

**EGELİ & CO GİRİŞİM SERMAYESİ  
YATIRIM ORTAKLIĞI A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2014  
TOGETHER WITH INDEPENDENT  
AUDITOR'S REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH**

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To the Board of Directors of Egeli & Co Giriřim Sermayesi Yatırım Ortaklığı A.ř.

*Introduction*

1. We have reviewed the accompanying statement of financial position of Egeli & Co Giriřim Sermayesi Yatırım Ortaklığı A.ř. (the "Company") as at 30 June 2014 and the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes. The management of the Company is responsible for the preparation and fair presentation of this interim financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

*Scope of review*

2. We conducted our review in accordance with the Standard on Review Engagements ("SRE") 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 is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

3. Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim financial information does not give a true and fair view of the financial position and financial performance of Egeli & Co Giriřim Sermayesi Yatırım Ortaklığı A.ř. as of 30 June 2014, and of its cash flows for the six-month period then ended in accordance with TAS 34.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müřavirlik A.ř.  
a member of  
PricewaterhouseCoopers

**ORIGINALLY ISSUED IN TURKISH**

Talar Gül, SMMM  
Partner

Istanbul, 11 August 2014

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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

|                                     | Notes | (Reviewed)<br>Current Period<br>30 June 2014 | Restated(*)<br>(Reviewed)<br>Previous Period<br>31 December 2013 |
|-------------------------------------|-------|--|--|
| <b>ASSETS</b>                       |       |  |  |
| <b>Current Assets</b>               |       |  |  |
| Cash and cash equivalents           | 6     | 1.671.845                                    | 3.367.871  |
| Financial investments               | 7, 17 | 2.757.863                                    | 2.009.431  |
| Other receivables                   | 8     | 10.423.245                                   | 24.170.393   |
| <i>Due from related parties</i>     | 17    | 1.948.913                                    | -  |
| <i>Due from non-related parties</i> |       | 8.474.332                                    | 24.170.393   |
| Other current assets                | 8     | 38.081                                       | 116.473  |
| <b>Total current assets</b>         |       | <b>14.891.034</b>                            | <b>29.664.168</b>  |
| <b>Non-current assets</b>           |       |  |  |
| Financial investments               | 7     | 27.108.591                                   | 11.147.029   |
| Other receivables                   | 8, 17 | 592.208                                      | 297.515  |
| <i>From related parties</i>         | 17    | 592.208                                      | 297.515  |
| Property and equipment              | 9     | 6.812  | 8.523  |
| <b>Total non-current assets</b>     |       | <b>27.707.611</b>                            | <b>11.453.067</b>  |
| <b>TOTAL ASSETS</b>                 |       | <b>42.598.645</b>                            | <b>41.117.235</b>  |

(\*) Note 2.1.5.

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

**EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014  
ORIGINALLY ISSUED IN TURKISH**

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

|   | Notes  | <i>(Reviewed)</i><br>Current Period<br>30 June 2014 | <i>Restated(*)</i><br><i>(Reviewed)</i><br>Previous Period<br>31 December 2013 |
|---|--------|---|--|
| <b>LIABILITIES</b>  |        |   |  |
| <b>Current liabilities</b>  |        |   |  |
| Trade payables  |        | 75.715  | 483.018  |
| <i>Due to related parties</i>   | 17     | 71.575  | 473.271  |
| <i>Due to non-related parties</i>   |        | 4.140   | 9.747  |
| Short-term provisions   | 10, 17 | -   | 22.597   |
| Other current liabilities   | 8      | 39.788  | 34.168   |
| <b>Total short-term liabilities</b>   |        | <b>115.503</b>                                      | <b>539.783</b>   |
| <b>Long-term liabilities</b>  |        |   |  |
| Long-term provisions  | 11     | 8.089   | 4.711  |
| <i>Provisions for employee benefits</i>                                     | 11     | 8.089   | 4.711  |
| <b>Total long-term liabilities</b>  |        | <b>8.089</b>  | <b>4.711</b>   |
| <b>Shareholders' equity</b>   |        |   |  |
| Share capital   | 12     | 20.000.000  | 20.000.000   |
| Adjustment to share capital   |        | 17.197.511  | 17.197.511   |
| Costs arising from the capital increase                                     |        | (67.383)  | (67.383)   |
| Share premiums  |        | 29.552  | 29.552   |
| Other comprehensive income/expense not to be reclassified to profit or loss |        | (1.298)   | 550  |
| <i>Actuarial (loss) / gain</i>  |        | (1.298)   | 550  |
| Other comprehensive income/expense to be reclassified to profit or loss     | 7      | 710.060   | -  |
| <i>Revaluation gain of available for sale financial assets</i>              | 7      | 710.060   | -  |
| Restricted reserves   | 12     | 3.604.255   | 3.518.928  |
| Retained earnings/ (Accumulated losses)                                     | 12     | (191.744)   | 324.687  |
| Net income/(loss) for the period  |        | 1.194.100   | (431.104)  |
| <b>Total shareholders' equity</b>   |        | <b>42.475.053</b>                                   | <b>40.572.741</b>  |
| <b>TOTAL LIABILITIES</b>  |        | <b>42.598.645</b>                                   | <b>41.117.235</b>  |

(\*) Note 2.1.5.

The accompanying explanations and notes form an integral part of these financial statements

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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

|   | Notes     | (Reviewed)<br>1 January-<br>30 June 2014 | Reviewed)<br>1 April-<br>30 June 2014 | Restated(*)<br>Reviewed)<br>1 January-<br>30 June 2013 | Restated(*)<br>(not reviewed)<br>1 April-<br>30 June 2013 |
|---|-----------|--|---------------------------------------|--|---|
| <b>PROFIT/LOSS</b>  |           |  |                                       |  |   |
| Revenue   | 13        | -  | -                                     | 8.488.394  | 1.009.120   |
| Cost of sales (-)   | 13        | -  | -                                     | (8.288.848)  | (1.009.000)   |
| <b>Gross profit</b>                                       | <b>13</b> | <b>-</b>                                 | <b>-</b>                              | <b>199.546</b>   | <b>120</b>  |
| General administrative expenses (-)                       | 14        | (949.634)                                | (539.653)                             | (1.079.839)  | (544.869)   |
| Marketing expenses (-)                                    | 14        | -  | -                                     | (14.200)   | (1.927)   |
| Other operating income                                    | 15        | 2.143.734                                | 1.636.742                             | 712.856  | 272.416   |
| Other operating expense (-)                               | 15        | -  | -                                     | (307.513)  | (129.748)   |
| <b>Operating profit /(loss)</b>                           |           | <b>1.194.100</b>                         | <b>1.097.089</b>                      | <b>(489.150)</b>                                       | <b>(404.008)</b>  |
| Income/ (expense) from investing activities               | -         | -  | -                                     | -  | -   |
| <b>Operating profit/(loss)before financial expenses</b>   |           | <b>1.194.100</b>                         | <b>1.097.089</b>                      | <b>(489.150)</b>                                       | <b>(404.008)</b>  |
| Financial expenses (-)                                    |           | -  | -                                     | -  | -   |
| <b>Profit /(Loss)before tax from continued operations</b> |           | <b>1.194.100</b>                         | <b>1.097.089</b>                      | <b>(489.150)</b>                                       | <b>(404.008)</b>  |
| <b>Tax income/ (expense) from continued operations</b>    |           |  |                                       |  |   |
| Taxes on income/(loss)                                    |           | -  | -                                     | -  | -   |
| Deferred tax income/(loss)                                |           | -  | -                                     | -  | -   |
| <b>Profit/(Loss) for the period</b>                       |           | <b>1.194.100</b>                         | <b>1.097.089</b>                      | <b>(489.150)</b>                                       | <b>(404.008)</b>  |
| (Loss)/earnings per share (Kr)                            | 18        | 0,060                                    | 0,055                                 | (0,024)  | (0,020)   |
| <b>Other comprehensive income:</b>                        |           |  |                                       |  |   |
| <b>Items to be reclassified to profit or loss</b>         |           |  |                                       |  |   |
| Revaluation gain of available for sale financial assets   | 7         | 710.060                                  | -                                     | -  | -   |
| <b>Items not to be reclassified to profit or loss</b>     |           |  |                                       |  |   |
| Remeasurement losses of defined benefit plans (-)         | 11        | (1.848)                                  | (299)                                 | -  | -   |
| <b>Total comprehensive income/(loss)</b>                  |           | <b>1.902.312</b>                         | <b>1.096.790</b>                      | <b>(489.150)</b>                                       | <b>(404.008)</b>  |

(\*) Note 2.1.5.

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

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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

|  | Reviewed (Restated) (*) |                                   |  |  |   |                   |                     |                        |                                   |   |                   |
|--|-------------------------|-----------------------------------|--|--|---|-------------------|---------------------|------------------------|-----------------------------------|---|-------------------|
|  | Paid in<br>Capital      | Adjustment<br>to<br>share capital | Charges<br>arising from<br>capital<br>increase | Securities<br>increment<br>valuation<br>fund | The effect of asset<br>Mergers of entities<br>or businesses<br>under<br>common<br>control | Share<br>premiums | Actuarial<br>losses | Restricted<br>reserves | Retained<br>earnings/<br>(losses) | Net<br>(loss) / profit<br>for the<br>period | Total<br>equity   |
| <b>Balances as of 1 January 2013</b>                                     | <b>18.000.000</b>       | <b>19.197.511</b>                 | <b>(67.383)</b>                                | -  | -   | <b>29.552</b>     | -                   | <b>3.518.928</b>       | <b>(2.123.410)</b>                | <b>2.448.097</b>                            | <b>41.003.295</b> |
| Capital increase   | 2.000.000               | (2.000.000)                       | -  | -  | -   | -                 | -                   | -                      | -                                 | -   | -                 |
| Transfers  | -                       | -                                 | -  | -  | -   | -                 | -                   | -                      | 2.448.097                         | (2.448.097)                                 | -                 |
| The effect of mergers<br>of entities or business<br>under common control | -                       | -                                 | -  | -  | (430.750)   | -                 | -                   | -                      | -                                 | -   | (430.750)         |
| Total Comprehensive loss (-)   | -                       | -                                 | -  | -  | -   | -                 | -                   | -                      | -                                 | (560.394)                                   | (560.394)         |
| <b>Balances as of 30 June 2013<br/>(previously reported)</b>             | <b>20.000.000</b>       | <b>17.197.511</b>                 | <b>(67.383)</b>                                | -  | <b>(430.750)</b>  | <b>29.552</b>     | -                   | <b>3.518.928</b>       | <b>324.687</b>                    | <b>(560.394)</b>                            | <b>40.012.151</b> |
| Changes in accounting policies (*)                                       | -                       | -                                 | -  | -  | 430.750   | -                 | -                   | -                      | -                                 | 71.244                                      | 501.994           |
| <b>Balances as of 30 June 2013<br/>(restated)</b>                        | <b>20.000.000</b>       | <b>17.197.511</b>                 | <b>(67.383)</b>                                | -  | -   | <b>29.552</b>     | -                   | <b>3.518.928</b>       | <b>324.687</b>                    | <b>(489.150)</b>                            | <b>40.514.145</b> |
|  | Reviewed                |                                   |  |  |   |                   |                     |                        |                                   |   |                   |
|  | Paid in<br>Capital      | Adjustment<br>to<br>share capital | Charges<br>arising from<br>capital<br>increase | Securities<br>increment<br>valuation<br>fund | The effect of asset<br>Mergers of entities<br>or businesses<br>under<br>common<br>control | Share<br>premiums | Actuarial<br>losses | Restricted<br>reserves | Retained<br>earnings/<br>(losses) | Net<br>(loss) / profit<br>for the<br>period | Total<br>equity   |
| <b>Balances dated 1 January 2014<br/>(previously reported)</b>           | <b>20.000.000</b>       | <b>17.197.511</b>                 | <b>(67.383)</b>                                | -  | <b>(310.731)</b>  | <b>29.552</b>     | <b>550</b>          | <b>3.518.928</b>       | <b>324.687</b>                    | <b>(576.108)</b>                            | <b>40.117.006</b> |
| Changes in accounting policies (*)                                       | -                       | -                                 | -  | -  | 310.731   | -                 | -                   | -                      | -                                 | 145.004                                     | 455.735           |
| <b>Balances dated 1 January 2014<br/>(restated)</b>                      | <b>20.000.000</b>       | <b>17.197.511</b>                 | <b>(67.383)</b>                                | -  | -   | <b>29.552</b>     | <b>550</b>          | <b>3.518.928</b>       | <b>324.687</b>                    | <b>(431.104)</b>                            | <b>40.572.741</b> |
| Transfers  | -                       | -                                 | -  | -  | -   | -                 | -                   | 85.327                 | (516.431)                         | 431.104                                     | -                 |
| Total comprehensive income   | -                       | -                                 | -  | 710.060                                      | -   | -                 | (1.848)             | -                      | -                                 | 1.194.100                                   | <b>1.902.312</b>  |
| <b>Balances dated 30 June 2014<br/>(period end)</b>                      | <b>20.000.000</b>       | <b>17.197.511</b>                 | <b>(67.383)</b>                                | <b>710.060</b>                               | -   | <b>29.552</b>     | <b>(1.298)</b>      | <b>3.604.255</b>       | <b>(191.744)</b>                  | <b>1.194.100</b>                            | <b>42.475.053</b> |

(\*) Note 2.1.5.

The accompanying explanations and notes form an integral part of these financial statements

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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

|  | Notes | (Reviewed)<br>1 January-<br>30 June 2014 | Restated (*)<br>(Reviewed)<br>1 January -<br>30 June 2013 |
|--|-------|--|---|
| <b>A. Cash flows from operating activities:</b>  |       |  |   |
| Profit/(loss) for the period   |       | 1.194.100                                | (489.150)   |
| <b>Adjustments to reconcile net (loss)/ income to net cash from operating activities:</b>        |       |  |   |
| Adjustments related to depreciation and amortization expense                                     | 9     | 1.711                                    | 1.711   |
| Adjustment related interest income accruals  |       | 1.012                                    | -   |
| Adjustments related to provisions  |       | (21.067)                                 | (48)  |
| Adjustments related to the fair value gains  | 15    | (748.432)                                | 206.159   |
| Adjustments related to discounts of other receivables  | 15    | (1.142.007)                              | -   |
| <b>Operating profit before changes in operating assets and liabilities:</b>                      |       |  |   |
| Adjustments related to decrease/(increase) in other receivables and assets related to operations |       | 17.594.462                               | (382.632)   |
| Adjustments related to decrease in other current assets  |       | 78.392                                   | -   |
| Adjustments related decrease in other payables and liabilities related to operations             |       | 5.620                                    | (11.081)  |
| Adjustments related to fair value difference loss of financial investment                        |       | -  | 13.751.278  |
| Adjustments related to trade payables (decrease)/increase  |       | (407.303)                                | 6.158   |
| The cash outflow for the debt instruments or shares of other businesses or funds (-)             |       | (1.251.502)                              | (32.326.532)  |
| The cash outflow for the capital advance payment of subsidiaries                                 | 7     | (17.000.000)                             | -   |
| <b>Net cash used in operating activities</b>   |       | <b>(1.695.014)</b>                       | <b>(19.244.137)</b>                                       |
| <b>B. Cash flows from investing activities:</b>  |       |  |   |
| Proceeds from sale of tangible and intangible assets (-)   | 9     | -  | (1.099)   |
| <b>Cash outflows from investing activities (-)</b>   |       | <b>-</b>                                 | <b>(1.099)</b>  |
| <b>Net decrease in cash and cash equivalents (-) (A+B)</b>                                       |       | <b>(1.695.014)</b>                       | <b>(19.245.236)</b>                                       |
| <b>C. Cash and cash equivalents at beginning of period</b>                                       |       | <b>3.366.706</b>                         | <b>24.718.344</b>   |
| <b>Cash and cash equivalents at end of period (A+B+C) 6</b>                                      |       | <b>1.671.692</b>                         | <b>5.473.108</b>  |

(\*) Note 2.1.5.

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



# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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

### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Egeli & Co Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“the Company”), was incorporated and started its financial operations on 18 September 1998 in İstanbul under the name of Ak Yatırım Ortaklığı A.Ş.. Akbank, the main shareholder of the Company until the date of 3 July 2012, signed a letter of on 15 February 2012 intent to transfer a total of 12,607,326 Class A and Class B shares and started negotiations with Egeli & Co. Yatırım Holding A.Ş. As a result of the negotiations, on April 5, 2012 "Share Purchase Agreement" was signed and the share transfer was completed on the 3 July 2012 after taking the necessary legal permissions from the Capital Market Board and other authorities. The Company’s transformation to Venture Capital Investment Trust was approved by the trade register on 31 December 2012. On 2 January 2013 the title of the company was declared as “Egeli & Co Girişim Sermayesi Yatırım Ortaklığı A.Ş.”

The company aims to provide financial capital to high-potential, high risk, growth startup companies in accordance with Capital Markets Board ("CMB") regulations on venture capital investment trusts. The Company is a public joint stock partnership.

The Company carries out the following procedures and transactions:

- Invests in venture capital companies in line with the principles stated in CMB Communiqué Serial: VI No. 15;
- Participates in the management of venture capital companies and gives them consultancy services;
- Invests in capital market instruments and money market tools on secondary markets to diversify its portfolio; and
- Invests in overseas venture capital funds that seek to invest in venture capital companies located in Turkey.

The Company operates in one geographical segment (Turkey) and one industrial segment (to create a portfolio of venture capital) (Note 5).

The company’s shares have been offered to public on May 1999 and Egeli & Co Yatırım Holding A.Ş. has 84-03% of the share of the total shares of the Company as of 30 June 2014 (31 December 2013: %91,68) (Note 12).

The Company is located in İstanbul, and the total number of personnel employed in the Company as of 30 June 2014 is 4 (31 December 2013: 2). The registered office address of the Company is as follows: Abdi İpekçi Caddesi, Azer İş Merkezi No: 40 Kat: 3 Daire:10 Harbiye Şişli - İstanbul, Turkey.

The Company’s long term investments marketable securities, subsidiaries and joint ventures, subject of operations basis, are as follows:

| <b>Subsidiaries</b>  | <b>Nature of business</b> |
|--|---------------------------|
| Eurasia Enerji Yatırımları A.Ş. (“Eurasia” veya “bağlı ortaklık”)  | Energy                    |
| <b>Joint ventures</b>  | <b>Nature of business</b> |
| Karesi Jeotermal Enerji Üretim İnşaat San. ve Tic. A.Ş. (“Karesi”) | Energy                    |
| JKS Enerji Güç Sistemleri Tic. ve San. A.Ş. (“JKS”)                | Energy and power systems  |
| <b>Marketable securities</b>                                       | <b>Nature of business</b> |
| Enda Enerji Holding A.Ş. (“Enda”)                                  | Energy                    |

The interim financial statements as of 30 June 2014 have been approved by the Board of Directors on 11 August 2014. General Assembly and regulators has the power to amend the financial statements.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

The main accounting policies applied in the preparation of the financial statements of the Company are as follows

**2.1 Basis of Presentation of Financial Statements**

**2.1.1 Financial reporting standards applied and compliance to IAS/TAS**

The accompanying interim financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, interim financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/IFRS”) and its addendum and interpretations (“IFRIC”) issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”) Turkish Accounting Standards Boards.

The Company's financial statements and notes, as described by the CMB with the announcement dated 7 June 2013 and in accordance with the format by including the mandatory information

In accordance with the CMB’s resolution issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of IFRS) are not subject to inflation accounting effective from 1 January 2005. The Company's financial statements are prepared in accordance with this decision

The Company, the accounting records and the statutory financial statements in preparing the CMB issued by the principles and conditions of the Turkish Commercial Code (“TCC”), tax legislation and the Ministry of Finance issued by the Uniform Chart of Accounts complies with the requirements. The financial statements have been prepared on the basis of historical cost, to the legal records for the purpose of fair presentation in accordance with IAS adjustments and reclassifications are reflected

**2.1.2 Offsetting**

Financial assets and liabilities are offset, as is the net amount reported in the financial statements when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**2.1.3 Going concern**

Company's financial statements are prepared under the going concern assumption.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1.4 Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in TRY, which is the Company’s functional and presentation currency.

**2.1.5 Comparative Information and Restatement of Prior Period Financial Statements**

The financial statements of the Company include comparative financial information to enable the determination of the financial position and performance. The Company prepared its statement of financial position (balance sheet) as of 30 June 2014 in comparison with the statement of financial position (balance sheet) prepared as of 31 December 2013; prepared statement of profit or loss and other comprehensive income, statement of changes in shareholders’ equity and statement of cash flows between 1 January - 30 June 2014 in comparison with the period 1 January - 30 June 2013. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

**Restatement of prior period financial statements**

*The reason for rearrangement*

To be valid after the annual reporting period started on December 31, 2013, in accordance with communique, published in Official Gazette numbered 28932 and dated March 5, 2014 that updates TFRS 10 “ Consolidated Financial Statements” communique about Turkish Accounting standards, the company management has identified that company meets the criteria of “investment business” in communique, Company has not started to prepare financial statement for Egeli Girişim ve EGC for the first the time starting from 1 January 2014 in this context, accounted as fair value through profit or loss and classified in financial assets. In the same communique context, since the subsidiary Karesi Jeotermal Enerji Üretim İnşaat San. that i accounted by equity method in the past is removed from scope, for the first time starting from January, 1 , 2014 removed from financial statements. The effects of changes in accounting policies has been corrected retroactively. Details of effect of these adjustments on financial statements dated 31 December 2013 and 1 January-30 June 2013 are as follows: (Note 7):

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### *The restatement of financial statements as of 31 December 2013*

|  | <i>Previously reported</i> | <i>Change</i>  | <i>Restated</i>   |
|--|----------------------------|----------------|-------------------|
| Cash and cash equivalents  | 3.367.871                  | -              | 3.367.871         |
| Financial Investments  | 2.009.431                  | -              | 2.009.431         |
| Other receivables and current assets                                 | 24.286.866                 | -              | 24.286.866        |
| <b>Total current assets</b>  | <b>29.664.168</b>          | <b>-</b>       | <b>29.664.168</b> |
| Financial Investments  | 10.352.918                 | 794.111        | 11.147.029        |
| Other receivables  | 297.515                    | -              | 297.515           |
| Investments in joint venture   | 338.376                    | (338.376)      | -                 |
| Property and equipment   | 8.523                      | -              | 8.523             |
| <b>Total non-current assets</b>                                      | <b>10.997.332</b>          | <b>455.735</b> | <b>11.453.067</b> |
| <b>Total Assets</b>  | <b>40.661.500</b>          | <b>455.735</b> | <b>41.117.235</b> |
| Trade payables   | 483.018                    | -              | 483.018           |
| Short term provisions  | 22.597                     | -              | 22.597            |
| Other current liabilities  | 34.168                     | -              | 34.168            |
| <b>Total short-term liabilities</b>                                  | <b>539.783</b>             | <b>-</b>       | <b>539.783</b>    |
| Long-term provisions   | 4.711                      | -              | 4.711             |
| <b>Total long-term liabilities</b>                                   | <b>4.711</b>               | <b>-</b>       | <b>4.711</b>      |
| <b>Total liabilities</b>   | <b>544.494</b>             | <b>-</b>       | <b>544.494</b>    |
| Share Capital  | 20.000.000                 | -              | 20.000.000        |
| Adjustment to share capital  | 17.197.511                 | -              | 17.197.511        |
| Costs arising from the capital increase                              | (67.383)                   | -              | (67.383)          |
| Share premiums   | 29.552                     | -              | 29.552            |
| The effect of mergers of entities or businesses under common control | (310.731)                  | -              | 310.731           |
| Actuarial gain   | 550                        | -              | 550               |
| Restricted reserves  | 3.518.928                  | -              | 3.518.928         |
| Retained earnings  | 324.687                    | -              | 324.687           |
| Net loss for the period  | (576.108)                  | 145.004        | (431.104)         |
| <b>Total shareholders' equity</b>                                    | <b>40.117.006</b>          | <b>455.735</b> | <b>40.572.741</b> |
| <b>Total liabilities and equity</b>                                  | <b>40.661.500</b>          | <b>455.735</b> | <b>41.117.235</b> |

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## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### *Comprehensive statements of income for the interim periods between 1 January - 1 June 2013*

|                                     | <i>Previously reported</i> | <i>Change</i> | <i>Restated</i>  |
|-------------------------------------|----------------------------|---------------|------------------|
| Revenue                             | 8.488.394                  | -             | 8.488.394        |
| Cost of sales (-)                   | (8.288.848)                | -             | (8.288.848)      |
| <b>Gross profit</b>                 | <b>199.546</b>             | <b>-</b>      | <b>199.546</b>   |
| General administrative expenses (-) | (1.079.839)                | -             | (1.079.839)      |
| Marketing expenses (-)              | (14.200)                   | -             | (14.200)         |
| Other operating income              | 712.856                    | -             | 712.856          |
| Other operating expense (-)         | (378.757)                  | 71.244        | (307.513)        |
| <b>Net loss for the period(-)</b>   | <b>(560.394)</b>           | <b>71.244</b> | <b>(489.150)</b> |

#### 2.2 Significant accounting standards:

##### Changes in Turkish Accounting Standards

##### a) *Standards, changes and comments effective from 30 June 2014 for the annual reporting period:*

- TAS 32 (amendment), “Financial instruments: Presentation”, on offsetting financial assets and financial liabilities, is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in TAS 32, ‘Financial instruments: Presentation’, to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- TFRS 10, TFRS 12 ve TAS 27 (amendments), “Consolidated financial statements”: ‘exceptions for the consolidation of subsidiaries’; is effective for annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an ‘investment entity’ definition and which display particular characteristics.
- TAS 36 (amendments), “Impairment of assets” on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- TAS 39 (amendments) “Financial Instruments: Recognition and Measurement” - “Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

- TFRIC 21 – TAS 37, “Levies” is effective for annual periods beginning on or after 1 January 2014. This is an interpretation of TAS 37, 'Provisions, contingent liabilities and contingent assets'. TAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

**The new standards, amendments and interpretations introduced to the prior Financial Statements as of 30 June 2014, however will be effective after 1 July 2014:**

- TAS 19 (amendment), “Defined benefit plans”, is effective for annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards :
  - TFRS 2, “Share Based Payment”
  - TFRS 3, “Business Combination
  - TFRS 8, “Operating Segments”
  - TFRS 13, “Fair value measurement”
  - TAS 16, “Tangible Assets and TAS 38, Intangible Assets”
  - TFRS 9, “Financial Instruments: TAS 37, Provisions, Contingent Assets and Liability”
  - TFRS 39, “Financial Instruments-Recognition and Measurement”
- Annual improvements 2013; is effective for annual periods beginning on or after 1 July 2014. The amendments include changes from 2011-2-13 cycle of the annual improvements project that affect 4 standards:
  - TFRS 1, “First Adoption of TFRS”
  - TFRS 3, “Business Combinations
  - TFRS 13, “Fair Value Measurement
  - TAS 40, “Investment Properties
- TFRS 11 (amendments), “Joint Arrangements”, is effective for annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions
- TAS 16 ve TAS 38 (amendments), “Tangible Assets ”, “Intangible Assets”, is effective for annual periods beginning on or after 1 January 2016. In this amendment the IASB has clarified that the use of revenuebased methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

- IFRS 14 ‘Regulatory deferral accounts’, effective from annual periods beginning on or after 1 January 2016. IFRS 14, ‘Regulatory deferral accounts’ permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS.
- TFRS 15, “Revenue from contracts with customers”, is effective for annual periods beginning on or after 1 January 2017. the International Accounting Standards Board (IASB) and the US national standard-setter, the Financial Accounting Standards Board (FASB), initiated a joint project to clarify the principles for recognising revenue and to develop a common revenue standard for IFRS and US GAAP. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new model employs an asset and liability approach, rather than current revenue guidance focuses on an ‘earnings process’.
- TFRS 9 “Financial instruments” - classification and measurement; is effective for annual periods beginning on or after 1 January 2018. This standard on classification and measurement of financial assets and financial liabilities will replace TAS 39, “financial instruments: Recognition and measurement”. TFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the TAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions
- Amendments to TFRS 9, “Financial instruments”, regarding general hedge, is effective for annual periods beginning on or after 1 January 2018. These amendments to TFRS 9, “Financial instruments”, bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.
- The Company management does not foresee any material impact of adoption of the aforementioned standards and interpretations on the financial statements of the Company in the upcoming periods.

**2.3 Changes and Errors in Accounting Estimates**

The effect of changes in accounting estimates affecting the current period is recognised in the current period; the effect of changes in accounting estimates affecting current and future periods is recognised in the current and future periods. The company has no significant changes in accounting estimates in the current period.

Significant accounting errors are applied retrospectively and prior period financial statements are restated.

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### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Summary of Significant Accounting Policies

Finansal tabloların hazırlanmasında izlenen önemli muhasebe politikaları aşağıda özetlenmiştir:

##### **Subsidiary and joint ventures**

A subsidiary is a company in which Egeli & Co Yatırım Holding A.Ş. has the power to control the financial and operating policies for the benefit of Egeli & Co Yatırım Holding A.Ş., either through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of ownership interest owned directly and indirectly by itself, and/or as a result of agreements by certain related parties.

Joint venture is a company in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Egeli & Co Yatırım Holding A.Ş. and one or more other parties. Egeli & Co Yatırım Holding A.Ş. exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly by itself and/or as a result of written agreements by certain related parties’ members and owned by them, whereby Egeli & Co Yatırım Holding A.Ş. exercises control over the voting rights of the shares held by them.

To be valid after the annual reporting period started on December 31, 2013, in accordance with communique, published in Official Gazette numbered 28932 on Marc 5, 2014 that updates IFRS 10 “Consolidated Financial Statements” communique about Turkish Accounting standards, since the company management has identified that company meets the criteria of “investment business” in communique, Company has not started to prepare consolidated financial statement for Egeli Girişim ve EGC for the first the time starting from 1 January 2014 in this context, accounted as fair value through profit or loss and classified in financial assets.

In this context, starting from 1 January 2014, the Company has accounted Karesi, the joint venture of the Company, at fair value through profit or loss as of 30 June 2014 and restated its financial statements retrospectively. Since, joint venture had not became functioning and established in a period closed to reporting time, the business partnership cost has been assumed that the cost approached to its fair value and carried at initial cost to financial statements as of 30 June 2014. (Note 7)

##### **Operating income / expenses**

Income and expenses are accounted for on an accruals basis. The Company recognizes the financial asset sales income when the sales charged, and the dividend income on the date of distribution. Discount income / expenses is recorded as income / expense as of the date of the valuation.

Interest income/expenses and commission expenses are recognized on an accrual basis. Interest income includes assurance accretions of interest rate related to money market transactions and reverse repurchase agreements (Notes 13 and 15).

##### **Property and equipment**

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided on restated amounts of property and equipment using the straight-line method based on the useful lives of such assets. The useful lives of tangible fixed assets ranged from 3 to 5 years (Note 9).



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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

*Financial assets*

The Company classifies its financial assets in the following categories: “at fair value through profit or loss”, “held until maturity”, and “available for sale”.

Regular purchases and sales of financial assets are recognised on the “trade date”, the date on which the Company commits to purchase or sell the asset.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

*Financial assets at fair value through profit or loss*

Financial assets, which are classified as “fair value through profit or loss”, are trading financial assets and are either acquired for generating profit from short term fluctuations in the price or dealer’s margin, or are the financial assets included in a portfolio in which a pattern of short term profit making exists independently from the acquisition purpose.

Trading financial assets are initially recognised at fair value and are subsequently re-measured at their fair value. The gains and losses formed as a result of the valuation made are booked to the related income/expense accounts. All related realized and unrealized gains and losses, dividends received and interest earned whilst holding trading securities is reported as “Revenues from financial sector

In assessing the fair value of the trading securities, the best bid price on the Borsa Istanbul as of the balance sheet date is used.

All regular way purchases and sales of trading securities are recognized at the “settlement date”, which is the date that the asset is delivered to/from the Company.(Note 7)

*Financial assets available for sale*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are subsequently carried at fair value. In case that the fair value price is not formed in active market conditions it is accepted that the fair value of the asset has not been determined reliably and the discounted value which was calculated with the effective interest rate is taken into account as fair value.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as ‘Changes in the fair value of available-for-sale financial investments’.

When these securities are disposed of or impaired, the fair value differences accumulated in the shareholders’ equity are transferred to the profit or loss statement (Note 7).

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in TRY, which is the Company’s functional and presentation currency.

*Loans and receivables*

Loans and trade and other receivables that are not quoted with fixed or determinable payments are classified in this category. Borrowings and receivables are presented using the effective interest method with their discounted cost value after deducting the impairment.

*Impairment of financial assets*

Financial assets except trading financial assets are evaluated each period to determine whether they have indicators of impairment. The financial instruments are accepted as impaired in case that the expected collectable amount calculated by discounting of expected future cash flows by an effective interest rate or the amount accounted in accordance with the fair value of the instrument are lower than the book value of the instrument. The financial instruments are accepted as impaired in case that the expected collectable amount calculated by discounting of expected future cash flows by an effective interest rate or the amount accounted in accordance with the fair value of the instrument are lower than the book value of the instrument.

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written of fare credited against allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of Available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been the impairment not been recognized.

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts and highly liquid reverse repurchase and other short-term investments which do not have the risk of significant value change (Note 6).

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

*Financial liabilities*

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The Company have no financial liabilities as either at fair value through profit or loss.

*Other financial liabilities*

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

**Earnings per share**

Earnings per share disclosed in the accompanying statement of income are determined by dividing net income by the weighted average number of shares in existence during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. (Note 18).

**Subsequent events**

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed.

The Company adjusts its financial statements if such subsequent events arise which require an adjustment to the financial statements (Note 20).

**Provisions, contingent assets and liabilities**

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

The amount recognized as a provision is the best estimate of the consideration required to the settle the present obligation at the balance sheet date, taking into accounts the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

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#### **NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

##### **Corporate income tax**

According to the current tax law, the company’s corporate tax rate is %0 ( 31 December 2013: %0).

Corporate income taxes are described in Note 16.

##### **Employee benefits**

The Company accounts liabilities related to severance pay, vacation rights and other benefits for employees according to the clause “Employee Benefits” (“TAS 19”) and classifies them as “Provisions for Employee Benefits” at the balance sheet.

Employee termination benefits, as required by the Turkish Labour Law, are recognized in these financial statements as they are earned. The total provision represents the present value of the future probable obligation of the Company arising from the retirement of its employees regarding the actuarial projections.

Provision for employment termination is the discounted amount of the calculated value within the case of retirement of employees of the Company’s estimated future liability that will occur within the framework of the Turkish Labour Law (Note 11).

##### **Statement of Cash Flows**

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

Cash flows from operating activities reflect cash flows generated from petroleum products sales of the Company.

Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Company.

Cash flows relating to finance activities express sources of financial activities and payment schedules of the Company.

##### **Capital and dividends**

Share capital is recognized at the nominal amount and amounts received in excess of the part value are recognized in a share premium account. Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction.

##### **Portfolio limitation, financial debt and total expense limit adaptation control**

The information presented under the additional note and derived according to the Principles of Financial Reporting in Capital Markets communique are brief informations that has been prepared in accordance with Invests in venture capital companies in line with the principles stated in CMB Communiqué.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.5 Critical Accounting Estimates and Judgements**

Preparation of financial statements requires balance sheet assets and liabilities as of the date reported or described in the relevant period, and the amounts of contingent assets and liabilities consists of estimates and assumptions that affect the reported amounts of revenues and expenses. These estimates are based on management’s best knowledge of current circumstances, and actual results may differ from those estimates.

***Determining of the fair value of the subsidiary, joint venture and other financial investments accounted as fair value through profit or loss***

Regarding the company’s investment in its subsidiary Eurasia, which was established with 100% participation with the 17 June 2014 decision of the board of directors, was registered on 26 June 2014, and whose shares are not listed in the stock market, since the subsidiary had not yet started operating, and the subsidiary was acquired on a date close to the reporting period, it was assumed that the acquisition cost approximated the fair value of the purchased shares in the subsidiary as of 30 June 2014, and this cost was transferred from the cost value in the Eurasia financial statement.

Regarding the investment in the subsidiary Karesi, whose shares are not listed in the stock market, since the subsidiary had not yet started operating, and the subsidiary was acquired on a date close to the reporting period, it was assumed that the acquisition cost approximated the fair value of the purchased shares as of 30 June 2014 and 31 December 2013, and this cost was transferred from the cost value in the Karesi financial statement.

Regarding the investment in the subsidiary JKS, in which the company established participation on 03 June 2014, and whose shares are not listed in the stock market, since the subsidiary was acquired on a date close to the reporting period, it was assumed that the acquisition cost approximated the fair value of the purchased shares as of 30 June 2014, and this cost was transferred from the cost value in the JKS financial statement.

It has been assumed that fair values of the financial investments which are traded on the Borsa İstanbul are equal to their market price as of reporting date.

**NOTE 3 - BUSINESS COMBINATION**

None (31 December 2013: None).

**NOTE 4 - INTERESTS IN OTHER ENTITIES**

Explained in Note 7.

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#### NOTE 5 - SEGMENT REPORTING

As described in Note 1, since the Company operates in one geographical segment (Turkey) and one industrial segment (to create a portfolio of venture capital) there is not segment reporting for the financial statements for the year ended as at 30 June 2014. As a result of the Company's future investments and investments to be activated segment reporting will be made in the future.

#### NOTE 6 - CASH AND CASH EQUIVALENTS

|                          | 30 June 2014     | 31 December 2013 |
|--------------------------|------------------|------------------|
| Time deposits at banks   | 620.219          | 3.364.251        |
| Demand deposits at banks | 1.051.626        | 3.620            |
|                          | <b>1.671.845</b> | <b>3.367.871</b> |

Maturity of term deposits as at 30 June 2014 is 1 July 2014 (31 December 2013: 1 January – 7 January 2014) and the interest rate is 9% (as at 31 December 2013: 7,25 - %7,50).

For the purpose of regulating cash flow statements, details of cash and cash equivalents' breakdown is as follows:

|                              | 30 June 2014     | 30 June 2013     |
|------------------------------|------------------|------------------|
| Time deposits at banks       | 620.219          | 5.475.854        |
| Demand deposits at banks     | 1.051.626        | 201              |
| Minus - Interest accrual (-) | (153)            | (2.947)          |
|                              | <b>1.671.692</b> | <b>5.473.108</b> |

#### NOTE 7 - FINANCIAL INVESTMENTS

##### *Short term financial investments*

##### *Financial assets held for trading*

##### **Quotated share certificates (\*)**

|  | 30 June 2014     | 31 December 2013 |
|--|------------------|------------------|
| Related party share certificates (Note 17) | 2.757.863        | 2.009.431        |
|  | <b>2.757.863</b> | <b>2.009.431</b> |

(\*) All of the share certificates are belong to related parties and are traded on Borsa İstanbul.

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### NOTE 7 - FINANCIAL INVESTMENTS (Continued)

#### Long term financial assets

| Type/Company name                                      | 30 June 2014        |                   | 31 Decmeber 2013    |                   |
|--|---------------------|-------------------|---------------------|-------------------|
|  | İştirak tutarı (TL) | Ortaklık payı (%) | İştirak tutarı (TL) | Ortaklık payı (%) |
| <b>Unquoted investments</b>                            |                     |                   |                     |                   |
| <i>Subsidiary</i>                                      |                     |                   |                     |                   |
| Eurasia (1)  | 100.000             | 100,00            | -                   | -                 |
| Eurasia Advance payments of capital and preemption (1) | 17.000.000          | -                 | -                   | -                 |
| <i>Joint ventures</i>                                  |                     |                   |                     |                   |
| Karesi (2)   | 794.111             | 50,00             | 794.111             | 50,00             |
| JKS (3)  | 750.000             | 50,00             | -                   | -                 |
| <i>Available for sale (Long term securities)</i>       |                     |                   |                     |                   |
| Enda (4)   | 8.464.480           | 5,34              | 7.352.918           | 5,34              |
| <i>Advance payments of capital and preemption</i>      |                     |                   |                     |                   |
| EGC Elektrik Enerji Üretim Sanayi ve Ticaret A.Ş. (5)  | -                   | -                 | 3.000.000           | -                 |
|  | <b>27.108.591</b>   |                   | <b>11.147.029</b>   |                   |

- (1) Within the scope of its activities relating to the creation of its venture capital portfolio, the company has established Eurasia Enerji Yatırımları A.Ş. with a paid in capital of TRY 100,000 in the form of a %100 subsidiary pursuant to the Board of Directors resolution dated 17 June 2014 and numbered 1182. Following the registration of the affiliate company on 26 June 2014, TRY 17,000,000 has been paid on the date of 30 June 2014 in order to allow such amount to be used by the affiliate company as well as to capitalize such amount. Eurasia Enerji Yatırımları A.Ş. was established with the purpose of engaging in the activity of leasing fixed and/or mobile power plants within national and international markets and targets to include within its portfolio 2 mobile electricity power plants in accordance with its purpose of establishment, each with an installed capacity of 25 MW, in the year 2014. The mobile gas turbines which are to be included in the portfolio are leased by the relevant institutions in order to provide long-term projects in areas where the electricity transmission system is insufficient with the energy that is needed and/or in order to meet post-natural disaster needs.
- (2) The Company purchased %50 of the shares of Karesi held by Egeli & Co Yatırım Holding A.S., corresponding to 480,000 shares with a nominal value per share of TRY 1 and for the price of TRY 794,111 on the date of 20 February 2013. Karesi was established to engage in activities relating to geothermal energy production and has ceased to be operational as of 30 June 2014. In accordance with the principles stated in the Communique on Amending Communiques Regarding Turkish Accounting Standards (Serial Number: 13) published in the Official Gazette dated 5 March 2014 and numbered 28932, which introduced amendments to investment transactions carried out within the scope of the IFRS 10, “ Consolidated Financial Statements” standards, the Company management has established that within the context of annual reporting periods starting as of 31 December 2013, the company meets the criteria regarding “investment enterprises” as defined under the said communique; therefore, while previously having been recorded by the Company by means of applying the equity method, as of 1 January 2014, the joint venture of Karesi has been recorded as a financial asset with the fair value difference being projected upon gains or losses and has accordingly been reset below financial investments. Since the said joint venture investment, subsisting of shares which are not traded in the stock exchange, has not yet become operational in its activities and the purchase of the joint venture took place around the timing of the reporting periods, it has been assumed that the costs relating said purchase approximate the fair value of the acquired shares as of 30 June 2014 and 31 December 2013 and accordingly stated as the cost value under the financial statement of joint venture. The effects of the change in the aforementioned accounting policy has been retrospectively restated (Note 2.1.5. and 17).

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#### NOTE 7 - FINANCIAL INVESTMENTS (Continued)

- (3) Within the scope of venture capital portfolio generation activities, the company has paid TRY 750.000 in total (200,000TRY to JKS Enerji Güç Sistemleri Tic. ve San. A.Ş. with paid-in capital worth TRY 200.000 and TRY 550.000 worth of issue premiums regarding the capital increase) and has become a 50% shareholder. JKS started its commercial activities in 2013 and its fields of operation include short-term and long-term leasing of generators, provision of generator maintenance services, and generator sales. Regarding the investment in JKS, since the subsidiary was acquired on a date close to the reporting period, it was assumed that the acquisition cost approximated the fair value of the purchased shares as of 30 June 2014, and this cost was transferred from the cost value in the JKS financial statement.
- (4) Within the scope of venture capital portfolio generation activities, the company purchased shares of Enda Enerji Holding A.Ş. amounting to TRY 7.754.420 on different dates between 17 January 2013 and 30 June 2014. TRY 2.386.487 of said purchases were acquired from EGC Elektrik Enerji Üretim Sanayi ve Ticaret A.Ş. ("EGC" or "EGC Elektrik") through transfer. EGC, which is one of the transferring parties, is a subsidiary of Egeli & Co Yatırım Holding A.Ş, which is the major shareholder of the company (Note 17). Since the Enda shares, which are classified as available-for-sale financial assets, are not listed in the stock market, all of the Enda shares owned by the company were valued considering the last purchase price as of 30 June 2014 and reflected in the financial statements. Within this scope, unrealised fair value revenues amounting to TRY 710.060, generated as a result of the valuation of company shares, are recognised in the "Accumulated revaluation gains of available-for-sale financial assets" account under equities as of 30 June 2014.
- (5) In accordance with the decision taken by the company's board of directors on 8 April 2013, it was unanimously decided that: a pre-purchase agreement should be signed regarding the purchase of 400,000 EGC shares with a nominal value of 1.00TRY, which constitute all of the EGC shares and which are owned by Egeli & Co Yatırım Holding A.Ş., for TRY 7.500.000,000, on the basis of the independent valuation report dated 29 March 2013; the share transfers should be made after EGC receives its production licence from the Energy Market Regulatory Authority; TRY 3.000.000.00 should be paid in advance and the balance of TRY 4.500.000.00 should be paid after the share transfers, and; if the sales transaction cannot be finalised the amount of the advance payment, including all the legal interest, should be reimbursed. The pre-purchase agreement regarding the transfer of EGC shares was terminated on 6 February 2014 as a result of mutual reconciliation with Egeli & Co Yatırım Holding A.Ş., and it was agreed that Egeli & Co Yatırım Holding A.Ş. should repay the TRY 3.000.000, including its legal interest, which was the advance payment made for the purchase of the shares. TRY 1.088.452 has been collected from Egeli & Co Yatırım Holding A.Ş, which includes TRY 1.000.000 of the advance payment which was made on 6 February 2014 and legal interest and VAT (Note 8).



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### NOTE 8 - OTHER RECEIVABLES, OTHER CURRENT ASSETS AND OTHER SHORT TERM LIABILITIES

| <b>Other receivables</b>   | <b>30 June 2014</b> | <b>31 December 2013</b> |
|--|---------------------|-------------------------|
| Receivables arising from sales of subsidiary (*)                 | 8.750.000           | 25.750.000              |
| Other receivables from related parties (**)                      | 2.000.000           | -                       |
| Discount of receivables arising from sales of subsidiary (-) (*) | (390.140)           | (1.583.234)             |
| Discount of receivables from related parties (-) (**)            | (51.087)            | -                       |
| Other  | 114.472             | 3.627                   |
|  | <b>10.423.245</b>   | <b>24.170.393</b>       |

(\*) With the decision taken on Egeli Girişim Board of Directors meeting on 29 April 2013, which is one of the subsidiaries of the Company, has decided to contribute to the capital increase of KRC Gayrimenkul Yatırım Ltd. Şti., engaged in investment and development activities in urban hotel management, by TRY 10.000.000, and become a shareholder, as well as to sign a Share Purchase and Shareholders Agreement with Kenan Onak and Ayten Onak. In addition to this decision, with the decision taken by Egeli Girişim Board of Directors on 9 May 2013, it is decided that; an additional TRY 12.500.000 should be paid in order to increase the shareholders share to 36% and in total, TRY 22.500.000 of contribution should be made to the capital increase. In accordance with the decision taken at the Board of Directors meeting held on 3 December 2013, Sale of shares owned at KRC Gayrimenkul Yatırım A.Ş. to Kenan Onak and Ayten Onak worth to TRY 25.750.000 was bonded by a contract signed on 3 December 2013 and with the contract it was decided to collect the amount with 3 instalments respectively 30 June 2014, 30 September 2014 and 30 December 2014. Receivable arising from mentioned sale has been discounted with %9.47 by considering the instalment dates and reflected to financial statements amounting to TRY 390.140 (31 December 2013: TRY 1.583.234) as of 30 June 2014.

(\*\*) As it has been explained in note 7, pre-purchase share agreement of EGCis terminated as at 5 February 2014 with mutual agreement of the Company and Egeli & Co Yatırım Holding A.Ş. and agreed on re-payment of the pre advance payment regarding to share purchase agreement amounting to TRY 3.000.000 with its legal interest. The Company has collected TRY 1.000.000 of the total re-payment amounting to TRY 3.000.000 with a total amount TRY 1.088.452, including VAT and legal interest amount, as at 6 February 2014. The remaining receivable balance amounting to TRY 2.000.000 is classified under “Other Receivables” and has been discounted with %12,48 discount rate by considering the instalment dates and reflected to financial statements amounting to TRY 51.087 as of 30 June 2014.

| <b>Other short term assets</b>         | <b>30 June 2014</b> | <b>31 December 2013</b> |
|--|---------------------|-------------------------|
| Paid withholding taxes and other taxes | 26.909              | 112.095                 |
| Pre-paid expenses                      | 4.944               | 4.378                   |
| Business cash advances                 | 6.228               | -                       |
|  | <b>38.081</b>       | <b>116.473</b>          |

| <b>Other long-term liabilities</b>        | <b>30 June 2014</b> | <b>31 December 2013</b> |
|---|---------------------|-------------------------|
| Receivables from joint ventures (Note 17) | 592.208             | 297.515                 |
|   | <b>592.208</b>      | <b>297.515</b>          |

| <b>Other short term liabilities</b> | <b>30 June 2014</b> | <b>31 December 2013</b> |
|-------------------------------------|---------------------|-------------------------|
| Taxes, fees and other deductions    | 39.788              | 34.168                  |
|                                     | <b>39.788</b>       | <b>34.168</b>           |

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#### NOTE 9 - PROPERTY AND EQUIPMENT

|                                     | 1 January 2014 | Additions      | Disposals | 30 June 2014 |
|-------------------------------------|----------------|----------------|-----------|--------------|
| Fixtures- Cost                      | 61.749         | -              | -         | 61.749       |
| Fixtures - Accumulated depreciation | (53.226)       | (1.711)        | -         | (54.937)     |
| <b>Net book value</b>               | <b>8.523</b>   | <b>(1.711)</b> |           | <b>6.812</b> |

|                                     | 1 January 2013 | Additions | Disposals | 30 June 2013 |
|-------------------------------------|----------------|-----------|-----------|--------------|
| Fixtures- Cost                      | 60.650         | 1.099     | -         | 61.749       |
| Fixtures - Accumulated depreciation | (52.385)       | (1.711)   | -         | (54.096)     |
| <b>Net book value</b>               | <b>8.265</b>   |           |           | <b>7.653</b> |

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

|  | 30 June 2014 | 31 December 2013 |
|--|--------------|------------------|
| <b>Other short-term provisions</b>           |              |                  |
| Portfolio management fee provision (Note 17) | -            | 22.597           |
|  | -            | <b>22.597</b>    |

The Company has no contingent assets and liabilities.

#### NOTE 11 - EMPLOYEE BENEFITS

|   | 30 June 2014 | 31 December 2013 |
|---|--------------|------------------|
| <b>Long term employee benefits provision</b>  |              |                  |
| Provision for employment termination benefits | 8.089        | 4.711            |

Provision for employee termination benefit is calculated as explained below:

Under Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women), or reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TRY 3.438,22 (31 December 2013: TRY 3.254,44) for each period of service as of 30 June 2014. The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of employees. TFRS requires actuarial valuation methods to be developed to estimate the provision for employment termination benefits. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

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### NOTE 11 - EMPLOYEE BENEFITS (Continued)

|   | 30 June 2014 | 31 December 2013 |
|---|--------------|------------------|
| Discount rate   | %3,98        | %3,98            |
| Turnover rate to estimate the probability of retirement | %100,00      | %100,00          |

Additionally, the principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation.

As of 30 June 2014 and 2013, movements in the reserve for employment termination benefits during the current year are as follows:

#### Long term employee benefits provision

|                                  | 2014         | 2013         |
|----------------------------------|--------------|--------------|
| Opening balance - 1 January      | 4.711        | 1.740        |
| Service cost and interest cost   | 1.530        | 2.741        |
| Actuarial loss (*)               | 1.848        | -            |
| <b>Closing balance - 30 June</b> | <b>8.089</b> | <b>4.481</b> |

(\*) Actuarial loss for the period ended 30 June 2014, has been recognised in the "Other income and expenses which cannot be re-classified regarding profits and losses" account" in equity capital, including tax effects. Due to the fact that the actuarial losses arising in 01 January - 31 December 2013, does not have a significant effect on the financial statements of the previous period, no correction is made in the financial statements of the previous period. Also, service and interest costs regarding the period in question and all of the actuarial losses are recognised in the consolidated income/expenses statement.

### NOTE 12 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Company's paid-in capital TRY20.000.000 (31 December 2013: TRY20.000.000) has been divided number of shares 2.000.000.000 (31 December 2013: TRY2.000.000.000) to give each share a nominal value of TRY0.01.

The company is in an authorized capital subject system, the amount of authorized capital being TRY300.000.000.

As the parent company, the Company owns TRY25.000.000 privileged shares registered in the name of shareholders with the nominal value of TRY0,01, all of which belong to Egeli & Co Finansal Yatırımlar A.Ş. as of the date when these financial statements were prepared. In the election of members of the Board of Directors, all of these members are elected from among the members nominated by shareholders.

Net book value of issued and paid capital as of 30 June 2014 and 31 December 2013 as below:

|                                 | Share (%)     | 30 June 2013 TL   | Share (%)     | 31 December 2013 TL |
|---------------------------------|---------------|-------------------|---------------|---------------------|
| Egeli & Co Yatırım Holding A.Ş. | 84,03         | 16.806.499        | 91,68         | 18.336.499          |
| Publicly held                   | 15,97         | 3.193.501         | 8,32          | 1.663.501           |
|                                 | <b>100,00</b> | <b>20.000.000</b> | <b>100,00</b> | <b>20.000.000</b>   |

Between 1 January- 30 June 2014, 7.65% of shares at the nominal value of TRY 1.530.000 were sold the amount of TRY 4.296.367 by Egeli & Co Yatırım Holding A.Ş.

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### NOTE 12 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

#### Reserves, retained earnings

|                             | 30 June 2014     | 31 December 2013 |
|-----------------------------|------------------|------------------|
| Restricted reserves         | 3.604.255        | 3.518.928        |
| Retained earnings /(losses) | (191.744)        | 324.687          |
|                             | <b>3.412.511</b> | <b>3.843.615</b> |

In accordance with the CMB regulations effective until 01 January 2008, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under “Accumulated losses” could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under “accumulated losses” could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

However, the application that is valid until 01 January 2008, corrected for the inflation in accordance with the regulation of the financial statements as a result of the first equity "capital, share premium, legal reserves, statutory reserves, special reserves and extraordinary reserves, "presented at their historical amounts of these items are given and the corrected values in such accounts' equity inflation adjustment differences” account. For all equity accounts “equity inflation adjustment differences” could be used free of charge for share capital increase, the extraordinary values, free capital increase, cash dividend distribution or to offset losses.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s paid-in share capital. The second legal reserve is appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, without limit. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

In accordance with the Communiqué Serial: XI, No. 29 which became effective as of 01 January 2008 and according to the CMB’s announcements clarifying the said Communiqué, “Share capital”, “Restricted reserves allocated from profit” and “Share premiums” need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising from the valuation of “Paid-in capital” and has not yet been transferred to capital, it should be classified under the “Inflation adjustment to share capital”;
- If the difference is arising from valuation of “Restricted reserves” and “Share premium” and the amount has not been subject to dividend distribution or capital increase, it shall be classified under “Retained earnings”.

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

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### NOTE 12 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

#### Bonus Share

Public limited companies distribute dividends due form of Capital Markets Board of Turkey as follows:

Dividend distributions for public companies are made according to CMB’s dividend notification II-19.1 which is became valid as of 1 February 2014.

Partnerships distributes profit in accordance with frofit distribution policy determined by General Assembly and relevant legislation. In the extent of mentioned declaration there ‘s not any minimum distribution rate determined. Companies distributes profit in accordance their profit distribution policy or principles of contract. In addition, dividens can be paid by equal amounted installments or different amounted installments and cash dividend advances can be distributed from profit on interim financial statements

### NOTE 13 - REVENUE AND COST OF SALES

#### Revenue

|  | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| Gain of government bonds ,Treasury bills | -                          | -                        | 7.479.274                  | -                        |
| Gain on sale of common stocks            | -                          | -                        | 1.009.120                  | 1.009.120                |
| <b>Revenue, net</b>                      | <b>-</b>                   | <b>-</b>                 | <b>8.488.394</b>           | <b>1.009.120</b>         |

#### Cost of sales:

|   | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|---|----------------------------|--------------------------|----------------------------|--------------------------|
| Cost of government bonds ,Treasury bills(-) | -                          | -                        | (7.279.848)                | -                        |
| Cost of common stocks (-)                   | -                          | -                        | (1.009.000)                | (1.009.000)              |
| <b>Cost of sales (-)</b>                    | <b>-</b>                   | <b>-</b>                 | <b>(8.288.848)</b>         | <b>(1.009.000)</b>       |
| <b>Gross profit</b>                         | <b>-</b>                   | <b>-</b>                 | <b>199.546</b>             | <b>120</b>               |

### NOTE 14 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

#### a) General administrative expenses

|                                     | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|-------------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Portfolio management expense        | 411.782                    | 209.878                  | 399.069                    | 198.893                  |
| Personnel expenses                  | 258.454                    | 147.510                  | 215.844                    | 105.374                  |
| Audit and other consultancy expense | 112.661                    | 69.474                   | 246.206                    | 127.320                  |
| Taxes and duty expenses             | 30.142                     | 18.330                   | 26.389                     | 7.266                    |
| Rent expenses                       | 19.432                     | 10.310                   | 17.364                     | 8.682                    |
| IT support expenses                 | 3.512                      | 1.733                    | 49.576                     | 24.052                   |
| Depreciation expenses (Note 9)      | 1.711                      | 856                      | 1.711                      | 856                      |
| Other                               | 111.940                    | 81.562                   | 123.680                    | 72.426                   |
|                                     | <b>949.634</b>             | <b>539.653</b>           | <b>1.079.839</b>           | <b>544.869</b>           |

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## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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

### NOTE 14 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES (Continued)

#### b) Marketing expense

|                               | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|-------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Commision on share securities | -                          | -                        | 14.200                     | 1.927                    |
|                               | -                          | -                        | <b>14.200</b>              | <b>1.927</b>             |

### NOTE 15 - OTHER OPERATING INCOME/ EXPENSES

|  | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| <b>Income from other operations</b>                            |                            |                          |                            |                          |
| Gain on other receivables discount                             | 1.142.007                  | 1.106.171                | -                          | -                        |
| Unrealized increase in value of securities                     | 748.432                    | 444.842                  | -                          | -                        |
| Interest income  | 253.295                    | 85.729                   | 592.158                    | 151.718                  |
| Dividend income (Note 17)                                      | -                          | -                        | 120.605                    | 120.605                  |
| Other  | -                          | -                        | 93                         | 93                       |
| <b>Income from other operations</b>                            | <b>2.143.734</b>           | <b>1.636.742</b>         | <b>712.856</b>             | <b>272.416</b>           |
| <b>Expense from other operations(-)</b>                        |                            |                          |                            |                          |
| Stock, treasury bond / unrealized losses on treasury bonds (-) | -                          | -                        | (206.159)                  | (30.810)                 |
| Taxes and duty expenses  | -                          | -                        | (101.354)                  | (101.354)                |
| Other  | -                          | -                        | -                          | 2.416                    |
| <b>Expense from other operations(-)</b>                        | <b>-</b>                   | <b>-</b>                 | <b>(307.513)</b>           | <b>(129.748)</b>         |
| <b>Income from other operations, net</b>                       | <b>2.143.734</b>           | <b>1.636.742</b>         | <b>405.343</b>             | <b>142.668</b>           |

### NOTE 16 - TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

According to CMB’s Corporate Tax Declaration Law, article 5/d, dividends paid to non-resident corporations that have business in Turkey or to resident corporations are not subject to withholding tax. Corporate Tax Law, paragraph 3 of Article 15 and of the Council of Ministers with portfolio management of venture capital investment partnership gains to be made over the withholding tax rate to 0% (zero), respectively.

Withholding Tax Declaration Law No. 193, 67th article of the amendment by Law No. 5527 on 7 July 2006 and published in the framework of this change in the Official Gazette No. 26237 and with the Capital Market in accordance with the decision established securities investment funds (funds and exchange traded funds and housing finance funds, including asset finance) and securities portfolio management, investment partners over the earnings until the date of 1 October 2006 date of the change rate of withholding tax is amended to 15% from 1 October 2006.

However, shares acquired before 01 January 2006, with treasury bills and bonds issued before that date, or the maintenance of a process arising from the disposals of the portfolio and gains exempt from corporation tax are subject to the provisions that are valid from 31 December 2006. Accordingly, allowance has been made to the portion of the portfolio in the formation of at least 25% of the shares from the portfolio in this part of the portfolio gains of 0%, otherwise of 10%.

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### NOTE 16 - TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Withholding Tax Declaration Law No. 193, 67<sup>th</sup> article of the amendment by Law No: 5527 on 7 July 2006 and published in the framework of this change in the Official Gazette No. 26237 dated 23 July 2006, and with the Capital Market in accordance with the decision established securities investment funds (funds and exchange traded funds and housing finance funds, including asset finance) and securities portfolio management, investment partners over the earnings until the date of 1 October 2006 date of the change rate of withholding tax is amended to 10% and 0% from 1 October 2006.

As of 30 June 2014 and 31 December 2013 tax provision is not reserved, as the above mentioned regulations of GVK.

### NOTE 17 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. As of 30 June 2014 and 31 December 2013 balances of related parties are as follows:

#### Share held for trading (Note 7)

|  | 30 June 2014     |                  | 31 December 2013 |                  |
|--|------------------|------------------|------------------|------------------|
|  | Cost             | Fair value       | Cost             | Fair value       |
| Egeli & Co. Yatırım Holding A.Ş.                           | 2.160.679        | 1.606.751        | 2.160.679        | 1.414.900        |
| Egeli & Co. Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. | 1.064.015        | 1.151.112        | 1.064.015        | 594.531          |
|  | <b>3.224.694</b> | <b>2.757.863</b> | <b>3.224.694</b> | <b>2.009.431</b> |

#### Long term receivables from related parties

|                 | 30 June 2014   | 31 December 2013 |
|-----------------|----------------|------------------|
| Karesi (Note 8) | 592.208        | 297.515          |
|                 | <b>592.208</b> | <b>297.515</b>   |

#### Other receivables from related party

|   | 30 June 2014     | 31 December 2013 |
|---|------------------|------------------|
| Egeli & Co. Yatırım Holding A.Ş.                        | 2.000.000        | -                |
| Discounts on other receivables from related parties (-) | (51.087)         | -                |
|   | <b>1.948.913</b> | <b>-</b>         |

#### Portfolio management commission payables to related parties

|   | 30 June 2014 | 31 December 2013 |
|---|--------------|------------------|
| Egeli & Co. Portföy Yönetimi A.Ş. (Note 10) | -            | 22.597           |
|   | <b>-</b>     | <b>22.597</b>    |

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### NOTE 17 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### Trade payables to related parties

|  | 30 June 2014  | 31 December 2013 |
|--|---------------|------------------|
| Egeli & Co. Portföy Yönetimi A.Ş.          | 71.420        | 467.468          |
| Egeli & Co Finansal Yatırımlar A.Ş.        | 155           | -                |
| Egeli & Co Kurumsal Destek Hizmetleri A.Ş. | -             | 5.803            |
|  | <b>71.575</b> | <b>473.271</b>   |

#### b. As of 1 January- 30 June 2014 and 2013 transactions with related parties are as follows:

|  | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
|--|----------------------------|--------------------------|----------------------------|--------------------------|

#### Dividend income

|                                 |   |   |                |                |
|---------------------------------|---|---|----------------|----------------|
| Egeli & Co Yatırım Holding A.Ş. | - | - | 120.605        | 120.605        |
|                                 | - | - | <b>120.605</b> | <b>120.605</b> |

|  | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
|--|----------------------------|--------------------------|----------------------------|--------------------------|

#### Interent income from related party

|                                 |               |   |   |   |
|---------------------------------|---------------|---|---|---|
| Egeli & Co Yatırım Holding A.Ş. | 74.959        | - | - | - |
|                                 | <b>74.959</b> | - | - | - |

|  | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
|--|----------------------------|--------------------------|----------------------------|--------------------------|

#### Portfolio management commission paid to related parties

|                                 |                |                |                |                |
|---------------------------------|----------------|----------------|----------------|----------------|
| Egeli & Co Yatırım Holding A.Ş. | 411.782        | 209.878        | 399.069        | 198.893        |
|                                 | <b>411.782</b> | <b>209.878</b> | <b>399.069</b> | <b>198.893</b> |



# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### NOTE 17 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

|  | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| <b>Rent expense and utilization expense<br/>with customer services</b> |                            |                          |                            |                          |
| Egeli & Co Kurumsal<br>Destek Hizmetleri A.Ş. (*)                      | 54.509                     | 24.240                   | 49.796                     | 24.898                   |
| Egeli & Co Finansal Yatırımlar A.Ş. (**)                               | 19.432                     | 10.310                   | 19.134                     | 9.567                    |
|  | <b>73.941</b>              | <b>34.550</b>            | <b>68.930</b>              | <b>34.465</b>            |

(\*) Consists of accounting, operation, management, technical service, corporational support and reporting etc..

(\*\*) Consists of rent expense and utilization expense.

|  | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| <b>Purchase of financial asset and<br/>joint venture to related parties</b>          |                            |                          |                            |                          |
| Egeli & Co Yatırım Holding A.Ş.<br>- EGC'ye ödenen sermaye<br>avansı (Dipnot 7 ve 8) | -                          | -                        | 3.000.000                  | 3.000.000                |
| - Karesi alımı (***)   | -                          | -                        | 794.111                    | -                        |
| EGC Elektrik Enerji<br>Üretim Sanayi ve Ticaret A.Ş. (****)                          | -                          | -                        | 2.386.487                  | -                        |
|  | -                          | -                        | <b>6.180.598</b>           | <b>3.000.000</b>         |

(\*\*\*) The balance related to purchase of Karesi and explained in note 7.

(\*\*\*\*) The balance related to purchase of Enda and explained in note 7.

|  | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| <b>Unrealized gain/ (losses) on related<br/>party shares</b> |                            |                          |                            |                          |
| Egeli & Co Tarım Girişim Sermayesi<br>Yatırım Ortaklığı A.Ş. | 556.581                    | 252.991                  | (215.043)                  | (139.145)                |
| Egeli & Co Yatırım Holding A.Ş.                              | 191.851                    | 191.851                  | (119.907)                  | (119.906)                |
|  | <b>748.432</b>             | <b>444.842</b>           | <b>(334.950)</b>           | <b>(259.051)</b>         |

#### d. Benefits for high level executive

The amount of total high level executives fees and provided short term benefits of TRY 167.786 at 30 June 2014 (1 January - 30 June 2013: TRY 141.555)

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### NOTE 18 - (LOSS)/EARNINGS PER SHARE

Earnings per share stated in the income statement are being calculated by dividing the net profit for the current period by the weighted average number of ordinary shares.

In Turkey, companies can increase their share capital by distributing “bonus shares” of earnings to existing shareholders from retained earnings and revaluation funds. This type of “bonus shares”, comprised of a certain amount of retained earnings per share, are regarded as issued shares. The weighted average number of shares used for earnings per share, is derived by giving retroactive effect of previous transactions.

Earnings per share are calculated by dividing the net profit distributed to shareholders by the weighted average number of shares issued.

|  | 1 January-<br>30 June 2014 | 1 April-<br>30 June 2014 | 1 January-<br>30 June 2013 | 1 April-<br>30 June 2013 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| <b>Unrealized gain/ (losses) on related party shares</b> |                            |                          |                            |                          |
| Net income/(loss) for the period                         | 1.194.100                  | 1.097.089                | (489.150)                  | (404.008)                |
| The average number of shares                             | 2.000.000.000              | 2.000.000.000            | 2.000.000.000              | 2.000.000.000            |
| <b>Income/ (loss) per share<br/>(As TRY 1 per share)</b> | <b>0,060</b>               | <b>0,055</b>             | <b>(0,024)</b>             | <b>(0,020)</b>           |

The Company owns TRY25.000.000 privileged shares registered in the name of shareholders with the nominal value of TRY0.01. Each of these equities are voting stock which has a million voting securities in order to elect members of board of directors. These type of shares has been devoid of privilege to profit distribution.

Earnings per share is the same for privileged and common share.

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### NOTE 19 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS

#### 19.1 Financial risk management

##### a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to meet regarding the terms of their agreements as foreseen and which causes the other party to incur a financial loss.

As of 30 June 2014, the most important credit risk is consist of deposits held at the bank and other receivables. All of the Company’s bank deposits are in Turkish banks. Other receivables related to credit risk is managed by the guarantees.

The Company’s maximum credit risk exposure:

|   | <b>Bank deposits<br/>(Note 6)</b> | <b>Other receivable<br/>from related party<br/>(Note 8)</b> | <b>Other receivable<br/>from other party<br/>(Note 8)</b> |
|---|-----------------------------------|---|---|
| <b>30 June 2014</b>   |                                   |   |   |
| <b>As of reporting date</b>                                   |                                   |   |   |
| <b>Max, credit risk exposed</b>                               | <b>1.671.845</b>                  | <b>2.541.121</b>  | <b>8.474.332</b>  |
| Part of maximum risk<br>under guarentee with collateral       | -                                 | -   | 8.359.860   |
| Net book value of not-due or<br>not-impaired financial assets | 1.671.845                         | 2.541.121   | 8.474.332   |
| <b>31 December 2013</b>                                       |                                   |   |   |
| <b>As of reporting date</b>                                   |                                   |   |   |
| <b>Max, credit risk exposed</b>                               | <b>3.367.871</b>                  | <b>297.515</b>  | <b>24.170.393</b>   |
| Part of maximum risk<br>under guarentee with collateral       | -                                 | -   | 24.166.766  |
| Net book value of not-due or<br>not-impaired financial assets | 3.367.871                         | 297.515   | 24.170.393  |

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### NOTE 19 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

#### b) Liquidity risk disclosures

The Company does not have any derivative financial liabilities. The following table presents the cash flows payable by the Company under other financial liabilities according to their remaining contractual maturities as of 30 June 2014 and 31 December 2013. The tables have been drawn up based on the discounted cash flows.

| <b>30 June 2014</b>                       | <b>Carrying amount</b> | <b>Contractual cash outflow</b> | <b>Up to 1 month</b> |
|---|------------------------|---------------------------------|----------------------|
| Trade payables                            | 75.715                 | 75.715                          | 75.715               |
| Other payables and short-term liabilities | 39.788                 | 39.788                          | 39.788               |
| <b>Total liabilities</b>                  | <b>115.503</b>         | <b>115.503</b>                  | <b>115.503</b>       |

| <b>31 December 2013</b>                   | <b>Carrying amount</b> | <b>Contractual cash outflow</b> | <b>Up to 1 month</b> |
|---|------------------------|---------------------------------|----------------------|
| Trade payables                            | 483.018                | 483.018                         | 483.018              |
| Short-term provisions                     | 22.597                 | 22.597                          | 22.597               |
| Other payables and short-term liabilities | 34.168                 | 34.168                          | 34.168               |
| <b>Total liabilities</b>                  | <b>539.783</b>         | <b>539.783</b>                  | <b>539.783</b>       |

#### c) Market Risk

##### i. Foreign exchange risk

Transactions in foreign currencies expose the Company to foreign currency risk. Since The Company does not have material assets and liabilities denominated in foreign currency as of 30 June 2014 and 31 December 2013, the company was not exposed to currency risk.

##### ii. Interest rate risk

Market interest rate changes on financial instruments lead to price fluctuations, the Company's interest rate risk coping leads to the need. This risk is affected by interest rate changes usually a short-term assets or managed to keep in reserve.

As of 30 June 2014 and 31 December 2013, there is no interest risk since the company owns no variable interest rated financial assets.

As of 30 June 2014 and 31 December 2013, average interest rates on financial instruments.

| <b>Assets</b>                                      | <b>30 June 2014<br/>TRY (%)</b> | <b>31 December 2013<br/>TRY (%)</b> |
|--|---------------------------------|-------------------------------------|
| Bank deposits                                      | 9,00                            | 7,29                                |
| Receivables arising from sales of participation    | 9,47                            | 9,47                                |
| Payables from other receivables from related party | 9,00                            | -                                   |

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### NOTE 19 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

As of 30 June 2014 and 31 December 2013, financial assets and liabilities by re-pricing according to the remaining contractual maturities is as follows:

| <b>30 June 2014</b>          | <b>Up to<br/>1 month</b> | <b>Up to<br/>3 months</b> | <b>Between<br/>3 months-1 year</b> | <b>Between<br/>1-5 years</b> | <b>5 years<br/>and over</b> | <b>Demand</b>     | <b>Total</b>      |
|------------------------------|--------------------------|---------------------------|------------------------------------|------------------------------|-----------------------------|-------------------|-------------------|
| Cash and cash equivalents    | 620.219                  | -                         | -                                  | -                            | -                           | 1.051.626         | 1.671.845         |
| Financial investments        | -                        | -                         | -                                  | -                            | -                           | 29.866.454        | 29.866.454        |
| Other short term receivables | 114.472                  | -                         | 10.308.773                         | 592.208                      | -                           | -                 | 11.015.453        |
| <b>Total assets</b>          | <b>734.691</b>           | <b>-</b>                  | <b>10.308.773</b>                  | <b>592.208</b>               | <b>-</b>                    | <b>30.918.080</b> | <b>42.553.752</b> |
| Trade payables               | 75.715                   | -                         | -                                  | -                            | -                           | -                 | 75.715            |
| Other current liabilities    | 39.788                   | -                         | -                                  | -                            | -                           | -                 | 39.788            |
| <b>Total liabilities</b>     | <b>115.503</b>           | <b>-</b>                  | <b>-</b>                           | <b>-</b>                     | <b>-</b>                    | <b>-</b>          | <b>115.503</b>    |
| <b>Net position</b>          | <b>619.188</b>           | <b>-</b>                  | <b>10.308.773</b>                  | <b>592.208</b>               | <b>-</b>                    | <b>30.918.080</b> | <b>42.438.249</b> |
| <b>31 December 2013</b>      | <b>Up to<br/>1 month</b> | <b>Up to<br/>3 months</b> | <b>Between<br/>3 months-1 year</b> | <b>Between<br/>1-5 years</b> | <b>5 years<br/>and over</b> | <b>Demand</b>     | <b>Total</b>      |
| Cash and Cash Equivalents    | 3.364.251                | -                         | -                                  | -                            | -                           | 3.620             | 3.367.871         |
| Financial investment         | -                        | -                         | -                                  | -                            | -                           | 13.156.460        | 13.156.460        |
| Other short term receivables | 3.627                    | -                         | 24.166.766                         | 297.515                      | -                           | -                 | 24.467.908        |
| <b>Total assets</b>          | <b>3.367.878</b>         | <b>-</b>                  | <b>24.166.766</b>                  | <b>297.515</b>               | <b>-</b>                    | <b>13.160.080</b> | <b>40.992.239</b> |
| Trade payables               | 483.018                  | -                         | -                                  | -                            | -                           | -                 | 483.018           |
| Other current liabilities    | 34.168                   | -                         | -                                  | -                            | -                           | -                 | 34.168            |
| Short term provision         | 22.597                   | -                         | -                                  | -                            | -                           | -                 | 22.597            |
| <b>Total liabilities</b>     | <b>539.783</b>           | <b>-</b>                  | <b>-</b>                           | <b>-</b>                     | <b>-</b>                    | <b>-</b>          | <b>539.783</b>    |
| <b>Net position</b>          | <b>2.828.095</b>         | <b>-</b>                  | <b>24.166.766</b>                  | <b>297.515</b>               | <b>-</b>                    | <b>13.160.080</b> | <b>40.452.456</b> |

#### iii. Share certificate price risk

All the shares that are classified as financial assets in the Company’s balance sheet reflect the fair value differences of profits/losses and are traded on the Istanbul Stock Exchange. As of 30 June 2014 and 31 December 2013, if the Istanbul Stock Exchange index increases/decreases by 5%, with all other variables held constant, net loss for the year would have been by TRY137.893 (31 December 2013: TRY100.472 higher/lower).

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**NOTE 19 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL  
INSTRUMENTS (Continued)**

**d) Capital management**

The Company’s objectives when managing capital is to decrease the investment risk through portfolio diversification. The Company aims to provide returns for shareholders by preserving and increasing the value of its portfolio. In order to add value to its portfolio, the Company invests in high-yielding marketable securities and other financial instruments, monitors the developments in capital markets and other financial institutions and modifies its portfolio strategy accordingly.

**19.2 Fair value of the financial instruments**

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented here are not necessarily indicative of the amounts the Company could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value.

**a) Financial assets:**

Classified as available-for-sale financial assets are not traded on the stock exchange for shares of Enda, all of the shares of the Company owned ended June 30, 2014 financial statements have been appraised of the purchase price.

The fair value of financial assets which are presented at balance sheet with fair value are valued with stock exchange prices in an active market.

Cash and due from banks and other financial assets carried at cost, including short-term nature of the financial assets and contingent loss may be negligible amount of the fair value of consideration are assumed to approximate their carrying values.

**b) Financial liabilities**

The Company assumes that the carrying values of financial assets and liabilities are close to their fair values are due to their short term maturity.

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### NOTE 19 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

#### The fair value hierarchy table.

The Company measures the fair value of each class of financial instruments according to the source, using a three-level hierarchy, are classified as follows

- First level: Financial assets and liabilities are valued at the stock exchange price in an active market for exactly the same assets and liabilities
- Second level: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in the first level.
- Third level: Financial assets and liabilities are valued with inputs cannot be based on the data observed in the market and used to determine the fair value of the asset or liability.

#### 30 June 2014

| <b>Fair value through financial assets in the balance sheet</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|---|----------------|----------------|----------------|
| - Unquoted financial investments                                | -              | -              | 27.108.591     |
| - Stock exchange securities                                     | 2.757.863      | -              | -              |

#### 31 December 2013

| <b>Fair value through financial assets in the balance sheet</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|---|----------------|----------------|----------------|
| - Unquoted financial investments                                | -              | -              | 11.147.029     |
| - Treasury bill and treasury bond                               | 2.009.431      | -              | -              |

The company's portfolio of financial assets measured at fair value the carrying values are as follows:

| <b>30 June 2014</b>              | <b>Cost</b>       | <b>Fair Value</b> | <b>Book value</b> |
|----------------------------------|-------------------|-------------------|-------------------|
| - Unquoted financial investments | 26.398.531        | 27.108.591        | 27.108.591        |
| - Stock exchange securities      | 3.224.694         | 2.757.863         | 2.757.863         |
|                                  | <b>29.623.225</b> | <b>29.866.454</b> | <b>29.866.454</b> |

| <b>31 December 2013</b>          | <b>Cost</b>       | <b>Fair Value</b> | <b>Book value</b> |
|----------------------------------|-------------------|-------------------|-------------------|
| - Unquoted financial investments | 11.147.029        | 11.147.029        | 11.147.029        |
| - Stock exchange securities      | 3.224.694         | 2.009.431         | 2.009.431         |
|                                  | <b>14.371.723</b> | <b>13.156.460</b> | <b>13.156.460</b> |

### NOTE 20 - SUBSEQUENT EVENTS

None.

# EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014 ORIGINALLY ISSUED IN TURKISH

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

### ADDITIONAL NOTE: PORTFOLIO RESTRICTIONS, CONSISTENCY CHECK TO THE FINANCIAL LIABILITIES AND CUMULATIVE EXPENCES LIMITS

| ADDITIONAL NOTES: PORTFOLIO RESTRICTIONS, FINANCIAL DEBT and TOTAL EXPENSES AMOUNT |  |                              |                  |                  |
|--|--|------------------------------|------------------|------------------|
|  | Individual Financial Statement Main Account Items    | Notified Relevant Regulation | 30.06.2014 (TRY) | 31.12.2013 (TRY) |
| A  | Money and Capital Market Instruments                 | Md.20/1 – (b)                | 3.278.596        | 4.782.771        |
| B  | Venture Fund Investments                             | Md.20/1 – (a)                | 28.259.703       | 11.741.560       |
| C  | Asset Management and Consulting Company's Associates | Md.20/1 – (d) ve (e)         | -                | -                |
| D  | Other Assets   |                              | 11.060.346       | 24.592.904       |
| E  | Partnership Total Assets                             | Md.3/1-(a)                   | 42.598.645       | 41.117.235       |
| F  | Financial Debts                                      | Md.29                        | -                | -                |
| G  | Provisions, Contingent Assets and Liabilities        | Md.20/2 – (a)                | -                | -                |
| H  | Equity   |                              | 42.475.053       | 40.572.741       |
| I  | Other Liabilities                                    |                              | 123.592          | 544.494          |
| E  | Partnership Total Liability                          | Md.3/1-(a)                   | 42.598.645       | 41.117.235       |
|  | Individual Other Financial Informations              | Notified Relevant Regulation | 30.06.2014 (TL)  | 31.12.2013 (TL)  |
| A1   | Investment of Capital Market Instruments             | Md.20/1 – (b)                | 1.606.751        | 1.414.900        |
|  | 1- Capital market Instruments                        |                              | 1.606.751        | 1.414.900        |
|  | A-Shares   |                              | 1.606.751        | 1.414.900        |
|  | EGCYH.E  |                              | 1.606.751        | 1.414.900        |
| A2   | TRY and Foreign Currency Time and Demand Deposits    | Md.20/1 – (b)                | 1.671.845        | 3.367.871        |
| B1   | Established Abroad Investment Firm                   | Md.21/3 – (c)                | -                | -                |
| B2   | Debt and Equity Financing Mix                        | Md.21/3 – (f)                | -                | -                |
| B3   | Public Venture Company Shares of Off-Exchange        | Md.21/3 – (e)                | -                | -                |
| B4   | Special Purpose Company                              | Md.21/3 – (g)                | -                | -                |
| C1   | Associates Asset Management Company                  | Md.20/1 – (e)                | -                | -                |
| C2   | Associates Consulting Company                        | Md.20/1 – (d)                | -                | -                |
| F1   | Short-Term Loans                                     | Md.29/1                      | -                | -                |
| F2   | Long-Term Loans                                      | Md.29/1                      | -                | -                |
| F3   | Short Term Debt Instruments                          | Md.29/1                      | -                | -                |
| F4   | Long Term Debt Instruments                           | Md.29/1                      | -                | -                |
| F5   | Other Short-Term Borrowings                          | Md.29/1                      | -                | -                |
| F6   | Other Long-Term Borrowings                           | Md.29/1                      | -                | -                |
| G1   | Pledge   | Md.20/2 – (a)                | -                | -                |
| G2   | Guarantees   | Md.20/2 – (a)                | -                | -                |
| G3   | Mortgages  | Md.20/2 – (a)                | -                | -                |
| I  | Outsourced services costs                            | Md.26/1                      | 495.854          | 1.070.667        |



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

#### ADDITIONAL NOTE: PORTFOLIO LIMITATION, FINANCIAL DEBT and TOTAL EXPENSE LIMIT ADAPTATION CONTROL (Continued)

|    | Portfolio Restrictions                                   | Notified Relevant Regulation | 30.06.2014 | 31.12.2013 | Minimum/<br>Maximum Rate |
|----|--|------------------------------|------------|------------|--------------------------|
| 1  | Investment of Capital Market Instruments                 | Md.22/1 – (b)                | 7,70%      | 11,63%     | ≤ %49                    |
| 2  | 1- Capital market Instruments                            | Md.22/1 – (c)                | 3,77%      | 3,44%      | ≤ %10                    |
|    | A-Shares   |                              | 3,77%      | 3,44%      | ≤ %10                    |
|    | EGCYH.E  |                              | 3,77%      | 3,44%      |                          |
| 3  | Venture funds investments                                | Md.22/1 – (b)                | 66,34%     | 28,56%     | ≥ %51                    |
| 4  | Asset Management and Consulting Company's Associates     | Md.22/1 – (ç)                | 0,00%      | 0,00%      | ≤ %10                    |
| 5  | Established Abroad Investment Firm                       | Md.22/1-(e)                  | 0,00%      | 0,00%      | ≤ %49                    |
| 6  | Debt and Equity Financing Mix                            | Md.22/1-(h)                  | 0,00%      | 0,00%      | ≤ %25                    |
| 7  | Public Venture Company Shares of Off-Exchange            | Md.22/1-(f)                  | 0,00%      | 0,00%      | ≤ %25                    |
| 8  | TRY and Foreign Currency Time and Demand Deposits        | Md.22/1-(i)                  | 3,92%      | 8,19%      | ≤ %20                    |
| 9  | Short-Term Borrowings and Debt Instruments nominal value | Md.29                        | 0,00%      | 0,00%      | ≤ %50                    |
| 10 | Long-Term Borrowings and Debt Instruments nominal value  | Md.29                        | 0,00%      | 0,00%      | ≤ %200                   |
| 11 | Pledges, guarantees and mortgages                        | Md.22/1 – (d)                | 0,00%      | 0,00%      | ≤ %10                    |
| 12 | Outsourced services costs                                | Md.26/1                      | 1,16%      | 2,60%      | ≤ %2,5                   |

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