

(Convenience translation of a report and financial statements originally issued in Turkish)

# **Akenerji Elektrik Üretim A.Ş.**

**Condensed consolidated financial statements for the interim period ended 1 January - 31 March 2023**

## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....</b>	<b>1-2</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....</b>	<b>3</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME .....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>5</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>	<b>6</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>7-35</b>
NOTE 1 ORGANISATION OF GROUP AND NATURE OF OPERATIONS .....	7
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	7-12
NOTE 3 BORROWINGS .....	12-14
NOTE 4 PROPERTY, PLANT AND EQUIPMENT .....	15-17
NOTE 5 INTANGIBLE ASSETS .....	17
NOTE 6 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	18-20
NOTE 7 DERIVATIVE FINANCIAL INSTRUMENTS .....	21
NOTE 8 EQUITY .....	22
NOTE 9 TAX ASSETS AND LIABILITIES .....	23-25
NOTE 10 REVENUE AND COST OF SALES.....	26
NOTE 11 EXPENSES BY NATURE .....	27
NOTE 12 OTHER OPERATING INCOME AND EXPENSE .....	28
NOTE 13 OTHER INCOME AND EXPENSE FROM INVESTING ACTIVITIES.....	29
NOTE 14 FINANCIAL INCOME AND EXPENSE .....	29
NOTE 15 RELATED PARTY DISCLOSURES .....	30-32
NOTE 16 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT.....	33-34
NOTE 17 FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS .....	35
NOTE 18 EVENTS AFTER BALANCE SHEET DATE.....	35

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 MARCH 2023 AND 31 DECEMBER 2022**

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

		<b>Current period</b>	<b>Prior period</b>
		<b>Unaudited</b>	<b>Audited</b>
	<b>Notes</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1.409.491.287	1.248.911.631
Financial investment		89.224.209	80.821.510
Trade receivables			
- Due from related parties	15	126.607.190	568.320.563
- Due from third parties		949.701.304	1.647.782.560
Other receivables			
- Due from third parties		13.741.132	6.388.819
Inventories		58.717.376	36.401.172
Prepaid expenses		89.674.883	125.214.113
Current income tax assets	9	2.930.774	2.008.870
Other current assets		63.524.804	38.692.237
<b>Total current assets</b>		<b>2.803.612.959</b>	<b>3.754.541.475</b>
<b>Non - current assets</b>			
Other receivables			
- Due from third parties		32.693.062	31.277.493
Financial investments		100.000	100.000
Inventories		27.509.219	26.130.255
Property, plant and equipment	4	18.222.575.121	18.304.784.854
Right of use assets		81.534.265	41.316.820
Intangible assets	5	149.807.096	149.586.152
Prepaid expenses		120.861.674	142.837.928
Deferred tax assets	9	200.463	5.814.865
Other non-current assets		113.162.504	122.313.398
<b>Total non - current assets</b>		<b>18.748.443.404</b>	<b>18.824.161.765</b>
<b>TOTAL ASSETS</b>		<b>21.552.056.363</b>	<b>22.578.703.240</b>

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

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 MARCH 2023 AND 31 DECEMBER 2022**

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

		<b>Current period</b>	<b>Prior period</b>
		<b>Unaudited</b>	<b>Audited</b>
	<b>Notes</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short term portion of long term borrowings			
- Bank loans	3	703.435.905	673.037.183
- Lease payables	3	30.031.149	28.848.894
Trade payables			
- Due to related parties	15	102.889.283	221.018.207
- Due to third parties		1.020.199.264	2.110.965.786
Employee benefit obligations		4.882.693	5.073.874
Other payables			
- Other payables to third parties		188.152.175	208.276.779
Derivative instruments	7	18.159.835	20.733.192
Current income tax liabilities	9	9.240.323	1.609.716
Deferred income		15.851.343	21.671.026
Short term provisions			
- Provisions for employee benefits		7.348.296	20.010.000
- Other short - term provisions	6	66.420.195	71.547.325
<b>Total current liabilities</b>		<b>2.166.610.461</b>	<b>3.382.791.982</b>
<b>Non - current liabilities</b>			
Long term borrowings			
- Bank loans	3	11.156.169.066	10.827.793.031
- Lease payables	3	187.787.657	160.241.385
Other payables			
- Due to third parties		455.692.517	430.338.432
Derivative instruments	7	-	1.634.321
Long term provisions			
- Provisions for employee benefits		36.305.875	34.611.874
Deferred tax liabilities	9	1.949.780.029	2.014.005.753
<b>Total non - current liabilities</b>		<b>13.785.735.144</b>	<b>13.468.624.796</b>
<b>EQUITY</b>			
Share capital	8	729.164.000	729.164.000
Adjustments to share capital	8	101.988.910	101.988.910
Share premiums		50.220.043	50.220.043
Other comprehensive income/(expense) not to be reclassified to profit/loss			
Gains/losses on revaluation and remeasurement			
- Increase on revaluation of property, plant and equipment		12.757.761.928	12.903.686.572
- Losses on re-measurement of defined benefit plans		(26.548.616)	(19.450.305)
Other comprehensive income/(expense) to be reclassified to profit/loss			
Losses on hedges			
- Losses on cash flow hedging		(1.337.236)	(1.949.699)
Restricted reserves			
- Legal reserves	8	12.053.172	12.053.172
- Other reserves		(4.322.722)	(4.322.722)
Accumulated losses		(7.898.178.865)	(6.473.542.581)
Net loss for the period		(121.089.856)	(1.570.560.928)
<b>Total equity</b>		<b>5.599.710.758</b>	<b>5.727.286.462</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>21.552.056.363</b>	<b>22.578.703.240</b>

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

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE INTERIM PERIODS BETWEEN 1 JANUARY – 31 MARCH 2023 AND 2022**

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

		<b>Current period</b>	<b>Prior period</b>
		<b>Unaudited</b>	<b>Unaudited</b>
		<b>1 January -</b>	<b>1 January -</b>
	<b>Notes</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Revenue	10	5.591.369.410	2.215.516.635
Cost of sales (-)	10	(5.318.827.346)	(1.781.262.675)
<b>Gross profit</b>		<b>272.542.064</b>	<b>434.253.960</b>
General administrative expenses (-)		(53.407.276)	(25.595.828)
Other operating income	12	70.775.360	200.794.332
Other operating expenses (-)	12	(20.879.034)	(190.189.199)
<b>Operating profit</b>		<b>269.031.114</b>	<b>419.263.265</b>
Income from investing activities	13	5.993.907	17.991
<b>Operating profit/(loss) before financial income</b>		<b>275.025.021</b>	<b>419.281.256</b>
Financial income	14	53.784.284	95.369.934
Financial expenses (-)	14	(499.258.409)	(934.195.012)
<b>Loss before tax</b>		<b>(170.449.104)</b>	<b>(419.543.822)</b>
<b>Tax income/(expense)</b>			
Current income tax expense (-)	9	(7.630.607)	-
Deferred tax income/(expense)	9	56.989.855	57.341.376
<b>Net loss for the period</b>		<b>(121.089.856)</b>	<b>(362.202.446)</b>
<b>Net loss attributable to:</b>			
un			
Equity holders of the parent		(121.089.856)	(362.202.446)
<b>Earnings losses per share - TL</b>		<b>(0,166)</b>	<b>(0,497)</b>

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

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE PERIODS BETWEEN 1 JANUARY - 31 MARCH 2023 AND 2022****(Amounts expressed in Turkish Lira (“TL”), unless otherwise indicated.)**

	<b>Current period</b>	<b>Prior period</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>1 January -</b>	<b>1 January -</b>
	<b>Notes</b>	<b>31 March 2022</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Net loss for the period</b>	<b>(121.089.856)</b>	<b>(362.202.446)</b>
<b>Other comprehensive income/(expense)</b>		
<b>To be reclassified to profit or loss</b>		
Gains/(losses) on cash flow hedging	765.575	765.578
Deferred tax effect	(153.112)	(153.117)
<b>Not to be reclassified to profit or loss</b>		
Actuarial gain/(loss) arising from defined benefit plans	(8.872.889)	(875.333)
Deferred tax effect	1.774.578	175.067
<b>Other comprehensive expense</b>	<b>(6.485.848)</b>	<b>(87.805)</b>
<b>Total comprehensive expense</b>	<b>(127.575.704)</b>	<b>(362.290.251)</b>

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

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE INTERIM PERIODS BETWEEN 1 JANUARY – 31 MARCH 2023 AND 2022**

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

				Other comprehen- sive income /(expenses) not to be reclassified to profit or loss	Gains/(losses) on re- measurement of defined benefit plans)	Other comprehensive income /(expenses) to be reclassified to profit or loss	Restricted reserves		Retained earnings/ (accumulated losses)	Net loss for the period	Total equity
	Share capital	Adjustments to share capital	Share premiums	Increase on revaluation of property, plant and equipment		Gains/(losses) on cash flow hedging	Other reserves	Legal reserves			
<b>1 January 2022</b>	<b>729.164.000</b>	<b>101.988.910</b>	<b>50.220.043</b>	<b>7.497.657.048</b>	<b>(3.786.335)</b>	<b>(4.433.563)</b>	<b>(4.322.722)</b>	<b>12.053.172</b>	<b>(4.270.074.525)</b>	<b>(2.530.261.924)</b>	<b>1.578.204.104</b>
Transfers	-	-	-	-	-	-	-	-	(2.530.261.924)	2.530.261.924	-
Total comprehensive expense	-	-	-	-	(700.266)	612.461	-	-	-	(362.202.446)	(362.290.251)
Other adjustments (*)	-	-	-	(81.734.235)	-	-	-	-	81.734.235	-	-
<b>31 March 2022</b>	<b>729.164.000</b>	<b>101.988.910</b>	<b>50.220.043</b>	<b>7.415.922.813</b>	<b>(4.486.601)</b>	<b>(3.821.102)</b>	<b>(4.322.722)</b>	<b>12.053.172</b>	<b>(6.718.602.214)</b>	<b>(362.202.446)</b>	<b>1.215.913.853</b>
<b>1 January 2023</b>	<b>729.164.000</b>	<b>101.988.910</b>	<b>50.220.043</b>	<b>12.903.686.572</b>	<b>(19.450.305)</b>	<b>(1.949.699)</b>	<b>(4.322.722)</b>	<b>12.053.172</b>	<b>(6.473.542.581)</b>	<b>(1.570.560.928)</b>	<b>5.727.286.462</b>
Transfers	-	-	-	-	-	-	-	-	(1.570.560.928)	1.570.560.928	-
Total comprehensive expense	-	-	-	-	(7.098.311)	612.463	-	-	-	(121.089.856)	(127.575.704)
Other adjustments (*)	-	-	-	(145.924.644)	-	-	-	-	145.924.644	-	-
<b>31 March 2023</b>	<b>729.164.000</b>	<b>101.988.910</b>	<b>50.220.043</b>	<b>12.757.761.928</b>	<b>(26.548.616)</b>	<b>(1.337.236)</b>	<b>(4.322.722)</b>	<b>12.053.172</b>	<b>(7.898.178.865)</b>	<b>(121.089.856)</b>	<b>5.599.710.758</b>

(\*) As of 31 March 2023, the depreciation difference between the acquisition cost and the carrying values of the assets subject to revaluation method amounting to TL 145.924.644 (31 March 2022: TL 81.734.235), were reclassified to accumulated losses from revaluation fund of property, plant and equipment.

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

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIODS BETWEEN 1 JANUARY - 31 MARCH 2023 AND 2022**

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

		Current period Unaudited 1 January – 31 March 2023	Prior period Unaudited 1 January – 31 March 2022
	Notes		
<b>A. Cash flows from operating activities</b>		<b>457.861.264</b>	<b>390.161.615</b>
Net profit/(loss) for the period		(121.089.856)	(362.202.446)
<b>Adjustments to reconcile net profit/(loss) for the period</b>		<b>627.124.250</b>	<b>966.394.556</b>
Adjustments for depreciation and amortisation expenses	11	210.495.458	127.649.059
Adjustments for provisions			
- Adjustment for provisions for employee benefits		13.373.955	4.968.896
- Adjustments for litigation provisions	6	481.284	(641.142)
- Adjustments for other provisions	6	(5.608.414)	(8.902.777)
Adjustments for interest income		(22.927.038)	(11.220.747)
Adjustments for interest expense		283.511.063	284.090.989
- Adjustments for fair value of derivative financial investments		(5.990.388)	-
- Adjustments for (gain)/loss on sale of property, plant and equipment		(3.519)	-
Adjustments for unrealized foreign exchange differences		208.954.135	629.181.229
Fair value adjustments			
-Adjustments for fair value of derivative financial instruments		(5.803.038)	(1.389.575)
Adjustments for tax (income)/expense		(49.359.248)	(57.341.376)
<b>Changes in working capital</b>		<b>(14.036.681)</b>	<b>(201.954.841)</b>
Increase/decrease in trade receivables from related parties		441.713.373	(95.961.917)
Increase/decrease in trade receivables from third parties		698.081.256	87.474.312
Increase/decrease in other receivables from related parties		-	(239.760)
Increase/decrease in other receivables from third parties		(8.767.882)	(6.479.332)
Increase/decrease in inventories		(23.695.168)	(6.821.402)
Increase/decrease in prepaid expenses		130.838.696	4.418.873
Increase/decrease in other assets		(15.681.673)	(10.502.917)
Increase/decrease in trade payables to related parties		(118.128.924)	32.236.361
Increase/decrease in trade payables to third parties		(1.090.766.522)	(238.176.590)
Increase/decrease in derivative financial instruments		1.595.360	(4.585.539)
Increase/decrease in deferred income		(5.819.683)	(10.396)
Increase/decrease in employee benefit obligations		(191.181)	449.541
Increase/decrease in other payables		(23.214.333)	36.243.925
<b>Cash flows from operating activities</b>		<b>491.997.713</b>	<b>402.237.269</b>
Payments related to provisions for employee benefits		(33.214.545)	(9.764.130)
Tax (payments)/receipts		(921.904)	(2.311.524)
<b>B. Cash flows from investing activities</b>		<b>(202.248.692)</b>	<b>(22.337.532)</b>
Cash inflows due to sale of property, plant and equipment	4,13	15.256	46.429
Cash outflows due to purchase of property, plant and equipment	4	(199.013.620)	(22.249.577)
Cash outflows due to purchase of intangible assets	5	(838.017)	(134.384)
Other cash outflows		(2.412.311)	-
<b>C. Cash flows from financing activities</b>		<b>(266.805.782)</b>	<b>(115.692.338)</b>
Cash outflows due to repayment of borrowings		(93.937.979)	-
Payments of lease liabilities		(21.562.960)	(13.112.967)
Interest paid		(2.459.015)	(2.145.297)
Interest received		22.927.038	11.220.747
Other cash inflows/(outflows) (*)		(171.772.866)	(111.654.821)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(11.193.210)</b>	<b>252.131.745</b>
<b>Cash and cash equivalents at the beginning of the period (*)</b>		<b>1.187.099.480</b>	<b>617.938.309</b>
<b>Cash and cash equivalents at the end of the period (*)</b>		<b>1.175.906.270</b>	<b>870.070.054</b>

(\*) Cash and cash equivalents at the beginning of the period and at the end of the period does not include interest accruals and restricted deposits, and the changes in restricted deposits are provided in “Other cash inflows/(outflows)”.

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



## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

#### NOTE 1 - ORGANISATION OF GROUP AND NATURE OF OPERATIONS

Akenerji Elektrik Üretim A.Ş. ("the Company" or "Akenerji") is engaged in establishing, renting and operating facilities of electrical energy production plant, producing electricity and trading electricity to the customers. The Company was established by Akkök Sanayi Yatırım ve Geliştirme A.Ş. in 1989 (Akkök Sanayi Yatırım ve Geliştirme A.Ş. is registered as Akkök Holding A.Ş. on 13 May 2014). On 14 May 2009, the Company has become a joint venture between Akkök Holding A.Ş. and CEZ a.s.

The Company is registered in Turkey and its registered address is as follows;

Miralay Şefik Bey Sokak No: 15 Akhan Kat: 3-4 Gümüşsuyu/Istanbul - Turkey

The Company is registered to the Capital Markets Board ("CMB"), and its shares are publicly traded in Istanbul Stock Exchange ("ISE"). As of 31 March 2023, 25,28% the publicly listed shares are 25,28% of total shares (31 March 2022: 25,28%).

As of 31 March 2023, the number of employees employed by Akenerji and its subsidiaries (Akenerji and its subsidiaries will be referred called as the "Group") is 306 (31 December 2022: 291).

These condensed consolidated financial statements for the interim period 31 March 2023 have been approved for the issue by the Board of Directors at 10 May 2023.

The nature of business and registered addresses of the entities included in the consolidation ("Subsidiaries") are presented below:

Subsidiaries	Nature of business	Registered address
Akenerji Elektrik Enerjisi İthalat-İhracat ve Toptan Ticaret A.Ş. ("Akenerji Toptan")	Electricity trading	Gümüşsuyu / Istanbul
Akel Kemah Elektrik Üretim ve Ticaret A.Ş. ("Akel Kemah")	Electricity production and trading	Gümüşsuyu / Istanbul
Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret A.Ş. ("Akenerji Doğalgaz")	Natural gas trading	Gümüşsuyu / Istanbul
Akel Sungurlu Elektrik Üretim A.Ş. ("Akel Sungurlu")	Electricity production	Gümüşsuyu/Istanbul
5ER Enerji Tarım Hayvancılık A.Ş. ("5ER Enerji")	Electricity production	Gümüşsuyu/Istanbul
Akenerji Company For Electric Energy Import And Export and Wholesale Trading/Contribution Branch ("Akenerji Toptan Khabat")	Electricity trading	Erbil/Irak

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

##### 2.1 Basis of presentation

##### Principles of Preparation of Interim Condensed Consolidated Financial Statements

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards, ("TAS/IFRS") issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II - 14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") published on Official Gazette dated 13 June 2013 and numbered 28676. IFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by POA.

## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

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

The condensed consolidated financial statements are presented in accordance with “Announcement regarding with TAS/IFRS Taxonomy” which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

In accordance with the TAS 34 “Interim Financial Reporting”, entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Accordingly, these interim condensed consolidated financial statements does not include all required explanatory notes as should be provided and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

The Group and its Turkish subsidiaries, associates and joint ventures maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions except for the derivative financial instruments, financial investments and revaluated property, plant and equipment presented a fair values, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS/IFRS.

POA made an announcement on January 20, 2022 in order to eliminate the hesitations about for the entities which apply Turkish Financial Reporting Standards (“IFRS”) will apply TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) or not for the year ended 31 March 2023. In accordance with the announcement, companies that apply IFRS shall not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies, Afterwards, no new statement was made by the POA about the TMS 29 application. As of the preparation date of the consolidated financial statements, POA did not make an additional announcement and no adjustment was made to the consolidated financial statements in accordance with TAS 29.

#### 2.2 Basis of consolidation

- The consolidated financial statements include the accounts of the parent company, Akenerji, and its Subsidiaries on the basis set out in sections (b) to (c) below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements and have been prepared in accordance with TAS/IFRS by applying uniform accounting policies and presentation. The results of operations of Subsidiaries are included or excluded from their effective dates of acquisition or disposal respectively.
- Subsidiaries are companies in which Akenerji has the power to control the financial and operating policies for the benefit of itself, either through the power to exercise more than 50% of voting rights related to shares in the companies as a result of shares owned directly and/or indirectly by itself.

The table below sets out all Subsidiaries and demonstrates the proportion of ownership interest and effective interest rate of the Group over the subsidiary as of 31 March 2023 and 31 December 2022:

Subsidiaries	Effective shareholding (%)		Ownership interest (%)	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Akenerji Toptan	100,00	100,00	100,00	100,00
Ak-el Kemah	100,00	100,00	100,00	100,00
Akenerji Doğalgaz	100,00	100,00	100,00	100,00
Akel Sungurlu	-	-	100,00	100,00
5ER Enerji	-	-	100,00	100,00
Akenerji Toptan Khabat	-	-	100,00	100,00

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

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

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date that the control ceases. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Carrying values of the Subsidiaries' shares held by the Company are eliminated against the related equity of subsidiaries. Intercompany transactions and balances between Akenerji and its subsidiaries are eliminated on consolidation. Dividends arising from shares held by the Company in its subsidiaries are eliminated from income for the period and equity, respectively.

**2.3 The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as at 31 March 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and Turkey Financial Reporting Interpretations Committee's ("TFRIC") interpretations effective as of 1 January 2023.

**i) The new standards, amendments and interpretations which are effective as at 31 March 2023 are as follows:**

- A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;
- Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8;
- Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;
- TFRS 17, 'Insurance Contracts'

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

**ii) Standards, amendments and interpretations that are issued but not effective as at 31 March 2023**

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

- Amendment to TAS 1 – Non current liabilities with covenants;
- Amendment to TFRS 16 – Leases on sale and leaseback;

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

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

**2.4 Restatement and errors in the accounting policies and estimates**

Any change in the accounting policies resulted from the first time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

**2.5 Comparatives and restatement of prior year financial statements**

The Group prepares comparative consolidated financial statements, to enable readers to determine financial position and performance trends. For the purposes of effective comparison, comparative financial statements can be reclassified when deemed necessary by the Group, where descriptions on significant differences are disclosed.

**2.6 Critical accounting estimates and judgments**

The preparation of condensed consolidated financial statements necessitates the use of estimates and judgments that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income judgments and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them.

The estimates and judgments that are material to the carrying values of assets and liabilities are outlined below:

*Deferred tax assets for the carry forward tax losses:*

Deferred tax assets are accounted for only where it is likely that related temporary differences and accumulated losses will be recovered through expected future profits or will be offsetted from the deferred tax liabilities incurred on the temporary differences will be recovered at the same date.

As a result of the studies performed, the Group recognized no deferred tax assets on carry forward tax losses (31 December 2022: None) as of 31 March 2023. Carry forward tax losses amounting to TL 1.951.229.269 (31 December 2021: TL 1.947.611.587) (Note 9). As of 31 March 2023, the deferred tax asset has not been calculated by taking into account the foreseeable future profit expectations prepared by the Group and the deferred tax liabilities in the relevant periods.

*Explanations for revaluation method and fair value measurement*

The Group has chosen revaluation method instead of historical cost model as an accounting policy among application methods mentioned under TAS 16 for lands, land improvements, buildings, machinery and equipment belonging its power plants commencing from 30 September 2015.

An independent valuation firm has been authorized for revaluation because using of long-term price expectation, electricity generation expectation, discount rate, profit margin between electricity and natural gas prices ("spark spread"), and capacity utilization rate forecasts which are sensitive to sectoral and economic variables and also complexity of inputs and calculations. As of 31 December 2022, the fair value which is determined with valuation study by an independent valuation company which has CMB license, is used for lands, land improvements, buildings, machinery and equipment. In the aforementioned valuation and impairment studies, "income reduction method - discounted cash flow analysis " was applied.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

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

Income Approach, discounted cash flow analysis (Level 3) is used by the valuation company for valuation reports of 31 December 2022 aims to determine fair value of lands, land improvements, buildings, machineries and equipment of Uluabat hydroelectric power plant (HPP), Ayyıldız wind farm power plant (WFPP), Burç HPP, Feke I HPP, Feke II HPP, Bulam HPP, Gökkaya HPP, Sungurlu biomass power plant (BPP), Himmetli HPP and Erzin Natural Gas Combined Cycle Power Plant (NGCCPP) which are belong to Akenerji assets.

Since long term electricity prices and spark spreads are the most important inputs of "Income Approach - discounted cash flow analysis", an independent consultancy and technology firm, which operates in energy market, has been hired. The most important inputs of model determine long term electricity prices are; long term electricity demand, entrance of new plants, exit of old plant, renewable total capacity, evolution of capacity factor, carbon market expectations, natural gas and coal prices, evolution of electricity import - export, and development in the efficiency of thermal plants.

Change in the spark spreads used in model affect the generation for Erzin natural gas combined cycle power plant. For generation, feasibility studies, which is calculated with 50-year hydrology information and historical data used for hydros, Sungurlu and Ayyıldız. The discount rate used in valuation models prepared on the basis of USD has been determined as reel 10,28% which is in line with the current macroeconomic market conditions. The increase in the discount rate has a negative effect on the fair value of the power plants.

**2.7 Going concern**

The Group considers it is appropriate to prepare its consolidated financial statements on a going concern basis in a foreseeable future.

In 2023, the Group maintained its successful performance from 2021, leveraging its balanced, efficient, and flexible production portfolio, as well as its extensive trading experience in domestic and international markets. In the period ended on March 31, 2023, the Group's total generation amount increased by 23% with the high capacity utilization rate of Erzin power plant compared to the same period of the previous year. As of 31 March 2023, the Group's earnings before interest, taxes, depreciation, and amortization (EBITDA) reached TL 479.526.572 (31 March 2022: TL 546.912.324) and the cash flows generated from its operations amounted to TL 457.861.264 (31 March 2022: TL 390.161.615). The Group has met all its obligations to banks for the first quarter of 2023 using the cash flows generated from its operations. In addition, the Group has reduced its future financial obligations by paying off 5 million USD of its debt early using its cash surplus. "The 'Source-Based Support Mechanism' implemented as of April 2022, which caused a loss in revenue in especially our renewable production plants especially, the commencement of collecting a certain percentage of daily EPIAŞ collections with a one-month maturity as of June 2022, the decline in electricity demand, and delays in TEİAŞ collections, continued to decrease, albeit gradually, in the first quarter of 2023. Despite all these negative factors, the Group has made a positive contribution to the consolidated gross profit with the revenues obtained from the ancillary services (Secondary Frequency Control, 0 -1 coded instructions, Capacity Mechanism, etc.) provided with a high level of operational availability. Furthermore, the Group has continued its physical electricity export and financial electricity product transactions in 2023, concentrating its commercial activities in this area and significantly increasing its foreign currency income.

As part of its daily operations, the Group considers all opportunities that could be in favor of the Group and may positively affect the cash flows of the Group. The Group prepares its consolidated financial statements with the assumption that the business will continue its activities in a predictable future, as a result of the actions it has taken to increase its operational profitability and cash flows from its operations, and Group does not foresee any risk regarding the continuity of the business.

## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

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

Natural gas purchases have an important place in the production costs due to the production activities of the Group's Erzin combined natural gas cycle power plant. In 2023; due to the high natural gas import costs and increasing exchange rate natural gas supply continues to be provided by Botaş. On the other hand, due to the expected high temperatures in 2023, the expected increase in gas demand in Europe and Asia, and the high storage occupancy rates, falling natural gas import prices are closely monitored and studies continue on opportunities to reduce natural gas costs on a monthly basis.

The Group has been extended its liabilities to 13 years by restructuring its USD 859 million loan and also restructuring the payment of the loan condition to 1.5 year without any payment as TL and USD on 11 November 2019 which signed with Yapı ve Kredi Bankası A.Ş. as the implementation of "Financial Restructuring". With the aforementioned Loan Agreement, the repayment schedule of the loan was arranged according to the estimated cash-generating capacity of the Group, which has been a factor that reduced the pressure on the cash flow, thereby positively affecting the financial sustainability and competitive strength of the Group. In addition, with this restructuring in 2019, the share of USD denominated liabilities in total bank loans decreased from 87% to 55%, significantly reducing the exchange rate risk of the Group.

#### 2.8 Seasonality of Group's operations

Business volume shows seasonal changes according to the structure of the industry in which the Group operates. In the hydroelectric power plants, business volumes are higher in the second quarters and for the wind power plant, business volume are higher in the first quarters of the year. Seasonality does not have a significant impact on the remaining business volume of the Group.

#### NOTE 3 - BORROWINGS

The details of borrowings of the Group as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
<b>Short-term portion of long term borrowings</b>		
-Bank loans	703.435.905	673.037.183
-Lease liabilities	30.031.149	28.848.894
<b>Total short-term portion of long term borrowings</b>	<b>733.467.054</b>	<b>701.886.077</b>
<b>Long term borrowings</b>		
-Bank loans	11.156.169.066	10.827.793.031
-Lease liabilities	187.787.657	160.241.385
<b>Total long term borrowings</b>	<b>11.343.956.723</b>	<b>10.988.034.416</b>
<b>Total short term and long term borrowings</b>	<b>12.077.423.777</b>	<b>11.689.920.493</b>

Letters of guarantee given, pledges and mortgages related to financial liabilities are disclosed in Note 6.

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 3 - BORROWINGS (Continued)**

As of 31 March 2023 and 31 December 2022, the original currencies and weighted average interest rates for short and long-term financial liabilities are as follows:

<b>31 March 2023</b>				
	<b>Currency</b>	<b>Effective Interest rate %</b>	<b>Original Amount</b>	<b>Amount in TL</b>
Short - term portion of long - term bank loans	USD	7,92	36.726.808	703.435.905
Short - term portion of long - term lease liabilities	EUR	3,40	1.355.488	28.255.158
Interest cost of short - term portion of long - term lease liabilities (-)	EUR	3,40	(214.453)	(4.470.275)
Short - term portion of long - term lease liabilities	TL	18,02	6.246.266	6.246.266
<b>Total short-term borrowings</b>				<b>733.467.054</b>
Long term bank loans	USD	7,92	410.560.953	7.863.556.045
Long term bank loans	TL	12,28	3.292.613.021	3.292.613.021
Long - term lease liabilities	EUR	3,40	6.570.084	136.953.392
Interest cost of long - term lease liabilities (-)	EUR	3,40	(1.077.693)	(22.464.502)
Long - term lease liabilities	TL	18,02	73.298.767	73.298.767
<b>Total long-term borrowings</b>				<b>11.343.956.723</b>
<b>31 December 2022</b>				
	<b>Currency</b>	<b>Effective Interest rate %</b>	<b>Original Amount</b>	<b>Amount in TL</b>
Short - term portion of long - term bank loans	USD	7,92	35.994.565	673.037.183
Short - term portion of long - term lease liabilities	EUR	3,40	1.420.291	28.313.363
Interest cost of short - term portion of long - term lease liabilities (-)	EUR	3,40	(232.741)	(4.639.663)
Short - term portion of long - term lease liabilities	TL	18,45	5.175.194	5.175.194
<b>Total short-term borrowings</b>				<b>701.886.077</b>
Long term bank loans	USD	7,92	407.946.823	7.627.912.080
Long term bank loans	TL	12,28	3.199.880.951	3.199.880.951
Long - term lease liabilities	EUR	3,40	7.225.092	144.031.482
Interest cost of long - term lease liabilities (-)	EUR	3,40	(1.180.309)	(23.529.337)
Long - term lease liabilities	TL	18,45	39.739.240	39.739.240
<b>Total long-term borrowings</b>				<b>10.988.034.416</b>

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 3 - BORROWINGS (Continued)**

As of 31 March 2023, all of the Euro finance lease liabilities of the Group are subject to floating interest rate of Euribor + 3,4% (31 December 2022: All of the Euro finance lease liabilities of the Group are subject to floating interest rate of Euribor + 3,4%).

The details of redemption schedule of the long term bank borrowings as of 31 March 2023 and 31 December 2022 are as follows:

	<b>31 March 2023</b>	<b>31 December 2022</b>
Up to 1 - 2 years	5.808.374.749	5.711.101.659
Up to 2 - 3 years	719.512.768	688.419.290
Up to 3 - 4 years	781.494.344	747.722.356
Up to 4 - 5 years	818.506.245	783.134.801
More than 5 years	3.028.280.960	2.897.414.925
	<b>11.156.169.066</b>	<b>10.827.793.031</b>

The principal repayment schedule of the Group's long-term finance lease obligations as at 31 March 2023 and 31 December 2022 is as follows:

	<b>31 March 2023</b>	<b>31 December 2022</b>
Up to 1-2 years	26.631.705	26.013.197
Up to 2-3 years	26.744.084	25.398.259
Up to 3-4 years	25.983.516	24.220.183
Up to 4-5 years	24.832.540	24.023.431
Up to 5-6 years	15.730.530	25.694.547
Up to 6-7 years	793.768	960.866
Up to 7-8 years	689.724	425.819
Up to 8-9 years	775.976	347.074
Up to 9-10 years	732.850	390.477
More than 10 years	64.872.964	32.767.532
	<b>187.787.657</b>	<b>160.241.385</b>

As of 31 March 2023 and 2022, the movements of borrowings are as follows:

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>11.689.920.493</b>	<b>9.244.482.317</b>
Change in unrealized foreign exchange differences	208.954.135	629.181.229
Change in interest accruals	254.301.674	209.670.578
Changes in lease liabilities	42.207.429	9.346.677
Cash flow impact	(117.959.954)	(18.758.180)
<b>31 March</b>	<b>12.077.423.777</b>	<b>10.073.922.621</b>



**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 4 - PROPERTY, PLANT AND EQUIPMENT**

	1 January 2023	Additions	Disposals	31 March 2023
<b>Cost</b>				
Lands	1.035.877	-	-	1.035.877
Land improvements (*)	10.819.596.251	562.922	-	10.820.159.173
Buildings	2.063.724.603	-	-	2.063.724.603
Machinery and equipment (**)	7.145.223.274	5.357.425	-	7.150.580.699
Motor vehicles	4.937.071	42.000	-	4.979.071
Furnitures and fixtures	18.626.274	2.982.973	(18.369)	21.590.878
Leasehold improvements	12.151.149	-	-	12.151.149
Construction in progress	206.821.032	116.740.335	-	323.561.367
	<b>20.272.115.531</b>	<b>125.685.655</b>	<b>(18.369)</b>	<b>20.397.782.817</b>
<b>Accumulated depreciation</b>				
Land improvements	(739.125.074)	(93.691.941)	-	(832.817.015)
Buildings	(148.233.301)	(15.637.900)	-	(163.871.201)
Machinery and equipment	(1.064.466.440)	(97.611.073)	-	(1.162.077.513)
Motor vehicles	(2.228.028)	(251.819)	-	(2.479.847)
Furnitures and fixtures	(11.644.610)	(570.598)	6.632	(12.208.576)
Leasehold improvements	(1.633.224)	(120.320)	-	(1.753.544)
	<b>(1.967.330.677)</b>	<b>(207.883.651)</b>	<b>6.632</b>	<b>(2.175.207.696)</b>
<b>Net book value</b>	<b>18.304.784.854</b>			<b>18.222.575.121</b>

(\*) Within the capacity increase project of Ayyıldız wind power plant, the cost of land improvement acquired through finance lease on 27 January 2017 is amounting to TL 495.485. As of 31 March 2023, the total amount of accumulated depreciation of related land improvement is TL 81.494.

(\*\*) Within the capacity increase project of Ayyıldız wind power plant, the cost of machinery and equipment acquired through finance lease on 27 January 2017 is amounting to TL 49.219.854. As of 31 March 2023, the total amount of accumulated depreciation of the related machinery and equipment is TL 30.762.410.

Current period depreciation expense amounting to TL 207.398.204 has been included in cost of sales and TL 485.447 has been included in general administrative expenses.

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 4 – PROPERTY, PLANT AND EQUIPMENT (Continued)**

	1 January 2022	Additions	Disposals	31 March 2022
<b>Cost</b>				
Lands	477.108	-	-	477.108
Land improvements (*)	5.697.107.633	2.365.435	-	5.699.473.068
Buildings	1.488.895.630	3.400.828	-	1.492.296.458
Machinery and equipment (**)	5.576.803.115	3.687.822	-	5.580.490.937
Motor vehicles	3.403.627	45.313	-	3.448.940
Furnitures and fixtures	15.699.486	434.269	(49.160)	16.084.595
Leasehold improvements	5.508.880	22.000	-	5.530.880
Construction in progress	57.531.476	12.293.910	-	69.825.386
	<b>12.845.426.955</b>	<b>22.249.577</b>	<b>(49.160)</b>	<b>12.867.627.372</b>
<b>Accumulated depreciation</b>				
Land improvements	(547.938.338)	(47.773.243)	-	(595.711.581)
Buildings	(104.809.321)	(10.840.224)	-	(115.649.545)
Machinery and equipment	(796.804.228)	(66.387.479)	-	(863.191.707)
Motor vehicles	(1.317.430)	(179.139)	-	(1.496.569)
Furnitures and fixtures	(9.949.645)	(377.945)	2.731	(10.324.859)
Leasehold improvements	(1.332.327)	(71.594)	-	(1.403.921)
	<b>(1.462.151.289)</b>	<b>(125.629.624)</b>	<b>2.731</b>	<b>(1.587.778.182)</b>
<b>Net book value</b>	<b>11.383.275.666</b>			<b>11.279.849.190</b>

(\*) Within the capacity increase project of Ayyıldız wind power plant, the cost of land improvement acquired through finance lease on 27 January 2017 is amounting to TL 495.485. As of 31 March 2022, the total amount of accumulated depreciation of related land improvement is TL 68.455.

(\*\*) Within the capacity increase project of Ayyıldız wind power plant, the cost of machinery and equipment acquired through finance lease on 27 January 2017 is amounting to TL 49.219.854. As of 31 March 2022, the total amount of accumulated depreciation of the related machinery and equipment is TL 25.840.425.

Current period depreciation expense amounting to TL 125.326.597 has been included in cost of sales and TL 303.027 has been included in general administrative expenses.

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

There are no borrowing costs capitalized in the cost of construction in progress for the period ended 31 March 2023 (31 March 2022: None).

Details of the guarantees, pledges and mortgages on property, plant and equipment as of 31 March 2023 and 31 December 2022 are disclosed in Note 6.

**NOTE 5 - INTANGIBLE ASSETS**

	<b>1 January 2023</b>	<b>Additions</b>	<b>31 March 2023</b>
<b>Costs</b>			
Rights	8.464.616	838.017	9.302.633
Licenses	173.638.880	-	173.638.880
	<b>182.103.496</b>	<b>838.017</b>	<b>182.941.513</b>
<b>Accumulated amortisation</b>			
Rights	(7.064.400)	(136.133)	(7.200.533)
Licenses	(25.452.944)	(480.940)	(25.933.884)
	<b>(32.517.344)</b>	<b>(617.073)</b>	<b>(33.134.417)</b>
<b>Net book value</b>	<b>149.586.152</b>		<b>149.807.096</b>
	<b>1 January 2022</b>	<b>Additions</b>	<b>31 March 2022</b>
<b>Costs</b>			
Rights	8.045.421	109.574	8.154.995
Licenses	126.819.925	24.810	126.844.735
	<b>134.865.346</b>	<b>134.384</b>	<b>134.999.730</b>
<b>Accumulated amortisation</b>			
Rights	(6.686.334)	(106.229)	(6.792.563)
Licenses	(23.528.344)	(481.714)	(24.010.058)
	<b>(30.214.678)</b>	<b>(587.943)</b>	<b>(30.802.621)</b>
<b>Net book value</b>	<b>104.650.668</b>		<b>104.197.109</b>

Current period amortisation expense amounting to TL 81.818 (31 March 2022: TL 98.669) has been included in cost of sales and remaining TL 535.255 (31 March 2022: TL 489.274) has been included in general administrative expenses.

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 6 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES****a) Other short - term provisions**

As of 31 March 2023, there are various lawsuits against or in favor of the Group. The Group management estimates the outcomes of these lawsuits and the financial effects thereof, and the required provisions are accounted for based on these estimates. The amount of provisions for the lawsuits as of 31 March 2023 is TL 49.035.191 (31 December 2022: TL 48.553.907).

	<b>31 March 2023</b>	<b>31 December 2022</b>
Litigation provision	49.035.191	48.553.907
Periodical maintenance provisions	17.385.004	22.993.418
	<b>66.420.195</b>	<b>71.547.325</b>

The movements of litigation provision are as follows:

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>48.553.907</b>	<b>38.674.310</b>
Current period charges	591.406	1.250
Interest charges of litigation provision	27.193	119.215
Released provisions	(137.315)	(761.607)
<b>31 March</b>	<b>49.035.191</b>	<b>38.033.168</b>

**b) Contingent liabilities****- Guarantees given**

The commitments and contingent liabilities of the Group those are not expected to be resulted in a significant loss or liability to the Group are summarized below:

		<b>31 March 2023</b>		<b>31 December 2022</b>	
	<b>Original currency</b>	<b>Original Amount</b>	<b>TL equivalent</b>	<b>Original Amount</b>	<b>TL Equivalent</b>
Letters of guarantees given	TL	204.125.865	204.125.865	184.134.136	184.134.136
	USD	2.693.232	51.584.011	624.456	11.676.266
	EUR	4.200.000	87.549.000	4.200.000	83.726.580
			<b>343.258.876</b>		<b>279.536.982</b>

Guarantees given, in general, are comprised of the letters of guarantees given to the several institutions and organizations within the operations of the Group (to EMRA, vendors whom electricity purchased and electricity transmission and distribution related government authorities, to the tax authorities within the scope of VAT returns) and to the judicial authorities for some of the on-going lawsuits.

## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

#### NOTE 6 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees, pledges, mortgages ("GPM") given by the Group as of 31 March 2023 and 31 December 2022 are as follows:

	Currency	31 March 2023		31 December 2022	
		Original currency	TL equivalent	Original currency	TL equivalent
<b>GPMs given by the Group</b>					
A. GPMs given					
for companies' own legal entity	TL	6.622.586.709	6.622.586.709	6.602.594.980	6.602.594.980
	USD	920.208.832	17.624.943.801	918.140.056	17.167.658.209
	EUR	4.200.000	87.549.000	4.200.000	83.726.580
B.Total amount of GPM given for the subsidiaries and associates in the scope of consolidation					
	-	-	-	-	-
C.Total amount of GPM given for the purpose of maintaining operating activities					
	-	-	-	-	-
D.Total other GPMs given					
i) Total amount of CPMB's given on behalf of the majority shareholder	-	-	-	-	-
ii) Total amount of CPMB's given to on behalf of other which are not in scope of B and C.	-	-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C.	-	-	-	-	-
			<b>24.335.079.510</b>		<b>23.853.979.769</b>

Details of the guarantees given by Akenerji for its own legal entity as of 31 March 2023 are as follows:

As of 11 November 2019, within the scope of financial restructuring between our company Akenerji ("Borrower") and Yapı ve Kredi Bankası A.Ş., a total of USD 859 million refinancing loan agreement for the maturity of 13 years has been concluded, in order to provide refinancing and maturity extension of all existing debts of our company. In addition to the related loan agreement, Akenerji signed agreements for the Transfer of Receivables, Transfer of Epiş Receivables, Real Estate and Supreme Rights to constitute the collateral of the refinancing loans amounting to USD 465 million and TL 2.271.037.258. In accordance with the Movable Pledge Agreements signed between Akenerji and the Bank, a movable pledge with a total value of TL 6.418.460.843 and a second order of USD 917.515.600 has been established, creating an upper limit for Akenerji. In addition, Yapı ve Kredi Bankası A.Ş. has been determined as a pledge creditor in the insurance policies of power plants as a crew.

As of 31 March 2023, GPMs given by the Group to equity ratio is 435% (31 December 2022: 416%).

#### - Sales and purchase commitments

##### *Electricity sales and purchase commitments:*

Within the scope of electricity energy sales agreements made with energy companies, the Group has committed to sell 618.788 MWh of energy physically in 2023, and within the scope of the related commitment, 585.788 MWh of energy has been sold as of 31 March 2023.

## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

#### NOTE 6 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The Group has committed to purchase 121.980 MWh of physical electricity energy within the scope of electricity energy purchase agreements with energy companies in 2023 and as of 31 March 2023, 55.980 MWh of the electricity energy was committed to be purchased is completed.

As of 31 March 2023, the Group does not have any physical purchase or sales electricity protocols that it has committed to perform in 2024 and beyond.

##### *Natural gas purchase commitments:*

The Group has a 550 mcm take-or-pay commitment for 2023. In the first quarter of 2023, approximately 35% of the commitment amount has been completed. In the light of current market conditions, water levels and general consumption estimations, it is foreseen that the take-or-pay obligations for 2023 will be completed.

##### *Other matters*

Kemah Hydroelectric Power Plant project in the Group, which is 198 MW of installed power higher, reservoir capacity, and also with Turkey's leading locations of hydropower projects. The State Hydraulic Works Final Project approval process of the project, which is planned to be established in Erzincan and expected to generate an average of 560 GWh of electricity per year, was completed in 2017, the license was modified in 2020 and the pre - construction period was extended. The currently working Kemah HPP passes through the lake area will be under water (inundated) after the completion of the project. The relocation of this line will be made by the state as a public investment, and it will be included in the upcoming investment plan by Turkey Republic State Railways and the Ministry of Transport. The Group plans to make the necessary preparatory work for the project after mentioned relocation plan realized. As of March 31, 2023, the carrying value of the related investment in the statement of financial position of the Group is TL 85.555.511.

#### c) Contingent assets

##### Guarantees received

		31 March 2023		31 December 2022	
	Currency	Original Currency	TL Equivalent	Original currency	TL Equivalent
Letters of guarantees received	TL	229.419.395	229.419.395	505.277.251	505.277.251
	EUR	72.894	1.519.478	17.750	353.844
	USD	4.000	76.613	5.194.000	97.118.970
Notes of guarantees received	TL	1.752.432	1.752.432	1.752.432	1.752.432
	USD	590.544	11.310.807	590.544	11.042.169
	EUR	33.800	704.561	33.800	673.800
	GBP	5.675	134.272	5.675	127.626
Cheques of guarantees received	TL	106.000	106.000	106.000	106.000
	USD	16.650	318.901	16.650	311.327
Mortgages received	TL	3.242.000	3.242.000	3.242.000	3.242.000
			<b>248.584.459</b>	<b>620.005.419</b>	

Letters of guarantees received, in general, comprised of the letters of guarantees received from the customers in relation to the Group's electricity sales operations.

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 7 - DERIVATIVE FINANCIAL INSTRUMENTS**

	<b>31 March 2023</b>		<b>31 December 2022</b>	
	<b>Contract amount</b>	<b>Fair value</b>	<b>Contract amount</b>	<b>Fair value</b>
Interest rate swaps				
- Short - term	790.088.653	7.814.734	771.323.573	7.339.152
Forward contracts				
- Short - term	145.845.114	10.345.101	273.127.981	13.394.040
- Long - term	-	-	12.828.646	1.634.321
<b>Derivative financial liabilities</b>	<b>935.933.767</b>	<b>18.159.835</b>	<b>1.057.280.200</b>	<b>22.367.513</b>

Movement of derivative instruments during the period is as follows:

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>22.367.513</b>	<b>21.669.943</b>
To be reclassified to profit or loss	(4.207.678)	(5.975.114)
- Financial (income)/expense	(4.207.678)	(6.017.296)
- Other operating (income)/expensxse	-	42.182
<b>31 March</b>	<b>18.159.835</b>	<b>15.694.829</b>

## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

#### NOTE 8 - EQUITY

##### Share capital

Akenerji adopted the registered capital system applicable to the companies registered on the CMB and defined a limit to its registered capital for shares. As of 31 March 2023 and 31 December 2022 the share capital held is as follows:

	31 March 2023	31 December 2022
Limit on registered share capital (historical)	1.500.000.000	1.500.000.000
Issued capital	729.164.000	729.164.000

The Company's shareholders and shareholding structure as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023		31 December 2022	
	Share (%)	Amount	Share (%)	Amount
CEZ a.s.	37,36	272.425.943	37,36	272.425.943
Akkök Holding A.Ş.	20,43	148.989.090	20,43	148.989.090
Akarsu Enerji Yatırımları San. ve Ticaret A.Ş. ("Akarsu")	16,93	123.436.852	16,93	123.436.852
Publicly held	25,28	184.312.115	25,28	184.312.115
		<b>729.164.000</b>		<b>729.164.000</b>
Adjustment to share capital		101.988.910		101.988.910
<b>Total paid-in capital</b>		<b>831.152.910</b>		<b>831.152.910</b>

The share capital of the Company consists of 72.916.400.000 shares with a nominal value of 1 Kr for each where no privilege rights are provided for any kind of shares.

##### Share premium

Share premiums presented in the consolidated financial statements represent the proceeds from the excess of the amount of shares compared to their nominal values.

##### Reserves

	31 March 2023	31 December 2022
Legal reserves	12.053.172	12.053.172
	<b>12.053.172</b>	<b>12.053.172</b>

Turkish Commercial Code stipulates that the legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders. Under the TCC, legal reserves can only be used for compensating losses, continuing operations in severe conditions or preventing unemployment and taking actions for relieving its effects in case general legal reserves does not exceed half of paid-in capital or issued capital.



## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

#### NOTE 9 - TAX ASSETS AND LIABILITIES

	31 March 2023	31 December 2022
Current income tax expenses	7.630.607	3.398.460
Prepaid taxes	(1.321.058)	(3.797.614)
<b>Current income tax liabilities/ (Current income tax assets), net</b>	<b>6.309.549</b>	<b>(399.154)</b>

##### *Corporation tax*

The Group is subject to corporate tax in Turkey. Necessary provisions have been made in the financial statements for the estimated tax liabilities of the Group related to the current period activity results.

The corporate tax rate in Turkey is 20% (31 December 2022: 23%). The corporate tax rate is applied to the net corporate income to be found as a result of adding the non-deductible expenses to the commercial earnings of the companies, and deducting the exemptions and deductions stated in the tax laws. Losses can be carried forward for offset against future taxable income for up to 5 years. However, the resulting losses cannot be deducted retrospectively from the profits of previous years.

In Turkey, there is no practice to reconcile with the tax authority on taxes payable. The corporate tax return is submitted until the evening of the 30th day of the fourth month following the end of the accounting period and is paid until the end of the month.

Companies in Turkey calculate temporary tax at the rate of 20% over their quarterly financial profits (31 December 2022: 23%) and declared until the 17th day of the second month following that period. pay by the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. Despite the deduction, if there is an amount of advance tax paid, this amount can be refunded or deducted in cash.

##### *Income tax withholding*

Limited taxpayer that earn income through by a permanent establishment or permanent representative and paid to companies (dividends) resident in Turkey not subject to withholding tax. Dividend payments made to persons other than these are subject to 10% withholding tax. The profit included to the capital is not a profit distribution.

The details of tax income / expense for the period ended 31 March 2023 and 2022 are as follows:

	1 January - 31 March 2023	1 January - 31 March 2022
Current income tax expense (-)	(7.630.607)	-
Deferred tax(expense)/income	56.989.855	57.341.376
	<b>49.359.248</b>	<b>57.341.376</b>

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 9 - TAX ASSETS AND LIABILITIES (Continued)***Deferred taxes*

	<b>31 March 2023</b>	<b>31 December 2022</b>
Deferred tax assets	200.463	5.814.865
Deferred tax liabilities	(1.949.780.029)	(2.014.005.753)
<b>Deferred tax assets, net</b>	<b>(1.949.579.566)</b>	<b>(2.008.190.888)</b>

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising from its financial statements prepared in compliance with TAS and its statutory tax financial statements. The temporary differences usually result from the recognition of revenue and expenses in different reporting periods according to TAS and Tax Laws.

The tax rate used in the calculation of deferred tax assets and liabilities is 20% (31 December 2022: 23%)

The breakdown of cumulative temporary differences and the resulting deferred tax assets/liabilities provided using principal tax rates is as follows:

	<b>Total temporary differences</b>		<b>Deferred tax assets/(liabilities)</b>	
	<b>31 March 2023</b>	<b>31 December 2022</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
Investment incentives (*)	(535.427.967)	(503.932.204)	107.085.593	100.786.441
Provisions for lawsuits	(530.200)	(530.200)	106.040	106.040
Provision for employment termination benefit	(28.437.278)	(23.675.671)	5.687.455	4.735.133
Adjustments to property, plant and equipment	10.265.138.486	10.529.679.217	(2.053.027.698)	(2.105.935.843)
Adjustments to borrowings	33.385.061	34.726.504	(6.677.012)	(6.945.283)
Other	14.783.430	4.686.877	(2.753.944)	(937.376)
<b>Deferred tax assets/(liabilities), net</b>			<b>(1.949.579.566)</b>	<b>(2.008.190.888)</b>

(\*) Within the scope of former Article 19 of Income Taxation Law, the related amount of investment incentive is mainly due to investment expenditures of Uluabat HEPP.

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 9 - TAX ASSETS AND LIABILITIES (Continued)**

Details of tax losses on which deferred taxes are not recognized, along with the year it is incurred and the maximum year it can be utilized, are provided below:

<b>Year incurred</b>	<b>Year can be used</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
2018	2023	148.406.201	148.406.201
2019	2024	133.261.859	133.261.859
2020	2025	262.766.427	262.766.427
2021	2026	1.181.821.985	1.181.821.985
2022	2027	220.741.282	221.355.115
2023	2028	4.231.515	-
		<b>1.951.229.269</b>	<b>1.947.611.587</b>

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 10 - REVENUE AND COST OF SALES****a) Revenue**

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Electricity sales revenue	2.986.750.482	1.522.714.250
Revenue on sharing of imbalance savings	1.820.235.420	555.306.227
Revenue on loading instructions	485.410.293	45.047.678
Revenue on seconder frequency control	164.616.904	67.412.220
Revenue on capacity mechanism	39.371.306	19.263.391
Other revenues	94.985.005	5.772.869
	<b>5.591.369.410</b>	<b>2.215.516.635</b>

**b) Cost of sales**

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Direct raw materials consumed and cost of electricity purchased(*)	4.893.706.384	1.595.867.855
Depreciation and amortisation expenses	208.012.804	125.946.832
Maintenance and repair expenses	51.290.549	23.861.951
Personnel expenses	39.775.788	16.517.175
Insurance expenses	21.750.444	5.443.668
Other materials and spare parts consumed	1.999.312	2.443.630
Other expenses	102.292.065	11.181.564
	<b>5.318.827.346</b>	<b>1.781.262.675</b>

(\*) Direct raw materials consumed comprised of cost of natural gas purchased, cost of energy purchased, imbalance sharing costs, system usage costs, and etc.

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 11- EXPENSES BY NATURE**

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Direct raw materials consumed and cost of electricity purchased (*)	4.893.706.384	1.595.867.855
Depreciation and amortisation expenses (**)	210.495.458	127.649.059
Personnel expenses (***)	72.155.677	29.888.033
Maintenance and repair expenses	51.290.549	23.861.951
Insurance expenses (****)	22.029.368	5.558.069
Taxes and duties	4.757.314	3.789.039
Consultancy expenses	3.821.982	1.164.856
IT expenses	3.291.650	1.990.638
Office expenses	2.291.959	1.218.849
Other materials and spare parts consumed	1.999.312	2.443.630
Vehicle expenses	826.747	474.153
Travel expenses	564.990	152.244
Legal and notary expenses	283.855	370.109
Advertising and sponsorship expenses	236.922	214.497
Other expenses	104.482.455	12.215.521
	<b>5.372.234.622</b>	<b>1.806.858.503</b>

- (\*) Direct raw materials consumed comprised of cost of natural gas purchased, cost of energy purchased, imbalance sharing costs, system usage costs, and etc.
- (\*\*) Depreciation and amortization expenses amounting to TL 208.012.804 (31 March 2022: TL 125.946.832) is classified in cost of sales, TL 2.482.654 (31 March 2022: TL 1.702.227) of amortization and depreciation expenses is classified in general administrative expenses.
- (\*\*\*) Personnel expenses amounting to TL 39.775.788 (31 March 2022: TL 16.517.175) is classified in cost of sales, TL 32.379.889 (31 March 2022: TL 13.370.858) is classified in general and administrative expenses.
- (\*\*\*\*) Insurance expenses amounting to TL 21.750.444 (31 March 2022: TL 5.443.668) is classified in cost of sales, TL 278.924 (31 March 2022: TL 114.401) is classified in general and administrative expenses.

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 12 - OTHER OPERATING INCOME AND EXPENSE****a) Other operating income**

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Delay interests charged	44.551.943	674.139
Income from insurance compensation	12.933.259	-
Foreign exchange gains from trading activities	7.499.163	22.898.593
Gain on futures and options markets	2.855.567	1.754.456
Provisions no longer required (*)	137.315	1.147.185
Gain on risk sharing contracts	-	173.952.036
Other income	2.798.113	367.923
	<b>70.775.360</b>	<b>200.794.332</b>

(\*) As of 31 March 2023, all of the provisions consist of litigation provisions (31 March 2022: 761.607). In the current period, there are no premium provisions (31 March 2022: 298.938 TL) and no other provisions (31 March 2022: 86.640 TL).

**b) Other operating expense**

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Delay interests charged	6.888.893	-
Foreign exchange losses from trading activities	5.942.132	11.210.108
Losses on futures and options market	5.219.752	3.597.021
Provisions for litigations	591.406	1.250
Losses on risk sharing contracts	-	173.936.179
Other expenses	2.236.851	1.444.641
	<b>20.879.034</b>	<b>190.189.199</b>

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 13 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES****a) Income from investing activities**

	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Fair value difference gain on exchange rate protected deposit accounts	5.990.388	-
Profit on sale of property, plant and equipment	3.519	-
Dividend income	-	17.991
	<b>5.993.907</b>	<b>17.991</b>

**NOTE 14 - FINANCIAL INCOME AND EXPENSES****a) Financial income**

	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Foreign exchange gain	26.261.725	57.789.486
Interest income	22.839.304	11.218.568
Gain on derivative financial instruments	4.683.255	26.361.880
	<b>53.784.284</b>	<b>95.369.934</b>

**b) Financial expenses**

	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Interest and commission expenses	265.642.658	227.348.348
Foreign exchange losses	199.542.502	609.954.383
Losses on derivative financial instruments	2.685.907	17.058.192
Other financial expenses (*)	31.387.342	79.834.089
	<b>499.258.409</b>	<b>934.195.012</b>

(\*) For the period 1 January - 31 March 2023, TL 28.443.814 (1 January - 31 March 2022: TL 77.154.751) of the respective amount is comprised of the indexation difference of the liability due to Uluabat DSİ Water Use Agreement calculated by WPT.

## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

#### NOTE 15 - RELATED PARTY DISCLOSURES

##### a) Transaction with related parties

###### - Purchases from related parties

	1 January - 31 March 2023	1 January - 31 March 2022
Sakarya Elektrik Perakende Satış A.Ş. ("Sepaş") (1) (****)	182.721.200	62.381.797
Cez a.s. (2) (*)	8.697.674	71.924.062
Dinkal Sigorta Acenteliği A.Ş. ("Dinkal") (3) (**)	8.676.873	2.906.785
Aksa Akrilik Kimya Sanayi A.Ş. ("Aksa") (4) (**)	7.062.662	3.453.783
Ak-Han Bakım Yön. Serv. Hiz. Güv. Malz. A.Ş. ("Ak-Han") (5) (**)	3.365.346	1.393.541
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş. ("Aktek") (6) (**)	3.333.542	2.060.206
Akkök Holding A.Ş. ("Akkök") (7) (*)	1.821.665	215.948
	<b>215.678.962</b>	<b>144.336.122</b>

(1) Comprised of purchase of electricity and sharing of instability savings.

(2) Comprised of purchase of electricity and risk sharing contracts.

(3) Comprised of insurances purchased from insurance companies by the intermediary of Dinkal.

(4) Comprised of sharing of instability savings.

(5) Comprised of building maintenance and other services received.

(6) Comprised of IT services received.

(7) Comprised of rent service received.

###### - Sales to related parties

	1 January - 31 March 2023	1 January - 31 March 2022
Sepaş (1) (****)	1.805.712.861	1.106.344.184
Cez a.s (2) (*)	14.617.471	112.229.921
Aksa (3) (**)	11.247.603	4.616.397
Other	105.966	205.141
	<b>1.831.683.901</b>	<b>1.223.395.643</b>

(1) In general, comprised of sales of electricity and sharing of instability.

(2) Comprised of sales of electricity and risk sharing contracts.

(3) Comprised of sharing of instability.

(\*) Shareholder.

(\*\*) Akkök Holding group company.

(\*\*\*) Cez a.s. group company.

(\*\*\*\*) Akkök Holding and Cez a.s. group company.



## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

#### NOTE 15 - RELATED PARTY DISCLOSURES (Continued)

##### b) Balances with related parties

- *Short-term trade receivables from related parties*

	31 March 2023	31 December 2022
Sepaş (1) (****)	122.833.481	507.553.855
Aksa (2) (**)	2.729.339	3.807.294
CEZ a.s. (3) (*)	1.021.042	56.840.901
Akcez (4) (****)	12.489	12.489
CEZ a.s. Turkey Daimi Tem. (5) (***)	10.839	10.839
Other	-	95.185
	<b>126.607.190</b>	<b>568.320.563</b>

(1) Comprised of receivables from sales of electricity and sharing of instability.

(2) Comprised of receivables from sharing of instability.

(3) Comprised of receivables from sales of electricity and risk sharing.

(4) Comprised of receivables from comprised of consultancy services provided.

(5) Comprised of receivables from sales of rental income.

The average maturity days of trade receivables from related parties is 20 days.

- *Short-term trade payables to related parties*

	31 March 2023	31 December 2022
Dinkal (2) (**)	48.125.670	81.100.936
Sepaş (3) (****)	42.385.933	80.539.877
CEZ a.s. Turkey Daimi Tem. (4) (****)	4.389.846	4.198.184
Akkök (5) (*)	2.533.953	1.787.289
Aktek (7) (**)	1.712.424	2.456.992
Ak-Han (8) (**)	1.408.207	985.350
Aksa (6) (**)	1.286.182	2.971.709
CEZ a.s (1) (*)	1.047.068	46.977.870
	<b>102.889.283</b>	<b>221.018.207</b>

(1) Comprised of purchase of electricity and risk sharing contracts.

(2) Comprised of payables to Dinkal for the insurances purchased from insurance companies by the intermediary of Dinkal.

(3) Comprised of the payables related to electricity and sharing of instability.

(4) Comprised of the payables related to consultancy services received.

(5) Comprised of the payables related to consultancy and rent services received.

(6) Comprised of the payables related to electricity and sharing of instability.

(7) Comprised of the payables related to IT services and equipment purchased.

(8) Comprised of the payables related to office maintenance and management services received.

(9) Comprised of the payables related to aviation services received.

(\*) Shareholder.

(\*\*) Akkök Holding group company.

(\*\*\*) CEZ a.s. group company.

(\*\*\*\*) Akkök Holding and CEZ a.s. group company.

The average maturity days of trade payables from related parties is 30 days.

## AKENERJİ ELEKTRİK ÜRETİM A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022

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

#### NOTE 15 - RELATED PARTY DISCLOSURES (Continued)

##### c) Key management compensation

For the purpose of these consolidated financial statements, key management compensation consists of the payments made to Group shareholders and top management (General Manager and Vice General Managers and directors).

	1 January - 31 March 2023	1 January - 31 March 2022
Bonus payment	8.082.535	4.575.002
Salaries and benefits	5.587.303	2.024.129
Attendance fee	341.876	219.513
	<b>14.011.714</b>	<b>6.818.644</b>

#### NOTE 16 - FINANCIAL RISK MANAGEMENT

##### - Foreign exchange risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated assets and liabilities to local currency. Foreign exchange risk arises from future obligations as well as foreign currency denominated assets and liabilities. These risks are monitored and limited by the monitoring of the foreign currency position. In order to manage this risk, foreign exchange purchases are made from spot markets and derivative instruments are used. The management limits the foreign currency position of the Group through analyzing it. The Group has reduced its exposure to currency risk by converting a significant portion of its USD denominated loans into TL with the refinancing it has made within the scope of Financial Restructuring on 11 November 2019. In addition to these, the Group has reduced its exposure to currency risk by creating a natural hedge mechanism from USD based revenues obtained within the scope of Turkish Renewable Energy Resources Support Mechanism.

The details of the foreign currency assets and liabilities as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
Assets	1.152.739.754	1.101.040.226
Liabilities	(8.881.564.960)	(8.687.143.057)
<b>Net financial position</b>	<b>(7.728.825.206)</b>	<b>(7.586.102.831)</b>
Net position of derivative instruments	(145.845.114)	(285.956.628)
<b>Foreign currency position (net)</b>	<b>(7.874.670.320)</b>	<b>(7.872.059.459)</b>

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 16 – FINANCIAL RISK MANAGEMENT (Continued)**

Assets and liabilities denominated in foreign currency held by the Group at 31 March 2023 and 31 December 2022 and their TL equivalent are as follows:

	31 March 2023				31 December 2022			
	TL Equivalent	USD	Euro	Other	TL Equivalent	USD	Euro	Other
Trade receivables	6.888.162	306.309	48.998	-	185.955.883	11.815.343	1.887.038	-
Monetary financial assets	1.113.429.279	53.637.187	4.130.750	1	529.751.142	36.069.333	3.246.741	22
<b>Current assets</b>	<b>1.120.317.441</b>	<b>53.943.496</b>	<b>4.179.748</b>	<b>1</b>	<b>715.707.025</b>	<b>47.884.676</b>	<b>5.133.779</b>	<b>22</b>
Monetary financial assetsvarlıklar	32.422.313	-	1.555.400	-	7.211.517	3.400	475.001	-
<b>Non-current assets</b>	<b>32.422.313</b>	<b>-</b>	<b>1.555.400</b>	<b>-</b>	<b>7.211.517</b>	<b>3.400</b>	<b>475.001</b>	<b>-</b>
<b>Total assets</b>	<b>1.152.739.754</b>	<b>53.943.496</b>	<b>5.735.148</b>	<b>1</b>	<b>722.918.542</b>	<b>47.888.076</b>	<b>5.608.780</b>	<b>22</b>
Trade payables	129.531.260	6.047.108	657.696	5	74.633.027	5.232.306	324.234	-
Financial liabilities	727.220.788	36.726.808	1.141.035	-	510.563.671	36.983.309	1.167.462	-
Other monetary liabilities	5.772.276	301.374	-	-	4.211.404	315.958	-	-
<b>Short-term liabilities</b>	<b>862.524.324</b>	<b>43.075.290</b>	<b>1.798.731</b>	<b>5</b>	<b>589.408.102</b>	<b>42.531.573</b>	<b>1.491.696</b>	<b>-</b>
Financial liabilities	7.978.044.935	410.560.953	5.492.391	-	5.850.056.339	430.835.620	7.122.059	-
Other monetary liabilities	40.995.701	2.140.410	-	-	5.332	400	-	-
<b>Long-term liabilities</b>	<b>8.019.040.636</b>	<b>412.701.363</b>	<b>5.492.391</b>	<b>-</b>	<b>5.850.061.671</b>	<b>430.836.020</b>	<b>7.122.059</b>	<b>-</b>
<b>Total liabilities</b>	<b>8.881.564.960</b>	<b>455.776.653</b>	<b>7.291.122</b>	<b>5</b>	<b>6.439.469.773</b>	<b>473.367.593</b>	<b>8.613.755</b>	<b>-</b>
<b>Net Asset(Liability) Position of Statement of Financial Position Derivative Instruments</b>	<b>(145.845.114)</b>	<b>(7.614.660)</b>	<b>-</b>	<b>-</b>	<b>(285.956.628)</b>	<b>(15.293.189)</b>	<b>-</b>	<b>-</b>
Off statement of financial position foreign currency derivative assets	-	-	-	-	-	-	-	-
Off statement of financial position foreign currency derivative liabilities	(145.845.114)	(7.614.660)	-	-	(285.956.628)	(15.293.189)	-	-
<b>Net foreign currency asset(liability) position</b>	<b>(7.874.670.320)</b>	<b>(409.447.817)</b>	<b>(1.555.974)</b>	<b>(4)</b>	<b>(7.872.059.459)</b>	<b>(420.173.568)</b>	<b>(778.931)</b>	<b>(5)</b>
<b>Net foreign currency asset(liability) position of monetary items</b>	<b>(7.728.825.206)</b>	<b>(401.833.157)</b>	<b>(1.555.974)</b>	<b>(4)</b>	<b>(7.586.102.831)</b>	<b>(404.880.379)</b>	<b>(778.931)</b>	<b>(5)</b>
<b>Total fair value of financial instruments used for foreign currency hedging</b>	<b>(198.141.884)</b>	<b>(10.345.106)</b>	<b>-</b>	<b>-</b>	<b>(281.004.802)</b>	<b>(15.028.361)</b>	<b>-</b>	<b>-</b>
<b>Export</b>	<b>135.387.594</b>	<b>45.000</b>	<b>6.621.343</b>	<b>-</b>	<b>560.456.004</b>	<b>71.215</b>	<b>32.507.029</b>	<b>-</b>
<b>Import</b>	<b>130.890.103</b>	<b>2.795.849</b>	<b>3.907.965</b>	<b>1.408</b>	<b>382.807.379</b>	<b>2.791.485</b>	<b>20.043.889</b>	<b>1.123</b>

**AKENERJİ ELEKTRİK ÜRETİM A.Ş.**
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

**NOTE 16 - FINANCIAL RISK MANAGEMENT (Continued)**

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EURO. As of 31 March 2023 and 2022, the following table details of Group's sensitivity to a 10% increase and decrease in the TL against relevant foreign currencies, all other variables held constant. The sensitivity analysis includes only monetary items in open foreign currency at the end of the year.

	31 March 2023			
	Profit /Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>+/- 10% fluctuation of USD rate against to TL</b>				
1- USD net asset/liability	(769.639.082)	769.639.082	(769.639.082)	769.639.082
2- Part of hedged from USD risk (-)	-	-	-	-
<b>3- USD net effect (1+2)</b>	<b>(769.639.082)</b>	<b>769.639.082</b>	<b>(769.639.082)</b>	<b>769.639.082</b>
<b>+/- 10% fluctuation of EUR rate against to TL</b>				
4- EUR net asset/liability	(3.243.428)	3.243.428	(3.243.428)	3.243.428
5- Part of hedged from EUR risk (-)	-	-	-	-
<b>6- EUR net effect (4+5)</b>	<b>(3.243.428)</b>	<b>3.243.428</b>	<b>(3.243.428)</b>	<b>3.243.428</b>
<b>+/- 10% fluctuation of other currencies rate against to TL</b>				
7- Other currencies net asset/liability	(9)	9	(9)	9
8- Part of hedged from other currencies risk (-)	-	-	-	-
<b>9- Other currencies net effect (7+8)</b>	<b>(9)</b>	<b>9</b>	<b>(9)</b>	<b>9</b>
<b>Total (3+6+9)</b>	<b>(772.882.519)</b>	<b>772.882.519</b>	<b>(772.882.519)</b>	<b>772.882.519</b>
	31 December 2021			
	Profit /Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>+/- 10% fluctuation of USD rate</b>				
1- USD net asset/liability	(757.057.479)	757.057.479	(757.057.479)	757.057.479
2- Part of hedged from USD risk (-)	-	-	-	-
<b>3- USD net effect (1+2)</b>	<b>(757.057.479)</b>	<b>757.057.479</b>	<b>(757.057.479)</b>	<b>757.057.479</b>
<b>+/- 10% fluctuation of EUR rate</b>				
4- EUR net asset/liability	(1.552.791)	1.552.791	(1.552.791)	1.552.791
5- Part of hedged from EUR risk (-)	-	-	-	-
<b>6- EUR net effect (4+5)</b>	<b>(1.552.791)</b>	<b>1.552.791</b>	<b>(1.552.791)</b>	<b>1.552.791</b>
<b>+/- 10% fluctuation of other currencies rate against to TL</b>				
7- Other currencies net asset/liability	(11)	11	(11)	11
8- Part of hedged from other currencies risk (-)	-	-	-	-
<b>9- Other currencies net effect (7+8)</b>	<b>(11)</b>	<b>11</b>	<b>(11)</b>	<b>11</b>
<b>Total (3+6+9)</b>	<b>(758.610.281)</b>	<b>758.610.281</b>	<b>(758.610.281)</b>	<b>758.610.281</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE PERIODS ENDED 31 MARCH 2023 AND 2022**

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

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**NOTE 17 - FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS**

**Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

*Financial assets*

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectability are estimated to be their fair values.

*Financial liabilities*

The fair values of floating rate and short-term bank borrowings and other financial liabilities are estimated to converge to their fair values.

**Fair value hierarchy table**

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contains observable market inputs

As of 31 March 2023, the Group has short-term liabilities from derivative financial instruments amounting to TL 18.159.835 (31 December 2022: TL 20.733.192) which are categorized as level 2. As of 31 March 2023, the Group does not have long-term liabilities from derivative financial instruments (31 December 2022: TL 1.634.321).

Fair value of the lands, land improvements, buildings, machinery and equipment of the Group's power plants were measured by a professional independent valuation company on 31 December 2022 through other valuation techniques involving direct and indirect observable inputs (Level 3) (Note 2.6).

**NOTE 18 – SUBSEQUENT EVENTS**

None.

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