















































































## 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 THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2024  
(Amounts expressed in Turkish Lira ("TL").)

#### 23 FINANCIAL INSTRUMENTS (cont'd)

##### b) Financial Liabilities (cont'd)

	31 March 2024	31 December 2023
<u>Financial Borrowings</u>		
Beginning of the period - 1 January	3,303,616,574	2,895,878,525
Recent financial borrowings	206,890,128	339,729,271
Principal payments	(203,879,495)	(352,661,540)
Change in foreign exchange rate	209,768,795	111,602,853
TFRS 9 Effect	(35,273,228)	(3,943,868)
Change in interest accruals	33,122,414	2,958,113
Inflation impact	(432,494,948)	(320,819,300)
Total debt	<u>3,081,750,240</u>	<u>2,672,744,054</u>

#### 24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

##### a) Capital risk management

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

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 16, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings, Risks associated with each capital class together with the capital cost of the Group are assessed by the board, Based on board evaluations, it is aimed to keep the capital structure balanced through dividend payments as much as it is with the acquisition of new debt or the repayment of existing debt,

As of 31 March 2024 and 31 December 2023, the Group's net debt/total capital ratio is as follows:

	31 March 2024	31 December 2023
Borrowings	3,081,750,240	3,303,616,574
Less: Cash and cash equivalents	(112,570,859)	(310,496,975)
<b>Net Debt</b>	<b>2,969,179,381</b>	<b>2,993,119,599</b>
Total Equity	11,133,332,435	10,147,628,113
Total Capital	<u>14,102,511,816</u>	<u>13,140,747,712</u>
<b>Net Debt/Total Capital Ratio</b>	<b>0.21</b>	<b>0.23</b>

##### b) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk, The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance,

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 THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2024  
(Amounts expressed in Turkish Lira ("TL").)

24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

*b.1) Credit risk management*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group, Financial instruments of the Group that will result in concentration of credit risk mainly include cash and cash equivalents and trade receivables, The Group's maximum exposure to credit risk is the same as the amounts recognized in the financial statements,

The Group has cash and cash equivalents at several financial institutions, The Company manages this risk by continuously evaluating the reliability of these financial institutions,

Credit risks by types of financial instruments	Receivables				Deposit at Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
31 March 2024	Related Party	Other	Related Party	Other			
Maximum exposure to credit risk as of reporting date (A+B+C+D)	-	700,581,961	-	2,019,479	112,250,270	63,673,836	-
- The portion of the maximum risk secured by collateral, etc.	-	-	-	-	-	-	-
A. Net book value of financial assets that are not overdue or impaired	-	700,581,961	-	2,019,479	112,250,270	63,673,836	-
B. Net book value of overdue but not impaired assets	-	-	-	-	-	-	-
C. Net book values of impaired assets							
- Past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-	-
D. Off-balance sheet items that include credit risk	-	-	-	-	-	-	-

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 THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2024  
(Amounts expressed in Turkish Lira (“TL”).)

24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

b) Financial risk factors (cont’d)

*b,2) Liquidity risk management*

Credit risks by types of financial instruments	Receivables				Deposit at Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other			
31 December 2023							
Maximum exposure to credit risk as of reporting date (A+B+C+D)	-	781,542,943	-	1,201,141	308,839,687	87,416,996	-
- The portion of the maximum risk secured by collateral, etc.	-	-	-	-	-	-	-
A. Net book value of financial assets that are not overdue or impaired	-	781,542,943	-	1,201,141	308,839,687	87,416,996	-
B. Net book value of overdue but not impaired assets	-	-	-	-	-	-	-
C. Net book values of impaired assets							
- Past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-	-
D. Off-balance sheet items that include credit risk	-	-	-	-	-	-	-

The Group's operations are primarily exposed to financial risks related to changes in foreign exchange rates and interest rates, as detailed below,

There has been no change in the market risk that the Group is exposed to in the current year, or in the management and measurement methods of the risks it is exposed to, compared to the previous year,

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 THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2024  
(Amounts expressed in Turkish Lira (“TL”))

24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

b) Financial risk factors (cont’d)

*b,2) Liquidity risk management*

As of 31 March 2024 and 31 December 2023, undiscounted cash flows and remaining maturities of liabilities are presented in the tables below:

<u>Contractual maturities</u>	<u>Carrying value</u>	<u>Total Contracted</u>	<u>Less than 3</u>	<u>Between 3-12</u>	<u>Between 1-5 years</u>	<u>Longer than 5</u>
		<u>Cash Outflows</u>				
		<u>(I+II+III)</u>				
<b>Non-derivative financial liabilities</b>						
Financial liabilities	3,081,750,240	3,885,814,161	497,191,699	676,859,527	2,302,590,049	409,172,886
Trade payables	430,454,573	430,454,573	-	430,454,573	-	-
Other payables	11,868,162	11,868,162	-	11,868,162	-	-
Total liability	3,524,072,975	4,328,136,896	497,191,699	1,119,182,262	2,302,590,049	409,172,886

<u>Contractual maturities</u>	<u>Carrying value</u>	<u>Total Contracted</u>	<u>Less than 3</u>	<u>Between 3-12</u>	<u>Between 1-5 years</u>	<u>Longer than 5</u>
		<u>Cash Outflows</u>				
		<u>(I+II+III)</u>				
<b>Non-derivative financial liabilities</b>						
Financial liabilities	3,303,616,574	4,158,171,605	346,841,610	3,308,304,292	503,025,703	-
Trade payables	509,192,873	509,192,873	-	509,192,873	-	-
Other payables	7,804,697	7,804,697	-	7,804,697	-	-
Total liability	3,820,614,144	4,675,169,175	346,841,610	3,825,301,862	503,025,703	-

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 THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2024  
(Amounts expressed in Turkish Lira ("TL").)

24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

*b.3.1) Foreign exchange risk management (cont'd)*

Transactions in foreign currency cause exchange rate risk,

The distribution of the Group's monetary assets and liabilities in foreign currency as of the balance sheet date is as follows:

	TL Equivalent (Functional currency)	31 March 2024		
		USD	EUR	CHF
1. Trade Receivables	31,754,670	13,680	899,740	-
2a. Monetary Financial Assets	129,280,188	36,129	2,725,336	931,113
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	58,999,070	1,562,093	246,141	-
4. CURRENT ASSETS	220,033,928	1,611,902	3,871,217	931,113
5. Trade Receivables	322,854	10,000	-	-
6a. Monetary Financial Assets	64,356,785	1,981,754	10,777	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	64,679,639	1,991,754	10,777	-
9. TOTAL ASSETS	284,713,567	3,603,656	3,881,994	931,113
10. Trade Payables	4,997,319	72,621	75,964	-
11. Financial Liabilities	854,803,667	12,074,518	13,086,598	222,660
12a. Monetary Other Liabilities	114,665,893	460,378	2,861,770	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES	974,466,879	12,607,517	16,024,332	222,660
14. Trade Payables	-	-	-	-
15. Financial Liabilities	2,041,140,816	22,020,855	34,750,395	3,263,254
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	2,041,140,816	22,020,855	34,750,395	3,263,254
18. TOTAL LIABILITIES	3,015,607,695	34,628,373	50,774,727	3,485,914
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	137,876,943	2,382,603	1,744,299	-
19a. Hedged portion of assets amount	-	-	-	-
19b. Hedged portion of liabilities amount	137,876,943	2,382,603	1,744,299	-
20. Net foreign currencies assets / (liability) position	(2,593,017,185)	(28,642,114)	(45,148,435)	(2,554,801)
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14- 15-16a)	(2,789,893,198)	(32,586,810)	(47,138,875)	(2,554,801)

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 THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2024  
(Amounts expressed in Turkish Lira ("TL").)

24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

*b.3.1) Foreign exchange risk management (cont'd)*

	TL Equivalent (Functional currency)	USD	EUR	CHF
1. Trade Receivables	629,362	21,379	-	-
2a. Monetary Financial Assets	45,745,337	1,096,828	404,847	7,191
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	81,374,675	2,494,071	244,175	-
<b>4. CURRENT ASSETS</b>	<b>127,749,374</b>	<b>3,612,278</b>	<b>649,021</b>	<b>7,191</b>
5. Trade Receivables	338,727	11,506	-	-
6a. Monetary Financial Assets	118,342,812	4,012,869	6,483	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. NON-CURRENT ASSETS</b>	<b>118,681,538</b>	<b>4,024,376</b>	<b>6,483</b>	-
<b>9. TOTAL ASSETS</b>	<b>246,430,913</b>	<b>7,636,653</b>	<b>655,504</b>	<b>7,191</b>
10. Trade Payables	34,775,701	144,448	935,130	-
11. Financial Liabilities	902,461,428	13,758,626	15,221,026	-
12a. Monetary Other Liabilities	47,421,549	-	1,453,196	-
12b. Non-Monetary Other Liabilities	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>984,658,678</b>	<b>13,903,074</b>	<b>17,609,352</b>	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	2,183,983,849	26,374,717	43,090,626	-
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
<b>17. NON-CURRENT LIABILITIES</b>	<b>2,183,983,849</b>	<b>26,374,717</b>	<b>43,090,626</b>	-
<b>18. TOTAL LIABILITIES</b>	<b>3,168,642,527</b>	<b>40,277,791</b>	<b>60,699,978</b>	-
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	828,335,702	12,667,242	13,935,827	-
19a. Hedged portion of assets amount	-	-	-	-
19b. Hedged portion of liabilities amount	828,335,702	12,667,242	13,935,827	-
20. Net foreign currencies assets / (liability) position	(2,093,875,913)	(19,973,896)	(46,108,647)	7,191
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14-15-16a)	(3,003,586,289)	(35,135,208)	(60,288,649)	7,191

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 THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2024  
(Amounts expressed in Turkish Lira ("TL").)

24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

*b.3.1) Foreign exchange risk management (cont'd)*

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro, The table below shows the Group's sensitivity to 20% increase or decrease in USD and Euro exchange rates, The 10% rate is the rate used when reporting the exchange rate risk within the Group to the senior managers, and this rate represents the possible change expected by the management in the exchange rates, The sensitivity analysis covers only outstanding foreign currency denominated monetary items at year-end and shows the effects of 20% change in foreign currency rates at the end of the year, This analysis includes foreign borrowings, as well as non-functional currency loans of borrowers and borrowers used for foreign operations within the Group, A positive value represents an increase in profit/loss and other equity items,

	<b>31 March 2024</b>	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation foreign currency
In case of a 20% appreciation of US Dollar against TL		
1 - USD net asset/liability	(184,944,421)	184,944,421
2 - Portion hedged against USD risk (-)	-	-
<b>3 - USD net effect (1 +2)</b>	<u>(184,944,421)</u>	<u>184,944,421</u>
In case of a 20% appreciation of EUR against TL		
4 - EUR net asset/liability	(314,253,873)	314,253,873
5 - Portion hedged against EUR risk (-)	-	-
<b>6 - EUR net effect (4+5)</b>	<u>(314,253,873)</u>	<u>314,253,873</u>
In case of appreciation of other foreign exchange rates by 20% against TL		
7- Other foreign currency net assets / liability	(18,255,023)	18,255,023
8- Other foreign currency hedged portion (-)	-	-
<b>9- Other Foreign Currency Assets net effect</b>	<u>(18,255,023)</u>	<u>18,255,023</u>
<b>TOTAL (3 + 6 +9)</b>	<u><u>(517,453,317)</u></u>	<u><u>517,453,317</u></u>

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 THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2024  
(Amounts expressed in Turkish Lira ("TL").)

24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

*b.3.1) Foreign exchange risk management (cont'd)*

	31 December 2023	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation foreign currency
In case of a 20% appreciation of US Dollar against TL		
1 - USD net asset/liability	(117,599,106)	117,599,106
2 - Portion hedged against USD risk (-)	-	-
<b>3 - USD net effect (1 +2)</b>	<b>(117,599,106)</b>	<b>117,599,106</b>
In case of a 20% appreciation of EUR against TL		
4 - EUR net asset/liability	(300,387,693)	300,387,693
5 - Portion hedged against EUR risk (-)	-	-
<b>6 - EUR net effect (4+5)</b>	<b>(300,387,693)</b>	<b>300,387,693</b>
In case of appreciation of other foreign exchange rates by 20% against TL		
7- Other foreign currency net assets / liability	53,852	(53,852)
8- Other foreign currency hedged portion (-)	-	-
<b>9- Other Foreign Currency Assets net effect</b>	<b>53,852</b>	<b>(53,852)</b>
<b>TOTAL (3 + 6 +9)</b>	<b>(417,932,947)</b>	<b>417,986,799</b>

25 EVENTS AFTER THE REPORTING PERIOD

None,

26 DISCLOSURES RELATED TO THE STATEMENT OF CASH FLOWS

	31 March 2024	31 December 2023
Cash on hand	310,966	1,655,287
Cash at banks	112,250,270	308,839,687
Demand deposits	45,278,466	49,557,958
Time deposits	66,971,804	259,281,729
Other	9,623	2,001
	<b>112,570,859</b>	<b>310,496,975</b>

There are no blocked deposits (31 December 2023: None),

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