(CONVENIENCE TRANSLATION OF A REPORT AND FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

AKENERJI ELEKTRIK ÜRETIM A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021 AND
INDEPENDENT AUDITOR'S REPORT

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Akenerji Elektrik Üretim A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Akenerji Elektrik Üretim A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
Accounting for the revaluation of property, plant and equipment	
The Group has adopted the revaluation method under TAS 16 "Property, plant and equipment" with respect to measurement of the operating power plants. As disclosed in Note 2.7, the Group has recognized a revaluation surplus of TL5,295,480,830 in the consolidated financial statements with respect to revaluation studies performed in 2021. We focused on this matter in our audit due to the following reasons: - Revaluation surplus recognized is material to the Group's consolidated financial statements as at 31 December 2021, - In the valuation studies, there are significant management estimates and assumptions (prospective electricity price expectations, spark spreads, electricity production volume expectations, capacity utilization rates and discount rate) in cash flow projections, - Estimates and assumptions used in valuation studies may be affected by future industrial and economic changes, - The necessity of the use of valuation experts to review the valuation studies due to complex structure of inputs and calculations used.	We performed the following audit procedures in the accounting for the revaluation of property, plant and equipment: - The competence and objectivity of the valuation company that performed the valuation studies and consultancy firm that provided service in determining prospective electricity price expectations and spark spreads have been evaluated. - The valuation methods and technical data used in the valuation of property, plant and equipment were evaluated with the Group management and other management experts with the support of our valuation specialists, - The significant estimates (prospective electricity price expectations, spark spreads, electricity production volume expectations, capacity utilization rates and discount rate) used in the model were evaluated with the support of our valuation experts, - The electricity production volume and capacity utilization rates used in the projections were compared with the previous period performances of the Group. - The Group has taken consultancy services from a consultancy firm related to the prospective electricity sales price and spark spread expectations. Such estimations are included in discounted cash flow studies of management. Reasonableness of such estimations have been evaluated with support of our valuation experts. • Revaluation surplus determined based on the revaluation studies has been reconciled with the consolidated financial statements. • Compliance of the related disclosures on the accounting for the revaluation of property, plant and equipment with TFRS's were evaluated.

4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 7 March 2022.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Çağlar Sürücü, SMMM
Partner

Istanbul, 7 March 2022

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2021

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

	Notes	Current period Audited 31 December 2021	Prior period Audited 31 December 2020
ASSETS			
Current assets			
Cash and cash equivalents	3	681.299.003	214.333.131
Derivative instruments	17	328.522.158	10.470.084
Trade receivables			
- Due from related parties	*5,28*	*250.390.047*	*15.520.418*
- Due from third parties	*5*	*201.359.055*	*82.709.558*
Other receivables			
- Due from third parties	*6*	*1.241.120*	*3.232.068*
Inventories	10	11.117.823	5.761.993
Prepaid expenses	9	36.989.194	14.003.586
Current income tax assets	20	1.093.049	1.048.119
Other current assets	11	16.234.262	17.718.408
Total current assets		**1.528.245.711**	**364.797.365**
Non - current assets			
Other receivables			
- Due from related parties	*6,28*	*3.017.340*	*9.007.900*
- Due from third parties	*6*	*4.675.002*	*1.173.003*
Financial investments	12	100.000	100.000
Inventories	10	19.156.626	18.603.008
Property, plant and equipment	13	11.383.275.666	6.186.528.709
Right of use assets	15	32.107.117	28.289.732
Intangible assets	14	104.650.668	106.026.262
Prepaid expenses	9	923.515	15.834.030
Deferred tax assets	20	169.548	4.176.768
Other non-current assets	11	35.514.581	-
Total non - current assets		**11.583.590.063**	**6.369.739.412**
TOTAL ASSETS		**13.111.835.774**	**6.734.536.777**

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

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 December 2021
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current period Audited 31 December 2021	Prior period Audited 31 December 2020
LIABILITIES			
Current liabilities			
Short term portion of long term borrowings			
- Bank loans	*4*	*492.950.522*	*246.601.779*
- Lease payables	*4*	*20.545.662*	*12.557.974*
Trade payables			
- Due to related parties	*7, 28*	*77.243.319*	*21.674.313*
- Due to third parties	*7*	*509.926.486*	*208.768.767*
Employee benefit obligations	18	1.625.824	913.824
Other payables			
- Other payables to third parties	*8*	*97.674.351*	*41.949.020*
Derivative instruments	17	329.940.405	27.472.101
Current income tax liabilities	20	2.157.194	-
Deferred income		152.651	1.467.802
Short term provisions			
- Provisions for employee benefits	*18*	*9.212.905*	*7.983.571*
- Other short - term provisions	*16*	*52.639.592*	*40.431.743*
Total current liabilities		**1.594.068.911**	**609.820.894**
Non - current liabilities			
Long term borrowings			
- Bank loans	*4*	*8.592.425.615*	*5.722.328.669*
- Lease payables	*4*	*138.560.518*	*100.875.010*
Other payables			
- Due to third parties	*8*	*230.329.959*	*146.336.964*
Derivative instruments	17	20.251.696	34.684.408
Long term provisions			
- Provisions for employee benefits	*18*	*12.210.016*	*8.152.977*
Deferred tax liabilities	20	945.784.955	240.949.948
Total non - current liabilities		**9.939.562.759**	**6.253.327.976**
EQUITY			
Share capital	19	729.164.000	729.164.000
Adjustments to share capital	19	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	*13*	*7.497.657.048*	*3.433.690.830*
- Losses on re-measurement of defined benefit plans		*(3.786.335)*	*(1.995.920)*
Other comprehensive income/(expense) to be reclassified to profit/loss			
Losses on hedges			
- Losses on cash flow hedging		*(4.433.563)*	*(6.917.435)*
Restricted reserves			
- Legal reserves	*19*	*12.053.172*	*12.053.172*
- Other reserves		*(4.322.722)*	*(4.322.722)*
Accumulated losses		(4.270.074.525)	(3.357.696.513)
Net loss for the period		(2.530.261.924)	(1.084.796.458)
Total equity		**1.578.204.104**	**(128.612.093)**
TOTAL LIABILITIES AND EQUITY		**13.111.835.774**	**6.734.536.777**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 December 2021
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Current period	Prior period
		Audited	**Audited**
	Notes	**1 January - 31 December 2021**	**1 January - 31 December 2020**
Revenue	21	3.917.844.338	2.187.508.497
Cost of sales (-)	21	(3.317.028.107)	(1.989.220.429)
Gross profit		**600.816.231**	**198.288.068**
General administrative expenses (-)	22	(101.199.929)	(68.774.210)
Other operating income	24	476.965.928	41.612.709
Other operating expenses (-)	24	(446.651.059)	(54.995.135)
Operating profit		**529.931.171**	**116.131.432**
Income from investing activities	25	25.704	2.102.949
Expenses from investing activities (-)	25	(52.016)	-
Operating profit before financial income/(expense)		**529.904.859**	**118.234.381**
Financial income	26	366.687.639	21.339.758
Financial expenses (-)	26	(3.774.929.098)	(1.301.464.487)
Loss before tax		**(2.878.336.600)**	**(1.161.890.348)**
Tax income/(expense)			
- Current income tax expense (-)	20	(2.352.631)	-
- Deferred tax income	20	350.427.307	77.093.890
Net loss for the period		**(2.530.261.924)**	**(1.084.796.458)**
Net loss attributable to:			
Equity holders of the parent		(2.530.261.924)	(1.084.796.458)
Earnings losses per share (1.000 shares)	27	**(3,470)**	**(1,488)**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 December 2021
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current period Audited 1 January - 31 December 2021	Prior period Audited 1 January - 31 December 2020
Net loss for the period		**(2.530.261.924)**	**(1.084.796.458)**
Other comprehensive income/(expense)			
To be reclassified to profit or loss			
Gains on cash flow hedging		3.104.844	3.113.353
Deferred tax effect	*20*	(620.972)	(622.670)
Not to be reclassified to profit or loss			
Increase on revaluation of property, plant and equipment	13, 20	5.295.480.830	(7.867.483)
Deferred tax effect	20	(1.059.096.166)	-
Actuarial gain/(loss) arising from defined benefit plans	18	(2.238.019)	(692.248)
Deferred tax effect	20	447.604	138.450
Other comprehensive income/(expense)		**4.237.078.121**	**(5.930.598)**
Total comprehensive income/(expense)		**1.706.816.197**	**(1.090.727.056)**

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

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 December 2021
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

				Other comprehensive income /(expenses) not to be reclassified to profit or loss		Other comprehensive income /(expenses) to be reclassified to profit or loss	Restricted reserves				
	Share capital	Adjustments to share capital	Share premiums	Increase on revaluation of property, plant and equipment	Gains/(losses) on re-measurement of defined benefit plans)	Gains/(losses) on cash flow hedging	Other reserves	Legal reserves	Retained earnings/ (accumulated losses)	Net loss for the period	Total equity
1 January 2020	**729.164.000**	**101.988.910**	**50.220.043**	**3.635.344.991**	**(1.442.122)**	**(9.408.118)**	**(4.322.722)**	**12.053.172**	**(2.811.757.372)**	**(740.673.273)**	**961.167.509**
Transfers	-	-	-	-	-	-	-	-	(740.673.273)	740.673.273	-
Total comprehensive expense	-	-	-	(7.867.483)	(553.798)	2.490.683	-	-	-	(1.084.796.458)	(1.090.727.056)
Other adjustments (*)	-	-	-	(193.786.678)	-	-	-	-	194.734.132	-	947.454
31 December 2020	**729.164.000**	**101.988.910**	**50.220.043**	**3.433.690.830**	**(1.995.920)**	**(6.917.435)**	**(4.322.722)**	**12.053.172**	**(3.357.696.513)**	**(1.084.796.458)**	**(128.612.093)**
1 January 2021	**729.164.000**	**101.988.910**	**50.220.043**	**3.433.690.830**	**(1.995.920)**	**(6.917.435)**	**(4.322.722)**	**12.053.172**	**(3.357.696.513)**	**(1.084.796.458)**	**(128.612.093)**
Transfers	-	-	-	-	-	-	-	-	(1.084.796.458)	1.084.796.458	-
Total comprehensive expense	-	-	-	4.236.384.664	(1.790.415)	2.483.872	-	-	-	(2.530.261.924)	1.706.816.197
Other adjustments (*)	-	-	-	(172.418.446)	-	-	-	-	172.418.446	-	-
31 December 2021	**729.164.000**	**101.988.910**	**50.220.043**	**7.497.657.048**	**(3.786.335)**	**(4.433.563)**	**(4.322.722)**	**12.053.172**	**(4.270.074.525)**	**(2.530.261.924)**	**1.578.204.104**

(*) As of 31 December 2021, the depreciation difference between the acquisition cost and the carrying values of the assets subject to revaluation method, amounting to TL 172.418.446 (31 December 2020: TL 194.734.132), were reclassified from increase on revaluation of property, plant and equipment to retained earnings / (losses).

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2021
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current period Audited 1 January - 31 December 2021	Prior period Audited 1 January - 31 December 2020
A. Cash flows from operating activities		**1.010.934.607**	**371.829.498**
Net loss for the period		(2.530.261.924)	(1.084.796.458)
Adjustments to reconcile net profit/(loss) for the year		**3.602.025.846**	**1.507.575.463**
Adjustments for depreciation and amortisation expenses	23	264.652.329	292.399.545
Adjustments for provisions			
- Adjustment for provisions for employee benefits	18	11.591.559	9.640.754
- Adjustments for litigation provisions	16	2.143.040	5.014.637
- Adjustments for other provisions	16	10.064.809	2.271.202
Adjustments for impairment		(67.753)	(3.452.869)
Adjustments for interest income		(24.367.947)	(10.101.107)
Adjustments for interest expense		822.335.727	577.521.264
Adjustments for unrealized foreign exchange differences		2.866.065.516	676.041.303
Fair value adjustments			
- Adjustments for fair value of derivative financial instruments		(2.368.774)	37.039.581
Adjustments for tax (income)/expense	20	(348.074.676)	(77.093.890)
Adjustments for (gain)/loss on sale of property, plant and equipment	25	52.016	(2.084.618)
Adjustments for gains on asset held for sale		-	379.661
Changes in working capital		**(52.045.743)**	**(46.438.950)**
Increase/decrease in trade receivables from related parties		(234.869.629)	(10.554.233)
Increase/decrease in trade receivables from third parties		(118.581.744)	(12.084.175)
Increase/decrease in other receivables from related parties		5.990.560	(7.677.780)
Increase/decrease in other receivables from third parties		(1.511.051)	2.620.809
Increase/decrease in inventories		(5.909.448)	(3.025.519)
Increase/decrease in prepaid expenses		(8.858.056)	3.360.205
Increase/decrease in other assets		(34.030.435)	32.741.707
Increase/decrease in trade payables to related parties		55.569.006	(10.719.507)
Increase/decrease in trade payables to third parties		301.157.719	(40.443.053)
Increase/decrease in derivative financial instruments		(27.647.708)	(19.734.843)
Increase/decrease in deferred income		(1.315.151)	438.278
Increase/decrease in employee benefit obligations		712.000	101.634
Increase/decrease in other payables		17.248.194	18.537.527
Cash flows from operating activities		**1.019.718.179**	**376.340.055**
Payments related to provisions for employee benefits		(8.543.205)	(5.896.632)
Tax receipts/(payments)		(240.367)	1.386.075
B. Cash flows from investing activities		**(160.891.011)**	**(17.564.720)**
Cash inflows due to sale of property, plant and equipment		3.834.740	4.057.055
Cash outflows due to purchase of property, plant and equipment	13	(163.816.838)	(22.205.641)
Cash outflows due to purchase of intangible assets	14	(908.913)	(136.473)
Cash inflows due to sale of assets held for sale		-	720.339
C. Cash flows from financing activities		**(399.578.588)**	**(259.308.314)**
Cash outflows due to repayment of borrowings	4	(66.039.900)	(6.112.169)
Cash outflows due to repayment of lease payable	4	(14.098.241)	(13.143.490)
Interest paid	4	(327.307.530)	(218.964.149)
Interest received		24.367.947	10.101.107
Other cash inflows/(outflows) (*)		(16.500.864)	(31.189.613)
Net increase in cash and cash equivalents		**450.465.008**	**94.956.464**
Cash and cash equivalents at the beginning of the period (*)	**3**	**167.473.301**	**72.516.837**
Cash and cash equivalents at the end of the year (*)	**3**	**617.938.309**	**167.473.301**

(*) 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.

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

NOTE 1 – ORGANISATION OF GROUP AND NATURE OF OPERATIONS

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). 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. Since 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 December 2021, 52,83% of its shares are open for trading (31 December 2020: 52,83%).

As of 31 December 2021, the number of employees employed Akenerji and its subsidiaries (Akenerji and its subsidiaries will be referred as the "Group") is 269 (31 December 2020: 240).

These consolidated financial statements for the year ended 31 December 2021 have been approved for the issue by the Board of Directors at 07 March 2022.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards, ("TAS/TFRS") 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. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by POA.

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

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

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.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TL, which is the functional currency of Akenerji and the presentation currency of the Group.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.2 Basis of consolidation

a) 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/TFRS 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.

b) 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 December 2021 and 2020:

	Effective shareholding (%)		Ownership interest (%)	
Subsidiaries	**31 December 2021**	**31 December 2020**	**31 December 2021**	**31 December 2020**
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	-

(*) As of 31 December 2021, Akenerji Toptan has a free purchase option of Akel Sungurlu's shares at any time and Akenerji Toptan has the controlling power over Akel Sungurlu within the scope of the capacity lease agreement and usufruct right agreement signed between Akenerji Toptan and Akel Sungurlu, so Akel Sungurlu has been consolidated in the financial statements using the full consolidation method.

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.

c) The minority shareholders' share in the net assets and results of subsidiaries for the period are separately classified as non-controlling interest in the consolidated statement of financial position and statements of comprehensive income. There are no minority shares in subsidiaries of the Company.

2.3 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2021 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 2021.

i) The new standards, amendments and interpretations which are effective as at 31 December 2021 are as follows:

- Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2,
- Amendments to TFRS 4 Insurance Contracts - deferral of TFRS 9.

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

ii) Standards, amendments and improvements issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the 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 TFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the Practical expedient,
- TFRS 17, 'Insurance contracts',
- Amendments to IAS 1, Presentation of financial statements on classification of liabilities,
- 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.

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

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 Summary of significant accounting policies

Significant accounting policies adopted in the preparation of consolidated financial statements are summarized below:

Financial assets

Classification and measurement:

Group classified its financial assets in three categories as financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

(a) Financial assets carried at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than12 months after the balance sheet date. Those with maturities more than 12 months are classified as non - current assets. Financial assets of the Group carried at amortized cost comprised of "trade receivables", "other receivables" and "cash and cash equivalents" in the statement of financial position.

i. Trade and other receivables

Trade and other receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Receivables with short - term maturities which have no predefined interest rate is measured at the original invoice amount unless the effect of imputed interest is significant.

ii. 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. For the purpose of consolidated statements of cash flows, cash and cash equivalents includes cash and cash equivalents with original maturities less than three months, excluding the interest accruals. If any provision provided to the cash and cash equivalents as a result of a specific events, Group measures expected credit loss from these cash and cash equivalents by the life - time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

Impairment

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost on its consolidated financial statements. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, the Group measures expected credit loss from these receivables by the life - time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectation based on the macroeconomic indications.

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

(b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non - current assets. The Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "derivative financial instruments" in the statement of financial position. Derivative financial instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. Group's financial instruments at fair value through profit or loss consist of interest rate swap contracts, forward contracts and forward term electricity purchase and sale contracts.

- *Derivatives held for trading*

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The fair value of forward contracts calculated by calculating forward exchange rate, for remainder of agreement related foreign currency's prevailed market interest rate, and comparing it to reporting date forward exchange rate.

Forward exchange contracts are recorded as assets or liabilities in the balance sheet, respectively, depends on whether their fair values are positive or negative. Gains and losses arising from changes in the fair value of forward exchange contracts are recognized as income and expense in the income statement.

Financial liabilities

Non - derivative financial liabilities of the Group comprised of "borrowings", "trade payables" and "other payables" in the statement of financial position.

i. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

In the case of a financial liability modification, any costs or fees occurred regarding these liabilities is deducted from the carrying amount of the liability and amortized during the terms of the modificated loan agreement by being.

If financing costs arising from the loans are associated with acquisition or construction of qualifying assets, they are included in cost value of qualifying assets. Qualifying assets refer to assets which require a long time to be available for use or sales as intended. Other borrowing costs are accounted in statement of profit or loss in the period they occur.

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

ii. Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Recognition and de - recognition of financial instruments

All purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase or to sell the asset. These purchases or sales are the purchases or sales generally require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

(a) The rights to receive cash flows from the asset have expired
(b) The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass - through" arrangement; or
(c) The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the consolidated financial statements.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Revenue recognition

Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

Group recognizes revenue based on the following five main principles:

(a) Identification of customer contracts
(b) Identification of performance obligations
(c) Determination of transaction price in the contract
(d) Allocation of price to performance obligations
(e) Recognition of revenue when the performance obligations are fulfilled

Group recognizes revenue from its customers only when all of the following criteria are met:

(a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
(b) Group can identify each party's rights regarding the goods or services to be transferred,
(c) Group can identify the payment terms for the goods or services to be transferred;
(d) The contract has commercial substance,
(e) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

At the contract inception date, the Group evaluates the goods and services committed to be provided to the customer based on the contract and identifies each commitment as a separate performance obligation. In addition to that, the Group determines whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

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

When another party is involved in providing goods or services to a customer, the group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The group is a principal if it controls a promised good or service before the group transfers the good or service to a customer. When a group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The group is an agent if its performance obligation is to arrange for the provision of goods or services by another party and in such a position, the Group does not recognize the revenue of the consideration at gross amount.

The Group determines the transaction price in accordance with contract terms and customs of trade. Transaction price is the amount of consideration which is expected to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

The performance obligations of the Group in accordance with TFRS 15 "Revenue from Contracts with Customers" which replaces TAS 18, consists of electricity sales and electricity sales related ancillary services provided. The electricity sold is transferred to the customer by the electricity transmission lines. The customer consumes the economic benefit of the performance obligation of the Group at the same time it is transferred. Revenue of the electricity sold and electricity sales related side services provided are recognized at the time of the delivery.

Electricity sales revenues

Electricity sales revenues consist of invoiced amounts on an accrual basis, in the event of electricity delivery.

Sharing of instability

As the Group Responsible for Balance, it consists of savings sharing revenues arising from minimizing the positive or negative imbalance costs that the companies will be exposed to.

Loading instruction revenues

It is the income generated when a balancing power plant sells electricity to the system by increasing the generation of the power plant in line with the instructions given by the National Load Dispatch Center (MYTM).

Secondary frequency control revenues

Secondary Frequency Control (SFC) Revenues, in other words, automatic generation control, consist of the revenues paid to the power plants that won the SFC tender by Türkiye Elektrik Üretim İletim A.Ş. (TEİAŞ), arising from the management of the load distribution between the available power plants in operation.

Capacity mechanism revenues

It consists of the revenues paid by TEIAS, for the establishment and/or continuance of sufficient capacity, including the reserve capacity required to ensure supply security in the electricity market.

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Exchange gain or losses arising from the settlement and translation of foreign currency items have been included under financial income/expenses and other operating income/expenses in the consolidated statements of profit or loss.

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

Inventories

Inventories are valued at the lower of cost or net realizable value less costs to sell. Cost of inventories is comprised of the purchase cost and the cost of bringing inventories into their present location and condition. Inventories comprise of spare parts, lubricants and chemical materials required for the maintenance of the machines and equipment, and expensed as they are used. The cost of inventories is determined using the moving weighted average method.

Related parties

If one of the below listed criteria exists the party is regarded as related with the Group:

a) Directly, or indirectly through one or more intermediaries, the party:
   i) Controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries),
   ii) Has an interest in the Group that gives it significant influence over the Group, or
   iii) Has joint control over the Group,
b) The party is an associate of the Group,
c) The party is a joint venture in which the Group is a venture,
d) The party is member of the key management personnel of the Group or its parent,
e) The party is a close member of the family of any individual referred to in (a) or (d),
f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to In (d) or (e), or
g) The party has a post - employment benefit plan for the benefit of employees of the Group, or of an entity that is a related party of the Group.

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. A number of transactions are entered into with related parties in the normal course of business.

Property, plant and equipment

The Group, has chosen the revaluation method among application methods mentioned under IAS 16 for lands, land improvements, buildings, machinery and equipment belonging its power plants commencing from 30 September 2015. As at 31 December 2021, the Group used as a base fair value determined an independent valuation company licensed by CMB for lands, land improvements, buildings, machinery and equipment. Motor vehicles, furnitures and fixtures, and leasehold improvements are presented on consolidated financial statements at their carrying amounts. Fair value of land, land improvements, buildings, machinery and equipment are subjected to valuation is determined by using "Income Approach - discounted cash flow analysis".

Increase in property, plant and equipment due to the revaluation are credited after netting of the deferred tax effect in "increase on revaluation of property, plant and equipment" account under shareholders' equity in the balance sheet. The difference between amortisation (reflected in income statement) calculated by the carried amounts of revalued assets and amortisation calculated by the acquisition costs of these assets is transferred to "retained earnings/(losses) account from the "increase on revaluation of property, plant and equipment" account after netting of the deferred tax effect on a yearly basis. The same method is also applicable for disposals of property, plant and equipment.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is performed.

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

Land is not depreciated as it is deemed to have an indefinite useful life. Depreciation is provided on restated costs of property, plant and equipment using the straight - line method based on the estimated useful lives of the assets. The useful lives of assets are presented below:

	Years
Buildings	30 - 50
Land improvements	8 - 46
Machinery and equipment	2 - 40
Motor vehicles	4 - 8
Furniture and fixtures	3 - 49
Leasehold improvements	5 - 37

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Expenses for the repair of property, plant and equipment are normally charged as expense. They are, however, capitalized if they result in an enlargement or substantial improvement of the respective assets.

Gains or losses on disposals of property, plant and equipment which are calculated as the difference between net carrying value and the collections made are included in the related income and expense accounts, as appropriate.

Intangible assets

Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets comprise licenses and computer softwares.

Commercial business licenses

Commercial business licenses which obtained separately are recorded as cost values. Licenses are amortized on a straight - line basis over their estimated useful lives of 15 - 49 years. Commercial business licenses have a limited useful life and are followed up with their future values accumulated amortisation from cost is deducted from the time the license term start to be used

Computer softwares

Computer softwares are recorded at acquisition cost and amortized on a straight-line basis over their estimated useful lives of 3 - 15 years. Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount.

Leases

The Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

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

a) The contract involved the use of an identified asset – this may be specified explicitly or implicitly,
b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified,
c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use,
d) The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
   i. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
   ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At inception of a contract that contains a lease, the Group recognises a right of use asset and a lease liability in its financial statements.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

a) Amount of the initial measurement of the lease liability,
b) Any lease payments made at or before the commencement date, less any lease incentives received,
c) Any initial direct costs incurred by the Group,
d) An estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

The Group re - measure the right of use asset:

a) After netting - off depreciation and reducing impairment losses from right of use asset,
b) Adjusted for certain re - measurements of the lease liability recognized at the present value.

The Group applies TAS 16 "Property, Plant and Equipment" to amortize the right of use asset and TAS 36 "Impairment of Assets" to asses for any impairment. The usage periods of the right of use asset vary between 3 and 38 years.

The Group, applies to TAS 16 "Property, Plant,and Equipment" to amortize the right of use asset and to asses for any impairment.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate.

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

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

a) Fixed payments, including in - substance fixed payments,
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
c) The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewable period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain to terminate early.

After initial recognition, the lease liability is measured:

a) Increasing the carrying amount to reflect interest on lease liability,
b) Reducing the carrying amount to reflect the lease payments made,
c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in - substance fixed lease payments. The Group adjusts the right of use asset in accordance with the reassessment of the lease liability.

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment.

Exemptions and simplifications

Short - term lease payments with a lease term below 12 months and payments for leases of low - value assets like IT equipment (mainly printers, laptops and mobile phones etc.) are not included in the measurement of the lease liabilities in the scope of exemptions provided in TFRS 16 "Leases". Lease payments of these contracts are continued to be recognised in profit or loss in the related period. The Group applied a single discount rate to a portfolio of leases which have similar characteristics (asset classes which have similar remaining rent periods in a similar economic environment).

The Group - as a lessor

The Group does not have significant operations as a lessor.

Impairment of non - financial assets

All assets are reviewed for impairment losses including property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. Impairment losses are recognized in the statement of comprehensive income.

Impairment losses on assets can be reversed, to the extent of previously recorded impairment losses, in cases where increases in the recoverable value of the asset can be associated with events that occur subsequent to the period when the impairment loss was recorded.

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

Provisions, contingent liabilities and assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

Provisions for employee benefits

Employment termination benefits

Employment termination benefits, as required by the Turkish Labour Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision which is allocated by using defined benefit pension’s current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders’ equity in the period in which they arise.

Provision for unused vacation rights

The Group is required to pay to the employee, whose employment is terminated due to any reasons, or to its inheritors, the wage of the deserved and unused vacation rights over the prevailing wage at the date the contract is terminated. Accordingly, the Group recognizes a provision for unused vacation days as a long term employee benefits. Provision for unused vacation days is measured on an undiscounted basis and are expensed as the related service is provided.

Current and deferred taxes

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders’ equity.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date and includes adjustments related to previous years’ tax liabilities.

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

Deferred income tax is provided, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax bases of assets and liabilities comprise of the amounts that will impact taxable income in future periods based on the tax legislation. Currently enacted tax rates, which are expected to be effective during the periods when the deferred income tax assets will be utilized or deferred income tax liabilities will be settled, are used to determine deferred income tax.

Deferred income tax assets and liabilities are recognized to the extent that they will impact taxes to be paid in the periods that temporary differences will disappear. Deferred income tax liabilities are recognized for all taxable temporary differences, where deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Carrying value of deferred income tax assets are decreased to the extent necessary, if future taxable profits are not expected to be available to utilize deferred income tax assets partially or fully.

Deferred income tax assets and deferred income tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Deferred tax relating to items recognized directly in equity is recognized in equity.

Dividends

Dividends receivable are recognized as income in the period when they are declared. Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds

Share premium

Share premium represents differences resulting from the sale of the Company’s Subsidiaries’ shares at a price exceeding the face value of those shares or differences between the face value and the fair value of shares issued for acquired companies.

Reporting of cash flows

In the consolidated statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

Cash flows from operating activities indicate cash flows due to the Group’s operations.

Cash flows from investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

Cash flows from financing activities indicate the cash obtained from financial arrangements and used in their repayment.

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

Subsequent events

Subsequent events consist of all events between balance sheet date and date of authorization for validity, even if they have been existed after public explanation of an announcement about profit or other financial information. In the case that events requiring an adjustment to the financial statements occur subsequent to the balance sheet date, the Group makes the necessary corrections on the financial statements.

Earnings/(losses) per share

Earnings per share are determined by dividing net gain by the weighted average number of shares that have been outstanding during the related 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 and allowable reserves. 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 issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

2.6 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.

In accordance with the assessments made by the Group, its short-term trade payables to third parties amounting to TL 35.122.461 provided in the consolidated statement of financial position as of 31 December 2020 has been reclassified to short-term other payables due to third parties. Represented in long-term trade payables due to third parties has been reclassified its long-term other payables due to third parties amounting to TL 146.319.808 in the accompanying consolidated statement of financial position as of 31 December 2020.

2.7 Critical accounting estimates and judgments

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. Although, the estimates and assumptions are based on the best of knowledge of events and transactions of the Group management, those may not be equal to the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities are addressed 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 2020: TL 15.769.799) as of 31 December 2021. Carry forward tax losses amounting to TL 1.772.510.100 (31 December 2020: TL 1.283.128.186) (Note 20). As of 31 December 2021, 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.

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

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, 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 2021, the fair value which is determined with valuation study by an independent valuation company which has CMB licence, 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.

Income Approach, discounted cash flow analysis (Level 3) is used by the valuation company for valuation reports of 31 December 2021 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, 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, natural gas and coal prices, evolution of electricity import - export, and development in the efficiency of thermal plants.

Increase in the electricity price used in model leads to an increase in the fair value by increasing generation for Erzin. For generation, feasibility studies, which is calculated with 50 year hydrology information and historical data used for hydros and Ayyıldız. The discount rate used in valuation models prepared on the basis of USD has been determined as 9,52% 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.

According to the valuation report as of 31 December 2021, increase in the book value of tangible assets which are subject to revaluation is TL 5.295.480.830 The book value of assets subject to revaluation is increased to fair value and incremental value which is TL 5.295.480.830 is added to revaluation fund in equity after deferred tax effect excluded as of TL 4.236.384.664. The revaluation fund movement as of 31 December 2021 is disclosed in Note 13.

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

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

Within the frame of these valuations, the following basic assumptions has been used:

	Valuation assumptions		
Valuated power plant type	**Weighted capital cost rate (%)**	**Installed capacity (MW)**	**Capacity utilization rate(%)**
Uluabat HES	9,52	100	35,13
Feke II HES	9,52	70	26,45
Gökkaya HES	9,52	30	34,39
Feke I HES	9,52	30	34,51
Burç Bendi HES	9,52	28	30,85
Himmetli HES	9,52	27	36,01
Bulam HES	9,52	7	35,59
Ayyıldız RES	9,52	28	33,76
Valuated power plant type	**Weighted capital cost rate (%)**	**Installed capacity (MW)**	**Capacity utilization rate(%)**
Erzin DGKÇS	9,52	904	74 - 81

The electricity sales prices used are 50-70 USD/MWh for HEPPs and WPP. In case the electricity prices used in the valuation models prepared for HEPPs and WPP increased or decreased by 10% and if all other variables are held constant, property, plant and equipment amount for HEPPs and WPP recognized in consolidated financial statements would have been increased by TL 692 million or decreased by TL 652 million. In case the sales volume increased or decreased by 10%, if all other variables are held constant, property, plant and equipment amount for HEPPs and WPP recognized in consolidated financial statements would have been increased by TL 680 million or decreased by TL 655 million. In case the weighted capital cost ratio increased or decreased by 100 basis point, if all other variables are held constant, property, plant and equipment amount for HEPPs and WPP recognized in consolidated financial statements would have been decreased by TL 432 million or increased by TL 533 million.

The spark spread used in the Erzin NGCCPP is 7-16 USD/MWh. In case the forward-looking spark spread estimates used in the valuation model of Erzin NGCCPP increased or decreased by 10% during the operating hours, and if all other variables are held constant, property, plant and equipment amount for Erzin NGCCPP recognized in consolidated financial statements would have been increased by TL 381 million or decreased by TL 419 million. In case the weighted capital cost ratio increased or decreased by 100 basis point, and if all other variables are held constant, property, plant and equipment amount for Erzin NGCCPP recognized in consolidated financial statements would have been decreased by TL 597 million or increased by TL 727 million.

2.8 Going concern

The Group prepares its consolidated financial statements on a going concern basis in a foreseeable future.

In the period ended as of December 31, 2021, the Group's total production amounts increased by 9% compared to the same period of the previous year. With the increase in foreign exchange rate, summer with above-seasonal temperatures and increase in electricity demand throughout the year result with increase in electricity price leads to significant increase in the unit profit margins of power plants especially in Erzin power plant. In addition to this, a high level of operational availability and ancillary services market operations (Primary Frequency Control and Secondary Frequency Control services), as a result of the revenues obtained, a significant increase has occurred in the consolidated gross margin of the Group. Moreover, The Group has reached a volume of 5,4 TWh including physical electricity exports and financial transactions, it intensified commercial activity in this area and increased foreign exchange revenue.

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

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. The Group's earnings before interest, depreciation and tax ("EBITDA") as of 31 December 2021 is 794.583.500 TL (31 December 2020: 408.530.977 TL) and cash flows from its operations are 1.019.651.511 TL (31 December 2020: 376.340.055 TL).

Natural gas procurement cost is the most significant generation cost of the Group since Erzin is a Combined Cycle Power Plant. Having completed the 2020 gas supply planning and preparations in 2019, activating the Akenerji Doğalgaz company the Group diversifies the natural gas supply of the Erzin power plant from the free market and BOTAŞ. In this way, it provides natural gas supply with lower prices than the BOTAŞ tariff from the spot natural gas market and / or private sector, so as to provide cost advantage and increase in production. With the same motivation in 2021, Akenerji Doğalgaz Company continued this activity and increased the procurement rates from alternative sources, and thanks to the supplies made from the private supplier and EPİAŞ Continuous Trading Platform (CTP) during the first five months, it has achieved significant savings by supplying natural gas at low prices. As of June, since Botaş, the most important natural gas supplier of Turkey, kept its sales tariff prices below the natural gas import costs despite increasing natural gas costs, the Group directed its natural gas purchases to Botaş substantially. This position made a positive contribution to the gross profit and minimized potential opportunity losses.

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, decreasing the tranches of USD liabilities within total bank loans from 87% to 55% has also significantly reduced the foreign currency risk the Group is exposed to.

With the Communique of Ministry of Commerce issued on the official gazette dated 15 September 2018 regarding the regulation on loss of capital and excess of liabilities over assets in relation to Article 376 of Turkish Commercial Code numbered 6102, it has been decided that, unrealized foreign exchange losses incurred from the foreign exchange based financial liabilities which are not yet fulfilled can be excluded on the calculation of loss of capital and excess of liabilities over assets. With the amendment made dated on 26 December 2020 in the provisional article 1 of the Communiqué on the Procedures and Principles regarding the implementation of Article 376 of the Turkish Commercial Code, until January 1, 2023, in calculations regarding capital loss or being insolvent, all of the exchange difference losses arising from foreign currency liabilities that have not yet been performed. It has been arranged that half of the total of the expenses, depreciation and personnel expenses incurred in 2020 and 2021 from leases may not be taken into account. In relation to this regulation, it is calculated that, unrealized foreign exchange losses recognised under retained earnings/(losses) amounting to TL 2.236.188.968 and recognised under consolidated statement of profit or loss amounting to TL 2.970.582.245, in total amounting to TL 5.206.771.213 will be excluded on the calculation of loss of capital and excess of liabilities over assets by adding back to the total equity. Accordingly, there is no either issue of loss of capital or excess of liabilities over assets for the Group. As of 31 December 2021, The Group revaluated of the fair values of its lands, land improvements, buildings, machinery and equipment belonging its power plants had a positive effect on its equity. In addition, The Group, as aware of all of its short term and long term liabilities, has been taking the necessary actions maintain its operations in a healthy financial structure within the framework of proactive approach.

2.9 Seasonality of Group's operations

The results of Group's operations do not show a significant change by season.

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

NOTE 3 - CASH AND CASH EQUIVALENTS

The details of the cash and cash equivalents of the Group as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Cash	11.779	47
Banks		
- Demand deposits	542.295.120	52.378.516
- Time deposits	138.992.104	161.954.568
	681.299.003	**214.333.131**
Restricted cash	(63.353.207)	(46.854.426)
Interest accrual	(7.487)	(5.404)
Cash and cash equivalents provided in statement of cash flows	**617.938.309**	**167.473.301**

As of 31 December 2021, the average effective interest rate for TL time deposits is 14,07% (2020: 14,86%) and EUR time deposits is 0,01% (2020: None). As of 31 December 2021, there is no USD time deposits. (2020: None)

The remaining day to maturity of time deposits as of 31 December 2021 is shorter than one month.

As of 31 December 2021 the Group’s restricted cash at Takasbank and Raiffeisen Bank amounting to TL 63.353.207 (2020: TL 46.854.426) is related with the electricity and natural gas sales operations, trading and debt reserve account of the Group.

NOTE 4 - BORROWINGS

The details of borrowings of the Group as of 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021	31 December 2020
Short-term portion of long term borrowings		
- Bank loans	492.950.522	246.601.779
- Lease liabilities	20.545.662	12.557.974
Total short-term portion of long term borrowings	**513.496.184**	**259.159.753**
Long term borrowings		
- Bank loans	8.592.425.615	5.722.328.669
- Lease liabilities	138.560.518	100.875.010
Total long term borrowings	**8.730.986.133**	**5.823.203.679**
Total short term and long term borrowings	**9.244.482.317**	**6.082.363.432**

Letters of guarantee given, pledges and mortgages related to financial liabilities are disclosed in Note 16.

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

NOTE 4 - BORROWINGS (Continued)

As of 31 December 2021 and 2020, the original currencies and weighted average interest rates for short and long-term financial liabilities are as follows:

				31 December 2021
	Currency	Effective Interest rate %	Original Amount	Amount in TL
Short - term portion of long - term bank loans	USD	7,92	36.983.308	492.950.522
Short - term portion of long - term lease liabilities	EUR	3,40	1.435.867	21.662.500
Interest cost of short - term portion of long - term lease liabilities (-)	EUR	3,40	(268.405)	(4.049.350)
Short - term portion of long - term lease liabilities	TL	17,46	2.932.512	2.932.512
Total short-term borrowings				**513.496.184**
Long term bank loans	USD	7,92	430.835.620	5.742.607.978
Long term bank loans	TL	12,28	2.849.817.637	2.849.817.637
Long - term lease liabilities	EUR	3,40	8.535.108	128.766.615
Interest cost of long - term lease liabilities (-)	EUR	3,40	(1.413.049)	(21.318.254)
Long - term lease liabilities	TL	17,46	31.112.157	31.112.157
Total long-term borrowings				**8.730.986.133**

				31 December 2020
	Currency	Effective Interest rate %	Original Amount	Amount in TL
Short - term portion of long - term bank loans	USD	7,92	33.594.684	246.601.779
Short - term portion of long - term lease liabilities	EUR	3,40	1.480.044	13.332.092
Interest cost of short - term portion of long - term lease liabilities (-)	EUR	3,40	(302.889)	(2.728.394)
Short - term portion of long - term lease liabilities	TL	17,46	1.954.276	1.954.276
Total short-term borrowings				**259.159.753**
Long term bank loans	USD	7,92	433.795.768	3.184.277.834
Long term bank loans	TL	12,28	2.538.050.835	2.538.050.835
Long - term lease liabilities	EUR	3,40	9.845.124	88.683.896
Interest cost of long - term lease liabilities (-)	EUR	3,40	(1.681.455)	(15.146.377)
Long - term lease liabilities	TL	17,46	27.337.491	27.337.491
Total long-term borrowings				**5.823.203.679**

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

NOTE 4 - BORROWINGS (Continued)

As of 31 December 2021, all of the Euro finance lease liabilities of the Group are subject to floating interest rate of Euribor + 3,4% (31 December 2020: 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 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Up to 1 - 2 years	442.143.840	250.184.550
Up to 2 - 3 years	4.788.931.670	224.398.907
Up to 3 - 4 years	452.248.941	3.541.777.106
Up to 4 - 5 years	491.207.391	229.527.495
More than 5 years	2.417.893.773	1.476.440.611
	8.592.425.615	**5.722.328.669**

The principal repayment schedule of the Group's long - term finance lease obligations as at 31 December 2021 and 2020 is as follows:

	31 December 2021	31 December 2020
Up to 1 - 2 years	19.116.830	11.237.255
Up to 2 - 3 years	18.886.255	11.137.108
Up to 3 - 4 years	18.166.102	10.795.238
Up to 4 - 5 years	18.023.766	10.414.862
Up to 5 - 6 years	18.646.643	10.776.034
Up to 6 - 7 years	19.280.762	11.150.325
Up to 7 - 8 years	1.262.493	11.528.206
Up to 8 - 9 years	78.798	776.112
Up to 9 - 10 years	91.784	73.034
More than 10 years	25.007.085	22.986.836
	138.560.518	**100.875.010**

Compliance with the financial covenants

According to the Loan Agreement signed at 11 November 2019, under the terms of the loan agreement, the Group is required to comply with the financial covenant included of having a debt service cover ratio greater than 1,05 until end of the term of the contract. As of 31 December 2021, the Group is compliant with the financial covenant.

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

NOTE 4 - BORROWINGS (Continued)

As of 31 December 2021 and 2020, the movements of borrowings are as follows:

	2021	2020
1 January	**6.082.363.432**	**5.098.567.768**
Cash flow impact	(407.445.671)	(238.219.808)
Change in unrealized foreign exchange differences	2.866.065.516	676.041.303
Change in interest accruals and amortization commission	696.760.751	538.235.783
Changes in lease liabilities	6.738.289	7.738.386
31 December	**9.244.482.317**	**6.082.363.432**

NOTE 5 - TRADE RECEIVABLES

a) Short term trade receivables

	31 December 2021	31 December 2020
- Trade receivables from related parties (Note 28)	250.390.047	15.520.418
- Trade receivables from third parties	221.004.920	102.423.176
	471.394.967	**117.943.594**
Provision for doubtful receivables	(19.645.865)	(19.713.618)
	451.749.102	**98.229.976**

As of 31 December 2021, trade receivable maturities which less than 1 months and unearned finance income from credit sales does not exist (31 December 2020: None).

The movements for provision for doubtful receivables are as follows:

	2021	2020
1 January	**19.713.618**	**23.166.487**
Provisions for the period (Note 24)	144.753	547.131
No longer subject to provision	(212.506)	(4.000.000)
31 December	**19.645.865**	**19.713.618**

As of 31 December 2021 the amount of receivables which are overdue and impaired is TL 19.645.865 (31 December 2020: TL 19.713.618). The aging list of these receivables as of 31 December 2021 and 2020 is as follows:

	31 December 2021	31 December 2020
1 to 3 months	-	148.727
3 to 12 months	142.293	398.404
More than 12 months	19.503.572	19.166.487
	19.645.865	**19.713.618**

The Group recognizes the impairment of trade receivables, weighting the lifetime expected credit losses by default (Probability of Default) for all trade receivables on each customer basis and including non - overdue receivables.

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

NOTE 5 - TRADE RECEIVABLES (Continued)

The amount of trade receivables that are past due but not impaired is TL 3.242.000 as of 31 December 2021 (31 December 2020: TL 3.246.340). The aging list of these receivables as of 31 December 2021 and 2020 is as follows:

	31 December 2021	31 December 2020
Up to 1 month	-	2.903
3 to 12 months and over	3.242.000	3.243.437
	3.242.000	**3.246.340**

NOTE 6 - OTHER RECEIVABLES

a) Short - term other receivables

	31 December 2021	31 December 2020
- Other receivables from third parties	1.241.120	3.232.068
	1.241.120	**3.232.068**

As of 31 December 2021 and 2020, the details of short - term receivables of the Group from third parties are as follows:

	31 December 2021	31 December 2020
Receivables from tax office	1.028.975	1.274.272
Receivables from various public institutions	79.694	143.810
Deposits and guarantees given	500	1.802.080
Short - term other receivables	131.951	11.906
	1.241.120	**3.232.068**

b) Long - term other receivables

	31 December 2021	31 December 2020
- Other receivables from third parties (Note 28)	3.017.340	9.007.900
- Other receivables from related parties	4.675.002	1.173.003
	7.692.342	**10.180.903**

As of 31 December 2021 and 2020, the details of long - term receivables of the Group from third parties are as follows:

	31 December 2021	31 December 2020
Deposits and guarantees given	4.675.002	1.173.003
	4.675.002	**1.173.003**

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

NOTE 7 - TRADE PAYABLES

a) Short - term trade payables

	31 December 2021	31 December 2020
- Trade payables to third parties	509.926.486	208.768.767
- Trade payables to related parties (Note 28)	77.243.319	21.674.313
	587.169.805	**230.443.080**

As of December 31, 2021, the average maturity of trade payables is 30 days.

NOTE 8 - OTHER PAYABLES

a) Short - term other payables

	31 December 2021	31 December 2020
- Other payables to third parties	97.674.351	41.949.020
	97.674.351	**41.949.020**

As of 31 December 2021 and 2020, details of short - term other payables of the Group are as follows:

	31 December 2021	31 December 2020
Payables to DSİ (*)	51.295.097	35.122.461
Taxes and funds payable	42.136.407	5.120.248
Deposit and guarantees taken	30.912	30.912
Other payables	4.211.935	1.675.399
	97.674.351	**41.949.020**

b) Long - term other payables

	31 December 2021	31 December 2020
- Other payables to third parties	230.329.959	146.336.964
	230.329.959	**146.336.964**

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

NOTE 8 - OTHER PAYABLES (Continued)

The details of long - term other payables of the Group as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Payables to DSİ (*)	230.310.407	146.319.808
Other long - term trade payables	19.552	17.156
	230.329.959	**146.336.964**

(*) The Group signed an agreement with the General Directorate of State Hydraulic Works (DSİ) Department of Investigation and Planning for the Water Usage of Uluabat Power Tunnel and Hydroelectric Energy Power Plant within the scope of the Emet - Orhaneli Çınarcık Dam Project on 6 June 2005. In accordance with the agreement, the liabilities relating to the Energy Share Contribution Fee to be paid for the project are incurred at the commissioning date, and the payments will start after 5 years and with 10 equal installments, where these liabilities are subject to indexation with the Producer Price Index (PPI). Based on the letter received from DSI on October 8, 2019, the number of common facility installments that have been published in the Official Gazette has been revised as 15 installments. As of the balance sheet date, 6 installments reported by DSI have been paid and the remaining installments are indexed by PPI and the amount reclassified as short - term other payables to third parties amounts to TL 51.295.097 (31 December 2020: TL 35.122.461) and long - term other payables to third parties amounts to TL 230.310.407 (31 December 2020: TL 146.319.808).

NOTE 9 - PREPAID EXPENSES

Prepaid expenses as of 31 December 2021 and 2020 are as follows:

a) Short - term prepaid expenses

	31 December 2021	31 December 2020
Prepaid expenses for following months	20.946.773	12.733.247
Advances given for purchases	16.042.421	1.270.339
	36.989.194	**14.003.586**

b) Long - term prepaid expenses

	31 December 2021	31 December 2020
Advances given for fixed asset purchases	800.177	15.725.648
Prepaid expenses for following years	123.338	108.382
	923.515	**15.834.030**

NOTE 10 - INVENTORIES

a) Short - term inventories

	31 December 2021	31 December 2020
Spare parts	6.360.934	5.738.127
Raw materials	3.435.677	-
Work in progress	880.652	-
Other raw materials	440.560	23.866
	11.117.823	**5.761.993**

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

NOTE 10 - INVENTORIES (Continued)

b) Long - term inventories

	31 December 2021	31 December 2020
Spare parts (*)	19.156.626	18.603.008
	19.156.626	**18.603.008**

(*) TL 19.156.626 (31 December 2020: TL 18.603.008) of spare parts classified in long - term inventories with an amount of TL 13.856.285 (31 December 2020: TL 13.653.933) are related to the Erzin combined natural gas cycle power plant held within the scope of long - term maintenance contracts and remaining spare parts amounting to TL 5.300.341 (31 December 2020: TL 4.949.075) belongs to the other power plants of the Group are held for the purpose of repair and maintenance necessities. Such spare parts are reclassified under long term inventories by considering their estimated usage period interval. The Group manages the level of its spare parts by considering the planned maintenance schedule and the ability of intervening the incidents immediately.

NOTE 11 - OTHER ASSETS

a) Other current assets

	31 December 2021	31 December 2020
Deferred VAT	15.973.938	17.519.275
Personnel advances	138.022	138.014
Job advances	122.302	61.119
	16.234.262	**17.718.408**

b) Other non-current assets

	31 December 2021	31 December 2020
Deferred VAT	35.514.581	-
	35.514.581	**-**

NOTE 12 - FINANCIAL INVESTMENTS

Akenerji Toptan, a subsidiary of the Group, has participated to Enerji Piyasaları İşletme Anonim Şirketi ("EPİAŞ") who is established with a share capital TL 61.572.770, by 0,16% with 100,000 C Type shares. (31 December 2020: TL 100.000).

	31 December 2021	31 December 2020
Long - term securities	100.000	100.000
Total	**100.000**	**100.000**

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2021	Additions	Disposals	Revaluation fund	31 December 2021
Cost					
Lands	281.604	-	-	195.504	477.108
Land improvements (*)	3.548.054.553	27.600.384	(2.715.579)	2.124.168.275	5.697.107.633
Buildings	768.945.929	19.642.621	(1.250.702)	701.557.782	1.488.895.630
Machinery and equipment (**)	3.023.010.773	84.233.073	-	2.469.559.269	5.576.803.115
Motor vehicles	1.614.793	1.932.199	(143.365)	-	3.403.627
Furnitures and fixtures	12.432.469	3.274.627	(7.610)	-	15.699.486
Leasehold improvements	4.387.138	1.121.742	-	-	5.508.880
Construction in progress	31.519.284	26.012.192	-	-	57.531.476
	7.390.246.543	**163.816.838**	**(4.117.256)**	**5.295.480.830**	**12.845.426.955**
Accumulated depreciation					
Land improvements	(438.057.666)	(109.974.313)	93.641	-	(547.938.338)
Buildings	(83.690.735)	(21.156.486)	37.900	-	(104.809.321)
Machinery and equipment	(670.791.066)	(126.013.162)	-	-	(796.804.228)
Motor vehicles	(1.002.251)	(410.756)	95.577	-	(1.317.430)
Furnitures and fixtures	(9.106.818)	(846.209)	3.382	-	(9.949.645)
Leasehold improvements	(1.069.298)	(263.029)	-	-	(1.332.327)
	(1.203.717.834)	**(258.663.955)**	**230.500**	**-**	**(1.462.151.289)**
Net book value	**6.186.528.709**				**11.383.275.666**

(*) 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 December 2021, the total amount of accumulated depreciation of related land improvement is TL 65.195.

(**) 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 December 2021, the total amount of accumulated depreciation of the related machinery and equipment is TL 24.609.928.

Current period depreciation expense amounting to TL 257.907.034 has been included in cost of sales and TL 756.921 has been included in general administrative expenses.

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2020	Additions	Transfers(***)	Disposals	31 December 2020
Cost					
Lands	281.604	-	-	-	281.604
Land improvements (*)	3.533.196.145	1.047.333	13.811.075	-	3.548.054.553
Buildings	766.660.909	2.285.020	-	-	768.945.929
Machinery and equipment (**)	3.027.499.249	2.239.344	4.085.555	(10.813.375)	3.023.010.773
Motor vehicles	1.610.896	3.897	-	-	1.614.793
Furnitures and fixtures	11.341.659	1.093.010	-	(2.200)	12.432.469
Leasehold improvements	1.759.367	2.627.771	-	-	4.387.138
Construction in progress	36.506.648	12.909.266	(17.896.630)	-	31.519.284
	7.378.856.477	**22.205.641**	**-**	**(10.815.575)**	**7.390.246.543**
Accumulated depreciation					
Land improvements	(321.739.933)	(116.317.733)	-	-	(438.057.666)
Buildings	(62.592.718)	(21.098.017)	-	-	(83.690.735)
Machinery and equipment	(524.502.489)	(148.211.504)	-	1.922.927	(670.791.066)
Motor vehicles	(734.368)	(267.883)	-	-	(1.002.251)
Furnitures and fixtures	(8.466.844)	(640.156)	-	182	(9.106.818)
Leasehold improvements	(950.132)	(119.166)	-	-	(1.069.298)
	(918.986.484)	**(286.654.459)**	**-**	**1.923.109**	**(1.203.717.834)**
Net book value	**6.459.869.993**				**6.186.528.709**

(*) 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 December 2020, the total amount of accumulated depreciation of related land improvement is TL 52.156.

(**) 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 December 2020, the total amount of accumulated depreciation of the related machinery and equipment is TL 19.687.943.

(***) Comprised of the maintenance costs for the Erzin power plant.

Current period depreciation expense amounting to TL 286.109.726 has been included in cost of sales and TL 544.733 has been included in general administrative expenses.

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

There are no capitalized borrowing costs on construction in progress for the year ended 31 December 2021 (31 December 2020: None).

If the Group has not adopted the revaluation model according to TAS 16 tangible fixed assets, the net book values of asset as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Lands	782.624.157	786.521.105
Land improvements	1.006.450.418	972.695.921
Buildings	274.310.280	263.884.508
Machinery and equipment	131.325	131.325

Details of the guarantees, pledges and mortgages on property, plant and equipment as of 31 December 2021 and 2020 are explained in Note 16.

As of 31 December 2021 and 2020 the movements for increase on revaluation of property, plant and equipment are as follows:

	2021	2020
1 January	**3.433.690.830**	**3.635.344.991**
Land	195.504	-
Land improvements	2.124.168.275	-
Buildings	701.557.782	-
Machinery and equipment	2.469.559.269	-
	8.729.171.660	**3.635.344.991**
Adjustments of deferred tax related to increase on revaluation of property, plant and equipment	(1.059.096.166)	-
Disposal from revaluation increase funds	-	(7.867.483)
Depreciation and amortisation transfers	(172.418.446)	(193.786.678)
31 December	**7.497.657.048**	**3.433.690.830**

NOTE 14 - INTANGIBLE ASSETS

As of 31 December 2021 and 2020, movements of intangible assets are as follows:

	1 January 2021	Additions	31 December 2021
Cost			
Rights	7.948.834	96.587	8.045.421
Licenses	126.007.599	812.326	126.819.925
	133.956.433	**908.913**	**134.865.346**
Accumulated amortisation			
Rights	(6.267.299)	(419.035)	(6.686.334)
Licenses	(21.662.872)	(1.865.472)	(23.528.344)
	(27.930.171)	**(2.284.507)**	**(30.214.678)**
Net book value	**106.026.262**		**104.650.668**

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

NOTE 14 - INTANGIBLE ASSETS (Continued)

	1 January 2020	Additions	31 December 2020
Cost			
Rights	7.812.361	136.473	7.948.834
Licenses	126.007.599	-	126.007.599
	133.819.960	**136.473**	**133.956.433**
Accumulated amortisation			
Rights	(5.327.913)	(939.386)	(6.267.299)
Licenses	(19.936.896)	(1.725.976)	(21.662.872)
	(25.264.809)	**(2.665.362)**	**(27.930.171)**
Net book value	**108.555.151**		**106.026.262**

Current period amortisation expense amounting to TL 346.096 (31 December 2020: TL 188.148) has been included in cost of sales and remaining TL 1.938.411 (31 December 2020: TL 2.477.214) has been included in general administrative expenses.

NOTE 15 – RIGHT OF USE ASSETS

	1 January 2021	Additions	Disposals	31 December 2021
Cost				
Land (*)	23.841.871	2.143.134	-	25.985.005
Buildings	5.773.568	3.101.320	(2.862.988)	6.011.900
Motor vehicles	4.024.855	4.162.859	(1.610.000)	6.577.714
	33.640.294	**9.407.313**	**(4.472.988)**	**38.574.619**
Accumulated depreciation				
Land	(1.173.513)	(696.712)	-	(1.870.225)
Buildings	(2.208.759)	(1.265.998)	1.223.812	(2.250.945)
Motor vehicles	(1.968.290)	(1.741.157)	1.363.115	(2.346.332)
	(5.350.562)	**(3.703.867)**	**2.586.927**	**(6.467.502)**
Net defter book value	**28.289.732**			**32.107.117**

(*) Comprised of land rent and forest permit.

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

NOTE 15 – RIGHT OF USE ASSETS (Continued)

	1 January 2020	Additions	Disposals	31 December 2020
Cost				
Land (*)	19.541.243	4.300.628	-	23.841.871
Buildings	2.942.713	2.830.855	-	5.773.568
Motor vehicles	2.934.711	1.185.441	(95.297)	4.024.855
	25.418.667	**8.316.924**	**(95.297)**	**33.640.294**
Accumulated depreciation				
Land	(537.771)	(635.742)	-	(1.173.513)
Buildings	(1.024.362)	(1.184.397)	-	(2.208.759)
Motor vehicles	(804.002)	(1.259.585)	95.297	(1.968.290)
	(2.366.135)	**(3.079.724)**	**95.297**	**(5.350.562)**
Net defter book value	**23.052.532**			**28.289.732**

(*) Comprised of land rent and forest permit.

Current period depreciation expense of amounting to TL 696.713 (31 December 2020: TL 635.743) has been included in cost of sales and TL 3.007.154 (31 December 2020: TL 2.443.981) has been included in general administrative expenses.

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

NOTE 16 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Other short - term provisions

As of 31 December 2021, 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 December 2021 is TL 38.674.310 (31 December 2020: TL 36.531.270).

	31 December 2021	31 December 2020
Litigation provision	38.674.310	36.531.270
Periodical maintenance provisions	13.965.282	3.900.473
	52.639.592	**40.431.743**

The movements of litigation provision are as follows:

	2021	2020
1 January	**36.531.270**	**31.516.633**
Current period provision (Note 24)	2.661.189	3.812.239
Interest charges of litigation provision	1.118.847	2.285.535
Released provisions (Note 24)	(1.636.996)	(1.083.137)
31 December	**38.674.310**	**36.531.270**

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:

		31 December 2021		31 December 2020	
	Original currency	Original Amount	TL equivalent	Original Amount	TL Equivalent
Letters of guarantees given	TL	108.800.927	108.800.927	127.300.676	127.300.676
	USD	624.456	8.323.374	8.190.000	60.118.695
	EUR	200.000	3.017.340	200.000	1.801.580
			120.141.641		**189.220.951**

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) and to the judicial authorities for some of the on - going lawsuits.

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

NOTE 16 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees, pledges, mortgages ("GPM") given by the Group as of 31 December 2021 and 2020 are as follows:

		31 December 2021		31 December 2020	
	Currency	**Original currency**	**TL equivalent**	**Original currency**	**TL equivalent**
GPMs given by the Group					
A. GPMs given for companies' own legal entity	TL	6.527.261.770	6.527.261.770	6.545.761.519	6.545.761.519
	USD	918.140.056	12.237.888.806	925.705.600	6.795.141.957
	EUR	200.000	3.017.340	200.000	1.801.580
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.		-	-	-	-
			18.768.167.916		**13.342.705.056**

Details of the guarantees given by Akenerji for its own legal entity as of 31 December 2021 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 Epiaş 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 December 2021, GPMs given by the Group to equity ratio is 1.189% (31 December 2020: (10.374%)).

- **Sales and purchase commitments**

Electricity sales and purchase commitments:

The Group has committed to sell 3.096.460 MWh of physical electricity energy within the scope of electricity energy sales contracts made with energy companies in 2021 and as of 31 December 2021, 3.096.460 MWh of the electricity energy was committed to be sold is completed.

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

NOTE 16 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The Group has committed to purchase 209.287 MWh of physical electricity energy within the scope of electricity energy purchase agreements with energy companies in 2021 and as of 31 December 2021, 209.287 MWh of the electricity energy was committed to be purchased is completed.

As of 31 December 2021, the Group has a 131.400 MWh physical electricity purchase protocol to be committed in 2022 and beyond. The Group does not have any physical sales electricity protocols that it has committed to perform in 2022 and beyond.

Natural gas purchase commitments

The Group has completed its take or pay obligation as of 31 December 2021, as the Group's consumption throughout the year has exceeded the commitment made under the Botaş Agreement. The Group does not have any minimum purchase commitment regarding the Botaş Contracts of previous years.

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 December 31, 2021, the carrying value of the related investment in the statement of financial position of the Group is TL 85.241.280.

c) Contingent Assets

Guarantees received

		31 December 2021		31 December 2020	
	Currency	Original Currency	TL Equivalent	Original currency	TL Equivalent
Letters of guarantees received	TL	51.724.699	51.724.699	43.008.307	43.008.307
	EURO	-	-	1.026.250	9.244.357
	USD	229.000	3.052.341	4.000	29.362
Notes of guarantees received	TL	1.752.432	1.752.432	2.752.432	2.752.432
	USD	590.544	7.871.361	4.340.544	31.861.763
	EURO	33.800	509.930	33.800	304.467
	GBP	5.675	101.961	5.675	56.431
Cheques of guarantees received	TL	106.000	106.000	106.000	106.000
	USD	16.650	221.928	16.650	122.219
Mortgages received	TL	3.242.000	3.242.000	3.242.000	3.242.000
			68.582.652		**90.727.338**

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.

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

NOTE 17 - DERIVATIVE INSTRUMENTS

	31 December 2021		31 December 2020	
	Contract amount	**Fair value**	**Contract amount**	**Fair value**
Forward contracts				
- Short - term	64.154.970	17.609.139	-	-
Forward term electricity purchase and sale contracts				
- Short - term	194.200.945	310.913.019	39.873.831	10.470.084
Derivative financial assets	**258.355.915**	**328.522.158**	**39.873.831**	**10.470.084**
Interest rate swaps				
- Short - term	522.730.058	19.253.373	268.684.322	15.525.001
- Long - term	549.834.579	20.251.696	590.679.024	34.130.367
Forward contracts				
- Short - term	-	-	55.414.066	2.251.799
- Long - term	-	-	14.313.975	554.041
Forward term electricity purchase and sale contracts				
- Short - term	214.777.082	310.687.032	52.145.967	9.695.301
Derivative financial liabilities	**1.287.341.719**	**350.192.101**	**981.237.354**	**62.156.509**

Movement of derivative instruments during the period is as follows:

	2021	**2020**
1 January	**51.686.425**	**34.381.686**
To be reclassified to profit or loss		
- Financial (income)/expense	(29.467.686)	16.602.958
- Other operating (income)/expense	(548.796)	701.781
31 December	**21.669.943**	**51.686.425**

NOTE 18 - EMPLOYEE BENEFITS

a) Employee benefit obligations

	31 December 2021	**31 December 2020**
Social security payment	1.107.255	854.925
Due to personnel	518.569	58.899
	1.625.824	**913.824**

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

NOTE 18 - EMPLOYEE BENEFITS (Continued)

b) Short - term provisions for employee benefits

	31 December 2021	31 December 2020
Bonus provision	9.212.905	7.983.571
	9.212.905	**7.983.571**

The movements of bonus provision are as follows:

	2021	2020
1 January	**7.983.571**	**5.324.376**
Current year charges	9.212.905	7.983.571
Payments during the year	(7.110.813)	(5.242.242)
Provisions no longer required	(872.758)	(82.134)
31 December	**9.212.905**	**7.983.571**

c) Long - term provisions for employee benefits

	31 December 2021	31 December 2020
Provisions for employee termination benefits	10.095.079	6.741.483
Provisions for unused vacation rights	2.114.937	1.411.494
	12.210.016	**8.152.977**

Under the Turkish Labor Law, companies are 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 and achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 8.284,51 for each year of service as of 31 December 2021 (31 December 2020: TL 7.117,17).

Termination benefits liability is not dependent on any funding legally and any funding requirement does not exist.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees.

In accordance with Turkish Labor Code, employment termination benefit is the present value of the total estimated provision for the liabilities of the personnel who may retire in the future, the provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial gains and losses are accounted in equity as other comprehensive income or loss.

TFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans, The Group makes a calculation for the employment termination benefit by applying the prescribed liability method, by the experiences and by considering the personnel who become eligible for pension, this provision is calculated by expecting the present value of the future liability which will be paid for the retired personnel.

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

NOTE 18 - EMPLOYEE BENEFITS (Continued)

Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	2021	2020
Discount rate (%)	4,45	4,70
Turnover rate related the probability of retirement (%)	94,49	95,13

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 anticipated effects of future inflation. As the maximum liability is revised semi - annually, the maximum amount of full TL 10.848,59 (1 January 2021: full TL 7.638,96) which is effective from 1 January 2022 has been taken into consideration in calculating the reserve for employment termination benefits of the Group.

The movements of provisions for employment termination benefits are as follows:

	2021	2020
1 January	**6.741.483**	**5.211.456**
Interest cost	1.449.419	708.758
Service cost	881.739	680.813
Actuarial losses	2.238.019	692.248
Payments during the year	(1.215.581)	(551.792)
31 December	**10.095.079**	**6.741.483**

The movements of provisions for unused vacation rights are as follows:

	2021	2020
1 January	**1.411.494**	**1.164.346**
Current year provision	920.255	349.746
Payment during the year	(216.812)	(102.598)
31 December	**2.114.937**	**1.411.494**

NOTE 19 - 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 whose nominal value is TL 1 ("One Turkish Lira"). As of 31 December 2021 and 2020 the share capital held is as follows:

	31 December 2021	31 December 2020
Limit on registered share capital (historical)	1.500.000.000	1.500.000.000
Issued capital	729.164.000	729.164.000

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

NOTE 19 - EQUITY (Continued)

The Company's shareholders and shareholding structure as of 31 December 2021 and 2020 are as follows:

	31 December 2021		31 December 2020	
	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
		729.164.000		**729.164.000**
Adjustment to share capital		101.988.910		101.988.910
Total paid - in capital		**831.152.910**		**831.152.910**

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 December 2021	31 December 2020
Legal reserves	12.053.172	12.053.172
	12.053.172	**12.053.172**

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.

Dividend distribution

Dividends are distributed according to Communiqué Serial: IV, No: 27 on "Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law", principles on corporate articles and dividend distribution policy which is declared by Companies.

In addition to the CMB, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II - 14,1 that sufficient reserves exists in the stand alone statutory books.

The remaining current year income and the reserves of the Group that can be subject to the dividend distribution does not exist (31 December 2020: None).

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

NOTE 20 - TAX ASSETS AND LIABILITIES

	31 December 2021	31 December 2020
Current income tax expenses	2.352.631	-
Prepaid taxes	(1.288.486)	(1.048.119)
Current income tax liabilities/ (Current income tax assets), net	**1.064.145**	**(1.048.119)**

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%. However, in accordance with the provisional article 10 added to the Corporate Tax Law, the corporate tax rate of 20% will be applied as 25% for the corporate earnings for the 2021 taxation period and 23% within the corporate income for the 2022 taxation period. 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 (25% for the taxation period of 2021, 23% for the taxation period of 2022, 20% for the following years) 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.

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the repeated Article 298 are met. POA made a declaration on the Implementation of Financial Reporting in High Inflation Economies under TFRS on January 20, 2022, and it was stated that there was no need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in the consolidated financial statements for 2021.

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 15% withholding tax. The profit included to the capital is not a profit distribution.

The details of tax income/(expense) for the year ended 31 December 2021 and 2020 are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Deferred tax income	350.427.307	77.093.890
Current income tax expense (-)	(2.352.631)	-
	348.074.676	**77.093.890**

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

NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

As of 31 December 2021 and 2020 the reconciliation of tax income stated in consolidated profit or loss statement is as follows:

	2021	2020
Profit/(loss) before tax	**(2.878.336.600)**	**(1.161.890.348)**
Tax rate (%)	25	22
Tax income/(expense) calculated at domestic tax rate	719.584.150	255.615.877
Tax exemptions	323.731	1.164.764
Expenses not deductible for tax purposes	(53.051.826)	(1.753.609)
Temporary differences not subject to deferred tax calculation	(273.723.031)	(150.435.129)
Utilized carry forward tax losses	2.520.229	165.562
Effect of different tax rate	(23.536.163)	(23.266.639)
Investment incentives	(22.637.970)	(5.694.012)
Other	(1.404.444)	1.297.076
Current year tax income	**348.074.676**	**77.093.890**

Deferred taxes

	31 December 2021	31 December 2020
Deferred tax assets	169.548	4.176.768
Deferred tax liabilities	(945.784.955)	(240.949.948)
Deferred tax assets, net	**(945.615.407)**	**(236.773.180)**

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 23% for temporary differences expected to close in 2022 and 20% for temporary differences expected to close in the following years.

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

	Total temporary differences		Deferred tax assets/(liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deferred tax assets on tax losses	-	(15.769.799)	-	3.469.356
Investment incentives (*)	(254.871.979)	(141.682.127)	50.974.396	28.336.425
Provisions for lawsuits	(1.946.519)	(3.115.125)	447.699	623.025
Provision for employment termination benefit	(7.351.045)	(5.202.610)	1.470.209	1.040.522
Provision for unused vacations	(845.975)	(282.299)	169.195	56.460
Adjustments to property, plant and equipment	5.043.009.996	1.198.902.547	(1.009.566.716)	(239.780.509)
Adjustments to borrowings	(56.066.434)	153.141.636	11.279.661	(30.628.327)
Other	1.753.963	(626.817)	(389.851)	109.868
Deferred tax assets/(liabilities), net			**(945.615.407)**	**(236.773.180)**

(*) 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.

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

NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

The movements of deferred tax assets and liabilities for the year ended 31 December 2021 and 2020 are as follows:

	2021	2020
1 January	**(236.773.180)**	**(313.382.850)**
Recognised in statement of profit or loss	350.427.307	77.093.890
Recognised in other comprehensive income	(1.059.269.534)	(484.220)
31 December	**(945.615.407)**	**(236.773.180)**

Details of tax losses on which deferred taxes are recognized, along with the year it is incurred and the maximum year it can be utilized, are provided below:

Year incurred	Year can be used	31 December 2021	31 December 2020
2017	2022	-	4.095.277
2019	2024	-	10.181.258
2020	2025	-	1.493.264
		-	**15.769.799**

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:

Year incurred	Year can be used	31 December 2021	31 December 2020
2016	2021	-	104.375.065
2017	2022	43.471.558	86.943.115
2018	2023	148.406.201	296.812.402
2019	2024	133.261.859	266.523.719
2020	2025	262.948.530	528.473.885
2021	2026	1.184.421.952	-
		1.772.510.100	**1.283.128.186**

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

NOTE 21 - REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2021	1 January - 31 December 2020
Electricity sales revenue	2.787.310.178	1.405.642.777
Revenue on sharing of instability	597.877.606	386.260.440
Revenue on secondary frequency control	247.476.920	105.390.106
Revenue on loading orders	160.947.046	187.021.015
Revenue on capacity mechanism	82.706.943	76.765.892
Other revenues	41.525.645	26.428.267
	3.917.844.338	**2.187.508.497**

b) Cost of sales

	1 January - 31 December 2021	1 January - 31 December 2020
Direct raw materials consumed and cost of electricity purchased(*)	2.872.253.127	1.603.637.308
Depreciation and amortisation expenses	258.949.843	286.933.617
Maintenance and repair expenses	103.535.263	34.394.449
Personnel expenses	46.532.727	35.929.146
Insurance expenses	19.008.959	15.394.356
Other materials and spare parts consumed	7.613.666	3.829.381
Other expenses	9.134.522	9.102.172
	3.317.028.107	**1.989.220.429**

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

NOT 22 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2021	1 January - 31 December 2020
Personnel expenses	37.942.346	30.812.054
Consultancy expenses	27.160.077	5.902.648
Taxes and duties	8.269.767	7.156.135
IT expenses	5.945.611	4.425.901
Advertising and sponsorship expenses	5.788.473	5.063.502
Depreciation and amortisation expenses	5.702.486	5.465.928
Office expenses	3.190.094	2.999.901
Vehicle expenses	988.998	674.626
Travel expenses	754.202	288.908
Insurance expenses	385.803	232.357
Other expenses	5.072.072	5.752.250
	101.199.929	**68.774.210**

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

NOTE 23 - EXPENSES BY NATURE

	1 January - 31 December 2021	**1 January - 31 December 2020**
Direct raw materials consumed and cost of electricity purchased	2.872.253.127	1.603.637.308
Depreciation and amortisation expenses (*)	264.652.329	292.399.545
Maintenance and repair expenses	103.535.263	34.394.449
Personnel expenses (**)	84.475.073	66.741.200
Consultancy expenses	27.160.077	5.902.648
Insurance expenses (***)	19.394.762	15.626.713
Taxes and duties	8.269.767	7.156.135
Other materials and spare parts consumed	7.613.666	3.829.381
IT expenses	5.945.611	4.425.901
Advertising and sponsorship expenses	5.788.473	5.063.502
Office expenses	3.190.094	2.999.901
Vehicle expenses	988.998	674.626
Travel expenses	754.202	288.908
Other expenses	14.206.594	14.854.422
	3.418.228.036	**2.057.994.639**

(*) Depreciation and amortization expenses amounting to TL 258.949.843 TL (31 December 2020: TL 286.933.617) is classified in cost of sales, TL 5.702.486 (31 December 2020: TL 5.465.928) of amortization and depreciation expenses is classified in general administrative expenses.

(**) Personnel expenses amounting to TL 46.532.727 (31 December 2020: TL 35.929.146) is classified in cost of sales, TL 37.942.346 (31 December 2020: TL 30.812.054) is classified in general and administrative expenses.

(***) Insurance expenses amounting to TL 19.008.959 (31 December 2020: TL 15.394.356) is classified in cost of sales, TL 385.803 (31 December 2020: TL 232.357) is classified in general and administrative expenses.

Fees for Services Received from Independent Auditor / Independent Audit Firms

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	1 January - 31 December 2021(*)	**1 January - 31 December 2020(*)**
Audit and assurance fee	441.790	392.800
Other assurance services fee	9.499	8.056
Other service fee apart from audit	-	10.080
	451.289	**410.936**

(*) The fees above have been determined through including the legal audit and other related service fees of all subsidiaries.

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

NOTE 24 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

	1 January - 31 December 2021	1 January - 31 December 2020
Profits from forward electricity purchase and sale contracts	303.858.906	10.470.084
Gain on risk sharing contracts	85.378.798	7.347.068
Foreign exchange gains from trading activities	53.790.219	4.798.913
Gain on futures and options markets	14.327.435	10.371.909
Income from compensation	2.965.092	106.348
Provisions no longer required (*)	2.944.151	5.179.423
Income from insurance compensation	205.254	1.430.793
Other income	13.496.073	1.908.171
	476.965.928	**41.612.709**

(*) As of 31 December 2021, TL 1.636.996 (31 December 2020: TL 1.083.137) of the provisions no longer required comprised of released provisions of litigation provisions, TL 872.758 of premium provisions (31 December 2020: TL 82.134), TL 47.911 (31 December 2020: TL 4.000.000) released provisions of doubtful receivables, and TL 386.486 of other provisions (31 December 2020: TL 14.152).

b) Other operating expenses

	1 January - 31 December 2021	1 January - 31 December 2020
Losses from forward electricity purchase and sale contracts	304.407.696	9.695.301
Losses on risk sharing contracts	86.228.687	5.201.891
Foreign exchange losses from trading activities	42.444.051	22.789.527
Losses on futures and options market	8.787.861	11.179.384
Provisions for litigations	2.661.189	3.812.239
Doubtful trade receivables profitability	144.753	547.131
Discount expenses from trading activities	-	1.129.993
Other expenses	1.976.822	639.669
	446.651.059	**54.995.135**

NOTE 25 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January - 31 December 2021	1 January - 31 December 2020
Dividend income	25.704	18.331
Gain on sale of property, plant and equipment	-	2.084.618
	25.704	**2.102.949**

b) Expenses from investing activities

	1 January - 31 December 2021	1 January - 31 December 2020
Loss on sale of property, plant and equipment	52.016	-
	52.016	**-**

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

NOTE 26 - FINANCIAL INCOME AND EXPENSES

a) Financial income

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange gains	243.595.861	7.900.998
Gain on derivative instruments	98.721.748	3.347.628
Interest income	24.370.030	10.091.132
	366.687.639	**21.339.758**

b) Financial expenses

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange losses	2.824.402.792	674.416.101
Interest and commission expenses	774.849.886	562.364.770
Losses on derivative instruments	50.048.995	24.961.934
Other financial expenses (*)	125.627.425	39.721.682
	3.774.929.098	**1.301.464.487**

(*) For the period 1 January - 31 December 2021, TL 122.470.132 (1 January - 31 December 2020: TL 35.042.135) of the respective amount is comprised of the indexation difference of the liability due to Uluabat DSİ Water Use Agreement calculated by WPT.

NOTE 27 - LOSSES PER SHARE

	31 December 2021	31 December 2020
Weighted average number of issued shares	72.916.400.000	72.916.400.000
Net loss for the period	(2.530.261.924)	(1.084.796.458)
Losses per share - TL (1.000 shares)	**(3,470)**	**(1,488)**

Nominal value of each of the issued share as of 31 December 2021 and 2020 is 1 Kr.

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

NOTE 28 - RELATED PARTY DISCLOSURE

a) Transaction with related parties

- *Purchases from related parties*

	1 January - 31 December 2021	1 January - 31 December 2020
Sakarya Elektrik Perakende Satış A.Ş. ("Sepaş") (1) (****)	91.601.481	37.797.287
CEZ a.s. (2) (*)	88.143.830	6.205.119
Dinkal Sigorta Acenteliği A.Ş. ("Dinkal") (3) (**)	32.966.851	2.202.606
Aktek Bilgi İletişim Tek. San. ve Tic. A.Ş. ("Aktek") (4) (**)	7.755.548	5.878.083
Aksa Akrilik Kimya Sanayi A.Ş. ("Aksa) (5) (**)	6.319.328	17.640.968
Ak-Han Bak. Yön. Serv. Hiz. Güv. Malz. A.Ş. ("Ak-Han") (6) (**)	3.849.726	3.389.754
Akkök Holding A.Ş. ("Akkök") (7) (*)	785.307	707.025
CEZ Trade Bulgaria Ead. (***)	-	7.415.957
Ak-pa Tekstil İhracat Pazarlama A.Ş. ("Ak-pa") (**)	-	67.173
Other	-	11.998
	231.422.071	**81.315.970**

(1) Comprised of purchase of electricity and sharing of instability.
(2) Comprised of purchase of electricity and risk sharing.
(3) Comprised of insurances purchased from insurance companies by the intermediary of Dinkal.
(4) Comprised of IT services and equipment received.
(5) Comprised of purchase of electricity and sharing of instability.
(6) Comprised of office maintenance and management service received.
(7) Comprised of rent service received.

- *Sales to related parties*

	1 January - 31 December 2021	1 January - 31 December 2020
Sepaş (1) (****)	1.827.820.299	634.265.667
CEZ a.s. (2) (*)	112.273.945	15.836.439
Aksa (3) (**)	9.925.751	3.702.088
Akcez Enerji Yat. San. ve Tic. A.Ş. ("Akcez") (4) (****)	93.780	84.714
CEZ a.s. Turkey Daimi Tem. (5) (***)	64.783	58.096
CEZ Trade Bulgaria Ead. (***)	-	23.547.846
Other	79.422	3.826
	1.950.257.980	**677.498.676**

(1) 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.
(4) Comprised of consultancy services provided.
(5) Comprised of rent services provided.
(*) Shareholder.
(**) Akkök Holding group company.
(***) CEZ a.s. group company.
(****) Akkök Holding and CEZ a.s. group company.

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

NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

b) Balances with related parties

- *Short - term trade receivables from related parties*

	31 December 2021	31 December 2020
Sepaş (1) (****)	218.683.718	12.205.186
CEZ a.s. (2) (*)	28.469.183	1.244.764
Aksa (3) (**)	3.155.715	178.766
Akcez (4) (****)	9.222	7.694
CEZ a.s. Turkey Daimi Tem. (5) (***)	7.007	5.539
CEZ Trade Bulgaria Ead. (***)	-	1.878.469
Other	65.202	-
	250.390.047	**15.520.418**

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

- *Other receivables from related parties*

	31 December 2021	31 December 2020
CEZ a.s. (1) (*)	3.017.340	9.007.900
	3.017.340	**9.007.900**

(1) Comprised of cash collateral given amounting to EUR 200.000 within the scope of electricity exported (31 December 2020: comprised of EUR 1.000.000 cash collateral given).

- *Short - term trade payables to related parties*

	31 December 2021	31 December 2020
CEZ a.s (1)(*)	27.441.061	370.643
Dinkal (2) (**)	27.388.992	8.000.454
Sepaş (3) (****)	14.343.760	4.326.098
CEZ a.s. Turkey Daimi Tem. (4) (***)	3.177.178	1.897.016
Akkök (5) (*)	1.787.289	3.563.000
Aksa (6) (**)	1.260.766	1.862.191
Aktek (7) (**)	815.116	904.203
Ak-Han (8) (**)	586.887	301.010
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş (9) (**)	442.270	243.565
Ak-Pa (**)	-	206.133
	77.243.319	**21.674.313**

(1) Comprised of payables on risk sharing.
(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.

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

NOTE 28 - 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 December 2021	1 January - 31 December 2020
Salaries and benefits	5.798.302	4.333.723
Bonus	4.335.110	2.822.088
Attendance fee	901.072	724.914
	11.034.484	**7.880.725**

NOTE 29 - FINANCIAL RISK MANAGEMENT

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks. These risks are liquidity risk, market risk (foreign exchange risk, interest risk), credit risk and funding risks.

Management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses financial instruments to hedge certain risk exposures.

Risk management is carried out by Finance and Financial Affairs Deputy General Manager where policies are approved by the Board of Directors, Finance and Financial Affairs Deputy General Manager identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

a) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions, due to the dynamic nature of business, the group aims to maintain flexibility in funding by keeping committed credit lines available. The Group, as aware of all of its short term and long term liabilities, has been taking the necessary actions and has been benefiting from all opportunities by communication with the financial institutions to maintain its operations in a healthy financial structure, to adjust the maturities of its liabilities in accordance with its cash flows and to provide a positive effect on its cash flows within the framework its proactive approach. In 2019, with the restructuring of loans within the scope of Financial Restructuring, the short - term liabilities of the Group decreased significantly and spread over the long term.

The following tables detail the Group's contractual maturities for its non - derivative financial liabilities as of 31 December 2021 and 2020. The tables have been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group could be required to pay. The table includes both interest and principal amounts. These amounts are contractual undiscounted cash flows. Balances with maturities less than 3 months are equal to their carrying values due to the negligible discounting effect.

31 December 2021 **Maturities in accordance with contract**	**Carrying value**	**Total contractual cash outflow (I-II-III-IV)**	**Demand or up to 3 months (I)**	**3 months - 1 year (II)**	**1 - 5 years (III)**	**5 years and over (IV)**
Non - derivative financial liabilities						
Borrowings	9.244.482.317	13.505.238.429	12.767.976	530.879.213	8.235.446.888	4.726.144.352
Trade payables	587.169.805	587.169.805	587.169.805	-	-	-
Other payables	328.004.310	328.004.310	51.897.337	45.777.014	131.605.947	98.724.012
Derivative financial liabilities						
Derivative financial instrument	350.192.101	350.192.101	77.671.763	252.268.642	20.251.696	-
	10.509.848.533	**14.770.604.645**	**729.506.881**	**828.924.869**	**8.387.304.531**	**4.824.868.364**

31 December 2020 **Maturities in accordance with contract**	**Carrying value**	**Total contractual cash outflow (I-II-III-IV)**	**Demand or up to 3 months (I)**	**3 months - 1 year (II)**	**1 - 5 years (III)**	**5 years and over (IV)**
Non - derivative financial liabilities						
Borrowings	6.082.363.432	9.524.608.292	8.445.656	266.139.515	6.227.712.227	3.022.310.894
Trade payables	230.443.080	230.443.080	230.343.080	100.000	-	-
Other payables	188.285.984	188.285.984	10.971.470	30.977.550	73.177.060	73.159.904
Derivative financial liabilities						
Derivative financial instrument	62.156.509	62.156.509	4.079.450	23.392.651	34.684.408	-
	6.563.249.005	**10.005.493.865**	**253.839.656**	**320.609.716**	**6.335.573.695**	**3.095.470.798**

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

b) Market risk

- *Interest rate risk*

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using fixed or floating interest bearing assets and liabilities by considering the borrowing market conditions and expectations. In order to minimize the interest rate risk, the Group utilise borrowings with the most favorable conditions in line with the analysis of fixed and floating interest rates. The Group has converted a significant portion of its existing loans into fixed interest rates thanks to the refinancing it has made within the scope of Financial Restructuring on 11 November 2019, thereby significantly reducing the interest rate risk. Interest rate risk arising from assets and liabilities exposed to floating interest rate are managed through interest rate swap agreements. The Group invests, cash and cash equivalents which are not used, in time deposits.

The table of the interest position of the Group as of 31 December 2021 and 2020 is as follows:

	31 December 2021	31 December 2020
Financial instruments with fixed interest rates		
Borrowings	9.090.032.618	5.971.263.595
Trade payables	587.169.805	230.443.080
Trade receivables	451.749.102	98.229.976
Cash and cash equivalents	138.992.104	161.954.568
Other receivables	8.933.462	13.412.971
Other debts	46.675.095	7.096.555
Financial instruments with floating interest rates		
Other payables	281.329.215	181.189.429
Financial liabilities	154.449.699	111.099.837

The Group has analyzed various scenarios including refinancing the existing situation alternative financing options and to avoid the hedging risk. According to these scenarios, if annual interests of floating interest rated loans were 100 basis point high/low with all the other parameters are constant, current year income before tax have been TL 595.623 lower/higher as a result of interest expense of floating interest rated loans and swap transactions (2020: TL 775.506).

- *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 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Assets	722.918.542	59.115.252
Liabilities	(6.439.469.773)	(3.596.357.994)
Net financial position	**(5.716.551.231)**	**(3.537.242.742)**
Net position of derivative instruments	62.646.300	(69.728.041)
Foreign currency position(net)	**(5.653.904.931)**	**(3.606.970.783)**

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

Assets and liabilities denominated in foreign currency held by the Group at 31 December 2021 and 2020 and their TL equivalent are as follows:

			31 December 2021					31 December 2020
	TL Equivalent	**USD**	**Euro**	**Other**	**TL Equivalent**	**USD**	**Euro**	**Other**
Trade receivables	185.955.883	11.815.343	1.887.038	-	3.124.676	50	346.841	-
Monetary financial assets	529.751.142	36.069.333	3.246.741	22	46.282.135	4.914.150	1.133.416	12
Current assets	**715.707.025**	**47.884.676**	**5.133.779**	**22**	**49.406.811**	**4.914.200**	**1.480.257**	**12**
Monetary financial assets	7.211.517	3.400	475.001	-	9.708.441	3.400	1.074.999	-
Non-current assets	**7.211.517**	**3.400**	**475.001**	**-**	**9.708.441**	**3.400**	**1.074.999**	**-**
Total assets	**722.918.542**	**47.888.076**	**5.608.780**	**22**	**59.115.252**	**4.917.600**	**2.555.256**	**12**
Trade payables	74.633.027	5.232.306	324.234	-	79.659.361	10.429.525	344.297	4
Financial liabilities	510.563.671	36.983.309	1.167.462	-	257.205.477	33.594.684	1.177.155	-
Other monetary liabilities	4.211.404	315.958	-	-	1.674.867	228.168	-	-
Short-term liabilities	**589.408.102**	**42.531.573**	**1.491.696**	**-**	**338.539.705**	**44.252.377**	**1.521.452**	**4**
Financial liabilities	5.850.056.339	430.835.620	7.122.059	-	3.257.815.353	433.795.768	8.163.669	-
Other monetary liabilities	5.332	400	-	-	2.936	400	-	-
Long-term liabilities	**5.850.061.671**	**430.836.020**	**7.122.059**	**-**	**3.257.818.289**	**433.796.168**	**8.163.669**	**-**
Total liabilities	**6.439.469.773**	**473.367.593**	**8.613.755**	**-**	**3.596.357.994**	**478.048.545**	**9.685.121**	**4**
Net Asset(Liability) Position of Statement of Financial Position Derivative Instruments	**64.154.970**	**4.700.000**	**100.000**	**-**	**(69.728.041)**	**(9.450.000)**	**(40.000)**	**-**
Off statement of financial position foreign currency derivative assets	64.154.970	4.700.000	100.000	-	-	-	-	-
Off statement of financial position foreign currency derivative liabilities	-	-	-	-	69.728.041	9.450.000	40.000	-
Net foreign currency asset(liability) position	**(5.652.396.261)**	**(420.779.517)**	**(2.904.975)**	**22**	**(3.606.970.783)**	**(482.580.945)**	**(7.169.865)**	**8**
Net foreign currency asset(liability) position of monetary items	**(5.716.551.231)**	**(425.479.517)**	**(3.004.975)**	**22**	**(3.537.242.742)**	**(473.130.945)**	**(7.129.865)**	**8**
Total fair value of financial instruments used for foreign currency hedging	**17.609.139**	**1.311.603**	**8.404**	**-**	**2.805.840**	**372.296**	**8.104**	**-**
Export	**112.229.921**	**-**	**9.574.674**	**-**	**39.384.285**	**-**	**4.806.136**	**-**
Import	**167.497.865**	**10.706.220**	**5.549.631**	**7.712**	**47.717.492**	**4.347.398**	**2.158.423**	**80**

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

NOTE 29 - 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 December 2021 and 31 December 2020, 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, and the positive effect of Turkish Renewable Energy Resources Support Mechanism revenues in foreign currency on operating profit is not taken into account in this calculation.

				31 December 2021
		Profit /Loss		**Equity**
	Appreciation of foreign currency	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
+/- 10% fluctuation of USD rate				
1- USD net asset/liability	(567.121.648)	567.121.648	-	-
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	**(567.121.648)**	**567.121.648**	**-**	**-**
+/- 10% fluctuation of EUR rate				
4- EUR net asset/liability	(4.533.516)	4.533.516	-	-
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	**(4.533.516)**	**4.533.516**	**-**	**-**
+/- 10% fluctuation of other currencies rate against to TL				
7- Other currencies net asset/liability	40	(40)	-	-
8- Part of hedged from other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7+8)	**40**	**(40)**	**-**	**-**
Total (3+6+9)	**(571.655.124)**	**571.655.124**	**-**	**-**

				31 December 2020
		Profit /Loss		**Equity**
	Appreciation of foreign currency	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
+/- 10% fluctuation of USD rate				
1- USD net asset/liability	(347.301.770)	347.301.770	-	-
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	**(347.301.770)**	**347.301.770**	**-**	**-**
+/- 10% fluctuation of EUR rate				
4- EUR net asset/liability	(6.422.511)	6.422.511	-	-
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	**(6.422.511)**	**6.422.511**	**-**	**-**
+/- 10% fluctuation of other currencies rate against to TL				
7- Other currencies net asset/liability	8	(8)	**-**	**-**
8- Part of hedged from other currencies risk (-)	-	-	**-**	**-**
9- Other currencies net effect (7+8)	**8**	**(8)**	**-**	**-**
Total (3+6+9)	**(353.724.273)**	**353.724.273**	**-**	**-**

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

c) Funding risk

The funding risk of the current and future debt requirements is managed through rendering the availability of the qualified lenders. The Group's bank loans are provided by financially strong financial institutions.

d) Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group monitors capital on the basis of the ratio of net debt to total equity. Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the consolidated balance sheet) less cash and cash equivalents. Total equity is calculated as the difference between assets and liabilities. Additionally, the Group calculates the total equity/total assets ratio. Group's construction in progress is financed by miscellaneous potential financial institutions as mentioned in the funding risk. Completion periods and cash outflows of investments are assessed and valorized within capital risk management by the Group. The periods after the completion of investments expect a significant reduction in the ratio of net debt/total capital.

Net debt/total equity ratio as of 31 December 2021 and 2020 are as follows:

	31 December 2021	**31 December 2020**
Total borrowings	9.244.482.317	6.082.363.432
Trade payables to related parties and third parties	587.169.805	230.443.080
Other payables	328.004.310	188.285.984
Total debt	**10.159.656.432**	**6.501.092.496**
Less: Cash and Cash Equivalents (Note 3)	**(681.299.003)**	**(214.333.131)**
Net debt	**9.478.357.429**	**6.286.759.365**
Total equity	**1.578.204.104**	**(128.612.093)**
Net debt/total equity ratio	**601%**	**(4.888)%**

e) Credit risk

Credit risk consists of cash and cash equivalents, deposits held in banks and customers exposed to credit risk, which includes uncollected receivables.

The Group is exposed to credit risks due to its open receivable position with future collection dates and time deposits. If counterparties fail on the fulfillment of the agreement, the Group is exposed to the risk upon holding the financial instruments. Management covers the risk by limiting the average risk of counterparties (except for related parties) on agreements and by obtaining guarantees if necessary.

The Group has internal credit procedures, the credit rating system and internal policies for credit risk management related with the trade receivables from its customers. According to these procedures, the Group separately approves, increase or decrease the credit limits for customers with significant balances. The credit limits are determined in accordance with the historical payment performances, financial strengths, commercial relations, commercial growth potential, and management styles. Credit limits are reviewed every year and the group use bank guarantees, marketable securities and other guarantees for the customers which considered as high risk.

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

The exposure of the Group to credit risk as of 31 December 2021 and 2020 based on types of financial instruments is as follows:

	Trade receivables		Other receivables			
31 December 2021	**Related parties**	**Third parties**	**Related parties**	**Third parties**	**Cash at banks**	**Derivative financial instruments**
Maximum exposure to credit risk as of reporting date (*) (A+B+C+D+E)	250.390.047	201.359.055	3.017.340	5.916.122	681.287.224	328.522.158
- Secured with guarantees	-	49.301.426	-	-	-	-
A.Net book value of neither past due nor impaired financial assets (**)	250.390.047	198.117.055	3.017.340	5.916.122	681.287.224	328.522.158
- Secured with guarantees	-	46.059.426	-	-	-	-
B.Net book value of restructured financial assets	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
C.Net book value of past due but not impaired financial assets	-	3.242.000	-	-	-	-
- Secured with guarantees	-	3.242.000	-	-	-	-
D.Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross net book value)	-	19.645.865	-	-	-	-
- Impairment (-)	-	(19.645.865)	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
- Not past due (gross net book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
E.Collective provision for impairment (-)	-	-	-	-	-	-

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

(**) As of 31 December 2021, trade receivables from third parties categorized on neither past due nor impaired financial assets amounting to TL 143.813.495 are comprised of receivables from EPİAŞ and TEİAŞ within the scope of electricity trading operations with a due date less than 1 month.

Maturity of expected credit loss

31 December 2021	Not due	Overdue up to 1 months	Overdue 1-3 months	Overdue 3 -12 months	Overdue more than 1 year	Total
Closing balance	448.507.102	-	-	3.384.293	19.503.572	471.394.967
Credit loss rate (%)	0%	0%	0%	4%	100%	4%
Expected credit losses	-	-	-	(142.293)	(19.503.572)	(19.645.865)

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

	Trade receivables		Other receivables			
31 December 2020	**Related parties**	**Third parties**	**Related parties**	**Third parties**	**Cash at banks**	**Derivative financial instruments**
Maximum exposure to credit risk as of reporting date (*) (A+B+C+D+E)	15.520.418	82.709.558	9.007.900	4.405.071	214.333.084	10.470.084
- Secured with guarantees	-	18.663.638	-	-	-	-
A.Net book value of neither past due nor impaired financial assets (**)	15.520.418	79.463.218	9.007.900	4.405.071	214.333.084	10.470.084
- Secured with guarantees	-	15.421.638	-	-	-	-
B.Net book value of restructured financial assets	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
C.Net book value of past due but not impaired financial assets	-	3.246.340	-	-	-	-
- Secured with guarantees	-	3.242.000	-	-	-	-
D.Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross net book value)	-	19.713.618	-	-	-	-
- Impairment (-)	-	(19.713.618)	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
- Not past due (gross net book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
E.Collective provision for impairment (-)	-	-	-	-	-	-

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

(**) As of 31 December 2020, trade receivables from third parties categorized on neither past due nor impaired financial assets amounting to TL 57.590.801 are comprised of receivables from EPİAŞ and TEİAŞ within the scope of electricity trading operations with a due date less than 1 month.

Maturity of expected credit loss

31 December 2020	Not due	Overdue up to 1 months	Overdue 1-3 months	Overdue 3 -12 months	Overdue more than 1 year	Total
Closing balance	94.983.636	2.903	148.727	3.641.841	19.166.487	117.943.594
Credit loss rate (%)	0%	0%	100%	11%	100%	17%
Expected credit losses	-	-	(148.727)	(398.404)	(19.166.487)	(19.713.618)

NOTE 30 - 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 short-term bank borrowings and other monetary liabilities are considered to approximate to their respective carrying values. The carrying values of the long-term bank loans of the Group reflect their fair values due to the repricing of the loans within the scope of the Financial Restructuring made on 11 November 2019.

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 contain observable market inputs

As of 31 December 2021, the Group has short - term and long - term liabilities from derivative financial instruments amounting to TL 329.940.405(31 December 2020: TL 27.472.101) and TL 20.251.696 (31 December 2020: TL 34.684.408) respectively and TL 328.522.158 derivative financial instruments in its current assets (31 December 2020: TL 10.470.084), which are categorized as level 2.

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 2021 through other valuation techniques involving direct and indirect observable inputs (Level 3) (Note 2.7).

NOTE 31 - SUBSEQUENT EVENTS

None.

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