluding the tax effect) as at 30 June 2020 and 31 December 2019 as follows:

30 June 2020	Profit / (Loss)		Equity	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
<b>Increase/(decrease) 10% of TL parity</b>				
1-TL Dollar net asset / liability	38.495	(38.495)	--	--
2-Hedged portion of TL amounts(-)	--	--	--	--
<b>3-Net effect of TL (1+2)</b>	<b>38.495</b>	<b>(38.495)</b>	<b>--</b>	<b>--</b>
<b>Increase/(decrease) 10% of EUR parity</b>				
4-EUR net asset / liability	23.604	(23.604)	--	--
5-Hedged portion of EUR amounts(-)	--	--	--	--
<b>6-Net effect of EUR (4+5)</b>	<b>23.604</b>	<b>(23.604)</b>	<b>--</b>	<b>--</b>
<b>Increase/(decrease) 10% of other parities</b>				
7-Other foreign currency net asset / liability	(23.907)	23.907	--	--
8-Hedged portion of other foreign currency amounts(-)	--	--	--	--
<b>9-Net effect of other foreign currencies (7+8)</b>	<b>(23.907)</b>	<b>23.907</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6+9)</b>	<b>38.192</b>	<b>(38.192)</b>	<b>--</b>	<b>--</b>

31 December 2019	Profit / (Loss)		Equity	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
<b>Increase/(decrease) 10 percent of TL parity</b>				
1-TL net asset / liability	32.145	(32.145)	--	--
2-Hedged portion of TL amounts(-)	--	--	--	--
<b>3-Net effect of TL (1+2)</b>	<b>32.145</b>	<b>(32.145)</b>	<b>--</b>	<b>--</b>
<b>Increase/(decrease) 10 percent of EUR parity</b>				
4-EUR net asset / liability	38.337	(38.337)	--	--
5-Hedged portion of EUR amounts(-)	-	-	--	--
<b>6-Net effect of EUR (4+5)</b>	<b>38.337</b>	<b>(38.337)</b>	<b>--</b>	<b>--</b>
<b>Increase/(decrease) 10 percent of other parities</b>				
7-Other foreign currency net asset / liability	(18.659)	18.659	--	--
8-Hedged portion of other foreign currency amounts(-)	-	-	--	--
<b>9-Net effect of other foreign currencies (7+8)</b>	<b>(18.659)</b>	<b>18.659</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6+9)</b>	<b>51.823</b>	<b>(51.823)</b>	<b>--</b>	<b>--</b>

## **Çalık Holding Anonim Şirketi and its Subsidiaries**

### **Notes to the Condensed Consolidated Interim Financial Statements**

#### **As at and for the Six-Month Period Ended 30 June 2020**

*(Amounts expressed in thousands of USD unless otherwise stated.)*

#### **23 Financial instruments – Fair values and risk management (continued)**

##### ***Fair value information***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access at that date.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted market price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2019**  
*(Amounts expressed in thousands of USD unless otherwise stated.)*

**23 Financial instruments – Fair values and risk management (continued)**

***Fair value information (continued)***

The table below shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<b>30 June 2020</b>	<b>Amortised costs</b>	<b>Measured at fair value through profit or loss</b>	<b>Measured at fair value through other comprehensive income</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value</b>								
Financial investments	243.785	234.706	2.517.254	<b>2.995.745</b>	1.706.412	1.054.627	234.706	<b>2.995.745</b>
Derivatives	--	12.361	--	<b>12.361</b>	--	12.361	--	<b>12.361</b>
<b>Financial assets not measured at fair value</b>								
Financial investments	--	192	--	<b>192</b>	--	--	192	<b>192</b>
Trade receivables	406.012	--	--	<b>406.012</b>	--	--	--	--
Other receivables	578.446	--	--	<b>578.446</b>	--	--	--	--
Cash and cash equivalents	870.966	--	--	<b>870.966</b>	--	--	--	--
Receivables related to finance sector operations	2.277.101	--	--	<b>2.277.101</b>	--	--	--	--
<b>Total</b>	<b>4.376.310</b>	<b>247.259</b>	<b>2.517.254</b>	<b>7.140.823</b>	<b>1.706.412</b>	<b>1.066.988</b>	<b>234.898</b>	<b>3.008.298</b>
<b>Financial liabilities measured at fair value</b>								
Derivatives	--	6.494	--	<b>6.494</b>	--	6.494	--	<b>6.494</b>
<b>Financial liabilities not measured at fair value</b>								
Loans and borrowings	2.415.277	--	--	<b>2.415.277</b>	--	--	2.415.277	<b>2.415.277</b>
Trade payables	253.875	--	--	<b>253.875</b>	--	--	--	--
Payables related to finance sector operations	4.446.723	--	--	<b>4.446.723</b>	--	--	--	--
Other payables <sup>(*)</sup>	49.473	--	--	<b>49.473</b>	--	--	--	--
<b>Total</b>	<b>7.165.348</b>	<b>6.494</b>	<b>--</b>	<b>7.171.842</b>	<b>--</b>	<b>6.494</b>	<b>2.415.277</b>	<b>2.421.771</b>

<sup>(\*)</sup>Deposits and guarantees given are excluded from other liabilities.

**Çalık Holding Anonim Şirketi and its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**As at and for the Six-Month Period Ended 30 June 2020**

(Amounts expressed in thousands of USD unless otherwise stated.)

**23 Financial instruments – Fair values and risk management (continued)**

***Fair value information (continued)***

31 December 2019	Amortised costs	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Financial investments	150.752	228.106	2.068.482	<b>2.447.340</b>	1.630.319	588.914	228.106	<b>2.447.339</b>
Derivatives	--	4.943	--	<b>4.943</b>	--	4.943	--	<b>4.943</b>
<b>Financial assets not measured at fair value</b>								
Financial investments	--	856	--	<b>856</b>	--	--	856	<b>856</b>
Trade receivables	428.943	--	--	<b>428.943</b>	--	--	--	--
Other receivables	556.467	--	--	<b>556.467</b>	--	--	--	--
Cash and cash equivalents	1.754.177	--	--	<b>1.754.177</b>	--	--	--	--
Receivables related to finance sector operations	2.123.180	--	--	<b>2.123.180</b>	--	--	--	--
<b>Total</b>	<b>5.013.519</b>	<b>233.905</b>	<b>2.068.482</b>	<b>7.315.906</b>	<b>1.630.319</b>	<b>593.857</b>	<b>228.962</b>	<b>2.453.138</b>
<b>Financial liabilities measured at fair value</b>								
Derivatives	--	2.867	--	<b>2.867</b>	--	2.867	--	<b>2.867</b>
<b>Financial liabilities not measured at fair value</b>								
Loans and borrowings	2.924.230	--	--	<b>2.924.230</b>	--	--	2.924.230	<b>2.924.230</b>
Trade payables	265.290	--	--	<b>265.290</b>	--	--	--	--
Payables related to finance sector operations	4.413.073	--	--	<b>4.413.073</b>	--	--	--	--
Other payables <sup>(*)</sup>	48.440	--	--	<b>48.440</b>	--	--	--	--
<b>Total</b>	<b>7.651.033</b>	<b>2.867</b>	<b>--</b>	<b>7.653.900</b>	<b>--</b>	<b>2.867</b>	<b>2.924.230</b>	<b>2.927.097</b>

(\*) Deposits and guarantees given are excluded from other liabilities.

## **Çalık Holding Anonim Şirketi and its Subsidiaries**

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Six-Month Period Ended 30 June 2020

*(Amounts expressed in thousands of USD unless otherwise stated.)*

### **24 Subsequent events**

None.