

(Convenience translation of interim condensed consolidated financial statements originally issued in Turkish)

**ESENBOĞA ELEKTRİK ÜRETİM
ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED
30 JUNE 2023 AND THE REVIEW REPORT**

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CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

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

ASSETS	Notes	Current Period	Prior Period
		Audited	Audited
		30 June 2023	31 December 2022
Cash and cash equivalents	4	120,850,528	298,865,404
Financial investment		94,929,042	271,790,090
Trade receivables		752,287,678	804,998,408
- Trade receivables from third parties		752,287,678	804,998,408
Other receivables		488,259,041	377,371,734
- Other receivables from related parties		479,399,297	376,675,668
- Other receivables from third parties		8,859,744	696,066
Derivative financial instruments		32,640,707	8,983,912
Inventories		11,188,858	3,671,144
Prepaid expenses		31,944,241	23,545,895
Assets related to current tax	18	4,337,442	3,560,049
Other current assets	12	16,111,590	52,464,831
Total current assets		1,552,549,127	1,845,251,467
Financial investment		1,744,422,468	-
Other receivables		3,651,960	3,321,117
- Other receivables from third parties		3,651,960	3,321,117
Derivative financial instruments		50,590,365	29,885,535
Investment properties		524,000,000	426,000,000
Tangible assets	7	8,080,204,200	5,866,711,552
Intangible assets	8	300,790	181,384
Prepaid expenses		675,953	920
Other non-current assets		4,187,244	1,412,692
Deferred tax assets		387,789,023	-
Total non-current assets		10,795,822,003	6,327,513,200
TOTAL ASSETS		12,348,371,130	8,172,764,667

1The accompanying notes are an integral part of these condensed consolidated financial statements.

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

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

LIABILITIES	Notes	Current Period Audited 30 June 2023	Prior Period Audited 31 December 2022
Short-term borrowings	6	199,819,846	101,091,050
Short-term portions of long-term borrowings	6	612,775,258	352,743,592
Other financial liabilities	6	10,788,123	88,635
Trade payables		640,718,103	484,024,915
- Trade payables to related parties		135,320,909	5,762,695
- Trade payables to third parties		505,397,194	478,262,220
Other payables		132,845,278	2,987,090
- Other payables to related parties		126,150,461	24,196
- Other payables to third parties		6,694,817	2,962,894
Payables related to employee benefits		1,545,260	1,407,574
Deferred income		20,508,962	37,124,939
Short-term provisions		774,499	485,202
- Short-term provisions for employee benefits	11	774,499	485,202
Other current liabilities	12	3,266,573	2,334,106
Current liabilities		1,623,041,902	982,287,103
Long-term borrowings	6	1,788,635,434	1,073,578,279
Other payables		1,019,762	-
- Other payables to third parties		1,019,762	-
Long-term provisions		1,011,723	388,678
- Long-term provisions for employee benefits	11	1,011,723	388,678
Deferred tax liabilities	18	586,892,960	88,019,401
Non-current liabilities		2,377,559,879	1,161,986,358
Paid-in capital	13	64,000,000	64,000,000
Repurchased shares		(38,245,888)	(1,120,665)
Premiums/ discounts related to shares	13	725,793,112	725,793,112
Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss			
- Accumulated Gain on Revaluation of Non-Current Assets	13	4,718,122,174	3,105,250,118
- Accumulated gain on remeasurement of defined benefit plans	13	(326,629)	57,197
Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss			
- (Losses) on cash flow hedges	13	(736,460,522)	(458,338,743)
Reserves on retained earnings		17,445,291	4,838,231
Prior years' profit/ (loss)		1,123,398,911	615,062,885
Net profit for the period		447,286,842	533,514,924
Equity attributable to owners of the company		6,321,013,291	4,589,057,059
Non-Controlling Interests		2,026,756,058	1,439,434,147
Total equity		8,347,769,349	6,028,491,206
TOTAL LIABILITIES		12,348,371,130	8,172,764,667

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTHS INTERIM PERIOD
ENDED 30 JUNE 2023**

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

		Current Period Audited	Prior Period Audited		
	Notes	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Revenue		341,202,997	351,314,390	156,911,280	241,731,764
Cost of Sales (-)		(325,391,497)	(219,501,602)	(171,957,851)	(142,958,875)
Gross profit		15,811,500	131,812,788	(15,046,571)	98,772,889
General and administrative expenses (-)	14	(43,264,143)	(11,989,509)	(26,411,213)	(5,148,249)
Other income from operating activities	15	252,225,863	290,247,976	165,224,133	120,137,710
Other expenses from operating activities (-)	15	(159,156,610)	(88,052,046)	(110,402,961)	(56,623,582)
Operating profit		65,616,610	322,019,209	13,363,388	157,138,768
Income from investing activities	16	719,254,532	90,436	10,606,069	25,602
Expense from investing activities (-)		(2,727,270)	-	(999,999)	-
Operating profit before finance expense		782,143,872	322,109,645	22,969,458	157,164,370
Financial income	17	104,224,825	224,946,537	92,920,609	108,437,004
Financial expenses (-)	17	(203,522,890)	(301,529,915)	(146,575,817)	(111,387,312)
Profit before taxation		682,845,807	245,526,267	(30,685,750)	154,214,062
- Deferred tax income/ (expense)	18	(76,093,194)	6,812,147	67,443,866	8,584,208
Profit/ (Loss) for the period		606,752,613	252,338,414	36,758,116	162,798,270
Owners of the company		447,286,842	181,696,771	17,926,337	115,225,144
Non-controlling interest		159,465,771	70,641,643	18,831,779	47,573,125
OTHER COMPREHENSIVE INCOME		1,760,465,921	(139,093,269)	1,204,747,271	(65,557,028)
Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss					
Tangible Asset Revaluation Increase		2,261,601,292	-	1,546,238,163	-
Deferred tax (expense)		(126,967,333)	-	(87,982,475)	-
Accumulated Gain on remeasurement of defined benefit plans	11	(267,410)	(26,167)	(503,258)	(153,656)
Deferred tax (expense)		53,482	5,233	100,652	30,731
Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss					
Other comprehensive income related with cash flow hedge		(473,687,618)	(173,840,419)	(324,156,152)	(78,206,351)
Deferred tax (expense)		99,733,508	34,768,084	71,050,341	12,772,248
TOTAL COMPREHENSIVE INCOME		2,367,218,534	113,245,145	1,241,505,387	97,241,242
Distribution of total comprehensive income					
- Non-controlling interests		426,099,470	25,754,047	256,643,412	26,404,132
- Parent company shares		1,941,119,064	87,491,098	984,861,975	70,837,110
Earnings/ (loss) per share (TL)	20	6,99	2,84	0,28	1,80

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TL”))

					Accumulated Other Comprehensive Income or (Expenses) that will be Reclassified to Profit or (Loss)	Accumulated Other Comprehensive Income or (Expenses) that will not be Reclassified to Profit or (Loss)						
	Paid-in capital	Repurchased shares	Premiums/ discounts related to shares	Reserves on retained earnings	Gain/ loses on hedge	Accumulated gain/ (loss) on remeasurement of defined benefit plans	Accumulated gain on revaluation of noncurrent assets	Prior year's profit	Profit for the period	Equity attributable to owners of the company	Non- controlling interests	Total equity
1 January 2022	64,000,000	-	725,793,112	24,684	(272,267,543)	80,398	2,088,208,649	(183,348,845)	980,556,198	3,403,046,653	847,841,080	4,250,887,733
Transfers	-	-	-	-	-	-	-	980,556,198	(980,556,198)	-	-	-
Total comprehensive income	-	-	-	-	(94,210,293)	3,193	-	-	-	(94,207,100)	(44,887,596)	(139,094,696)
Transactions with non-controlling shareholders	-	-	-	-	(44,862,043)	5,056	-	(201,992,284)	-	(246,849,271)	202,022,893	(44,826,378)
Profit for the period	-	-	-	-	-	-	-	-	181,696,771	181,696,771	70,641,643	252,338,414
30 June 2022	64,000,000	-	725,793,112	24,684	(411,339,879)	88,647	2,088,208,649	595,215,069	181,696,771	3,243,687,053	1,075,618,020	4,319,305,073
1 January 2023	64,000,000	(1,120,665)	725,793,112	4,838,231	(458,338,743)	57,197	3,105,250,118	615,062,885	533,514,924	4,589,057,059	1,439,434,147	6,028,491,206
Transfers	-	-	-	12,607,060	-	-	-	520,907,864	(533,514,924)	-	-	-
Total comprehensive income	-	-	-	-	(278,121,779)	(383,826)	1,612,872,056	-	-	1,334,366,451	426,099,470	1,760,465,921
Increase (Decrease) Due to Share Buyback	-	(37,125,223)	-	-	-	-	-	-	-	(37,125,223)	-	(37,125,223)
Transactions with Non-Controlling Shareholders	-	-	-	-	-	-	-	(2,571,822)	-	(2,571,822)	4,195,689	1,623,867
Dividend (-)	-	-	-	-	-	-	-	(10,000,016)	-	(10,000,016)	(2,439,019)	(12,439,035)
Profit for the period	-	-	-	-	-	-	-	-	447,286,842	447,286,842	159,465,771	606,752,613
30 June 2023	64,000,000	(38,245,888)	725,793,112	17,445,291	(736,460,522)	(326,629)	4,718,122,174	1,123,398,911	447,286,842	6,321,013,291	2,026,756,058	8,347,769,349

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS INTERIM PERIOD ENDED 30 JUNE 2023
(Amounts expressed in Turkish Lira ("TL").)**

		Current Period (Reviewed)	Prior Period (Reviewed)
	Notes	1 January – 30 June 2023	1 January – 30 June 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the Period		606,752,613	181,696,771
Adjustments related to reconciliation of net profit for the period			
Adjustments related to depreciation and amortization expenses	7,8	98,757,558	55,550,744
Adjustments for losses/(gains) on disposal of fixed assets		-	5,838
Adjustments related to impairment of financial assets		(646,489,192)	(94,210,293)
Adjustments related to provision for unused vacations	11	289,297	250,635
Adjustments related to interest income	17	(68,860,506)	(1,294,618)
Adjustments related to retirement pay provision expenses	11	377,530	264,827
Adjustments for unrealized foreign exchange (gain)/losses		239,008,212	38,655,902
Adjustments for fair value of derivative financial instruments		3,397,982	
Adjustments related to fair value		(100,116,474)	(151,380,998)
Adjustments related to tax expense	18	76,093,194	(52,337,059)
Movements in working capital		209,210,214	(22,798,251)
Adjustments related to increase/decrease in trade receivables		52,710,730	(270,453,495)
Adjustments related to increase/decrease in inventories		(7,517,714)	(2,541,388)
Adjustments related to increase/decrease in other receivables		(8,494,521)	(897,395)
Adjustments related to increase/decrease in prepaid expenses		(9,073,379)	(34,450,541)
Adjustments related to increase/decrease in other assets		33,578,689	(1,268,935)
Adjustments related to increase/decrease in trade payables		156,693,188	169,668,361
Adjustments related to increase/decrease in other payables		2,712,161	1,157,197
Adjustments related to increase/decrease in deferred income		(16,615,977)	26,086,008
Adjustments related to increase/decrease in other liabilities		932,467	3,303,102
Adjustments related to increase/decrease in employee benefits		137,686	532,401
Income taxes paid	18	(777,393)	(1,701,027)
Cash generated from operations		413,496,151	(133,363,963)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Outflows from Derivative Instruments		(8,534,445)	(636,428,169)
Cash used in capital increase of subsidiaries, investment in associates		(1,123,581,672)	-
Cash outflows from the purchase of tangible and intangible assets (-)	8,9	(53,118,398)	(82,166,203)
Cash inflows from the sale of tangible and intangible assets		433,627	95,697
Finansal varlıklardaki değişim		192,783,423	-
Alınan faizler		50,181,194	1,294,618
Cash flows from investing activities		(941,836,271)	(717,204,057)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash obtained from/used for other receivables from related parties/other payables to related parties		23,402,636	(44,614,546)
Cash outflows from the buyback of shares and other equity instruments		(37,125,223)	-
Cash obtained used for financial borrowings		453,924,941	366,676,451
Interest Paid	17	(77,438,075)	(78,442,772)
Dividends paid		(12,439,035)	-
Cash flows from financing activities		350,325,244	243,619,133
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(178,014,876)	(606,948,887)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		298,865,404	797,696,001
Balance at the end of the period		120,850,528	190,747,114

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS INTERIM PERIOD ENDED 30 JUNE 2023

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Esenboğa Elektrik Üretim Anonim Şirketi ("Esenboğa"):

Esenboğa Elektrik Üretim A.Ş. was established as Naturel 1 Enerji Ticaret Limited Şirketi in Kahramanmaraş as announced in the Trade Registry Gazette numbered 748 dated 2 September 2015, the new trade name Naturel Yenilenebilir Enerji Ticaret A.Ş. with the title of Margün 8 Energy Industry and Trade Limited Company.

The Company's registered address is Kızılırmak Mahallesi 1450 Sokak Atm Plaza B Blok 1/67 Çankaya/Ankara/Türkiye.

As of 30 June 2023 the average number of employees in the Group is 82 (31 December 2022: 85 employee),

Company's subsidiaries, main fields of operations and capital amounts;

Subsidiaries	Shareholding/Voting Rate (%)	Field of operation
Margün Enerji Üretim Sanayi ve Ticaret A.Ş.	%75,61/%75,61	Energy /EPC
Bosphorus Yenilenebilir Enerji A.Ş.	%75,61/%75,61	Energy
Agah Enerji Üretim Sanayi ve Ticaret A.Ş.	%75,61/%75,61	Energy
Angora Elektrik Üretim A.Ş.	%75,61/%75,61	Energy/Repair and Maintenance Services
Anatolia Yenilenebilir Enerji A.Ş.	%75,61/%75,61	Energy
Troya Yenilenebilir Enerji Ticaret A.Ş.	%75,61/%75,61	Energy
Soleil Yenilenebilir Enerji Ticaret A.Ş.	%75,61/%75,61	Energy
Enerji Teknoloji Yazılım A.Ş.	%75,61/%75,61	Software
Esenboğa Batarya Sistemleri ve Enerji Yatırımları A.Ş.	%100/%100	Energy
Esenboğa Batarya Sistemleri ve Enerji Yatırımları A.Ş.	%100/%100	Energy Storage

The Group's installed power (kWp) related to producing as follow;

Country	County	Installed power (kWp)	Producing power (kWe)
Ankara	Akyurt Kahramankazan Kızılcahamam Polatlı	25,833	22,581
Yozgat	Akdağmadeni Sorgun	6,675	5,690
Nevşehir	Merkez	10,318	8,991
Afyon	Dazkırı Sinanpaşa	15,485	13,780
Bilecik	Söğüt	2,147	1,998
Konya	Selçuklu Tuzlukçu	19,351	17,000
Antalya	Elmalı	3,516	3,540
Eskişehir	Sivrihisar	3,373	2,970
Adana	Çukurova	11,152	9,930
Muğla	Milas	20,170	14,000
Total		118,020	100,480

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS INTERIM PERIOD ENDED 30 JUNE 2023
(Amounts expressed in Turkish Lira (“TL”))

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP (Cont’d)

Esenboğa Elektrik Üretim Anonim Şirketi (“Esenboğa”) (Cont’d):

Approval of the consolidated financial statements

The condensed consolidated financial statements for the period ended 30 June 2023, have been approved and authorized to be published on 18 August 2023 by the Board of Directors. General Assembly has the authorization to amend the consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

Basis of preparation of financial statements and accounting policies

The Company and its subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code (“TCC”) and tax legislation.

The accompanying condensed consolidated financial statements are prepared in accordance with the Turkish Accounting Standards put into effect by the KGK, with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets” (“Communiqué”), which was published in the Official Gazette No:28676 on 13 June 2013.

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

The financial statements are prepared based on the Turkish Accounting Standards / Turkish Financial Reporting Standards and Interpretations (“TAS/TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority under Article 5 of the Communiqué.

The accompanying consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments at fair value, land and buildings in property, plant and equipment at revalued amount value.

POA made an announcement on 20 January 2022 regarding the application of TAS 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying financial statements as of 30 June 2023 in accordance with TAS 29.

Basis of Measurement

The consolidated financial statements have been prepared on the basis of historical cost free from inflation effects that ended on December 31, 2004, excluding the items measured at fair value stated below:

- Financial investments,
- Lands and parcels, underground and above ground landscapes, buildings and plant machinery and

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ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS INTERIM PERIOD ENDED 30 JUNE 2023
(Amounts expressed in Turkish Lira (“TL”))

equipments within tangible assets.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

Basis of Presentation (Cont’d)

Functional and Reporting Currency

The financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the Company and its subsidiaries are determined as Turkish Lira (“TL”). The financial position and the financial results of each entity are expressed in TL, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Subsidiaries

Subsidiaries are the entities controlled by the Company when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries that have control over activities are taken into the scope of consolidation as of the date it is transferred to the Group and on the date of transferring back the control are also excluded from the scope of consolidation. If necessary, the subsidiaries in order to comply with the Group's accounting policy adjustments are made to the financial statements in accounting policies.

Subsidiaries have been consolidated statement of financial position and income statements using the full consolidation method and the book values and equity of the subsidiaries owned by Esenboğa are mutually offset. Intercompany transactions and balances between the Company and its subsidiaries have been eliminated on consolidation level. The cost of the shares owned by the Company's value and dividends arising from these are eliminated from the related equity and income statement.

Subsidiaries	Field of operation	Shareholding rate (%)	Voting right (%)
Margün Enerji Üretim Sanayi ve Ticaret A.Ş.	Energy/EPC	75,61	75,61
Bosphorus Yenilenebilir Enerji A.Ş.	Energy	75,61	75,61
Agah Enerji Üretim Sanayi ve Ticaret A.Ş.	Energy	75,61	75,61
Angora Elektrik Üretim A.Ş.	Energy/Repair and Maintenance Services	75,61	75,61
Anatolia Yenilenebilir Enerji A.Ş.	Energy	75,61	75,61
Troya Yenilenebilir Enerji Ticaret A.Ş.	Energy	75,61	75,61
Soleil Yenilenebilir Enerji Ticaret A.Ş.	Energy	75,61	75,61
Enerji Teknoloji Yazılım A.Ş.	Software	75,61	75,61
Esenboğa Batarya Sistemleri ve Enerji Yatırımları A.Ş.	Energy	100,00	100,00

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(cont’d)**

2.4 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 17 *Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(cont’d)**

New and Amended Turkish Financial Reporting Standards (cont’d)

b- New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

Summary of Significant Accounting Policies

Interim condensed consolidated financial statements for the period ended at 30 June 2023 has been prepared in accordance with TAS 34 which for the preparation of interim financial statements. In addition, significant account policies adopted period ended June 2023 interim condensed consolidated financial statements are consistent with significant accounting policies used in the preparation of financial statements as of 31 December 2022. Accordingly, these interim consolidated financial statements should be considered together with the financial statements as of 31 December 2022.

As of 30 June 2023, the voting rights and effective shareholding ratios of the fully consolidated subsidiaries did not change from the ratios reported as of 31 December 2022, as explained in Note 2.1.

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NOTE 3 – BUSINESS COMBINATIONS

Country	30 June 2023		30 June 2022	
	Production amount (KWh)	Sales amount / TL	Production amount (KWh)	Sales amount / TL
Adana	8,670,033	23,072,634	8,384,518	16,088,987
Muğla	16,512,515	51,299,799	21,275,826	43,638,559
Bilecik	1,333,970	3,599,425	1,479,325	2,868,672
Afyon	11,205,906	29,908,805	11,797,759	22,733,543
Nevşehir	7,556,716	20,113,603	7,262,151	14,032,221
Ankara	16,858,119	45,142,328	17,649,035	34,126,391
Yozgat	4,637,650	12,369,618	4,584,044	8,858,860
Antalya	2,972,608	7,874,381	3,002,836	5,735,173
Eskişehir	2,486,182	6,648,719	2,590,294	4,967,585
Konya	14,682,363	39,145,395	14,390,311	28,220,543
Total	86,916,062	239,174,707	92,416,099	181,270,534

	Electricity Generation	Construction Contracting	30 June 2023
Domestic Sales	239,174,707	102,028,290	341,202,997
Cost of sales (-)	(151,656,784)	(173,734,713)	(325,391,497)
Gross Profit (Loss)	87,517,923	(71,706,423)	15,811,500

	Electricity Generation	Construction Contracting	30 June 2022
Domestic Sales	181,270,534	170,043,856	351,314,390
Cost of sales (-)	(84,382,683)	(135,118,919)	(219,501,602)
Gross Profit (Loss)	96,887,851	34,924,937	131,812,788

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NOTE 4 – FINANCIAL INVESTMENT

As of 30 June 2023 and 31 December 2022, the details of the Group's financial investments are as follows;

Short-term financial investments

As of 30 June 2023, the details of the Group's financial investments are as follows:

	30 June 2023	31 December 2022
Currency Protected Deposit Account (KKMH)	94,928,538	189,517,445
Stocks	504	82,272,645
Total	94,929,042	271,790,090

As of 30 June 2023, the annual average interest rate for currency protected deposits is 13.5%.

30 June 2023

	Nominal value	Fair value
KKMH	69,000,000	94,928,538
Total	69,000,000	94,928,538

As of 31 December 2022, the annual average interest rate for currency protected deposits is 16.40%.

31 December 2022

	Nominal value	Fair value
KKMH	185,356,082	189,517,445
Total	185,356,082	189,517,445

Long-term financial investments

	30 June 2023	31 December 2022
Financial assets carried at fair value difference through profit or loss (*)	1,744,422,468	-
Total	1,744,422,468	-

(*) The group owns 30.39% of Enda Energy Holding Inc. The company is not listed on the stock exchange. The fair value difference of the company, classified as a long-term financial investment reflected in profit or loss, arises from Enda Energy. The fair value increase is accounted for in income from investment activities

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NOTE 5 – CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Cash on hand	100,862	3,330
Cash on banks	120,700,862	298,835,059
<i>Time deposits</i>	88,989,617	148,045,592
<i>Demand deposits</i>	31,711,245	150,789,467
Other	48,804	27,015
Total	120,850,528	298,865,404

As of 30 June 2023 the Company has no blocked deposits on cash and cash equivalents (31 December 2022: none).

NOT 6 – RELATED PARTY DISCLOSURES

As of 30 June 2023 and 31 December 2022, the details of the Group's related party disclosures as below;

Short-term other receivables from related parties:

	30 June 2023	31 December 2022
Naturel Holding A.Ş.	468,802,024	376,675,668
Yusuf Şenel	8,653,170	-
Naturel Yenilenebilir Enerji Ticaret A.Ş.	1,944,103	-
Total	479,399,297	376,675,668

(*) Ultimate parent

(**) Shareholders

(***) The payment due date of the amount that The Group will receive from Naturel Holding A.Ş. is 22 September 2023. An annual interest rate of %35 is calculated for the relevant amount.

Short-term trade payables to related parties:

	30 June 2023	31 December 2022
Naturel Yenilenebilir A.Ş.	135,320,909	-
Hermes Uluslararası Ticaret ve Lojistik A.Ş.	-	5,762,695
Total	135,320,909	5,762,695

Short-term other payables to related parties:

	30 June 2023	31 December 2022
Yusuf Şenel (*)	125,983,191	-
Diğer	167,270	24,196
Total	126,150,461	24,196

(*) These are loans given for short-term financing purposes.

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NOT 6 – RELATED PARTY DISCLOSURES(CONT'D)

Services received from related parties

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Naturel Yenilenebilir Enerji Tic. A.Ş.	70,725,420	-	20,009,336	-
Total	70,725,420	-	20,009,336	-

Interest income

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Naturel Yenilenebilir Enerji Tic. A.Ş.	2,653,886	2,281,197	2,221,935	2,281,197
Naturel Holding A.Ş.	6,267,297	-	6,267,297	-
Total	8,921,183	2,281,197	8,489,232	2,281,197

Interest expense

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Naturel Yenilenebilir Enerji Tic. A.Ş.	6,632,863	19,529	6,632,862	19,529
Naturel Holding A.Ş.	788,649	1,213	788,650	1,213
Total	7,421,512	20,742	7,421,512	20,742

NOTE 7 - FINANCIAL LIABILITIES

As of 30 June 2023 and 31 December 2022, the details of the Group's short and long term financial liabilities as below;

	30 June 2023	31 December 2022
Short-term bank loans	199,819,846	101,091,050
Short-term portions of long-term borrowings	612,775,258	352,743,592
Other financial liabilities	10,788,123	88,635
Short term financial liabilities	823,383,227	453,923,277
Long term bank loans	1,788,635,434	1,073,578,279
Long term financial liabilities	1,788,635,434	1,073,578,279
Total financial liabilities	2,612,018,661	1,527,501,556

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NOTE 7 - FINANCIAL LIABILITIES (CONT'D)

The repayment schedule of the financial liabilities are as follows;

	30 June 2023	31 December 2022
Within 1 year	812,595,104	453,834,642
Between 1-5 years	1,594,022,867	813,594,221
5 years overdue	194,612,567	259,984,058
Total financial liabilities	2,601,230,538	1,527,412,921

As of 30 June 2023 and 31 December 2022 movements of financial liabilities is as follows;

Financial Liabilities	30 June 2023	31 December 2022
Opening - 1 January	1,527,412,921	1,218,544,541
New financial liabilities received	706,733,010	172,372,656
Payments	(252,808,069)	(319,837,677)
Currency differences	598,536,051	452,155,641
Effect of TFRS 9	657,250	(497,530)
Change in interest accrued	20,699,376	3,990,222
Closing balance	2,601,230,538	1,527,412,921

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NOTE 7 – TANGIBLE ASSET

	1 January 2023	Additions	Disposals	Revaluation	30 June 2023
<u>Cost</u>					
Land	477,801,800	32,497,200	-	286,886,000	797,185,000
Machinery and equipment	6,536,499,377	-	-	2,445,949,067	8,982,448,444
Vehicles	27,296,669	16,490,606	-	8,669,945	52,457,220
Fixtures and fittings	3,182,173	2,568,643	(433,627)	-	5,317,189
Construction in progress	-	1,429,948	-	-	1,429,948
Leasehold improvements	4,084	-	-	-	4,084
	7,044,784,103	52,986,397	(433,627)	2,741,505,012	9,838,841,885
<u>Accumulated depreciation</u>					
Machinery and equipment	1,174,646,177	94,598,478	-	480,423,320	1,749,667,975
Vehicles	3,026,381	3,146,346	-	1,433,990	7,606,717
Fixtures and fittings	392,280	1,000,139	(37,139)	-	1,361,265
Leasehold improvements	7,713	-	-	-	1,728
	1,178,072,551	98,744,963	(37,139)	481,857,310	1,758,637,685
Net Book Value	5,866,711,552				8,080,204,200

(**) As of June 30, 2023, there are 3,001,973,852 TL movable pledges and 8,127,756,800 TL mortgages on tangible assets.

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NOTE 7 – TANGIBLE ASSET (CONT'D)

	1 January 2022	Additions	Disposals	Revaluation	30 June 2022
<u>Cost</u>					
Land	195,096,467	-	-	-	195,096,467
Buildings	65,280,000	66,145,513	-	-	131,425,513
Machinery and equipment	5,172,400,295	55,569	-	-	5,172,455,864
Vehicles	9,199,841	14,845,038	-	-	24,044,879
Fixtures and fittings	1,432,055	1,070,583	(109,429)	-	2,393,209
Construction in progress	-	39,614	-	-	39,614
Leasehold improvements	4,084	-	-	-	4,084
	5,443,412,742				5,525,459,630
<u>Accumulated depreciation</u>					
Buildings	1,280,000	1,281,638	-	-	2,561,638
Machinery and equipment	835,051,852	53,140,325	-	-	888,192,177
Vehicles	200,931	843,726	-	-	1,044,657
Fixtures and fittings	41,999	274,814	(7,894)	-	308,919
Leasehold improvements	502	3,195	-	-	3,697
	836,575,284	55,543,698	(7,894)	-	892,111,088
Net Book Value	4,606,837,458				4,633,348,542

(**) As of June 30, 2022, there are 2.645.612.361 TL movable pledges and 2.209.445.330 TL mortgages on tangible assets.

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NOTE 8 – INTANGIBLE ASSETS

	1 January 2023	Additon	Disposal	30 June 2023
<u>Cost</u>				
Other intangible assets	262,049	132,001	-	394,050
	262,049	132,001	-	394,050
<u>Accumulated depreciation (-)</u>				
Other intangible assets	80,665	12,595	-	93,260
	80,665	12,595	-	93,260
Net Book Value	181,384			300,790
	1 January 2022	Additon	Disposal	30 June 2022
<u>Cost</u>				
Other intangible assets	183,510	40,496	-	224,006
	183,510			224,006
<u>Accumulated depreciation (-)</u>				
Other intangible assets	49,628	7,046	-	56,674
	49,628			56,674
Net Book Value	133,882			167,332

Distribution of tangible and intangible assets depreciation is as follows;

	1 January – 30 June 2023	1 January – 30 June 2022
Cost of sales	76,527,507	51,512,021
General and administrative expenses (Note 15)	22,230,051	4,038,724
Total	98,757,558	55,550,744

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NOTE 9 – COMMITMENTS AND CONTINGENCIES

Guarantees-Pledge-Mortgage (“GPM”)

As of 30 June 2023 and 31 December 2022 the tables of the Group’s collateral / pledge / mortgage (‘GPM’) position is as follows:

	30 June 2023	31 December 2022
A, Total amount of GPM given on behalf of the own legal entity	81,506,900	120,832,463
<i>Guarantees given</i>	<i>81,506,900</i>	<i>120,832,463</i>
<i>Pledge</i>	-	-
<i>Mortgage</i>	-	-
B, Total amount of GPM given on behalf of the subsidiaries included in full consolidation	11,227,179,833	4,948,893,872
<i>Guarantees given</i>	<i>97,449,181</i>	<i>93,836,181</i>
<i>Pledge</i>	<i>3,001,973,852</i>	<i>2,645,612,361</i>
<i>Mortgage</i>	<i>8,127,756,800</i>	<i>2,209,445,330</i>
C, Total amount of GPM given on behalf of third parties due to normal course of business	-	-
D, Total amount of other GPM given	-	-
i, Total amount of guarantees given in favor of main shareholder	-	-
ii, Total amount of guarantees given in favor of group companies nor covered by B and C clauses	-	-
iii, Total amount of mollaterals given in favor third parties not covered by clause C	-	-
Total	11,308,686,733	5,069,726,335

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NOTE 10 – HIGH PROBABILITY FORECAST FOR EXCHANGE RATE RISK CASH FLOW HEDGE

The Group provides foreign exchange risk protection on the balance sheet by borrowing in the same currency against foreign exchange risks arising from foreign currency sales amounts that are highly likely to be realized at future dates within the scope of the agreements it has concluded and the corporate budget.

In this context, repayments of foreign currency borrowings that are subject to hedging accounting and are determined as hedging instruments are made with foreign currency sales cash flows that will be realized at close dates and determined as hedging items within the scope of hedging accounting.

The group determined exchange rate risk management strategy as part of a high probability of risk realization estimated transaction hedging exchange rate risk cash flow hedge accounting hedging instrument for the purpose of being applied and formed on components, effectiveness has been proven mathematically and in accordance IFRS 9, which isn't yet realized exchange rate fluctuations in the income statement the income statement Comprehensive Income Statement of pulling from the park aims at the presentation and healthier.

As of 30 June 2023 the hedging ratio has been calculated as 94%, and the hedging efficiency as 97%.

<i>USD</i>	30 June 2023
Hedged item present value (current)	7,905,386
Hedged item present value (non current)	59,811,804
Hedging instrument present value (current)	11,992,475
Hedging instrument present value (non current)	51,450,513
<i>EUR</i>	30 June 2023
Hedged item present value (current)	6,145,117
Hedged item present value (non current)	65,029,215
Hedging instrument present value (current)	10,086,508
Hedging instrument present value (non current)	55,888,022
<i>TRY</i>	30 June 2023
Cumulative exchange rate difference on the hedged item (current)	42,127,728
Cumulative exchange rate difference on the hedged item (non current)	457,640,097
Cumulative exchange rate difference on the hedged instrument (current)	(70,067,113)
Cumulative exchange rate difference on the hedged instrument (non current)	(416,898,165)
Rate of hedging effectiveness	%97
Inactive portion left in income statement	12.802.546

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NOTE 11 – PROVISIONS FOR EMPLOYEE BENEFITS

Current provisions for employee benefits

	30 June 2023	31 December 2022
Provision for unused vacations	774,499	485,202
Total	774,499	485,202

The movement of the provisions for unused vacations are as follow;

	1 January - 30 June 2023	1 January - 30 June 2022
Opening balance	485,202	104,887
Provisions during the year	289,297	250,635
Closing balance	774,499	355,522

Non-current provisions for employee benefits

Provisions for retirement pay liability

	30 June 2023	31 December 2022
Provisions for retirement pay liability	1,011,723	388,678
Total	1,011,723	388,678

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

The amount payable consists of one month's salary limited to a maximum of TL 23.489,83 (31 December 2022: 15,371.40 TL).

Retirement pay liability is not subject to any kind of funding legally, Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees, IAS 19 Employee Benefits stipulates the development of Company's liabilities by using actuarial valuation methods under defined benefit plans, In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

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NOTE 11 – PROVISIONS FOR EMPLOYEE BENEFITS (CONT'D)

Non-current provisions for employee benefits (cont'd)

Provisions for retirement pay liability (cont'd)

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation, Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation, Consequently, in the accompanying financial statements as at 30 June 2022, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees, The provisions at the respective reporting dates have been calculated with the assumption of 3.26 % real discount rate calculated by using 18.86% annual inflation rate and 22.73% discount rate.

The movement of the provisions for retirement pay liabilities are as follow;

	1 January - 30 June 2023	1 January - 30 June 2022
Opening balance	388,678	101,798
Interest cost	81,622	82,487
Service cost	295,908	182,340
Annual payments (-)	(299,490)	-
Actuarial gain/ loss	545,005	26,167
Closing balance	1,011,723	392,792

NOTE 12 - OTHER CURRENT ASSETS, SHORT TERM LIABILITIES

Other current assets

	30 June 2023	31 December 2022
Deferred VAT	15,566,163	52,410,728
Personnel advance	545,427	54,103
Total	16,111,590	52,464,831

Other current liabilities

	30 June 2023	31 December 2022
Taxes and funds payable	3,266,573	2,321,705
Other liabilities	-	12,401
Total	3,266,573	2,334,106

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NOTE 13 - SHAREHOLDER'S EQUITY

a) Capital

	30 June 2023		31 December 2022	
	Share (%)	Share amount (TL)	Share (%)	Share amount (TL)
Naturel Enerji A.Ş.,	69,70%	44,610,978	%69,70	44,610,978
Public Offering	30,30%	19,389,022	%30,30	19,389,022
Paid in capital		64,000,000		64,000,000

In accordance with Capital Market Board's Communique II-22.1 on Share Buybacks with the resolution numbered 9/177 and dated 14.02.2023, due to the current market price of Esenboğa Elektrik Üretim Sanayi ve Ticaret A.Ş.'s shares traded at Borsa İstanbul, The Company decided to initiate a share buyback program from the market. In accordance with this decision, Esenboğa Elektrik Üretim ve Ticaret A.Ş. with a nominal value of TL 483.395. ("ESEN") shares have been purchased. The portion of the mentioned shares exceeding the nominal value is 31.359.369 TL in total.

b) Restricted reserves

	30 June 2023	31 December 2022
Legal reserves	17,445,291	4,838,231
Total	17,445,291	4,838,231

c) Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss:

	30 June 2023	31 December 2022
Accumulated Gain on Revaluation of Non-Current Assets	4,718,122,174	3,105,250,118
Total	4,718,122,174	3,105,250,118

d) Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss:

	30 June 2023	31 December 2022
Accumulated loss on remeasurement of defined benefit plans	(326,629)	57,197
Actuarial Loss	(326,629)	57,197

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NOTE 13 - SHAREHOLDER'S EQUITY (cont'd)

e) Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss:

	30 June 2023	31 December 2022
Cash flow hedge	(736,460,522)	(458,338,743)
Total	(736,460,522)	(458,338,743)

f) Premiums/ discounts related to shares:

	30 June 2023	31 December 2022
Premiums/ discounts related to shares	725,793,112	725,793,112
Total	725,793,112	725,793,112

NOTE 14 - EXPENSE BY NATUREa) *General administrative expenses*

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Depreciation	(22,230,051)	(4,038,724)	(18,827,424)	(2,589,405)
Taxes, duties and charges expenses	(780,985)	(1,816,988)	(631,807)	-
Personnel expense	(7,753,971)	(1,483,215)	(2,615,569)	(1,021,480)
Consultancy and audit expenses	(4,431,010)	(1,589,737)	(1,637,289)	(406,534)
Donation and aid expenses	(2,773,466)	(1,465,942)	(676,258)	(415,942)
Rent expenses	(1,895,362)	(688,846)	(931,794)	(452,594)
Insurance Expenses	(911,190)	(199,540)	(352,243)	(135,927)
Stock market expenses	(719,663)	-	(519,720)	-
Advertisement expenses	(120,000)	(85,837)	(60,000)	(45,000)
Hospitality expenses	(90,035)	-	(58,743)	-
Communication expenses	(19,725)	(75,003)	(12,543)	(38,598)
Court and Notary	(17,137)	(47,064)	(6,324)	-
Transportation Expenses	(66,974)	(36,955)	(45,019)	(36,955)
Electricity expenses	(46,169)	(5,814)	(237)	(5,814)
Office expenses	(1,290,485)	-	(36,243)	-
Other expenses	(117,920)	(455,844)	-	-
Total	(43,264,143)	(11,989,509)	(26,411,213)	(5,148,249)

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NOTE 15 - INCOME AND EXPENSES FROM OPERATING ACTIVITIESIncome from operating activities

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Foreign exchange gain on balance sheet items other than financial borrowings	249,931,202	288,842,919	165,224,133	119,701,951
Insurance incomes	-	248,117	-	248,117
Tax income	-	194,707	-	120,289
Rent income	906,095	32,386	-	32,386
Other incomes	1,388,566	929,847	-	34,967
Total	252,225,863	290,247,976	165,224,133	120,137,710

Expenses from operating activities

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Foreign exchange gain on balance sheet items	(156,237,223)	(87,263,458)	(107,490,844)	(56,233,102)
Other expenses	(2,919,387)	(788,588)	(2,912,117)	(390,481)
Total	(159,156,610)	(88,052,046)	(110,402,961)	(56,623,583)

NOTE 16 – INCOME AND EXPENSES FROM INVESTING ACTIVITIESIncome from investing activities

	1 January- 30 June 2023	1 January- 30 June 2022	1 January- 30 June 2023	1 January- 30 June 2022
Financial investments proffered at fair value	620,840,796	-	(56,807,667)	-
Investment property appreciation	98,000,000	-	67,000,000	-
Repurchase agreement incomes	413,736	-	413,736	-
Profits of sales on fixed assets	-	19,087	-	25,602
Profits on marketable securities sales	-	71,349	-	-
Total	719,254,532	90,436	10,606,069	25,602

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NOTE 17 - INCOME AND EXPENSES FROM FINANCING ACTIVITIESIncome from financing activities

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
KKMH fair value	25,648,396	151,380,998	23,713,871	95,293,274
Interest incomes from derivative transactions	18,679,312	-	18,679,312	-
KKMH interest income	2,116,475	-	-	-
Foreign exchange incomes from financial borrowings	794,740	69,439,853	(1,505,330)	9,274,282
Interest income from related parties	8,921,183	2,281,197	8,489,232	2,281,197
Time deposit interest income	48,064,719	1,294,618	45,482,108	1,075,654
Reduced interest expense	-	549,871	(1,938,584)	512,597
Total	104,224,825	224,946,537	92,920,609	108,437,004

Expense from financing activities

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Foreign exchange incomes from financial borrowings	(103,120,463)	(220,069,845)	(73,291,051)	(49,348,004)
Borrowings Expenses	(77,438,075)	(78,442,772)	(53,643,731)	(60,511,729)
Bank commission expenses	(10,529,752)	(2,530,413)	(10,529,752)	(1,476,352)
Letter of guarantee commission expenses	(887,650)	(399,561)	(367,742)	-
Expense from related parties	(7,421,512)	(20,742)	(7,421,512)	(20,742)
Other financing expense	(4,125,438)	(66,582)	(1,322,029)	(30,485)
Total	(203,522,890)	(301,529,915)	(146,575,817)	(111,387,312)

NOTE 18 - TAX ASSETS AND LIABILITIESCurrent tax liabilities

	30 June 2023	31 December 2022
<u>Balance Sheet</u>		
Current corporation tax liabilities	-	-
Less: Prepaid taxes and fund (-)	(4,337,442)	(3,560,049)
Tax provision in the balance sheet	(4,337,442)	(3,560,049)

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NOTE 18 - TAX ASSETS AND LIABILITIES(cont'd)

Deferred tax income

<u>Tax income/ (expense)</u>	<u>1 January- 30 June 2023</u>	<u>1 January- 30 June 2022</u>
Current corporation tax liabilities	-	-
Deffered tax income/ (expense)	(76,093,194)	6,812,147
	(76,093,194)	6,812,147

Corporate Tax

The Turkish entities within the Group are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the year. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other discounts (previous year losses, if any, and investment discounts if preferred).

The effective rate of tax in Turkey in 2023 is 20% (2022: 23%).

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements, These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below,

Companies calculate a temporary tax of 20% (25% for the tax period of 2021 and 23% for the tax period of 2022) on their quarterly financial profits and declare it until the 17th day of the second month after that period and pay it until the evening of the seventeenth day, But since the increase in the corporate tax rate made by law 7316 enters into force starting from July 1, 2021, the declarations that must be issued from 2021 1, the temporary tax rate will be based on 20% for earnings received during the temporary taxation period, The temporary tax paid during the year belongs to that year and is deducted from the corporate tax that will be calculated on the corporate tax return that will be issued in the following year, If the temporary tax amount paid despite the deduction remains, this amount can be refunded in cash or deducted,

For calculation of deferred tax asset and liabilities, the rate of 20% (2022: 23%) is used for companies domiciled in Turkey,

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NOTE 18 - TAX ASSETS AND LIABILITIES (cont’d)

As of 30 June 2023 and 31 December 2022, the cumulative temporary differences and the deferred tax assets/ (liabilities) prepares using the applicable tax rates are as follows:

Vergi gideri/(geliri)	1 January- 30 June 2023	1 January- 31 December 2022
Adjustments to fair value of financial investments	(124,168,159)	-
Write off expense	1,320	(541,716)
Tangible and intangible fixed asset depreciation adjustment	16,784,345	9,886,386
Tangible and intangible fixed asset adjustment	42,645,105	37,808,154
Unused vacation provision	154,900	97,041
Subsidiaries adjustment	(3,891,284)	(3,891,284)
Revaluation of tangible assets	(356,627,710)	(230,069,428)
IFRS 15 adjustment	(10,733,535)	(38,795,875)
Severance pay provision	202,345	77,736
Expenses accruals	3,615,541	(1,207,068)
Financial harm	54,713,466	54,713,466
Cash flow hedges	216,106,003	116,252,646
Valuation of investment property	(36,988,233)	(27,894,918)
Adjustments related to fair value	-	(4,454,541)
Others	(918,041)	-
	(199,103,937)	(88,019,401)

NOTE 19 - EARNINGS PER SHARE

Profit or loss per share disclosed in the Income Statement are determined by dividing net profit / loss by the weighted average number of shares available during the related period,

Companies can increase their share capital by distributing shares in proportion to their accumulated profits to existing shareholders (“bonus shares”), When calculating earnings per share, this bonus share issuance is counted as issued shares, Therefore, the weighted average number of shares used in the calculation of earnings per share is calculated by applying the free-of-charge issuance of shares retrospectively, Earnings per share are calculated by dividing net profit by the weighted average number of ordinary shares issued by the shareholders, The nominal value of a share of the company is TL 1,

	1 January- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2023	1 April- 30 June 2022
Net profit/ (loss)	447,286,842	181,696,771	17,926,337	115,225,144
Number of shares	64,000,000	64,000,000	64,000,000	64,000,000
Earnings/(loss) per share (TL)	6,99	2,84	0,28	1,80

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NOTE 20 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency risk management

30 June 2023	USD	Euro	GBP	TL Equivalent
1, Trade receivables	449,868	142	-	11,620,984
2a, Monetary financial assets, (cash and banks account included)	1,451,360	11,939	-	37,814,745
2b, Non monetary financial assets	-	-	-	-
3, Other	19,949,931	297,440	1,476	523,591,613
4, Current assets (1+2+3)	21,851,159	309,521	1,476	573,027,342
5, Trade receivables	-	-	-	-
6a, Monetary financial assets	842,300	9,462	-	22,017,190
6b, Non monetary financial assets	-	-	-	-
7, Other	-	-	-	-
8, Non-current assets (5+6+7)	842,300	9,462	-	22,017,190
9, Total assets (4+8)	22,693,459	318,983	1,476	595,044,533
10, Trade payables	150,872	154,331	-	8,241,018
11, Financial liabilities	8,517,510	12,860,217	-	583,064,425
12a, Other monetary liabilities	10,127,542	1,124,518	-	293,184,198
12b, Other non monetary liabilities	-	-	-	-
13, Current liabilities (10+11+12)	18,795,924	14,139,066	-	883,440,278
14, Trade payables	-	-	-	-
15, Financial liabilities	21,134,269	42,820,462	-	1,754,477,652
16a, Other monetary liabilities	-	-	-	-
16b, Other non monetary liabilities	-	-	-	-
17, Non-current liabilities (14+15+16)	21,134,269	42,820,462	-	1,751,319,629
18, Total liabilities (13+17)	39,930,193	56,959,528	-	2,634,759,907
19, Net assets of off balance sheet derivative items (liability) position (19a - 19b)	-	-	-	-
19a, Total amount of assets hedged	-	-	-	-
19b, Total amount of liabilities hedged	-	-	-	-
20, Net foreign assets / (liability) position (9-18+19)	(17,236,734)	(56,640,545)	1,476	(2,039,715,374)
21, Net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(18,768,282)	(56,937,985)	1,476	(2,087,687,241)

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**NOTE 20 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Cont'd)**

Foreign currency risk management (cont'd)

31 December 2022	USD	Euro	TL Equivalent
1. Trade receivables	-	-	-
2a. Monetary financial assets, (cash and banks account included)	-	68,142	1,358,404
2b. Non monetary financial assets	-	-	-
3. Other	33,153,312	-	619,910,574
4. Current assets (1+2+3)	33,153,312	68,142	621,268,980
5. Trade receivables	-	-	-
6a. Monetary financial assets	10,135,544	-	189,517,445
6b. Non monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-current assets (5+6+7)	10,135,544	-	189,517,445
9. Total assets (4+8)	43,288,856	68,142	810,786,425
10. Trade payables	-	(777,063)	(15,490,680)
11. Financial liabilities	(3,174,018)	(14,993,789)	(338,948,626)
12a. Other monetary liabilities	-	-	-
12b. Other non monetary liabilities	-	-	-
13. Current liabilities (10+11+12)	(3,174,018)	(14,802,711)	(354,439,306)
14. Trade payables	-	-	-
15. Financial liabilities	(6,349,962)	(46,337,512)	(1,042,467,161)
16a. Other monetary liabilities	-	-	-
16b. Other non monetary liabilities	-	-	-
17. Non-current liabilities (14+15+16)	(6,349,962)	(46,337,512)	(1,042,467,161)
18. Total liabilities (13+17)	(9,523,980)	(61,140,223)	(1,396,906,467)
19. Net assets of off balance sheet derivative items (liability) position (19a - 19b)	-	-	-
19a, Total amount of assets hedged	4,380,067	13,272,569	346,487,157
19b, Total amount of liabilities hedged	-	-	-
20. Net foreign assets / (liability) position (9-18+19)	4,380,067	13,272,569	346,487,157
21. Net foreign currency asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	38,144,943	(47,799,511)	(239,632,884)
	-	-	-
	13,493,788	(61,072,081)	(965,154,932)

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**NOTE 20 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Cont'd)**

Foreign currency risk management (cont'd)

The Company is exposed to foreign exchange risk arising from USD and EUR,

The following table details the Group's sensitivity to a 20% increase and decrease in the TL against USD and EUR, 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates, The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates, A positive number indicates an increase in profit or loss where the TL strengthens against the relevant currency,

Exchange Rate Sensitivity Analysis Table

30 June 2023

	Profit / (Loss)	
	Appreciation of foreign currency	Appreciation of foreign currency
Appreciation of USD against TL by 20%		
1- USD denominated net assets/liabilities	(89,021,179)	89,021,179
2- USD hedged portion (-)	-	-
3- Net effect of USD	(89,021,179)	89,021,179
Appreciation of EUR against TL by 20%		
4- EUR denominated net assets/liabilities	(318,931,581)	318,931,581
5- EUR hedged portion (-)	-	-
6- Net effect of EUR	(318,931,581)	318,931,581
Total	(407,952,760)	407,952,760

Exchange Rate Sensitivity Analysis Table

31 December 2022

	Profit / (Loss)	
	Appreciation of foreign currency	Appreciation of foreign currency
Appreciation of USD against TL by 20%		
1- USD denominated net assets/liabilities	142,649,119	(142,649,119)
2- USD hedged portion (-)	-	-
3- Net effect of USD	142,649,119	(142,649,119)
Appreciation of EUR against TL by 20%		
4- EUR denominated net assets/liabilities	(190,575,696)	190,575,696
5- EUR hedged portion (-)	-	-
6- Net effect of EUR	(190,575,696)	190,575,696
Total	(47,926,577)	47,926,577

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NOTE 21 - EVENTS AFTER REPORTING PERIOD

In accordance with the Presidential Decree numbered 7346 published in the Official Gazette dated 07 July 2023, the general VAT rate applied as 18% for taxable general transactions has been increased to 20% and the VAT rate applied for other deliveries and services subject to 8% VAT rate has been increased to 10% to enter into force on 10 July 2023. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period.

Pursuant to the "Law on the Issuance of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and the Decree Law No. 375" published in the Official Gazette dated 15 July 2023; the corporate tax rate of 25% for banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased to 30% and the corporate tax rate of 20% for other companies has been increased to 25%. The tax rate change will be effective for the earnings of the companies in 2023 and the following taxation periods. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period. The Group continues to evaluate the possible effects of the relevant Law as of the date of issuance of the financial statements.

In accordance of Board of Directors of Esenboğa Elektrik Üretim A.Ş. dated 15.03.2023, TRY 64,000,000 the issued capital of TRY 196,000,000 to be increased to TRY 260,000,000 with an increase of TRY 260,000,000 covered by profit shares and internal resources. Based on the Board of Directors' Resolution in question, an application was made to the Capital Markets Board on April 3, 2023, regarding the approval of the issuance document for the increase of our company's capital from 64,000,000 TL to 260,000,000 TL, and the amendment of Article 6 of our company's Articles of Association. The process of a non-cash capital increase is ongoing.