

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

# **Ayen Enerji A.Ş. and Its Subsidiaries**

Condensed interim consolidated financial statements as at and for the six months period ended June 30, 2023 together with independent auditor's review report



**Building a better  
working world**

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**(Convenience translation of independent review report and condensed consolidated financial statements originally issued in Turkish)**

## **Independent Auditor's Report on Review of Condensed Interim Consolidated Financial Statements**

**To the Board of Directors of Ayen Enerji A.Ş.**

### ***Introduction***

We have reviewed the accompanying condensed interim consolidated statement of financial position of Ayen Enerji A.Ş. (the "Company") and its subsidiaries (together referred as "the Group") as of June 30, 2023 and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and the condensed consolidated statement cash flows for the six-month period then ended, and explanatory notes (together referred as "condensed interim consolidated statement of financial position"). Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our limited review.

### ***Scope of Review***

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

  
Mehmet Çan Altıntaş, SMMM \*  
Partner

August 17, 2023  
Ankara, Turkey

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**AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2023**

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

	<b>Notes</b>	<b>Current Period (Reviewed) June 30, 2023</b>	<b>Prior Period (Audited) December 31, 2022</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	21	921.430.916	1.998.815.346
Trade Receivables		310.325.048	440.548.153
<i>Due from related parties</i>	4	8.190.582	3.086.477
<i>Due from third parties</i>		302.134.466	437.461.676
Other Receivables		1.490.128.920	443.697.587
<i>Due from related parties</i>	4	1.338.966.349	272.407.263
<i>Due from third parties</i>		151.162.571	171.290.324
Service Concession Arrangements	8	190.865.734	108.823.117
Prepaid Expenses	9	87.865.603	219.131.068
<i>Due from third parties</i>		87.865.603	219.131.068
Current Tax Assets	20	59.841.066	-
Other Current Assets	7	11.012.549	7.932.870
<b>TOTAL CURRENT ASSETS</b>		<b>3.071.469.836</b>	<b>3.218.948.141</b>
<b>Non-Current Assets</b>			
Financial Investments		412.408	412.408
Other Receivables		360.433.777	242.581.245
<i>Due from third parties</i>		360.433.777	242.581.245
Service Concession Arrangements	8	208.831.289	199.778.742
Property, Plant and Equipment	5	7.900.431.594	5.519.156.169
Intangible Assets		17.942.699	17.799.581
<i>Goodwill</i>		17.461.935	17.461.935
<i>Other intangible assets</i>	5	480.764	337.646
Investment Property	6	342.446.267	342.446.267
Right of Use Assets	5	33.886.732	20.372.926
Prepaid expenses	9	6.443.061	5.435.333
<i>Due from third parties</i>		6.443.061	5.435.333
Deferred Tax Assets	20	97.841.521	56.348.015
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8.968.669.348</b>	<b>6.404.330.686</b>
<b>TOTAL ASSETS</b>		<b>12.040.139.184</b>	<b>9.623.278.827</b>

The accompanying policies and explanatory notes are the integral part of the consolidated financial statements.

# AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2023

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

	Notes	Current Period (Reviewed) June 30, 2023	Prior Period (Audited) December 31, 2022
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-Term Financial Liabilities	10	235.897.269	351.456.879
Due to other parties		235.897.269	351.456.879
<i>Bank borrowings</i>		<i>199.607.944</i>	<i>326.413.950</i>
<i>Lease liabilities</i>		<i>36.289.325</i>	<i>25.042.929</i>
Short Term Portion of Financial Liabilities	10	812.137.906	603.231.286
Due to other parties		812.137.906	603.231.286
<i>Bank borrowings</i>		<i>812.137.906</i>	<i>603.231.286</i>
Other Financial Liabilities		18.064	18.064
<i>Other miscellaneous financial liabilities</i>		<i>18.064</i>	<i>18.064</i>
Trade Payables		235.185.924	393.737.519
Due to related parties	4	2.246.198	1.744.853
Due to other parties		232.939.726	391.992.666
Payables for employee benefits		2.913.792	1.051.996
Other Payables		511.403.478	22.120.523
Due to related parties	4	51.104	24.002
Due to other parties		511.352.374	22.096.521
Deferred Income		941.756	666.825
Due to other parties (excluding obligations arising from customer contracts)		941.756	666.825
Current Income Tax Liabilities	20	72.348.163	201.536.319
Short-Term Provisions		3.219.198	619.712.768
Short-term provisions for employee benefits		3.219.198	2.202.873
Other short-term provisions	11	-	617.509.895
Other Current Liabilities		1.654.723	13.544.918
Due to other parties		1.654.723	13.544.918
<b>TOTAL CURRENT LIABILITIES</b>		<b>1.875.720.273</b>	<b>2.207.077.097</b>
<b>Non-Current Liabilities</b>			
Long-Term Financial Liabilities	10	3.821.009.863	2.944.031.601
Due to other parties		3.821.009.863	2.944.031.601
<i>Bank borrowings</i>		<i>3.663.293.988</i>	<i>2.829.842.290</i>
<i>Lease liabilities</i>		<i>157.715.875</i>	<i>114.189.311</i>
Long-Term Provisions		14.794.058	13.629.224
Long-term provisions for employee benefits		14.794.058	13.629.224
Other Payables		445.445	445.415
Due to related parties	4	445.445	445.415
Deferred Tax Liabilities	20	205.347.848	143.623.077
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4.041.597.214</b>	<b>3.101.729.317</b>
<b>TOTAL LIABILITIES</b>		<b>5.917.317.487</b>	<b>5.308.806.414</b>

The accompanying policies and explanatory notes are the integral part of the consolidated financial statements.

**AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2023**

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

	<b>Notes</b>	<b>Current Period (Reviewed) June 30, 2023</b>	<b>Prior Period (Audited) December 31, 2022</b>
<b>EQUITY</b>			
<b>Parent's Equity</b>		<b>5.665.368.496</b>	<b>4.036.427.644</b>
Paid-in Share Capital	13	277.500.000	277.500.000
Share Premiums		232.214	232.214
Other Accumulated Comprehensive Income not to be Reclassified to Profit or Loss		141.869.208	147.748.791
<i>Accumulated losses on remeasurement of defined benefit plans</i>		<i>(14.467.133)</i>	<i>(8.587.550)</i>
<i>Increase on revaluation of property, plant and equipment</i>		<i>156.336.341</i>	<i>156.336.341</i>
Other Accumulated Comprehensive Income to be Reclassified to Profit or Loss		3.652.848.724	2.007.877.350
<i>Currency translation differences</i>		<i>3.652.848.724</i>	<i>2.007.877.350</i>
Restricted Profit Reserves	13	129.822.213	90.365.922
<i>Legal reserves</i>		<i>129.822.213</i>	<i>90.365.922</i>
Retained Earnings		1.200.985.919	(80.466.385)
Net Profit for the Period		262.110.218	1.593.169.752
<b>Non-Controlling Interests</b>		<b>457.453.201</b>	<b>278.044.769</b>
<b>TOTAL EQUITY</b>		<b>6.122.821.697</b>	<b>4.314.472.413</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>12.040.139.184</b>	<b>9.623.278.827</b>

The accompanying policies and explanatory notes are the integral part of the consolidated financial statements.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

	Notes	Current Period (Reviewed) January 1 - June 30, 2023	Prior Period (Reviewed) January 1 - June 30, 2022	Current Period (Not Reviewed) April 1 - June 30, 2023	Prior Period (Not Reviewed) April 1 - June 30, 2022
<b>PROFIT OR LOSS</b>					
Revenue	14	2.516.128.232	2.233.921.946	1.038.026.473	1.299.090.996
Cost of Sales (-)	14	(1.983.313.495)	(1.194.515.267)	(726.267.240)	(796.358.750)
<b>GROSS PROFIT</b>		<b>532.814.737</b>	<b>1.039.406.679</b>	<b>311.759.233</b>	<b>502.732.246</b>
General Administrative Expenses (-)	14	(45.147.196)	(29.863.846)	(24.866.975)	(18.775.386)
Other Operating Income	15	222.422.920	161.774.289	81.357.475	74.964.154
Other Operating Expenses (-)	15	(335.991.007)	(216.019.392)	(213.843.791)	(48.628.032)
<b>OPERATING PROFIT</b>		<b>374.099.454</b>	<b>955.297.730</b>	<b>154.405.942</b>	<b>510.292.982</b>
Income from Investment Activities	16	207.698.757	111.230.361	190.072.678	58.039.468
<b>OPERATING INCOME BEFORE FINANCIAL EXPENSE</b>		<b>581.798.211</b>	<b>1.066.528.091</b>	<b>344.478.620</b>	<b>568.332.450</b>
Financial Income	17	669.446.036	131.546.502	509.143.833	107.437.075
Financial Expenses	17	(875.729.986)	(453.354.357)	(610.941.144)	(246.027.938)
<b>PROFIT BEFORE TAXATION ON INCOME</b>		<b>375.514.261</b>	<b>744.720.236</b>	<b>242.681.309</b>	<b>429.741.587</b>
<b>Tax (Expense)/ Income from Continued Operations</b>		<b>(85.040.433)</b>	<b>(115.485.547)</b>	<b>(43.896.559)</b>	<b>(56.132.230)</b>
Current Tax Income/ (Expense)	20	(101.663.628)	(75.876.557)	(64.373.736)	(49.936.365)
Deferred Tax Income/ (Expense)	20	16.623.195	(39.608.990)	20.477.177	(6.195.865)
<b>PROFIT FOR THE PERIOD FROM CONTINUED OPERATIONS</b>		<b>290.473.828</b>	<b>629.234.689</b>	<b>198.784.750</b>	<b>373.609.357</b>
<b>NET PROFIT FOR THE PERIOD</b>		<b>290.473.828</b>	<b>629.234.689</b>	<b>198.784.750</b>	<b>373.609.357</b>
<b>Attribution of Profit for the Period</b>					
Non-Controlling Interests		28.363.610	47.104.370	17.342.002	20.112.669
Equity Holders of the Parent		262.110.218	582.130.319	181.442.748	353.496.688
<b>Earning per 1.000 shares</b>	18	<b>9,45</b>	<b>20,98</b>	<b>6,54</b>	<b>12,74</b>

The accompanying policies and explanatory notes are the integral part of the consolidated financial statements.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

	<b>Current Period (Reviewed) January 1 - June 30, 2023</b>	<b>Prior Period (Reviewed) January 1 - June 30, 2022</b>	<b>Current Period (Not Reviewed) April 1 - June 30, 2023</b>	<b>Prior Period (Not Reviewed) April 1 - June 30, 2022</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>PROFIT FOR THE PERIOD</b>	<b>290.473.828</b>	<b>629.234.689</b>	<b>198.784.750</b>	<b>373.609.357</b>
Income or Expenses to be Reclassified to Profit or Loss	1.796.016.196	322.652.816	1.619.343.521	190.152.330
<i>Currency translation differences</i>	<i>1.796.016.196</i>	<i>322.652.816</i>	<i>1.619.343.521</i>	<i>190.152.330</i>
Income or Expenses not to be Reclassified to Profit or Loss	(5.879.583)	(349.253)	(738.060)	(357.909)
<i>Loss on remeasurement of defined benefit plans</i>	<i>(7.349.479)</i>	<i>(436.566)</i>	<i>(922.576)</i>	<i>(447.386)</i>
<i>Deferred tax income</i>	<i>1.469.896</i>	<i>87.313</i>	<i>184.516</i>	<i>89.477</i>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>1.790.136.613</b>	<b>322.303.563</b>	<b>1.618.605.461</b>	<b>189.794.421</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2.080.610.441</b>	<b>951.538.252</b>	<b>1.817.390.211</b>	<b>563.403.778</b>
<b>Total Comprehensive Income for the Period Attributable to:</b>				
Non-Controlling Interests	179.408.432	77.949.425	153.513.937	38.150.451
Equity Holders of the Parent	1.901.202.009	873.588.827	1.663.876.274	525.253.327

The accompanying policies and explanatory notes are the integral part of the consolidated financial statements.



## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

	Paid-in share capital	Share Premiums	Other Accumulated Comprehensive Income or Expense not to be Reclassified to Profit or Loss	Property, Plant and Equipment Revaluation Fund	Currency Translation Differences	Restricted Profit Reserves	Retained Earnings or Accumulated Losses	Net Profit for the Year	Parent's Equity	Non- Controlling Interests	Total Equity
Balance as of January 1, 2022	<u>277.500.000</u>	<u>232.214</u>	<u>(2.665.277)</u>	<u>149.514.341</u>	<u>1.184.090.087</u>	<u>71.893.619</u>	<u>(142.229.998)</u>	<u>111.655.194</u>	<u>1.649.990.180</u>	<u>163.248.537</u>	<u>1.813.238.717</u>
Transfers	-	-	-	-	-	5.604.385	106.050.809	(111.655.194)	-	-	-
Total comprehensive income/ (loss)	-	-	(349.253)	-	291.807.761	-	-	582.130.319	873.588.827	77.949.425	951.538.252
Dividends	-	-	-	-	-	-	(31.419.278)	-	(31.419.278)	-	(31.419.278)
Balance as of June 30, 2022	<u>277.500.000</u>	<u>232.214</u>	<u>(3.014.530)</u>	<u>149.514.341</u>	<u>1.475.897.848</u>	<u>77.498.004</u>	<u>(67.598.467)</u>	<u>582.130.319</u>	<u>2.492.159.729</u>	<u>241.197.962</u>	<u>2.733.357.691</u>
<b>Balance as of January 1, 2023</b>	<u>277.500.000</u>	<u>232.214</u>	<u>(8.587.550)</u>	<u>156.336.341</u>	<u>2.007.877.350</u>	<u>90.365.922</u>	<u>(80.466.385)</u>	<u>1.593.169.752</u>	<u>4.036.427.644</u>	<u>278.044.769</u>	<u>4.314.472.413</u>
Transfers	-	-	-	-	-	39.456.291	1.553.713.461	(1.593.169.752)	-	-	-
Total comprehensive income/ (loss)	-	-	(5.879.583)	-	1.644.971.374	-	-	262.110.218	1.901.202.009	179.408.432	2.080.610.441
Dividends	-	-	-	-	-	-	(272.261.157)	-	(272.261.157)	-	(272.261.157)
<b>Balance as of June 30, 2023</b>	<u>277.500.000</u>	<u>232.214</u>	<u>(14.467.133)</u>	<u>156.336.341</u>	<u>3.652.848.724</u>	<u>129.822.213</u>	<u>1.200.985.919</u>	<u>262.110.218</u>	<u>5.665.368.496</u>	<u>457.453.201</u>	<u>6.122.821.697</u>

The accompanying policies and explanatory notes are the integral part of the consolidated financial statements.

# AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

	Notes	Current Period (Reviewed) January 1 – June 30, 2023	Prior Period (Reviewed) January 1 – June 30, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(1.140.139.716)</b>	<b>581.918.540</b>
<b>Profit/ (Loss) for the period</b>		<b>290.473.828</b>	<b>629.234.689</b>
- Period income/ (loss) from continuing operations		290.473.828	629.234.689
<b>Adjustments to reconcile profit/ loss for the period</b>		<b>202.442.907</b>	<b>407.964.519</b>
- Adjustments related to depreciation and amortization expenses	3, 5, 14	120.706.054	115.587.950
- Adjustments related to provisions		3.473.239	1.860.780
<i>Provisions and adjustments related to employee benefits</i>		3.473.239	1.860.780
- Adjustments to interest (income)/ expenses		115.872.784	109.954.352
<i>Adjustments for interest income</i>	16, 17	(53.254.920)	(9.793.343)
<i>Adjustments for interest expenses</i>	16, 17	169.127.704	119.747.695
- Adjustments to unrealized foreign exchange differences		185.365.403	145.116.777
- Adjustments to tax expense	20	85.040.433	115.485.547
- Other adjustments for non-cash transactions		(308.015.006)	(72.247.164)
- Other adjustments for profit / (loss) reconciliation		-	(7.793.723)
<b>Changes in working capital</b>		<b>(1.046.064.376)</b>	<b>(429.089.022)</b>
- Adjustments related to trade receivables		882.458.431	(14.075.800)
<i>Adjustments related to trade receivables from related parties</i>		641.980.977	53.114.984
<i>Adjustments related to trade receivables from third parties</i>		240.477.454	(67.190.784)
- Adjustments related to other receivables from operating activities		(1.318.194.389)	(281.516.064)
<i>Adjustments related to other receivables from related parties</i>		(1.293.672.939)	(231.559.398)
<i>Adjustments related to other receivables from third parties</i>		(24.521.450)	(49.956.666)
- Adjustment related to service concession arrangements		16.787.562	3.031.446
- Adjustment related to deferred income		274.931	(33.514.798)
- Adjustment related to prepaid expenses		217.957.449	(79.197.198)
- Adjustment related to trade payables		(855.196.450)	(6.570.345)
<i>Adjustments related to trade payables to related parties</i>		501.345	-
<i>Adjustments related to trade payables to third parties</i>		(855.697.795)	(6.570.345)
- Adjustment related to payables of employee benefits		1.827.879	(442.604)
- Adjustments related to other payables		8.020.211	(16.803.659)
<i>Adjustments related to other payables to related parties</i>		27.132	(32.409.680)
<i>Adjustments related to other payables to third parties</i>		7.993.079	15.606.021
<b>Cash flow from operations</b>		<b>(553.147.641)</b>	<b>608.110.186</b>
Payments for employee benefits		(8.641.558)	(140.028)
Payments related to other provisions		(308.754.948)	-
Income taxes paid	20	(269.595.569)	(26.051.618)

The accompanying policies and explanatory notes are the integral part of the consolidated financial statements.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

	Notes	Current Period (Reviewed) January 1 – June 30, 2023	Prior Period (Reviewed) January 1 – June 30, 2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash outflow from purchase of property, plant and equipment and intangible assets		(11.035.201)	(1.920.806)
<i>Cash outflow from purchases of property, plant and equipment</i>	5	(11.035.201)	(1.920.806)
<i>Cash outflow from purchases of intangible assets</i>	5	(10.925.362)	(1.852.694)
		(109.839)	(68.112)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend payments		(41.633.839)	-
Cash inflows due to borrowings		154.841.060	327.119.554
<i>Cash inflows from bank loans</i>	10	154.841.060	327.119.554
Cash outflows due to borrowings		(673.302.351)	(620.996.577)
<i>Cash outflows from repayments of bank loans</i>	10	(673.302.351)	(620.996.577)
Interest paid		(121.985.241)	(133.192.145)
Cash outflows due to repayment of lease liabilities	10	(6.708.154)	(5.202.406)
Interest received	17	44.123.042	9.793.343
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY TRANSLATIONS</b>			
		(1.795.840.400)	157.519.503
<b>Foreign currency translation effects on cash and cash equivalents</b>			
		718.455.970	34.028.563
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(1.077.384.430)	191.548.066
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>			
		1.998.815.346	243.718.101
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
		921.430.916	435.266.167

The accompanying policies and explanatory notes are the integral part of the consolidated financial statements.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

Ayen Enerji A.Ş. (the “Company” or “Ayen Enerji”) engages in the electricity production and trading activities. The Company was established in 1990. The Company is a member of Aydınlar Group. Main shareholder of the Company is Aydınlar İnşaat A.Ş. (“Aydınlar İnşaat”).

The Company is registered in Turkey and the registered address is as follows:

Hülya Sok. No: 37, Gaziosmanpaşa, Ankara

The Company is registered to Capital Markets Board (“CMB”) and its shares are publicly traded in Borsa Istanbul. 16,97% of the shares of the Company is publicly held as of June 30, 2023 (December 31, 2022: 16,97%) (Note 13).

As of June 30, 2023, the number of personnel of the Ayen Enerji A.Ş. and Its Subsidiaries (together referred as the “Group”) is 260. (December 31, 2022: 254).

The subsidiaries of the Company (the “Subsidiaries”), the nature of their business and their address of registered head offices are as follows:

<u>Subsidiaries</u>	<u>Core business</u>	<u>Direct Share</u>	<u>Indirect Share</u>	<u>Registered address</u>
Ayen Ostim Enerji Üretim A.Ş. (“Ayen Ostim”)	Electricity production and trading (Principal)	% 100	% 100	Hülya Sokak No: 37 Gaziosmanpaşa Ankara
Kayseri Elektrik Üretim Sanayi ve Ticaret A.Ş. (“Kayseri Elektrik”)	Electricity production, distribution and trading (Principal)	% 96	% 96	Yemliha Kasabası Kayseri
Ayen Elektrik Ticaret A.Ş. (“Ayen Elektrik”)	Electricity trading (Principal)	% 100	% 100	Hülya Sokak No: 37 Gaziosmanpaşa Ankara
Ayen-AS Energji SHA (“Ayen-AS”)	Electricity production and trading (Principal)	% 90	% 90	Papa Gijon Pali i II-te, ABA Business Center, Tirane/Albania
Tasfiye Halinde Araklı Doğalgaz Üretim Sanayi ve Ticaret A.Ş. (“Araklı”)	Electricity production and trading (Principal)	% 76	% 76	Hülya Sokak No: 37 Gaziosmanpaşa Ankara Papa Gijon Pali i II-te, ABA Business Center, Tirane/Albania
Ayen Energy Trading SHA (“Ayen Trading”)	Electricity trading (Principal)	% 0	% 100	Tirane/Albania
Ayen Energy Trading D.O.O. Beograd-StariGrad (“Ayen Srbistan”)	Electricity trading (Principal)	% 0	% 100	Kosañicev Venac Sokak No: 20, 11000 Belgrad, Serbia
Ayen Energija Trgovanje z Električno Energijo D.O.O. (“Ayen Slovenya”)	Electricity trading (Principal)	% 0	% 100	Ayen Energija d.o.o. Zemljemerska ulica 12 1000 Ljubljana Slovenia
Ayen – ALB SHA (“Ayen ALB”)	Electricity Production (Principal)	% 92	% 92	Tirane Tirane, TIRANE Njesia Bashkiake Nr.2, Rruga Papa Gjon Pali II-te, ABA Business Center, Kati:6, Nr.601
Ayen Renewable Energy SHA (“Ayen Renewable”)	Electricity production and trading (Principal)	% 100	% 100	Tirane Tirane, TIRANE Njesia Bashkiake Nr.2, Rruga Papa Gjon Pali II-te, ABA Business Center, Kati:6, Nr.601

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

The production license for the Wind Power Plant (“WPP”) located in Akbük with an annual production capacity of 31,5 MW obtained by Ayen Enerji on January 18, 2007 for 49 years. The first part of the plant with a capacity of 16,8 MW and the second part of the plant with a capacity of 14,7 MW started to operate on March 19, 2009 and April 3, 2009 respectively.

Büyükdüz HEPP, is owned by Ayen Enerji and located in Gümüşhane Kürtün with an installed capacity of 68,9 MW has production license for 49 years. The power plant started to operate on June 1, 2012.

Mordoğan WPP, is owned by Ayen Enerji and located in İzmir Karaburun with an installed capacity of 30,75 MW and has a production license for 49 years. The power plant started to operate on September 27, 2013.

Korkmaz WPP, is owned by Ayen Enerji and located in İzmir Seferihisar with an installed capacity of 24 MW and has a production license for 49 years. The first part of the plant with an installed capacity of 10 MW and the second part of the plant with an installed capacity of 14 MW started to operate respectively August and September 2014.

Akbük II WPP, is owned by Ayen Enerji and located in Aydın Didim, and Muğla Milas, in regard to wind energy, with an installed capacity of 20 MW and has a production capacity of 68.153.000 kWh/year, is approved by EMRA and the power plant started to operate on February 12, 2016.

Yamula Dam, is owned by Kayseri Elektrik and was constructed under BOT model. The Dam located on Kızılırmak River. The installed capacity is 100 MW and the annual production capacity of the dam is 422 million kWh. The construction of the Dam started in 1998 and began to operate in August 2005. The operational period for Yamula Dam is 20 years and will end in 2025.

For the Çaypınar WPP, owned by Ayen Ostim Enerji Üretim A.Ş and located within the borders of Kepsut district of Balıkesir province, with an installed power of 25,2 MWm / 24 MWe and an annual electricity generation capacity of 84.000.000 kWh, production license numbered EÜ/9146-3/04419 has been obtained from the Energy Market Regulatory Authority in accordance with the Electricity Market Law No.6446 and the relevant legislation. Temporary adoption of 2 wind turbines and generator units were made on October 29, 2020, temporary adoption of 2 wind turbines and generator units were made on November 14, 2020, temporary adoption of 3 wind turbines and generator units were made on December 17, 2020 by the ministry of energy and natural resources. As of December 17, 2020 the facility was taken into operation and started the energy production. By installing 5,5009 MWm GES (Solar Power Plant) as an auxiliary resource for the subsidiary, the total installed capacity of the facility was increased to 30,7009 MWm/ 24 MWe. Within this scope, the construction works for the GES Investment have been completed and the temporary acceptance has been made by the Ministry of Energy and Natural Resources on September 22, 2022 and the facility has been put into commercial operation.

The main operation of Ayen Elektrik is the sale, import and export of the electricity and/or the electricity capacity on wholesale and directly to the end users in accordance with the “Regulation for the Electricity Market License”, “Wholesale License” and the other related regulations.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

Ayen AS Enerjji SHA; the construction of PESHQESHIT 3 Hydroelectricity Energy Production Facility with annual electricity energy production capacity of 118.400.000 kWh, installation power of 34 MW has been completed and started commercial activities on May 4, 2015. PESHQESHIT 3 is one of the HEPP projects locate in Albania and constructed within the scope of “Albanian Fan Basin HEPP Projects” with annual electricity energy production capacity of 347.246.000 kWh, installation power of 109,73 MW. The test of the facilities of Fangut HEPP established in Albania has been completed with the annual electricity energy production capacity of 228.846.000 kWh and installation power of 75,71 MW and the plant has started to operation as of December 1, 2017. At the same time, tail water plant which is fed by tail water of Fangut Dam with installation power of 1MW has been started to operation in December 1, 2017.

Ayen Enerji has acquired 76% shares of Araklı Enerji Doğalgaz Üretim Sanayi ve Ticaret A.Ş. on May 9, 2012. The Company management decided in December 2020 to terminate Araklı's Çankaya HEPP investment with an installed capacity of 72 MW to be built in Araklı district, Trabzon province and The license granted by EMRA was canceled on February 11, 2021. Therefore, as of December 31, 2020, the construction in progress of Araklı has been recognized as an expense. Since the subsidiary does not have any other activities, the subsidiary has become inactive. For these reasons, the liquidation of the subsidiary has been reported to the Trade Registry Office and the relevant tax office. The subsidiary went into liquidation and the subsidiary title was changed to Tasfiye Halinde Araklı Enerji Doğalgaz Sanayi ve Ticaret Anonim Şirketi (Araklı Enerji Doğalgaz Sanayi ve Ticaret Anonim Şirketi in Liquidation).

Ayen Elektrik participated in 100% share of Ayen Enerjji Trading SHA which established with ALL 100.000.000 (EURO 750.400) nominal capital on September 24, 2013. The subsidiary was established in Tirane- Albania in accordance with Albania laws on September 30, 2013.

Ayen Elektrik Ticaret A.Ş participated in 100% share of Ayen Enerjji Trading D.O.O. (Serbia) with EURO 110.000 nominal capital and Ayen Enerjji Trgovanje z Električno Energijo, D.O.O. (Slovenia) with EURO 267.500 nominal capital in respectively June 13, 2014 and June 19, 2014. The main operations of these companies are to sale, import and export of the electricity and/or the electricity capacity as wholesale and sale directly to end users particularly to European Countries in accordance with the European Union regulations.

Ayen ALB is the concession company of HEPP-Kalivac and has been established on November 22, 2017 with ALL 3.500.000 nominal capital and will be constructed according to BOT Model issued by Republic of Albania Ministry of Energy and Industry with the annual electricity energy production capacity of 366.6 kWh, installation power of 111 MW and 35 years duration. The Group's tender has been chosen as best tender for the BOT Model for HEPP – Kalivac invitation issued by Republic of Albania Ministry of Energy and Industry and the concession agreement has been signed.

Ayen Renewable has been established on April 8, 2022, with ALL 5.000.000 nominal capital in accordance with Albania laws. Ayen Renewable's capital has been fully paid by Ayen Energy and Ayen Renewable is a 100% foreign subsidiary of Ayen Enerji A.Ş. The main operations of the subsidiary are the operating power plants that provide the production and use of renewable energy such as solar and wind, consulting, design, financing, construction, operation of the power plants and trading the produced electricity in Turkey and abroad.

Approval of consolidated financial statements:

Board of Directors has approved the consolidated financial statements for the period between January 1– June 30, 2023 and delegated publishing it on August 17, 2023. No authority other than Board of Directors and General Assembly has the right to modify the consolidated financial statements.

## **AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

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

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## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

### **2.1 Basis of presentation**

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

Subsidiaries operating abroad prepare their accounting records and financial statements in the currency of the countries where they operate and in accordance with the legislation of those countries. The functional currency of Ayen-AS, Ayen ALB, Ayen Renewable and Ayen Trading is Albanian Lek. The functional currencies of Ayen Slovenia and Ayen Serbia are EURO and Serbian Dinar, respectively.

For the period ended June 30, 2023, the Group prepared its interim condensed consolidated financial statements in accordance with the Turkish Accounting Standard 34 Interim Financial Reporting. In accordance with the TAS 34, entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Accordingly, these interim condensed consolidated financial statements do not include all required explanatory notes as should be provided and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying consolidated financial statements are prepared based on the Turkish Accounting Standards/Turkish Financial Reporting Standards and Interpretations (“TAS/IFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

Financial statements and disclosures have been presented by the POA in accordance with the "2022 TAS Taxonomy" announced in the Official Gazette dated October 4, 2022

The accompanying consolidated financial statements have been prepared in terms of Turkish Lira on the historical cost basis except for the fair value measurement of certain investment properties and financial assets and liabilities with revaluated amounts.

#### Functional Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira, which is the functional, and presentation currency of the Company and the reporting currency for the consolidated financial statements.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.1 Basis of presentation (cont'd)

#### Functional Currency (cont'd)

Subsidiaries of the Group are measured using the currency that has significant impact on the entity or on the operations of entity, which reflects the economic substance of the underlying events and circumstances relevant to the entity. In this context, Ayen-AS, Ayen Trading, Ayen Renewable and Ayen ALB is measured using ALL, Ayen Serbia is measured using RSD, Ayen Slovenia is measured using EURO. According to TAS 21, balance sheet items (except capital accounts) in terms of Albanian Lek and Serbian Dinar have been included into consolidation by being translated to TL with informative exchange rates that are not subject to transaction by the Central Bank of the Republic of Turkey as of the balance sheet date. (ALL 1 = TL 0,2635, RSD 1 = TL 0,2407). In the balance sheet items of Ayen Slovenia, the assets were consolidated by being translated to TL with the buying rate (EURO 1 = TL 28,1540) and liabilities (except capital accounts) with the selling rate (EURO 1 = TL 28,2048) applicable as of the balance sheet date. Profit or loss statement and other comprehensive income items have been included into consolidation by being translated to TL with annual average buying rate.

Capital and capital reserves are carried forward with their historical nominal costs and any related exchange component of that gain or loss and the translation gain/ (loss) realized during the translation of balance sheet and profit or loss statement is also recognized in capital translation gain-loss accounts under equity.

#### Preparation of Consolidated Financial Statements in Hyperinflationary Periods

With the decision taken on March 17, 2005, the CMB has announced that, effective from January 1, 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with TAS. Accordingly, the Company did not apply TAS 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") in its financial statements for the accounting periods starting January 1, 2005.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 defines characteristics that may indicate that an economy is a hyperinflationary economy. Also, in accordance with TAS 29, all entities reporting in the currency of a hyperinflationary economy are required to apply this Standard from the same date. For this reason, as stated in TAS 29, it is expected that all entities will start to implement TAS 29 at the same time, with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority in order to ensure consistency in practice across the country. Nevertheless, the Authority has not published any announcement on whether the entities would restate their financial statements for the accounting period ending on June 30, 2023, in accordance with TAS 29. Therefore, TAS 29 has not been applied and no inflation adjustment has been made in the financial statements dated June 30, 2023.

#### Comparative information, restatement and reclassification of prior period financial statements

The financial statements of the Group include comparative consolidated financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation in the current period consolidated financial statements.



## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.1 Basis of presentation (cont'd)

#### Basis of Consolidation

As of June 30, 2023, and December 31, 2022 details of the Company's subsidiaries are as follows:

Subsidiaries	Group's proportion of ownership and voting power held (%)		Place of incorporation and operation	Principle activity
	2023	2022		
Ayen Ostim	100	100	Ankara- Ankara	Electricity production and trade
Kayseri Elektrik	96	96	Kayseri- Kayseri	Electricity production, distribution and trade
Ayen Elektrik	100	100	Ankara- Ankara	Electricity trade
Ayen-AS	90	90	Tirane-Albania	Electricity production and trade
Araklı	76	76	Ankara- Trabzon	Electricity production and trade
Ayen Trading	100	100	Tirane-Albania	Electricity trade
Ayen Sırbistan	100	100	Belgrad-Serbia	Electricity trade
Ayen Slovenya	100	100	Ljubljana, Slovenia	Electricity trade
Ayen ALB	92	92	Tirane-Albania	Electricity production and trade
Ayen Renewable	100	100	Albania	Electricity production and trade

The accompanying consolidated financial statements include the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights in an investee are sufficient to give it power, including:

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.1 Basis of presentation (cont'd)

#### Basis of Consolidation (cont'd)

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

### 2.2 Going Concern

The Group has prepared its consolidated financial statements on the assumption that the business will continue its operations in the foreseeable future.

The majority of the resources used by the Group to finance its investments and presented as financial liabilities in the consolidated financial statements are in foreign currency, and the future income of the Group due to these investments is also sensitive to foreign currency. According to the short and medium term projections made by the Group management by evaluating both its production capacity, current market conditions and future market expectations, and state purchase price guarantees, the projected cash inflow from the Group's operating activities will cover the need of cash due to financial activities. the Company management's expectation is that, there is no doubt about the Company's going concern in the foreseeable future.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.3 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of June 30, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter.

#### i) The new standards, amendments and interpretations which are effective as at January 1, 2023 are as follows:

- Amendments to TAS 8 - Definition of Accounting Estimates
- Amendments to TAS 1 - Disclosure of Accounting Policies
- Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The aforementioned standards did not have a significant impact on the financial position and performance of the Group.

#### ii) Standards issued but not yet effective and not early adopted

Standards and amendments to existing standards that are issued but not yet effective up to the date of issuance of the 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.

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

The standards and amendments and improvements above are not expected to have a material impact on the Group's consolidated financial statements.

#### iii) The new amendments that are issued by the IASB but not issued by POA

The following amendments to IAS 12 as well as IAS 7 and IFRS 7 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

- Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules
- Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

Overall, the Group expects no significant impact on its balance sheet and equity.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 3. SEGMENT REPORTING

Board of Directors reviews results and operations on a geographic segment basis in order to monitor performance and to allocate resources. Geographic segments of the Group are defined in the following regions : Turkey and abroad. The companies located in abroad operate in Albania, Serbia and Slovenia.

<b>January 1 – June 30, 2023</b>	<b>Turkey</b>	<b>Abroad</b>	<b>Netting of intragroup sales and cost of sales</b>	<b>Consolidated</b>
Net sales to out-of-group	796.930.011	1.719.198.221	-	2.516.128.232
Net sales within the group	21.872.629	7.232.798	(29.105.427)	-
Cost of out-of-group sales	(445.736.971)	(1.537.576.524)	-	(1.983.313.495)
Cost of intragroup sales	(6.781.553)	(18.468.594)	25.250.147	-
<b>Gross profit</b>	<b>366.284.116</b>	<b>170.385.901</b>	<b>(3.855.280)</b>	<b>532.814.737</b>
General Administrative Expenses (-)	(13.870.924)	(31.276.272)	-	(45.147.196)
Other Income from Operating Activities	78.041.764	144.381.156	-	222.422.920
Other Expenses from Operating Activities (-)	(220.427.987)	(115.563.020)	-	(335.991.007)
<b>Operating profit</b>	<b>210.026.969</b>	<b>167.927.765</b>	<b>(3.855.280)</b>	<b>374.099.454</b>
Income from Investment Activities	207.698.757	-	-	207.698.757
<b>Operating income before financial expenses</b>	<b>417.725.726</b>	<b>167.927.765</b>	<b>(3.855.280)</b>	<b>581.798.211</b>
Financial Income	494.969.641	174.476.395	-	669.446.036
Financial Expenses	(712.800.070)	(162.929.916)	-	(875.729.986)
<b>Profit / (loss) before taxation on income</b>	<b>199.895.297</b>	<b>179.474.244</b>	<b>(3.855.280)</b>	<b>375.514.261</b>
Current Tax Expense	(54.782.123)	(46.881.505)	-	(101.663.628)
Deferred Tax Expense / Income	(4.707.049)	21.330.244	-	16.623.195
<b>Profit / (loss) for the period</b>	<b>140.406.125</b>	<b>153.922.983</b>	<b>(3.855.280)</b>	<b>290.473.828</b>
Purchases of tangible and intangible asset	6.809.094	4.226.107	-	11.035.201
Depreciation and amortization	(24.445.807)	(96.260.247)	-	(120.706.054)
Total Assets	3.957.797.475	8.082.341.709	-	12.040.139.184
Total Liabilities	1.794.345.035	4.122.972.452	-	5.917.317.487

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 3. SEGMENT REPORTING (cont'd)

April 1 – June 30, 2023	Turkey	Abroad	Netting of intragroup sales and cost of sales	Consolidated
Net sales to out-of-group	452.472.377	585.554.096	-	1.038.026.473
Net sales within the group	21.872.629	1.136.795	(23.009.424)	-
Cost of out-of-group sales	(211.343.535)	(514.923.705)	-	(726.267.240)
Cost of intragroup sales	(637.328)	(18.468.594)	19.105.922	-
<b>Gross profit</b>	<b>262.364.143</b>	<b>53.298.592</b>	<b>(3.903.502)</b>	<b>311.759.233</b>
General Administrative Expenses (-)	(4.390.254)	(20.476.721)	-	(24.866.975)
Other Income from Operating Activities	45.037.299	36.320.176	-	81.357.475
Other Expenses from Operating Activities (-)	(187.425.844)	(26.417.947)	-	(213.843.791)
<b>Operating profit</b>	<b>115.585.344</b>	<b>42.724.100</b>	<b>(3.903.502)</b>	<b>154.405.942</b>
Income from Investment Activities	190.072.678	-	-	190.072.678
<b>Operating income before financial expenses</b>	<b>305.658.022</b>	<b>42.724.100</b>	<b>(3.903.502)</b>	<b>344.478.620</b>
Financial Income	421.540.588	87.603.245	-	509.143.833
Financial Expenses	(582.777.365)	(28.163.779)	-	(610.941.144)
<b>Profit / (loss) before taxation on income</b>	<b>144.421.245</b>	<b>102.163.566</b>	<b>(3.903.502)</b>	<b>242.681.309</b>
Current Tax Expense	(46.567.261)	(17.806.475)	-	(64.373.736)
Deferred Tax Expense / Income	(2.963.764)	23.440.941	-	20.477.177
<b>Profit / (loss) for the period</b>	<b>94.890.220</b>	<b>107.798.032</b>	<b>(3.903.502)</b>	<b>198.784.750</b>
Purchases of tangible and intangible asset	5.088.103	4.226.107	-	9.314.210
Depreciation and amortization	(7.851.185)	(54.963.052)	-	(62.814.237)

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 3. SEGMENT REPORTING (cont'd)

January 1 – June 30, 2022	Turkey	Abroad	Netting of intragroup sales and cost of sales	Consolidated
Net sales to out-of-group	776.265.392	1.457.656.554	-	2.233.921.946
Net sales within the group	65.435.462	2.944.279	(68.379.741)	-
Cost of out-of-group sales	(493.954.128)	(700.561.139)	-	(1.194.515.267)
Cost of intragroup sales	(2.990.173)	(64.936.896)	67.927.069	-
<b>Gross profit</b>	<b>344.756.553</b>	<b>695.102.798</b>	<b>(452.672)</b>	<b>1.039.406.679</b>
General Administrative Expenses (-)	(11.503.877)	(18.359.969)	-	(29.863.846)
Other Income from Operating Activities	38.408.569	123.365.720	-	161.774.289
Other Expenses from Operating Activities (-)	(23.947.339)	(192.072.053)	-	(216.019.392)
<b>Operating profit</b>	<b>347.713.906</b>	<b>608.036.496</b>	<b>(452.672)</b>	<b>955.297.730</b>
Income from Investment Activities	111.230.361	-	-	111.230.361
<b>Operating income before financial expenses</b>	<b>458.944.267</b>	<b>608.036.496</b>	<b>(452.672)</b>	<b>1.066.528.091</b>
Financial Income	95.717.154	35.829.348	-	131.546.502
Financial Expenses	(362.082.391)	(91.271.966)	-	(453.354.357)
<b>Profit / (loss) before taxation on income</b>	<b>192.579.030</b>	<b>552.593.878</b>	<b>(452.672)</b>	<b>744.720.236</b>
Current Tax Expense	(23.194.978)	(52.681.579)	-	(75.876.557)
Deferred Tax Expense / Income	48.072	(39.657.062)	-	(39.608.990)
<b>Profit / (loss) for the period</b>	<b>169.432.124</b>	<b>460.255.237</b>	<b>(452.672)</b>	<b>629.234.689</b>
Purchases of tangible and intangible asset	1.724.123	196.683	-	1.920.806
Depreciation and amortization	(51.080.994)	(64.506.956)	-	(115.587.950)
Total Assets	2.510.267.514	4.296.109.408	-	6.806.376.922
Total Liabilities	1.601.302.619	2.471.716.612	-	4.073.019.231

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 3. SEGMENT REPORTING (cont'd)

April 1 – June 30, 2022	Turkey	Abroad	Netting of intragroup sales and cost of sales	Consolidated
Net sales to out-of-group	467.187.306	831.903.690	-	1.299.090.996
Net sales within the group	33.705.993	2.944.279	(36.650.272)	-
Cost of out-of-group sales	(287.491.064)	(508.867.686)	-	(796.358.750)
Cost of intragroup sales	(2.990.173)	(33.219.654)	36.209.827	-
<b>Gross profit</b>	<b>210.412.062</b>	<b>292.760.629</b>	<b>(440.445)</b>	<b>502.732.246</b>
General Administrative Expenses (-)	(6.309.941)	(12.465.445)	-	(18.775.386)
Other Income from Operating Activities	28.389.806	46.574.348	-	74.964.154
Other Expenses from Operating Activities (-)	(15.872.005)	(32.756.027)	-	(48.628.032)
<b>Operating profit</b>	<b>216.619.922</b>	<b>294.113.505</b>	<b>(440.445)</b>	<b>510.292.982</b>
Income from Investment Activities	58.039.468	-	-	58.039.468
<b>Operating income before financial expenses</b>	<b>274.659.390</b>	<b>294.113.505</b>	<b>(440.445)</b>	<b>568.332.450</b>
Financial Income	75.404.348	32.032.727	-	107.437.075
Financial Expenses	(211.128.272)	(34.899.666)	-	(246.027.938)
<b>Profit / (loss) before taxation on income</b>	<b>138.935.466</b>	<b>291.246.566</b>	<b>(440.445)</b>	<b>429.741.587</b>
Current Tax Expense	(16.364.683)	(33.571.682)	-	(49.936.365)
Deferred Tax Expense / Income	2.112.286	(8.308.151)	-	(6.195.865)
<b>Profit / (loss) for the period</b>	<b>124.683.069</b>	<b>249.366.733</b>	<b>(440.445)</b>	<b>373.609.357</b>
Purchases of tangible and intangible asset	100.466	(332.211)	-	(231.745)
Depreciation and amortization	(41.480.408)	(31.633.131)	-	(73.113.539)

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 4. RELATED PARTY TRANSACTIONS

	June 30, 2023					
	Receivables			Payables		
	Short-term		Long-term	Short-term		Long-term
	Trade	Non-trade	Prepaid Expenses	Trade	Non-trade	Non-trade
Related party transactions						
Aydiner İnşaat A.Ş. (*) (1)	-	1.338.902.775	-	2.246.198	-	-
Agron Turizm ve Tic. A.Ş. (2)	6.831.044	-	-	-	-	-
Other	1.359.538	63.574	-	-	51.104	445.445
	<b>8.190.582</b>	<b>1.338.966.349</b>	<b>-</b>	<b>2.246.198</b>	<b>51.104</b>	<b>445.445</b>

	December 31, 2022					
	Receivables			Payables		
	Short-term		Long-term	Short-term		Long-term
	Trade	Non-trade	Prepaid Expenses	Trade	Non-trade	Non-trade
Related party transactions						
Aydiner İnşaat A.Ş. (1)	-	272.362.248	-	1.744.853	-	-
Agron Turizm ve Tic. A.Ş. (2)	1.306.501	-	-	-	-	-
Aybet Beton A.Ş. (2)	1.718.256	-	-	-	-	-
Other	61.720	45.015	-	-	24.002	445.415
	<b>3.086.477</b>	<b>272.407.263</b>	<b>-</b>	<b>1.744.853</b>	<b>24.002</b>	<b>445.415</b>

(\*) Interest is calculated for non-trade receivables related to intra-group borrowing.

(1) Main shareholder

(2) Subsidiaries of the other company of the main partners

(3) Other



**AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

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

**4. RELATED PARTY TRANSACTIONS (cont'd)**

<b>Related party transactions</b>	<b>Foreign exchange income</b>	<b>Sales of energy</b>	<b>Interest income</b>	<b>Interest Expenses</b>	<b>Purchases of services</b>
Aydiner İnşaat A.Ş. (1)	-	1.295.603	42.086.562	-	180.020
Aybet Beton A.Ş. (2)	-	4.058.070	208.031	-	-
Agron Turizm ve Tic. A.Ş. (2)	-	4.473.756	-	-	-
Other	-	108.924	7.870	-	-
	-	<b>9.936.353</b>	<b>42.594.099</b>	-	<b>180.020</b>

<b>Related party transactions</b>	<b>Foreign exchange income</b>	<b>Sales of energy</b>	<b>Interest income</b>	<b>Interest Expenses</b>	<b>Purchases of services</b>
Aydiner İnşaat A.Ş. (1)	-	874.198	37.023	852.024	95.400
Aybet Beton A.Ş. (2)	-	2.684.256	-	-	-
Agron Turizm ve Tic. A.Ş. (2)	-	3.431.553	785.038	-	-
Other	-	199.059	7.526	-	-
	-	<b>7.189.066</b>	<b>829.587</b>	<b>852.024</b>	<b>95.400</b>

(1) Main shareholder

(2) Subsidiaries of the other company of the main partners

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 4. RELATED PARTY TRANSACTIONS (cont'd)

Compensation of key management personnel:

Key management personnel consists of key managers and the general manager. The compensation of key management personnel includes salaries, bonus, health insurance and transportation. Compensation of key management personnel during the period as follow:

	<b>January 1- June 30, 2023</b>	January 1- June 30, 2022	<b>April 1 - June 30, 2023</b>	April 1 - June 30, 2022
Salary and other short-term benefits	<b>10.931.708</b>	5.304.609	<b>7.650.001</b>	4.181.801
Other long-term benefits	<b>1.359.579</b>	528.275	<b>36.953</b>	32.184
	<b><u>12.291.287</u></b>	<u>5.832.884</u>	<b><u>7.686.954</u></b>	<u>4.213.985</u>

#### 5. TANGIBLE, OTHER INTANGIBLE AND RIGHT OF USE ASSETS

	<b>Property, Plant and Equipment</b>	<b>Other Intangible Assets</b>	<b>Right of Use Assets</b>
<b><u>Cost</u></b>			
Opening balance as of January 1, 2023	6.665.987.994	6.265.228	29.785.644
Additions	10.925.362	109.839	-
Disposals	(84.898)	-	-
Revaluation effect (*)	-	-	15.238.894
Currency translation differences	2.978.816.617	1.769.108	5.453.213
Closing balance as of June 30, 2023	<b><u>9.655.645.075</u></b>	<b><u>8.144.175</u></b>	<b><u>50.477.751</u></b>
<b><u>Accumulated Depreciation</u></b>			
Opening balance as of January 1, 2023	(1.146.831.825)	(5.927.582)	(9.412.718)
Charge for the period	(117.446.574)	(154.211)	(3.105.269)
Disposals	84.898	-	-
Currency translation differences	(491.019.980)	(1.581.618)	(4.073.032)
Closing balance as of June 30, 2023	<b><u>(1.755.213.481)</u></b>	<b><u>(7.663.411)</u></b>	<b><u>(16.591.019)</u></b>
Net book value as of June 30, 2023	<b><u>7.900.431.594</u></b>	<b><u>480.764</u></b>	<b><u>33.886.732</u></b>

(\*) Refers to the changes arising from price increase / (decrease) depending on the index in rent payments.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 5. TANGIBLE, OTHER INTANGIBLE AND RIGHT OF USE ASSETS (cont'd)

	<u>Property, Plant and Equipment</u>	<u>Other Intangible Assets</u>	<u>Right of Use Assets</u>
<u>Cost</u>			
Opening balance as of January 1, 2022	4.918.341.063	5.096.308	23.637.749
Additions	1.852.694	68.112	-
Revaluation effect (*)	-	-	3.085.774
Currency translation differences	684.076.223	391.717	1.248.873
Closing balance as of June 30, 2022	<b>5.604.269.980</b>	<b>5.556.137</b>	<b>27.972.396</b>
<u>Accumulated Depreciation</u>			
Opening balance as of January 1, 2022	(780.300.860)	(3.786.089)	(5.210.201)
Charge for the period	(113.988.320)	(105.659)	(1.493.971)
Currency translation differences	(97.885.557)	(170.741)	(476.818)
Closing balance as of June 30, 2022	<b>(992.174.737)</b>	<b>(4.062.489)</b>	<b>(7.180.990)</b>
Net book value as of June 30, 2022	<b>4.612.095.243</b>	<b>1.493.648</b>	<b>20.791.406</b>

(\*) Refers to the changes arising from price increase / (decrease) depending on the index in rent payments.

Depreciation and amortization expense of TL 115.340.620 (June 30, 2022: TL 110.900.780) has been charged in cost of sales and TL 5.365.434 (June 30, 2022: TL 4.687.170) has been charged in general administrative expenses.

Regarding long-term bank loans and Çaypınar WPP, the Group has a mortgage of TL 129.348.000 (USD 5.000.000 ) on the lands owned by Ayen Enerji and TL 829.221.120 (EUR 29.400.000) on the Çaypınar WPP owned by Ostim, respectively. On September 14, 2021, a mortgage of EUR 24.750.000 was given for the Çaypınar WPP investment. Then, according to the loan agreement signed for the SPP-Solar Power plant investment on November 30, 2021, the total guarantee was increased to EUR 29.400.000, with the additional guarantee of EUR 4.650.000. Since it is not possible to make an additional mortgage on the same facility for EUR 4.650.000, EUR 29.400.000 as a second-degree mortgage is secured in a way to benefit from the first degree.) (December 31, 2022: Ayen Enerji TL 691.538.500, Ayen Ostim TL 586.086.060 (EUR 29.400.000)).

The Group has given commercial enterprise pledge amounting to TL 140.000.000 as a guarantee for the loan used for construction of Akbük WPP, on June 25, 2009 and TL 150.000.000 as a guarantee for the loan used for Mordoğan WPP and Korkmaz WPP on May 30, 2012 (Note 11).

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 6. INVESTMENT PROPERTIES

	<u>Land and Parcels</u>	<u>Buildings</u>	<u>Total</u>
Opening balance as of January 1, 2023	338.056.667	4.389.600	342.446.267
Closing balance as of June 30, 2023	<b>338.056.667</b>	<b>4.389.600</b>	<b>342.446.267</b>

  

	<u>Land and Parcels</u>	<u>Buildings</u>	<u>Total</u>
Opening balance as of January 1, 2022	212.560.500	2.832.000	215.392.500
Closing balance as of June 30, 2022	<b>212.560.500</b>	<b>2.832.000</b>	<b>215.392.500</b>

The fair value of the Company's investment properties has been obtained according to the valuations performed by an independent appraisal firm authorized by the CMB, which is not affiliated with the Company. In the valuation made according to the International Valuation Standards, the peer method has been taken into account.

#### 7. OTHER CURRENT ASSETS

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
<u>Other current assets</u>		
VAT carried forward	<b>7.458.500</b>	5.525.671
Other	<b>3.554.049</b>	2.407.199
	<b>11.012.549</b>	7.932.870

#### 8. SERVICE CONCESSION ARRANGEMENTS

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
<u>Due from Service Concession Arrangements</u>		
Short-term receivable from service concession arrangements	<b>151.909.872</b>	102.655.922
Invoiced and undue from service concession arrangements (*)	<b>38.955.862</b>	6.167.195
Total short-term receivables of service concession arrangements	<b>190.865.734</b>	108.823.117
Long-term receivable from service concession arrangements	<b>208.831.289</b>	199.778.742
<b>Total receivable from service concession arrangements</b>	<b>399.697.023</b>	308.601.859
Gross receivable from service concession arrangements	<b>442.695.112</b>	382.908.737
Unearned financial income (-)	<b>(81.953.951)</b>	(80.474.073)
Receivables from service concession arrangements (*)	<b>38.955.862</b>	6.167.195
<b>Receivables from service concession arrangements-net</b>	<b>399.697.023</b>	308.601.859

(\*) Consists of the receivables invoiced to EÜAŞ but not collected yet.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 8. SERVICE CONCESSION ARRANGEMENTS (cont'd)

As of June 30, 2023 and December 31, 2022, the payment schedules for gross and net due from service concession arrangements are as follows:

	Gross due from service concession arrangements (USD)		Gross due from service concession arrangements (TL)	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Up to 1 year	<b>7.750.420</b>	7.750.420	<b>200.139.870</b>	144.919.678
1 to 2 years	<b>6.135.749</b>	7.750.420	<b>158.444.060</b>	144.919.678
2 to 3 years	<b>3.257.207</b>	4.977.425	<b>84.111.182</b>	93.069.381
	<b>17.143.376</b>	20.478.265	<b>442.695.112</b>	382.908.737
	Net due from service concession arrangements (USD)		Net due from service concession arrangements (TL)	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Up to 1 year	<b>5.882.713</b>	5.490.121	<b>151.909.886</b>	102.655.929
1 to 2 years	<b>5.113.990</b>	6.275.306	<b>132.059.075</b>	117.337.554
2 to 3 years	<b>2.973.005</b>	4.409.020	<b>76.772.200</b>	82.441.181
	<b>13.969.708</b>	16.174.447	<b>360.741.161</b>	302.434.664

Due from service concession arrangements consist of receivables over the terms of the agreements. In accordance with the Energy Sales Agreement, the ownership of Yamula HEEPs and the electricity equipments will be transferred to the MENR at the end of the operation terms.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 9. PREPAID EXPENSES

<b>Short-Term Prepaid Expenses</b>	<b>June 30, 2023</b>	December 31, 2022
Advances given (*)	<b>19.318.149</b>	169.308.883
Prepaid expense for the following months	<b>64.755.887</b>	49.691.731
Job advances	<b>3.791.567</b>	130.454
	<b>87.865.603</b>	219.131.068
	<b>June 30, 2023</b>	December 31, 2022
<b>Long-Term Prepaid Expenses</b>		
Advances given	<b>6.443.061</b>	5.435.333
	<b>6.443.061</b>	5.435.333

(\*) As of June 30, 2023, long-term advances given include advance payments for electricity to be purchased from suppliers in the coming months.

#### 10. FINANCIAL LIABILITIES

The detail of borrowings of the Group as of June 30, 2023 and December 31, 2022 is as follows:

Financial liabilities	<b>June 30, 2023</b>	December 31, 2022
Short-term financial liabilities	<b>235.897.269</b>	351.456.879
Short-term portion of long-term financial liabilities	<b>812.137.906</b>	603.231.286
Long-term financial liabilities	<b>3.821.009.863</b>	2.944.031.601
	<b>4.869.045.038</b>	3.898.719.766

#### Bank borrowings

Original currency	Weighted average effective interest rate	June 30, 2023	
		Short-term	Long-term
TL	8,50%	<b>50.651.506</b>	<b>2.704.604</b>
USD	7,02%	<b>215.962.574</b>	-
EURO	5,03%	<b>745.131.770</b>	<b>3.660.589.384</b>
		<b>1.011.745.850</b>	<b>3.663.293.988</b>
Original currency	Weighted average effective interest rate	December 31, 2022	
		Short-term	Long-term
TL	7,57%	5.139.079	3.939.177
USD	6,43%	349.404.827	-
EURO	5,03%	575.101.330	2.825.903.113
		929.645.236	2.829.842.290

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 10. FINANCIAL LIABILITIES (cont'd)

The redemption schedule of the borrowings as of June 30, 2023 and December 31, 2022 is as follows:

	<b>June 30, 2023</b>	December 31, 2022
To be paid within 1 year	<b>1.011.745.850</b>	929.645.236
To be paid between 1-2 years	<b>661.507.074</b>	466.391.198
To be paid between 2-3 years	<b>585.834.398</b>	441.914.420
To be paid between 3-4 years	<b>549.965.616</b>	386.394.078
To be paid between 4-5 years	<b>517.114.265</b>	391.372.785
5 and more than 5 years	<b>1.348.872.635</b>	1.143.769.809
	<b>4.675.039.838</b>	3.759.487.526

Insurance and commission fees have been recognized under long term borrowings which have been paid for the long-term borrowings of the Group. As of June 30, 2023, deferred financing expense is TL 26.029.448 (December 31, 2022: TL 22.600.209). In accordance with the agreements that the Group made regarding the investment loans, the Group has an obligation to meet some ratios calculated over consolidated financial statements prepared in accordance with Turkish Financial Reporting Standards as of the end of every financial year.

#### Lease Payables

Lease Payables	<b>June 30, 2023</b>	December 31, 2022
<b>Short-term</b>	<b>36.289.325</b>	25.042.929
Gross lease payables	<b>51.057.048</b>	34.386.749
Interest rates (-)	<b>(14.767.723)</b>	(9.343.820)
<b>Long-term</b>	<b>157.715.875</b>	114.189.311
Gross lease payables	<b>353.194.926</b>	209.059.476
Interest rates (-)	<b>(195.479.051)</b>	(94.870.165)
	<b>194.005.200</b>	139.232.240

As of June 30, 2023, the Group's lease payables consist of; a sale and leaseback agreement amounting to TL 143.559.434 (December 31, 2022: TL 113.006.810) made on May 9, 2022 and the lease payables due to the new TFRS 16 standard amounting to TL 50.445.766 (December 31, 2022: TL 26.225.430). The lease payables due to TFRS 16 consist of lands used by Ayen Enerji, the land used by Ayen Trading and vehicles and offices used by Ayen AS.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 10. FINANCIAL LIABILITIES (cont'd)

##### Lease Payables (cont'd)

Original currency	Weighted average effective interest rate	June 30, 2023	
		Short-term	Long-term
TL	18,00%	202.131	46.868.434
EURO	4,58%	36.087.194	110.847.441
		<b>36.289.325</b>	<b>157.715.875</b>

  

Original currency	Weighted average effective interest rate	December 31, 2022	
		Short-term	Long-term
TL	18,00%	24.872.880	91.357.266
EURO	4,58%	170.049	22.832.045
		<b>25.042.929</b>	<b>114.189.311</b>

The repayment schedule of financial lease payables is as follows:

	June 30, 2023	December 31, 2022
To be paid within 1 year	36.289.325	25.042.929
To be paid between 1-2 years	26.999.008	25.043.953
To be paid between 2-3 years	37.467.367	26.333.592
To be paid between 3-4 years	39.775.478	27.940.921
To be paid between 4-5 years	7.148.485	12.392.239
5 and more than 5 years	46.325.537	22.478.606
	<b>194.005.200</b>	<b>139.232.240</b>

As of June 30, 2023 and 2022, the movement for financial liabilities is as follows:

Financial liabilities	2023	2022
Beginning of the period – January 1	3.898.719.766	3.479.523.957
Borrowings received	154.841.060	327.119.554
Borrowings paid	(673.302.351)	(620.996.577)
Change in foreign exchange differences	293.248.129	218.934.513
Currency translation differences	1.147.630.356	252.215.556
Change in deferred finance expenses	2.682.411	881.809
Change in interest accruals	22.231.570	(20.784.616)
Revaluation arising from lease agreements (*)	15.238.894	3.085.774
Cash outflows arising from lease agreements	(6.708.154)	(5.202.406)
Interest accruals arising from lease agreements	14.463.357	6.458.357
End of the period – June 30	<b>4.869.045.038</b>	<b>3.641.235.921</b>

(\*) The Group has remeasured the lease liability to reflect the changes arising from the price increase due to the index in the lease payments. The effect is reflected in the financial statements as an adjustment to the right-of-use asset.



## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### a) Provisions

###### Lawsuit provisions:

As of June 30, 2023, there are cases where the Group is litigant and defendant. Most of the cases are related with the bad debt cases. The Group has not provided any provision as of June 30, 2023, as the lawyers have not foreseen a significant cash outflow for the ongoing lawsuits as of the date of preparation of the consolidated financial statements.

###### Other provisions

	<b>June 30, 2023</b>	December 31, 2022
Solidarity Contribution (*)	-	617.509.895
	-	617.509.895

(\*)According to the law published on January 17, 2023 in the Official Gazette of the Republic of Albania, as of 2023, electricity generation companies operating in the country are obliged to pay the Republic of Albania half of the difference between the determined price and the price at which the sale is realized for each sale exceeding the unit price of electricity determined by the relevant law, under the name of "Solidarity Contribution", if certain conditions are met. At the end of the year, the sales made during the previous year that fall within this scope are evaluated. The necessary calculation is made and declared, and payments are made in two installments during the year. Regardless of the existence of the conditions specified in the relevant law, this practice ends on December 31, 2024. In 2022, the first installment of the provision arising from the average effect of the 2022 sales was paid on March 31, 2023 and the second installment will be paid on November 30, 2023. In 2023, since the average sales price determined by the relevant law was not exceeded, no liability arose and no provision was recognized. The solidarity contribution amount was recognized as a provision as of December 31, 2022, since there was no finalized balance at the end of December 31, 2022. The amount has been finalized as of January 2023 and the solidarity contribution amounting to TL 465.295.807 has been reclassified to other payables as of June 30, 2023.

##### b) Contingent Assets

<b>Contingent assets</b>	<b>June 30, 2023</b>	December 31, 2022
Letters of guarantee received (*)	<b>157.550.000</b>	228.437.520
Guarantees given on behalf of Ayen Enerji (**)	<b>475.082.913</b>	485.386.497
	<b>632.632.913</b>	713.824.017

(\*) Received by Ayen Elektrik as guarantee risks that might occur in collecting related with electricity sales.

(\*\*) Consists of Aydın İnşaat A.Ş.'s guarantee obtained regarding cash and non-cash General Loan Agreements signed by the Group with banks.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

##### c) Contingent Liabilities

The commitments and contingent liabilities of the Group that are not expected to result in material loss or liability is summarized as follows:

<b>Contingent liabilities</b>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Mortgages given (*)	<b>958.569.120</b>	1.277.624.560
Letters of conveyance given (**)	<b>875.017.845</b>	450.000.000
Commercial Enterprise Pledge (***)	<b>290.000.000</b>	876.086.060
Letters of guarantee given(****)	<b>180.839.236</b>	128.620.690
	<b><u>2.304.426.201</u></b>	<b><u>2.732.331.310</u></b>

(\*) Regarding long-term bank loans and Çaypınar WPP, the Group has a mortgage of TL 129.348.000 (USD 5.000.000 ) on the lands owned by Ayen Enerji and TL 829.221.120 (EUR 29.400.000) on the Çaypınar WPP owned by Ostim, respectively. On September 14, 2021, a mortgage of EUR 24.750.000 was given for the Çaypınar WPP investment. Then, according to the loan agreement signed for the SPP-Solar Power plant investment on November 30, 2021, the total guarantee was increased to EUR 29.400.000, with the additional guarantee of EUR 4.650.000. Since it is not possible to make an additional mortgage on the same facility for EUR 4.650.000, EUR 29.400.000 as a second-degree mortgage is secured in a way to benefit from the first degree.) (December 31, 2022: Ayen Enerji TL 691.538.500, Ayen Ostim TL 586.086.060 (EUR 29.400.000)).

(\*\*) The "General Loan Agreement" and the "Special Conditions" for the relevant agreement were signed between Ayen Ostim A.Ş. and Türkiye Kalkınma ve Yatırım Bankası A.Ş. Ayen Ostim A.Ş. has given the receivables amounting to TL 450.000.000 as conveyance for the loan used. Regarding the "Royalty agreement of the establishment and operation of Yamula Dam and HPP and sale of the produced electricity to EÜAŞ (Entitled as TETAŞ)" and the "Energy sales agreement for Yamula Dam and HPP" signed with ETKB on October 18, 2022 USD 16.429.239 was given as a conveyance for the loan for Kayseri Elektrik. However, these assignments will be activated in case of non-compliance with the repayment schedules set at the beginning of the loans.

(\*\*\*) The Group has given commercial enterprise pledge amounting to TL 140.000.000 as a guarantee for the loan used for construction of Akbük WPP, on June 25, 2009 and TL 150.000.000 as a guarantee for the loan used for Mordoğan WPP and Korkmaz WPP on May 30, 2012.

(\*\*\*\*) Letters of guarantee given consist of TL 23.974.080 in terms of EUR, TL 156.865.156 in terms of TL. Letters of guarantee given comprises that TL 19.594.245 (EUR 450.000, TL 6.902.085) has been given to TEİAŞ, TL 44.000.000 has been given to Türkiye Kalkınma ve Yatırım Bankası, TL 70.000.000 has been given to EPIAŞ, other letters mainly consist of guarantees given in relation to reciprocal agreements which are signed between electricity trade companies and the Group and guarantees given in relation to System Use Agreement.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 12. COMMITMENTS

Guarantees, pledge and mortgage (“GPM”) position of the Group as of June 30, 2023 and December 31, 2022 is as follows:

	June 30, 2023				December 31, 2022			
	TL Equivalent	TL	USD	EURO	TL Equivalent	TL	USD	EURO
Total GPM given on behalf of the legal entity:	<b>521.285.812</b>	<b>380.655.892</b>	<b>5.000.000</b>	<b>400.000</b>	<b>1.012.310.866</b>	<b>312.453.732</b>	<b>5.000.000</b>	<b>30.417.290</b>
Guarantee Letter	101.937.812	90.655.892	-	400.000	30.772.366	22.453.732	-	417.290
Pledge	290.000.000	290.000.000	-	-	290.000.000	290.000.000	-	-
Mortgage	129.348.000	-	5.000.000	-	691.538.500	-	5.000.000	30.000.000
Guarantee	-	-	-	-	-	-	-	-
Total GPM Given on behalf of the subsidiaries that are included in full consolidation:	<b>1.783.140.389</b>	<b>516.209.264</b>	<b>16.429.239</b>	<b>29.850.000</b>	<b>1.720.020.444</b>	<b>515.931.153</b>	-	<b>60.401.070</b>
Conveyance	875.017.845	450.000.000	16.429.239	-	450.000.000	450.000.000	-	-
Guarantee Letter	78.901.424	66.209.264	-	450.000	97.848.324	65.931.153	-	1.601.070
Pledge	-	-	-	-	586.086.060	-	-	29.400.000
Mortgage	829.221.120	-	-	29.400.000	586.086.060	-	-	29.400.000
Guarantee	-	-	-	-	-	-	-	-
Total GPM given for execution of ordinary commercial activities to collect third parties debt	-	-	-	-	-	-	-	-
Other guarantees given	-	-	-	-	-	-	-	-
i. GPM given on behalf of main shareholder	-	-	-	-	-	-	-	-
ii. GPM given on behalf of group companies not covered by B and C.	-	-	-	-	-	-	-	-
iii. GPM given on behalf of group companies not covered by C.	-	-	-	-	-	-	-	-
<b>Total GPM given on behalf of the legal entity:</b>	<b>2.304.426.201</b>	<b>896.865.156</b>	<b>21.429.239</b>	<b>30.250.000</b>	<b>2.732.331.310</b>	<b>828.384.885</b>	<b>5.000.000</b>	<b>90.818.360</b>

(\*) The ratio of other GPM to equity as at June 30, 2023 is 0%. (December 31, 2022: 0%)

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 13. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Company is subject to registered capital system. The approved and issued capital of the Company consists of 27.750.000.000 shares (December 31, 2022: 27.750.000.000) with TL 0,01 nominal price each. The mentioned capital is fully paid.

The composition of the Company's paid-in share capital as of June 30, 2023 and December 31, 2022 is as follows:

<u>Shareholders</u>	<u>%</u>	<u>June 30, 2023</u>	<u>%</u>	<u>December 31, 2022</u>
Aydiner İnşaat A.Ş.	<b>83,03</b>	<b>230.412.946</b>	83,03	230.412.946
Public quotation	<b>16,97</b>	<b>47.087.054</b>	16,97	47.087.054
<b>Subscribed capital</b>	<b>100</b>	<b>277.500.000</b>	100	277.500.000

The operations of the Company are managed by the Board of Directors with at least 5 (seven) members that consist 5 (five) A type shareholders determined in the General Assembly in accordance with the Turkish Commercial Code. Each (A) type shareholders have 15 voting rights in Ordinary and Extraordinary General Assemblies.

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. According to the Turkish Commercial Code, if the general legal reserve does not exceed half of the capital or issued capital, it can only be used for measures to close the losses, to continue the business when things are not going well or to prevent unemployment and to take precautions to mitigate its consequences. As of June 30, 2023 the amount of restricted profit reserves is TL 129.822.213 (December 31, 2022: 90.365.922 TL).

As of balance sheet date, there is net profit amounting TL 113.307.925 in the statutory records of the Company. (December 31, 2022 Net profit TL 259.656.976).

#### 14. REVENUE AND EXPENSES BY NATURE

	<u>January 1 - June 30, 2023</u>	<u>January 1 - June 30, 2022</u>	<u>April 1 - June 30, 2023</u>	<u>April 1 - June 30, 2022</u>
Electricity sales	<b>2.495.717.540</b>	2.212.411.397	<b>1.022.658.310</b>	1.279.467.462
Interest income from service concession arrangements	<b>20.410.692</b>	21.510.549	<b>15.368.163</b>	19.623.534
	<b><u>2.516.128.232</u></b>	<u>2.233.921.946</u>	<b><u>1.038.026.473</u></b>	<u>1.299.090.996</u>

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 14. REVENUE AND EXPENSES BY NATURE (cont'd)

	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022	<b>April 1 - June 30, 2023</b>	April 1 - June 30, 2022
Cost of sales	<b>1.983.313.495</b>	1.194.515.267	<b>726.267.240</b>	796.358.750
General and administrative expenses	<b>45.147.196</b>	29.863.846	<b>24.866.975</b>	18.775.386
	<b><u>2.028.460.691</u></b>	<u>1.224.379.113</u>	<b><u>751.134.215</u></b>	<u>815.134.136</u>
	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022	<b>April 1 - June 30, 2023</b>	April 1 - June 30, 2022
Cost of electricity (*)	<b>1.476.011.050</b>	862.489.857	<b>482.212.294</b>	596.111.988
System usage and capacity fee (**)	<b>298.616.781</b>	176.293.572	<b>138.055.488</b>	106.647.992
Depreciation and amortization expenses	<b>120.706.054</b>	115.587.950	<b>62.814.237</b>	73.113.539
Personnel expenses (***)	<b>55.270.574</b>	29.332.766	<b>22.488.205</b>	15.140.747
Plant technical assistance and maintenance	<b>30.485.641</b>	19.577.184	<b>15.835.814</b>	11.792.517
Insurance expenses	<b>10.162.460</b>	5.452.584	<b>7.516.933</b>	4.061.097
Consultancy fees	<b>6.191.662</b>	2.541.620	<b>3.624.639</b>	802.686
Hydraulic contribution	<b>4.360.426</b>	1.923.108	<b>3.914.461</b>	1.614.677
Taxes and duties	<b>4.102.895</b>	1.645.599	<b>1.465.215</b>	1.503.109
Office expenses	<b>3.695.842</b>	2.506.870	<b>733.496</b>	469.539
Transportation expenses	<b>1.426.303</b>	1.109.764	<b>398.310</b>	510.992
Chamber and dues expenses	<b>896.415</b>	238.665	<b>415.911</b>	112.229
Other	<b>16.534.588</b>	5.679.574	<b>11.659.212</b>	3.253.024
	<b><u>2.028.460.691</u></b>	<u>1.224.379.113</u>	<b><u>751.134.215</u></b>	<u>815.134.136</u>

(\*) Consists of the amount of electricity that Ayen Enerji, Ayen Elektrik and the companies trading electricity in abroad purchase from EPIAŞ and suppliers other than group companies and sell to customers.

(\*\*) The Group reflects the transmission service invoices issued by TEİAŞ and the Electricity Distribution Corporation ("EDAŞ") and sent to the Group by invoicing the same amounts to EÜAŞ and electricity distribution system usage fees to other customers. The amounts that can be reflected to EÜAŞ and other customers are shown in the accompanying consolidated financial statements by netting with sales, but the amounts that could not be reflected and paid to TEİAŞ by the Group are reflected in the cost of sales.

(\*\*\*) TL 40.264.087 (June 30, 2022: TL 17.727.400) of personnel expenses are included in the cost of sales and TL 15.006.487 (June 30, 2022: TL 11.605.366) are included in general administrative expenses.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 15. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the period ended June 30, 2023 and 2022 are as follows:

	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022	<b>April 1- June 30, 2023</b>	April 1- June 30, 2022
Financial market revenues (*)	<b>141.522.852</b>	112.322.905	<b>50.659.185</b>	49.367.465
Foreign exchange gain arising from operating activities	<b>76.300.587</b>	18.962.794	<b>30.224.497</b>	10.479.093
Other	<b>4.599.481</b>	30.488.590	<b>473.793</b>	15.117.596
	<b><u>222.422.920</u></b>	<u>161.774.289</u>	<b><u>81.357.475</u></b>	<u>74.964.154</u>

(\*) Income from non-physical electricity sales.

The details of other expenses from operating activities for the period ended June 30, 2023 and 2022 are as follows:

	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022	<b>April 1- June 30, 2023</b>	April 1- June 30, 2022
Foreign exchange losses arising from operating activities	<b>214.730.150</b>	28.595.525	<b>158.094.437</b>	10.686.114
Financial market expenses (*)	<b>114.307.266</b>	184.922.455	<b>49.184.901</b>	37.099.508
Kızılcahamam forest expense	<b>212.266</b>	115.686	<b>102.754</b>	76.016
Other	<b>6.741.325</b>	2.385.726	<b>6.461.699</b>	766.394
	<b><u>335.991.007</u></b>	<u>216.019.392</u>	<b><u>213.843.791</u></b>	<u>48.628.032</u>

(\*) Expenses from non-physical electricity purchases.

#### 16. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

The details of income from investing activities for the years ended June 30, 2023 and 2022 are as follows:

	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022	<b>April 1- June 30, 2023</b>	April 1- June 30, 2022
Foreign exchange income	<b>196.867.819</b>	103.436.638	<b>179.968.498</b>	52.044.296
Interest income	<b>9.131.878</b>	-	<b>9.131.878</b>	-
Revenue from sale and lease back operation	-	7.793.723	-	5.995.172
Other	<b>1.699.060</b>	-	<b>972.302</b>	-
	<b><u>207.698.757</u></b>	<u>111.230.361</u>	<b><u>190.072.678</u></b>	<u>58.039.468</u>

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 17. FINANCIAL EXPENSES

The details of financial income and expenses for the years ended June 30, 2023 and 2022 are as follows:

	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022	<b>April 1- June 30, 2023</b>	April 1- June 30, 2022
<b>Financial income</b>				
Foreign exchange income	<b>625.322.994</b>	121.753.159	<b>466.010.937</b>	101.548.709
Interest income	<b>44.123.042</b>	9.793.343	<b>43.132.896</b>	5.888.366
	<b>669.446.036</b>	131.546.502	<b>509.143.833</b>	107.437.075
	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022	<b>April 1- June 30, 2023</b>	April 1- June 30, 2022
<b>Financial expense</b>				
Foreign exchange loss	<b>696.416.329</b>	330.744.400	<b>517.630.066</b>	175.768.034
Bank loan interests	<b>154.686.133</b>	113.289.338	<b>75.172.140</b>	60.562.417
Lease interest expenses	<b>14.441.571</b>	6.458.357	<b>9.340.663</b>	6.972.775
Deferred finance expenses	<b>1.067.718</b>	1.404.927	<b>391.846</b>	842.291
Other	<b>9.118.235</b>	1.457.335	<b>8.406.429</b>	1.882.421
	<b>875.729.986</b>	453.354.357	<b>610.941.144</b>	246.027.938

#### 18. EARNING PER SHARE

	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022	<b>April 1 - June 30, 2023</b>	April 1 - June 30, 2022
Profit for the year attributable to equity holders of the Parent	<b>262.110.218</b>	582.130.319	<b>181.442.748</b>	353.496.688
Average number of outstanding shares	<b>27.750.000.000</b>	27.750.000.000	<b>27.750.000.000</b>	27.750.000.000
Earnings per basic, 1.000 shares (TL)	<b>9,45</b>	20,98	<b>6,54</b>	12,74

**AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

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

**19. FOREIGN CURRENCY POSITION**

Transactions in foreign currencies expose the Group to foreign currency risk.

As of June 30, 2023 and December 31, 2022 the amount of foreign currency denominated assets and liabilities and TL equivalent amounts are as follows:

	June 30, 2023		
	TL Equivalent	USD	EURO
Trade receivables	182.153.617	3.203.511	3.531.613
Monetary financial assets	312.440.313	467.501	10.668.750
Due from short term service concession arrangements	190.865.734	7.391.279	-
Other assets	1.325.132.935	3.671.639	43.699.646
<b>CURRENT ASSETS</b>	<b>2.010.592.599</b>	<b>14.733.930</b>	<b>57.900.009</b>
Due from long term service concession arrangements	208.831.289	8.086.995	-
Other assets	315.508.843	-	11.206.537
<b>NON-CURRENT ASSETS</b>	<b>524.340.132</b>	<b>8.086.995</b>	<b>11.206.537</b>
<b>TOTAL ASSETS</b>	<b>2.534.932.731</b>	<b>22.820.925</b>	<b>69.106.546</b>
Trade payables	73.688.171	-	2.612.611
Financial liabilities	961.094.344	8.348.122	26.418.616
Financial leases	36.087.194	-	1.279.470
<b>CURRENT LIABILITIES</b>	<b>1.070.869.709</b>	<b>8.348.122</b>	<b>30.310.697</b>
Financial liabilities	3.660.589.384	-	129.786.043
Financial leases	110.847.441	-	3.930.091
<b>NON-CURRENT LIABILITIES</b>	<b>3.771.436.825</b>	<b>-</b>	<b>133.716.134</b>
<b>TOTAL LIABILITIES</b>	<b>4.842.306.534</b>	<b>8.348.122</b>	<b>164.026.831</b>
<b>Net Foreign Currency Liability Position</b>	<b>(2.307.373.803)</b>	<b>14.472.803</b>	<b>(94.920.285)</b>



## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 19. FOREIGN CURRENCY POSITION (cont'd)

	December 31, 2022		
	TL Equivalent	USD	EURO
Trade receivables	79.381.862	1.092.636	2.957.197
Monetary financial assets	1.286.574.019	12.373.233	52.933.077
Short-term receivables from service concession arrangements	108.823.117	5.819.947	-
Other	234.178.480	-	11.747.161
<b>CURRENT ASSETS</b>	<b>1.708.957.478</b>	<b>19.285.816</b>	<b>67.637.435</b>
Long-term receivables from service concession arrangements	199.778.742	10.684.326	-
Other	242.782.084	-	12.178.746
<b>NON-CURRENT ASSETS</b>	<b>442.560.826</b>	<b>10.684.326</b>	<b>12.178.746</b>
<b>TOTAL ASSETS</b>	<b>2.151.518.304</b>	<b>29.970.142</b>	<b>79.816.181</b>
Trade payables	150.572.006	-	7.539.608
Financial borrowings	924.506.157	18.652.831	28.797.110
Financial leases	24.872.880	-	1.245.462
Other	114.047.187	6.088.361	-
<b>SHORT TERM LIABILITIES</b>	<b>1.213.998.230</b>	<b>24.741.192</b>	<b>37.582.180</b>
Financial borrowings	2.825.903.113	-	141.501.748
Financial leases	91.357.266	-	4.574.542
<b>LONG TERM LIABILITIES</b>	<b>2.917.260.379</b>	<b>-</b>	<b>146.076.290</b>
<b>TOTAL LIABILITIES</b>	<b>4.131.258.609</b>	<b>24.741.192</b>	<b>183.658.470</b>
<b>Net Foreign Currency Position</b>	<b>(1.979.740.305)</b>	<b>5.228.950</b>	<b>(103.842.289)</b>

The following table details the Group's sensitivity to a 10% increase and decrease in USD, and EURO. 10% 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 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity items.

The Group is mainly exposed to USD and EURO denominated foreign exchange risk.

**AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

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

**19. FOREIGN CURRENCY POSITION (cont'd)**

	<b>June 30, 2023</b>	
	<b>Profit/ Loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
In case 10% appreciation in USD against TL		
USD net asset/liability	37.334.447	(37.334.447)
Part of hedged from US Dollar risk (-)		
<b>USD net effect</b>	<b>37.334.447</b>	<b>(37.334.447)</b>
In case 10% appreciation in EURO against TL		
EURO net asset/liability	(268.071.827)	268.071.827
Part of hedged from EURO risk (-)		
<b>EURO net effect</b>	<b>(268.071.827)</b>	<b>268.071.827</b>
<b>TOTAL</b>	<b>(230.737.380)</b>	<b>230.737.380</b>

	<b>December 31, 2022</b>	
	<b>Profit/ Loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
In case 10% appreciation in USD against TL		
USD net asset/liability	9.693.871	(9.693.871)
Part of hedged from US Dollar risk (-)		
<b>USD net effect</b>	<b>9.693.871</b>	<b>(9.693.871)</b>
EURO net asset/liability	(207.667.902)	207.667.902
Part of hedged from EURO risk (-)		
<b>EURO net effect</b>	<b>(207.667.902)</b>	<b>207.667.902</b>
<b>TOTAL</b>	<b>(197.974.031)</b>	<b>197.974.031</b>

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 20. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	<b>June 30, 2023</b>	December 31, 2022
Current tax liability provision	<b>101.663.628</b>	209.425.564
Less: prepaid taxes and funds	<b>(68.059.250)</b>	(51.609.390)
Currency Translation Differences	<b>(21.097.281)</b>	43.720.145
<b><i>Current income tax liability/(Assets related to current tax), net</i></b>	<b>12.507.097</b>	201.536.319
<u>Tax expense in profit or loss statement:</u>	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022
<u>Income tax expense consists of the following:</u>		
Current tax expense	<b>(101.663.628)</b>	(75.876.557)
Deferred tax expense/ income	<b>16.623.195</b>	(39.608.990)
Total tax expense/ income	<b>(85.040.433)</b>	(115.485.547)
<u>Tax recognized directly in equity</u>	<b>January 1 - June 30, 2023</b>	January 1 - June 30, 2022
<u>Deferred Tax</u>		
Recorded directly to equity:		
Actuarial gain or loss	<b>1.469.896</b>	87.313
Total deferred tax recognized directly in equity	<b>1.469.896</b>	87.313

#### Corporate Tax

The Company and its subsidiaries in Turkey are subject to Turkish corporate taxes. Ayen AS, Ayen Trading and Ayen Renewable recorded in Albania, is subject to tax legislation in Albania. Ayen Slovenia and Ayen Serbia, recorded in Slovenia and Serbia, are subject to tax legislations in Slovenia and Serbia respectively. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. 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 deducting exempt income, non-taxable income and other incentives (previous years losses, if any, and investment incentives utilized, if preferred).

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

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#### 20. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

The corporate tax rate in Turkey is 20%. However, corporate tax rate for 2022 taxation period was applied as 23%, and will be applied 20% for 2023 and beyond. The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the thirtieth day of the fourth month following the end of the relevant year. It is paid until the end of the relevant month.

Companies calculate a provisional tax of 23% on their quarterly financial profits (23% for the taxation periods of 2022, 20% for the year 2023 and beyond) and declare it until the 17th day of the second month following that period and pay it until 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. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial debt to the government.

According to the Corporate Tax Law, the financial losses shown on the tax return can be deducted from the financial profits within the following five years, and it is not possible to deduct the earnings from the previous years (retrospectively). Declarations and related accounting records can be examined by the tax office within five years.

Dividend payments made from companies residing in Turkey to joint-stock companies residing in Turkey are not subject to income tax. In addition, if the profit is not distributed or added to the capital, income tax is not calculated.

With the “Law Amending the Tax Procedure Law and the Corporate Tax Law”, which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated December 31, 2023.

#### Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between April 24, 2003 – July 22, 2006 is 10% and commencing from July 22, 2006, this rate has been changed to 15% upon the Council of Minister’s Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to April 24, 2003. Subsequent to this date, the investments without investment incentive certificates do not qualify for tax allowance.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 20. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

##### Investment Incentives

The revoked phrase “only attributable to 2006, 2007 and 2008” stated in Provisional Article 69 of Income Tax Law No:193 with the effect of Article 5 of Law No:6009 after having published in the Official Gazette No: 27659 as at August 1, 2010 and the Constitutional Court’s issued resolution no: 2009/144 published in the Official Gazette as at January 8, 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of non-deductible and carryforward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period’s income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation.

The additional paragraph to Provisional Article 69 included in accordance with Law No:6009, which is related to the 25% threshold and requires the incentive amount that will be subject to investment incentive exemption in determining tax base cannot exceed 25% of the respective income, has been revoked based on the ground that it is contrary to the Constitution upon the Constitutional Court’s resolution No: E. 2010/93 K. 2012/20 (“stay of execution”) issued on February 9, 2012 and published in the Official Gazette No: 28208 on February 18, 2012. The related Constitutional Court’s decision was published in the official Gazette No: 28719 as at July 26, 2013.

##### Deferred tax:

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with Turkish Financial Reporting Standards and its tax base of statutory financial statements. These differences usually result in the recognition of revenue and expense items in different periods for Turkish Financial Reporting Standards and statutory tax purposes.

Turkish Tax Legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return, therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. In this respect deferred tax assets and liabilities of consolidated entities in the accompanying consolidated financial statements are not offset.

<u>Deferred tax assets/ (liabilities):</u>	<u>Temporary differences</u>		<u>Deferred tax assets/(liabilities)</u>	
	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Property, plant and equipment, intangible assets and investment properties	<b>810.304.165</b>	528.000.199	<b>(87.549.729)</b>	(42.874.543)
Carry forward tax losses	<b>220.528.732</b>	47.216.340	<b>42.372.622</b>	9.443.268
Provision for employment termination benefits	<b>18.013.256</b>	15.706.496	<b>3.602.651</b>	3.166.419
Due from service concession arrangements	<b>(341.616.372)</b>	(278.558.699)	<b>(68.323.274)</b>	(60.614.092)
Other	<b>12.083.567</b>	17.520.969	<b>2.391.403</b>	3.603.886
	<b><u>719.313.348</u></b>	<u>329.885.305</u>	<b><u>(107.506.327)</u></b>	<u>(87.275.062)</u>

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

#### 20. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

##### *Deferred tax (cont'd)*

The Group has recognized deferred tax asset amounting to TL 32.929.354 (December 31, 2022: TL 0) on the deductible financial loss of Ayen Slovenia amounting to TL 173.312.392 (December 31, 2022: TL 0) and TL 9.443.268 (December 31, 2022: TL 9.443.268) on the deductible financial loss of Ayen Ostim amounting to TL 47.216.340 (December 31, 2022: TL 47.216.340).

As of June 30, 2023 and December 31, 2022, the expiration dates of prior years' losses, which deferred tax asset have been accounted for, are as follows:

	<b>June 30, 2023</b>	December 31, 2022
2022	-	-
2023	-	-
2024	-	-
2025	-	-
2026	<b>178.614.655</b>	5.302.263
2027	<b>41.914.077</b>	41.914.077
	<b><u>220.528.732</u></b>	<u>47.216.340</u>

Movements in deferred income taxes can be analyzed as follows:

	<b>January -1 June 30, 2023</b>	January -1 June 30, 2022
Opening	<b>(87.275.062)</b>	952.036
Current year deferred taxation expense	<b>16.623.195</b>	(39.608.990)
Deferred tax credit recorded under equity	<b>1.469.896</b>	87.313
- Actuarial loss / gain effect	<b>1.469.896</b>	87.313
Foreign Exchange Translation Gain	<b>(38.324.356)</b>	1.801.294
Closing	<b><u>(107.506.327)</u></b>	<u>(36.768.347)</u>

**AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

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

**20. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)**

The reconciliation of current year tax charge calculated over current period tax charge and profit before tax disclosed in the consolidated statement of profit or loss for the period ended June 30, 2023 and 2022 is stated below:

	<b>January -1 June 30, 2023</b>	<b>January -1 June 30, 2022</b>
<b>Profit/ (loss) before tax on profit or loss statement</b>	<b>375.514.261</b>	744.720.236
<b>Tax rate</b>	<b>%20</b>	%23
<b>Tax expense on tax rate</b>	<b>(75.102.852)</b>	(171.285.654)
Effect of tax:		
- discounts	<b>1.683.672</b>	88.512
- non-deductible expenses	<b>(8.856.321)</b>	(1.494.373)
- tax effect of non-usable losses	<b>(18.094.800)</b>	-
- Tax losses used and created in the current year, not deferred tax created in previous years	-	19.496.713
- different tax rate effect	<b>14.494.336</b>	37.897.918
- other	<b>835.532</b>	(188.663)
<b>Tax expense on profit or loss statement</b>	<b>(85.040.433)</b>	(115.485.547)

**21. DISCLOSURES RELATED TO THE STATEMENT OF CASH FLOWS**

	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Cash	<b>671.063</b>	449.799
Cash in bank	<b>920.433.983</b>	1.996.621.054
Demand deposits	<b>914.233.392</b>	1.939.775.302
Time deposits with maturities less than three months	<b>6.200.591</b>	56.845.752
Cash in transit (*)	<b>325.870</b>	1.744.493
	<b>921.430.916</b>	1.998.815.346

(\*) Cash in transit consists of receivables from sales made via POS devices.

The Group has no blocked deposits as of June 30, 2023 (December 31, 2022: None).

## **AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

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

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#### **20. EVENTS AFTER THE REPORTING PERIOD**

Amendments were made to the Corporate Tax Law No. 5520 with a Law submitted to the Grand National Assembly of Turkey on July 5, 2023 and published in the Official Gazette dated 15 July 2023. According to this; the corporate tax rate has been increased from 20% to 25%, starting from the declarations that will be submitted as of October 1, 2023. In addition, starting from July 15, 2023; 50% tax exception ratio stipulated for immovable assets' sales gains in the Law No. 5520 has been abolished with the amendment. However, the 50% tax exemption ratio will be applied as 25% for the sales of immovable assets of the entities acquired before July 15, 2023. Efforts to determine the effects of these changes on current and deferred tax amounts continue.