Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated Financial Statements
For the Year Ended 31 December 2023

Güney Bağımsız Denetim ve SMMM A.Ş.
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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Aydem Yenilenebilir Enerji Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Aydem Yenilenebilir Enerji Anonim Şirketi (the Company) and its subsidiaries the Group, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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3) Key Audit Matters

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

Key Audit Matter	**How our audit addressed the key audit matter**
Valuation of power plants	
Power plants comprises 85% of total assets of the Group as at 31 December 2023. The Group measures power plants using the revaluation method as stated in Note 2.8 in the consolidated financial statements; therefore, management makes estimates and uses assumptions to determine those fair values. The fair value is measured, as explained in note 2.8 to the consolidated financial statements, based on appraisal reports by independent and external appraisers. For the valuations, estimates are made of the expected future cash flows taking into account the related risks. Detailed explanations on property, plant and equipment are provided in Note 2.8 and Note 9.1 to the consolidated financial statements. Since the valuation of power plants is complex and highly dependent on estimates and assumptions, and also given the magnitude of the amounts involved, we consider the valuation of power plants as a key audit matter.	Among the other audit procedures we performed, we assessed the qualifications, competencies and independence of the professional appraisers engaged by the management. We have evaluated the appropriateness of the information and assumptions used in the valuations. These include the estimates by the external appraisal firms (such as the market price, production volume and discount rate). For this assessment, we involved valuation experts from another entity that we have engagemed with to support our audit. We assessed whether the valuation methods as applied by appraisers are acceptable for the valuation of the power plants. In addition, we have assessed the appropriateness of the disclosures in the consolidated financial statements and notes regarding the above-mentioned accounting policy, estimates used and the valuation methodology and their conformity to TFRS.

3) Key Audit Matters (Continue'd)

Key Audit Matter	How our audit addressed the key audit matter
Cash Flow Hedge Transaction	
As stated in note 2.7, As of 31 December 2023, the Group used its bond amounting to USD 574.107.000 as a hedging instruments to hedge against the exchange rate risk resulting from the highly probable sales income earned in the scope of Renewable Energy Sources Support Mechanism ("YEKDEM") and bilateral agreements, and implemented cash flow hedge accounting for highly-probable YEKDEM and bileteral agreement sales as a result of efficiency tests carried out within this scope. The criteria for the application of the hedge accounting include defining, documenting and regularly testing the effectiveness of the hedge accounting transactions. Due the fact that hedge accounting has complicated structure and requires complex calculations, we considered this to be one of the key audit matters.	Among the other audit procedures we performed, we assessed the qualifications, competencies and independence of the professional appraisers engaged by the management. We have evaluated the appropriateness of the information and assumptions used in the valuations. These include the estimates by the external appraisal firms (such as the market price, production volume and discount rate). For this assessment, we involved valuation experts of a firm which is in our audit network to support our audit. We assessed whether the valuation methods as applied by appraisers are acceptable for the valuation of the power plants. In addition, we have assessed the appropriateness of the disclosures in the consolidated financial statements and notes regarding the above-mentioned accounting policy, estimates used and the valuation methodology and their conformity to TFRS.

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3) Key Audit Matters (Continue'd)

Key audit matter	How our audit addressed the key audit matter
Application of the hyperinflationary accounting	
As stated in Note 2.2 to the consolidated financial statements, the Group has started to apply "TAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2023. In accordance with TAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date. In accordance with the guidance in TAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2.1. Given the significance of the impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.	Our audit procedures included the following; • We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed, • We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, • We have audited the restatements of corresponding figures as required by TAS 29, • We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

5) Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

B) Report on Other Legal and Regulatory Requirements

1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 15 March 2024.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

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

The name of the engagement partner who supervised and concluded this audit is Onur Ünal.

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

T.C. BAĞIMSIZ DENETÇİ 37

Onur Ünal, SMMM
Partner

15 March 2024
İstanbul, Türkiye

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

		Audited	**Audited**
	Notes	**31 December 2023**	**31 December 2022**
ASSETS			
Current assets:			
Cash and cash equivalents	3	1,393,347,665	2,131,820,839
Financial investments	27	626,629,118	585,511,774
Trade receivables		2,001,075,460	2,148,799,944
- Due from related parties	*5*	*1,928,894,734*	*2,030,660,755*
- Due from third parties	*6*	*72,180,726*	*118,139,189*
Other receivables		655,967,001	107,884,655
- Due from related parties	*5*	*641,543,115*	*57,682,313*
- Due from third parties	*7*	*14,423,886*	*50,202,342*
Inventories	8	21,071,412	20,830,560
Prepaid expenses	26	40,244,202	44,800,601
Other current assets	13.1	42,587	84,133
Total current assets		**4,738,377,445**	**5,039,732,506**
Non-current assets:			
Other receivables		3,262,076	2,556,976
- Due from third parties	*7*	*3,262,076*	*2,556,976*
Property, plant and equipment	9.1	48,608,887,652	51,989,813,772
Right of use assets	9.2	254,120,885	259,469,472
Intangible assets	10	1,696,393,888	1,738,185,808
Investment properties		-	72,624,161
Prepaid expenses	26	272,515,676	667,874,306
Other non-current assets	13.2	33,227,884	18,177,915
Total non-current assets		**50,868,408,061**	**54,748,702,410**
Total assets		**55,606,785,506**	**59,788,434,916**

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at 31 December 2023

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

		Audited	Audited
	Notes	**31 December 2023**	**31 December 2022**
LIABILITIES			
Current liabilities:			
Short-term portion of long-term financial liabilities	23.1	1,495,046,954	1,657,468,152
Lease liabilities	23.2	16,625,292	8,962,032
Trade payables		403,201,926	782,958,490
- Due to related parties	*5*	*11,435,775*	*12,727,319*
- Due to third parties	*6*	*391,766,151*	*770,231,171*
Liabilities for employee benefits	12	11,764,821	5,490,644
Other payables		236,074	388,383
- Due to third parties	*7*	*236,074*	*388,383*
Current provisions		57,932,618	57,766,379
- Provisions for employee benefits	*11.1*	*44,202,139*	*37,234,930*
- Other short-term provisions	*11.1*	*13,730,479*	*20,531,449*
Other current liabilities	13.3	101,910,829	120,276,188
Total current liabilities		**2,086,718,514**	**2,633,310,268**
Non-current liabilities:			
Financial liabilities	23.1	18,603,594,131	20,071,487,686
Lease liabilities	23.2	37,868,181	41,420,774
Other payables		50,402,202	66,256,354
- Due to related parties	*5*	*50,402,202*	*66,256,354*
Non-current provisions		68,561,192	57,245,791
- Provisions for employee benefits	*11.4*	*68,561,192*	*57,245,791*
Deferred tax liabilities	22	6,138,866,162	7,596,464,840
Total non-current liabilities		**24,899,291,868**	**27,832,875,445**
Total liabilities		**26,986,010,382**	**30,466,185,713**

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Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at 31 December 2023

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

		Audited	**Audited**
	Notes	**31 December 2023**	**31 December 2022**
EQUITY			
Paid-in capital	14	705,000,000	705,000,000
Adjustment to share capital	14	4,327,573,437	4,327,573,437
Share premiums	14	527,560,938	527,560,938
Treasury shares	14	(119,493,506)	-
Restricted reserves	14	137,913,977	18,420,471
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		1,342,274,352	1,259,413,302
- *Gains on revaluation of property, plant and equipment*		*1,400,723,460*	*1,292,542,527*
- *Actuarial losses on defined benefit plans*		*(58,449,108)*	*(33,129,225)*
Other comprehensive income that may be reclassified to loss or profit it subsequent periods		(12,220,554,385)	(12,783,347,446)
- *Reserve of losses on cash flow hedge*		*(12,220,554,385)*	*(12,783,347,446)*
Retained earnings		35,200,600,850	30,294,604,930
Net profit/(loss) for the period		(1,280,100,539)	4,973,023,571
Equity attributable to equity holders of the pare		**28,620,775,124**	**29,322,249,203**
Total equity		**28,620,775,124**	**29,322,249,203**
Total equity and liabilities		**55,606,785,506**	**59,788,434,916**

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries
Consolidated statement of profit or loss and other comprehensive income for the year period ended 31 December 2023
(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

	Notes	Audited 1 January – 31 December 2023	Audited 1 January – 31 December 2022
LOSS OR PROFIT STATEMENT			
Revenue	15	6,358,818,133	7,565,576,718
Cost of sales	16	(3,610,939,626)	(3,376,715,198)
Gross profit		**2,747,878,507**	**4,188,861,520**
General administrative expenses	17	(631,527,370)	(348,782,241)
Other operating income	19	1,052,723,955	896,860,961
Other operating expenses	19	(111,658,838)	(20,649,012)
Operating profit		**3,057,416,254**	**4,716,291,228**
Income from investing activities	21	305,693,097	12,050,294
Expense from investing activities	21	(3,663,590,788)	(4,954,032,477)
Profit/(Loss) before finance income/(expense)		**(300,481,437)**	**(225,690,955)**
Finance income	20	1.043.908.459	1.280.656.588
Finance expenses	20	(13.193.720.783)	(4.226.715.622)
Gains/(losses) on net monetary position		14.307.132.498	13.270.544.543
(Loss)/Gain before tax		**1,856,838,737**	**10,098,794,554**
Tax expense		**(3,136,939,276)**	**(5,125,770,983)**
- Deferred tax income/(expenses)	22	*(3,136,939,276)*	*(5,125,770,983)*
Net profit/(loss) for the period		**(1,280,100,539)**	**4,973,023,571**
(Loss)/Gain attributable to			
Equity holders of the parent		(1,280,100,539)	4,973,023,571
(Loss)/Gain earnings per share			
- (Loss)/Gain earnings per share	25	(1.83)	7.10
OTHER COMPREHENSIVE INCOME/(LOSS) STATEMENT			
Other comprehensive income that will not be reclassified to profit or loss		**135,326,905**	**1,259,413,302**
- Increases/(decreases) in property, plant and equipment revaluation		*214,195,717*	*1,615,678,159*
- Total tax on revaluation increases on property, plant and equipment		*(53,548,929)*	*(323,135,632)*
- Actuarial losses on defined benefit plans	*11.4*	*(33,759,844)*	*(41,411,531)*
- Total tax on remeasurement losses / gains on defined benefit plans		*8,439,961*	*8,282,306*
Other comprehensive income that will be reclassified to profit or loss		**562,793,061**	**(4,662,684,018)**
- Reserve of losses on cash flow hedge	23.1	*750,390,748*	*(5,828,355,023)*
- Tax related to other comprehensive income that will be reclassified to profit or loss		*(187,597,687)*	*1,165,671,005*
Other comprehensive income/(loss)		**698,119,966**	**(3,403,270,716)**
Total comprehensive income/(loss)		**(581,980,573)**	**1,569,752,855**

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

						Other comprehensive income that will not be reclassified to (loss) or profit		**Other comprehensive income that will be reclassified to (loss) or profit**			
	Paid-in capital	**Adjustment to share capital**	**Share premiums**	**Treasury shares**	**Restricted reserves**	**Gains on revaluation of property, plant and equipment**	**Actuarial (loss)/gain on defined benefit plans**	**Reserve of (losses)/gains on cash flow hedge**	**Retained earnings**	**Net profit/ (loss) for the period**	**Total equity**
Balance as of 1 January 2022	**705,000,000**	**4,327,573,437**	**371,433,142**	**-**	**18,420,471**	**-**	**-**	**(8,120,663,428)**	**30,294,604,930**	**-**	**27,596,368,552**
Transfers	-	-	-	-	-	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	4,973,023,571	4,973,023,571
Other comprehensive income/(loss)	-	-	-	-	-	1,292,542,527	(33,129,225)	(4,662,684,018)	-	-	(3,403,270,716)
Total comprehensive income/(loss)	-	-	-	-	-	**1,292,542,527**	**(33,129,225)**	**(4,662,684,018)**	**-**	**4,973,023,571**	**1,569,752,855**
Acquisition of own shares	-	-	156,127,796	-	-	-	-	-	-	-	156,127,796
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Balance as of 31 December 2022	**705,000,000**	**4,327,573,437**	**527,560,938**	**-**	**18,420,471**	**1,292,542,527**	**(33,129,225)**	**(12,783,347,446)**	**30,294,604,930**	**4,973,023,571**	**29,322,249,203**
Balance as of 1 January 2023	**705,000,000**	**4,327,573,437**	**527,560,938**	**-**	**18,420,471**	**1,292,542,527**	**(33,129,225)**	**(12,783,347,446)**	**30,294,604,930**	**4,973,023,571**	**29,322,249,203**
Transfers	-	-	-	-	-	-	-	-	4,973,023,571	(4,973,023,571)	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	(1,280,100,539)	(1,280,100,539)
Other comprehensive income/(loss)	-	-	-	-	-	160,646,788	(25,319,883)	562,793,061	-	-	698,119,966
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**160,646,788**	**(25,319,883)**	**562,793,061**	**-**	**(1,280,100,539)**	**(581,980,573)**
Acquisition of own shares *	-	-	-	(119,493,506)	119,493,506	-	-	-	(119,493,506)	-	(119,493,506)
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	-	-	(52,465,855)	-	-	52,465,855	-	-
Balance as of 31 December 2023	**705,000,000**	**4,327,573,437**	**527,560,938**	**(119,493,506)**	**137,913,977**	**1,400,723,460**	**(58,449,108)**	**(12,220,554,385)**	**35,200,600,850**	**(1,280,100,539)**	**28,620,775,124**

***** The Company has planned to make its own share repurchase transactions in order to protect its shareholders, to contribute to the formation of a stable share price in line with its real value, and to preserve the confidence in the Company, in line with the CMB's statements on 14 February 2022, dated 21 July 2016, 25 July 2016 and 23 March 2020. It has been unanimously approved by the Board of Directors and the maximum number of shares that can be repurchased has been determined as 20,000,000 with a nominal value of TL 20,000,000. The Company Management has evaluated that it will not have any consequences against the Company and the investors and that the use of the Company's existing resources for repurchase will not affect the Company's cash needs. In this context, the fund to be allocated for repurchase has been determined as a maximum of TL 170,000,000, to be met from the cash generated from the Company's activities and its current resources.

Within the scope of the share buyback transactions initiated by the decision of the Board of Directors, 6,105,026 shares have been bought back in the amount of TL 119,493,506 by our Company for the period ended 31 December 2023. The total amount of purchases provided from the internal resources of the company is 119,493,506 TL and its share in the Company's capital is 0.8660%. The Company has shown TL 119,493,506 in the "Repurchased Shares (-)" account, which was paid in connection with the repurchase of shares.

In accordance with Article 520 of the Law No. 6102, the Company has set aside a reserve fund for the shares bought back in an amount that meets the acquisition value. Since these reserves are dissolved when the repurchased shares are transferred or cancelled, they are shown in the "Restricted Reserves Set aside from Profit" item.

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries
Consolidated statement of cash flows for the year period ended 31 December 2023
(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

	Notes	Audited 1 January- 31 December 2023	Audited 1 January- 31 December 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		**4,410,756,539**	**6,788,672,748**
Net profit/(loss) for the period		**(1,280,100,539)**	**4,973,023,571**
Net profit/(loss) for the period adjustment to reconcile		**6,082,715,888**	**3,695,322,744**
Adjustment related to amortization and depreciation	9, 10	2,129,693,857	2,147,502,981
Adjustment related to provisions		46,529,445	38,110,454
Adjustment related to incomes / expenses of interest, net		1,383,141,045	2,160,841,422
Adjustment related to tax income / expense	22	3,136,939,276	5,125,770,983
Adjustment related to exchanges differences		7,215,606,837	2,022,738,178
Adjustment related to gains of sales of tangible and intangible assets, net		73,819,581	(8,503,069)
Adjustment to related party to interest incomes / expenses from related parties	20	(83,894,426)	(2,781,336)
Adjustments related to fair value gains		3,437,967,177	4,954,032,477
Other adjustments to reconcile net income / expense		12,135,293	6,438,783
Monetary gains/(losses) on net monetary position		(11,269,222,197)	(12,748,828,129)
Changes in working capital		**(384,182,694)**	**(1,863,955,456)**
Related to increase / decrease in restricted accounts		52,078,083	(569,792,482)
Related to increase / decrease in trade receivables		147,850,415	(1,750,217,360)
Related to increase / decrease in other receivables		(163,880,840)	(200,659,585)
Related to increase / decrease in the inventories		(240,852)	13,123,415
Related to increase / decrease in trade payables		(379,756,564)	598,501,292
Related to increase / decrease in other payables		(46,507,113)	43,581,905
Related to increase / decrease in liabilities for employee benefits		6,274,177	1,507,359
Taxes paid		-	(11,721,077)
Employee termination benefit paid	11.4	(7,676,116)	(3,997,034)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(1,645,602,425)**	**(2,180,034,740)**
Interest received		424,231,207	73,646,835
Inflow related to sales of tangible and intangible assets		301,897,552	11,999,313
Outflow related to purchase of tangible and intangible assets		(2,169,323,916)	(2,246,440,542)
Cash inflows arising from acquisition of shares or debt instruments of other businesses or funds		786,510,129	31,676,701
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds		(988,917,397)	(50,917,047)
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(2,575,280,746)**	**(3,473,512,196)**
Cash inflow related to proceeds from borrowings	23.1	(834,654,469)	(1,582,385,190)
Cash outflow related to lease liabilities	23.2	(41,242,617)	(212,285,263)
Cash outflows for the acquisition of own shares		(119,493,506)	233,914,123
Cash inflows for the sales of on shares		-	(77,786,327)
Interest paid	23.1	(1,579,890,154)	(1,834,969,539)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**189,873,368**	**1,135,125,812**
D. EFFECT OF NET MONETARY POSITION DIFFERENCES GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS		**(928,346,542)**	**(3,132,652,775)**
E. CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD		**2,131,820,839**	**4,129,347,802**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		**1,393,347,665**	**2,131,820,839**

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

1 Organization and nature of operations of the Group

Aydem Yenilenebilir Enerji Anonim Şirketi ("Aydem Yenilenebilir" or "the Company") was established on 6 July 1995 as Bereket Enerji Üretim Otoprodüktör Grubu Sanayi ve Ticaret Anonim Şirketi. The Company first changed its corporate name to Bereket Enerji Üretim Anonim Şirketi on 21 May 2004 and then on 27 December 2019, the Company changed again its corporate name to Aydem Yenilenebilir Enerji Anonim Şirketi. In 2019, the Company has been restructured in a way that it operates solely in renewable energy generation business. In relation to the restructuring process, Aydem Yenilenebilir has merged with all of its subsidiaries which are operating in renewable energy generation business and disposed the non-relevant operations and subsidiaries and became a pure renewable energy generation Company. The Company has started to be traded on Borsa Istanbul as of 29 April 2021.

In these consolidated financial statements, Aydem Yenilenebilir, its subsidiaries and its associate are referred to together as "the Group".

Aydem Yenilenebilir generates electricity from local renewable sources. The Group installed its first hydroelectric power plant ("HPP") on the Bereket Çayı stream and continues to generate electricity with hydro, wind ("WPP"), solar power plant ("SPP") and geothermal ("GPP") in different regions of the country.

The address of the registered office of the Group is as follows:

Adalet Mah. Hasan Gönüllü Bulvarı No:15/1 Merkezefendi, Denizli.

As of 31 December 2023 and 31 December 2022, the Group's subsidiaries ("subsidiaries") and their main business activities are as follows:

Subsidiaries	Location	Main Activities	Ownership Percentage	
			31 December 2023	31 December 2022
Ey-Tur Enerji Elektrik Üretim ve Ticaret Ltd. Şti. ("Ey-tur") /HPP	Kağızman/Kars	Electricity generation by hydropower	100%	100%
Başat Elektrik Üretim ve Ticaret Ltd. Şti. ("Başat") / HPP	Üzümlü/Erzincan	Electricity generation by hydropower	100%	100%
Sarı Perakende Enerji Satış ve Ticaret A.Ş. ("Sarı Perakende")	İzmir	Trading of electricity	100%	100%
Akköprü Yenilenebilir Enerji A.Ş. ("Akköprü HPP") *****	Muğla	Electricity generation by hydropower	100%	100%

* Akköprü HPP was established on 15 October 2021. The Group was awarded the Akköprü HPP with a capacity of 115 MW in the tender held by The Republic of Turkey Prime Ministry Privatization administration on 23 September 2021. However, the tender was cancelled on 19 January 2022 with the President's Decision and this decision was notified to Company on 24 January 2022.

1 Organization and nature of operations of the Group *(continued)*

As of 31 December 2023 and 31 December 2022, the number of employees of the Company and its subsidiaries and its associate are as shown in the table below:

The Company and its subsidiaries	31 December 2023	31 December 2022
Aydem Yenilenebilir	567	556
Sarı Perakende	-	-
Ey-Tur	-	-
Başat	-	-
Akköprü	-	-
Total	**567**	**556**

Laws and regulations affecting the business activities

The Group is subject to the regulation and board decisions communiques issued by the Energy Market Regulatory Authority (EMRA) and obliged to carry out electricity generation and sales activities in accordance with the Electricity Market Law No.6446 dated 14 March 2013 which entered into force with the Official Gazzette No.28603 dated 30 March 2013.

List of shareholders

As of 31 December 2023 and 2022, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	31 December 2023		31 December 2022	
Shareholders	**TL**	**%**	**TL**	**%**
Aydem Enerji Yatırımları A.Ş.*	574,975,680	81.56%	574,975,680	81.56%
Publicly traded	130,000,000	18.44%	130,000,000	18.44%
Others	24,320	0.00%	24,320	0.00%
Total paid in capital	**705,000,000**	**100%**	**705,000,000**	**100%**
Adjustment to share capital **	**4,327,573,437**		**4,327,573,437**	
Total capital	**5,032,573,437**		**5,032,573,437**	

* Aydem Enerji Yatırımları A.Ş. is controlled by Aydem Holding A.Ş.
** Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital restated for the effects of inflation. Adjustment to share capital is not available for any other use except to be added to share capital.

As of 29 April 2021, the company started to be traded on Borsa Istanbul - Star Market.

Approval of consolidated financial statements:

Consolidated financial statements prepared as of 31 December 2023 were approved for publication by the Board of Directors on 15 March 2024. The General Assembly have the right to amend the consolidated financial statements.

2 Basis of presentation of consolidated financial statements

2.1 Basic principles of presentation

The accompanying interim condensed consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") as set out in the Communiqué numbered II-14.1 "Communiqué on Principles of Financial Reporting in Capital Markets" published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The consolidated financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Financial Statements and User Guide published in the Official Gazette numbered 31973 on 4 October 2022.

The Group and its subsidiaries and associate maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance.

Financial reporting in hyperinflationary economy

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023.TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on a historical cost basis, except for financial investments, derivative instruments measured at fair value and fixed assets and investment properties measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 December 2023 as per TAS 29.

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

2 Basis of presentation of consolidated financial statements *(continued)*

2.1 Basic principles of presentation *(continued)*

Financial reporting in hyperinflationary economy (continued)

Yıl sonu	Endeks	Endeks, %	Düzeltme katsayısı
2004	113.86	13.86	16.33041
2005	122.65	7.72	15.16005
2006	134.49	9.65	13.82541
2007	145.77	8.39	12.75557
2008	160.44	10.06	11.58925
2009	170.91	6.53	10.87929
2010	181.85	6.40	10.22480
2011	200.85	10.45	9.25756
2012	213.23	6.16	8.72007
2013	229.01	7.40	8.11921
2014	247.72	8.17	7.50597
2015	269.54	8.81	6.89835
2016	292.54	8.53	6.35599
2017	327.41	11.92	5.67906
2018	393.88	20.30	4.72068
2019	440.50	11.84	4.22107
2020	504.81	14.60	3.68333
2021	686.95	36.08	2.70672
2022	1128.45	64.27	1.64773
2023	1859.38	64.77	1.00000

Assets and liabilities were separated into those that were monetary and non–monetary, with non–monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2023. Nonmonetary items which are not expressed in terms of measuring unit as of 31 December 2023 were restated by applying the conversion factors. The restated amount of a non monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 31 December 2023.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

2 Basis of presentation of consolidated financial statements *(continued)*

2.1 Basic principles of presentation *(continued)*

Financial reporting in hyperinflationary economy (continued)

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

The financial statements of subsidiaries whose functional currencies are not in the hyperinflationary economy are subject to IAS 21. In this context, TAS 29 has been applied only to subsidiaries resident in Turkey, and other subsidiaries and affiliates have been evaluated and accounted within the scope of TAS 21.

2.2 Functional and presentation currency

The Group has presented its consolidated financial statements in TL, which is the functional currency of the Company and its subsidiaries as well as its associate.

Foreign currency transactions are translated into the functional currency (currencies other than TL) using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

2 Basis of presentation of consolidated financial statements *(continued)*

2.3 Basis of Consolidation

Consolidated financial statements include the financial statements of the company and its subsidiaries as of 31 December 2023. Subsidiaries are companies over which the Group has direct or indirect control over their operations. Control is provided if the Group meets the following conditions:

• Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
• Exposure, or rights, to variable returns from its involvement with the investee
• The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

• The contractual arrangement(s) with the other vote holders of the investee
• Rights arising from other contractual arrangements
• The Group's voting rights and potential voting rights
• Events and conditions that may indicate whether the Group has the power to decide on management of operations (including voting at previous general assembly meetings)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

2 Basis of presentation of consolidated financial statements *(continued)*

2.3 Basis of Consolidation *(continued)*

i) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of TFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with TFRS 9. Other contingent consideration that is not within the scope of TFRS 9 is measured at fair value at each reporting.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

ii) Subsidiaries

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

2 Basis of presentation of consolidated financial statements *(continued)*

2.3 Basis of consolidation *(continued)*

iii) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Associates are accounted for equity method in the consolidated financial statements. Under equity method, investment in an associate is initially recognised at cost. After initial recognition, Group's share of the profit or loss of the investee, is recorded to the financial statements by increasing or decreasing the net book value. Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss within operating profit when the associate's main course of business is renewable energy generation and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

iv) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2 Basis of presentation of consolidated financial statements *(continued)*

2.3 Basis of consolidation *(continued)*

v) Partial share purchase and sale transactions with non-controlling interests

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Accordingly, in the case of additional share purchases from and sales to non-controlling interests, the difference between the acquisition cost and the carrying amount of the net assets of the subsidiary in proportion to the acquired interest is recognized in equity. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

vi) Acquisition of companies under common control

For the accounting of business combinations under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with carrying values of historical TFRS financial statements, which were prepared for the purpose of consolidation of the ultimate parents' consolidated financial statements. The financial statements of the acquired entities have been consolidated from the beginning of the financial year in which the business combination occurs. Prior period financial statements have been restated in the same manner for comparability purposes. As a result of these transactions, no goodwill or negative goodwill has been calculated. Any difference between the consideration paid and the share capital of the acquired entity are accounted under equity as "Share Premium / Discount".

vii) Eliminations

During the preparation of the consolidated financial statements, unrealized gains and losses arising from intra-group transactions between entities included in the consolidated financial statements, intra-group balances and intra-group transactions are eliminated. Gains and losses arising from the transactions between the associate and the parent company and the consolidated subsidiaries of the parent company and jointly controlled entities are offset against the parent company's interest in the associate. Unrealized losses are eliminated in the same manner as unrealized gains, unless there is evidence of impairment.

viii) Loss of control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.4 Going Concern

The consolidated financial statements have been prepared in accordance with the going concern principle.

2 Basis of presentation of consolidated financial statements *(continued)*

2.5 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 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. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2023

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

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

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

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

2 Basis of presentation of consolidated financial statements *(continued)*

2.5 The new standards, amendments and interpretations *(continued)*

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

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

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

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

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

2 Basis of presentation of consolidated financial statements *(continued)*

2.5 The new standards, amendments and interpretations *(continued)*

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a “classification overlay” to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

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

2 Basis of presentation of consolidated financial statements *(continued)*

2.5 The new standards, amendments and interpretations *(continued)*

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

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

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

2 Basis of presentation of consolidated financial statements *(continued)*

2.5 The new standards, amendments and interpretations *(continued)*

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (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 Company / 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 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

2 Basis of presentation of consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

a) A person or a close member of that person's family is related to a reporting entity if that person:

i. has control or joint control over the reporting entity.
ii. has significant influence over the reporting entity.
iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
iii. Both entities are joint ventures of the same third party.
iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
vi. The entity is controlled or jointly controlled by a person identified in (a).
vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

2 Basis of presentation of consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

Property, plant and equipment

Accounting and measurement

The Group, has adopted the revaluation method in accordance with TAS 16 for its entire power plants. Power plants are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Other tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Construction in progress is also stated at cost, net of accumulated impairment losses, if any. An investment in a power plant is classified as construction in progress during the physical construction process; when completed, it is transferred to the power plant class (Note 9.1) and recognized at fair value.

The frequency of revaluations depends on the changes in the fair values of property, plant and equipment subject to revaluation. The Group revalued the property, plant and equipment consisting of the power plant as of 31 December 2022 and performed a detailed impairment analysis as of 30 September 2023. The Renewable Energy Group consist of power plants below:

Çırakdamı HPP, Dereli HPP , Bereket I-II HPP, Dalaman I-V HPP, Gökyar HPP, Feslek HPP, Koyulhisar HPP, Mentaş HPP, Toros HPP, Göktaş I-II HPP, Aksu HPP, Akıncı HPP Uşak WPP, Yalova WPP, Söke WPP and Uşak SPP.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset’s original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated using the straight-line method over property, plant and equipment. Land is not depreciated on the basis that it has an indefinite life. Purchase costs are accounted by separating the land and building components in the purchases of buildings, including land.

The estimated useful lives of the significant property, plant and equipment as of 31 December 2023 are as follows:

	Years
Power plants	20-49

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

2 Basis of presentation of consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

Property, plant and equipment *(continued)*

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Repair and maintenance costs are recognised in profit or loss as incurred.

A class of power plant is a grouping of assets of a similar nature and used in an entity's operations and contains land, buildings, machinery and equipment, furniture and fixtures.

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

Intangible assets

Accounting and measurement

Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets comprise rights to operate licenses and computer software.

Right to Operate Licences

The Adıgüzel HPP and Kemer HPP operating licences which has been obtained through Transfer of Operating Rights Agreement ("Agreement") with the Privatization Administration and the Electricity Generation Corporation ("EÜAŞ") are accounted as intangible assets.

Computer Software

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

Subsequent costs

Subsequent costs are capitalized only if they have an impact that increases the future economic benefits of the intangible assets to which they relate. All other expenditures are recognized in profit or loss when incurred.

Amortization

Intangible assets are recognized in profit or loss on a straight-line basis over their estimated useful lives starting from the date they are ready for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and, where appropriate, adjusted.

The estimated useful lives in the current periods are as follows:

	Years
Right to Operate Licences	12-49
Computer Software	3-15

2 Basis of presentation of consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

Financial liabilities

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

i. Borrowings

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

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

ii. Borrowing costs

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

iii. Trade and other payables

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

2.7 Cash flow hedge transactions

For a hedge of foreign currency risk, the foreign currency component of a non-derivative financial asset or liability may be designated, as a hedging instrument. The foreign currency risk component of a non-derivative financial instrument is determined in accordance with TAS 21.

Accordingly, starting from 20 March 2021, the Company hedge the spot risk of highly probable forecast sales that are denominated in USD with its financial liability in the same foreign currency.

While the Company’s functional currency is TRY, the company is exposed to FX risks due to its finances and operations. The Company has outstanding USD debt due to power plant investments. The company also generates significant sales revenue in USD.

2 Basis of presentation of consolidated financial statements *(continued)*

2.7 Cash flow hedge transactions *(continued)*

The source of USD denominated revenue is sales of electricity generated via renewable power plants. Such production is incentivized in Turkey through a feed-in tariff mechanism (Council of Ministers Decree No.2013/5625). The kWh sale price of generated electricity is guaranteed in USD prices, whereas the amount of future renewable generation remains uncertain and depends on climate conditions and/or operational risks. The feed-in tariff ("FIT") revenues are calculated on a daily basis, and are aggregated at monthly intervals. This enables the Company to classify expected future revenues as a monthly stream of forecasted USD cash inflows for risk management purposes.

The Company's foreign currency risk management objective is to rely on natural currency hedges due to operations. It achieves this feat by aligning its forecasted USD inflows and its USD bond payments. Moreover, the forecasted USD inflows vs scheduled USD bond repayments constitute a hedged portfolio that allows a Cash Flow Hedge Accounting relationship to reduce the Company's income statement volatility. In particular, the Company associates its forecasted future USD cash inflows due to renewable-generated electricity sales, with its outstanding USD bonds. The Company is implementing Hedge Accounting under TFRS 9 to reflect its economic hedges onto financial reporting:

Hedge Accounting Component	**Definition**
Hedged Item	Forecasted future USD cash inflows due to FIT incentive
Hedging Instrument	USD denominated financial borrowings
Hedged Risk	Foreign exchange risk of forecasted future USD cash inflows due to FIT incentive

As of 31 December 2023, the amount of forecasted revenue under FIT and bilateral agreements are USD 256,831,381 whereas the total notional of the outstanding USD denominated bonds is USD 674,107,000. The Group designates USD 574,107,000 of this amount as part of its rebalanced hedge accounting relationship, per TFRS 9 6.2.4 (c). Due to under-hedged nature of the hedged-item, the Company achieves 1:1 hedge ratio with the hedging instrument at all times by way of re-balancing, in line with TFRS 9, 6.4.1.c.iii**.**

The maturity breakdown of the designated layer of the hedging instrument notional as of 31 December 2023 is provided below;

Payment Date	Principal Payment Amount
February 2025	57,410,700
August 2025	57,410,700
February 2026	57,410,700
August 2026	57,410,700
February 2027	344,464,200
Total	574,107,000

2 Basis of presentation of consolidated financial statements *(continued)*

2.7 Cash flow hedge transactions *(continued)*

The accounting treatment applied with respect to the cash flow hedge is as follows:

- The portion of the foreign exchange gain or loss of the hedging instrument (USD denominated bonds) that is determined to be an effective hedge is recognised in other comprehensive income ("OCI"), until the accompanying hedged item (forecasted USD cash inflows) occurs.
- Any ineffective portion of the hedge is recognized each reporting period in consolidated statement of profit or loss as "Finance Expenses / Foreign Exchange losses".
- The hedged item, revenue, is recognised in accordance with TFRS 15 and the settlement of the hedging instrument is realised through the repayments of the bond.
- Gains and losses deferred in OCI, remain in OCI until the cash flows associated with the hedged item occur. At the time when a forecast sale occurs, the respective amount of foreign exchange gain/loss is reclassified from OCI to profit or loss (within financial expense / "Finance Expenses – Foreign Exchange losses transferred from equity (cash flow hedge)") as a reclassification adjustment in the same periods during which the hedged expected forecasted sales affect profit or loss.
- If the cash flows are not expected to occur, then the corresponding 'previously effective' foreign exchange gain/loss in OCI are recycled immediately to consolidated statement of profit or loss as "Finance Expenses / Foreign Exchange losses transferred from equity (cash flow hedge)".

As of 31 December 2023, the hedge relationship has been measured as 40.91% effective. As a result of the sensitivity analysis performed on the forecasted revenue figures, the Group concluded that the 10% increase/decrease in the forecasts do not have a significant effect on the evaluation of the hedge effectiveness tests.

2 Basis of presentation of consolidated financial statements *(continued)*

2.8 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements:

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Note 5 – Trade receivables
Note 9 – Property, plant and equipment
Note 11 – Provisions
Note 2.7 – Cash flow hedge transactions
Note 22 – Taxation on income

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. The assumptions underlying estimates and estimates are constantly monitored. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A. Explanations on the determination of the fair value of property, plant and equipment

The Group's power plants (Çırakdamı HPP, Dereli HPP, Bereket I-II HPP, Dalaman I-V HPP, Gökyar HPP, Feslek HPP, Koyulhisar HPP, Mentaş HPP, Toros HPP, Göktaş I-II HPP, Aksu HPP, Akıncı HPP, Uşak WPP, Yalova WPP, Söke WPP, Uşak SPP) under property, plant and equipment are accounted for at fair value in accordance with revaluation model.

The Group has chosen the revaluation method as an accounting policy among measurment approaches allowed under TAS 16 for power plants.

As of 31 December 2023 and 2022, the Group obtained valuation report from an independent valuation company and revalued its power plants to its fair values. As of 31 December 2023 and 31 December 2022, the power plants are carried at the fair values at the measurement dates less the accumulated depreciation in the consolidated financial statements.

The related revaluation studies are carried out by using "income approach - discounted cash flow analysis". In accordance with discounted cash flows method, the estimation of long-term electricity sale prices (or market clearing price "MCP") is one of the the most important estimates, so an independent consultant was employed to support the management in making such estimates. In determining long-term electricity sale prices, the most important inputs in the model are; demand in the coming years, renewable energy capacity and capacity factor development, electricity export & import development. Other than long-term electricity sale prices, the most important assumptions of discounted cash flow method are; projected generation amount, weighted average cost of capital (discount rate) and US Dollar/TL foreign exchange rates.

2 Basis of presentation of consolidated financial statements *(continued)*

2.8 Significant accounting judgments, estimates and assumptions *(continued)*

The parameters applied in the valuation and the valuation methods used are summarized below:

31 December 2023

Power Plants	Valuation Date	Valuation Method	Weighted Average Cost of Capital	Average MCP for Next Year (USD)	Gross Generation Volume Realized in 2023 (MWh/Year)	Expected Future Gross Generation Volume (MWh/ Year)
Dalaman I-V HPP	13 March 2024	DCF *	11.2%	89	61,354	79,692
Akıncı HPP	13 March 2024	DCF *	11.1%	89	419,585	367,316
Aksu HPP	13 March 2024	DCF *	11.1%	73	112,435	91,199
Gökyar HPP	13 March 2024	DCF *	11.2%	89	19,856	23,173
Toros HPP	13 March 2024	DCF *	11.1%	89	113,657	186,389
Feslek HPP	13 March 2024	DCF *	11.2%	89	5,642	10,882
Koyulhisar HPP	13 March 2024	DCF *	11.2%	89	243,691	211,299
Mentaş HPP	13 March 2024	DCF *	11.1%	89	78,388	98,802
Bereket I-II HPP	13 March 2024	DCF *	11.3%	89	9,636	10,328
Göktaş HPP	13 March 2024	DCF *	11.1%	89	454,710	685,212
Çırakdamı HPP	13 March 2024	DCF *	11.1%	89	132,616	114,241
Dereli HPP	13 March 2024	DCF *	11.1%	73	138,576	116,542
Yalova WPP	13 March 2024	DCF *	10.5%	73	140,618	136,960
Söke WPP	13 March 2024	DCF *	10.5%	73	151,991	207,348
Uşak WPP	13 March 2024	DCF *	10.6%	73	180,293	256,562
Uşak SPP	13 March 2024	DCF *	11.6%	73	87,872	135,507

31 December 2022

Power Plants	Valuation Date	Valuation Method	Weighted Average Cost of Capital	Average MCP for Next Year (USD)	Gross Generation Volume Realized in 2021 (MWh/Year)	Expected Future Gross Generation Volume (MWh/ Year)
Dalaman I-V HPP	28 February 2023	DCF *	10.8%	84	86,239	42,660
Akıncı HPP	28 February 2023	DCF *	10.7%	84	317,109	395,326
Aksu HPP	28 February 2023	DCF *	10.7%	73	103,611	89,512
Gökyar HPP	28 February 2023	DCF *	10.8%	84	24,661	16,150
Toros HPP	28 February 2023	DCF *	10.7%	73	207,481	200,172
Feslek HPP	28 February 2023	DCF *	10.8%	84	6,560	8,432
Koyulhisar HPP	28 February 2023	DCF *	10.8%	84	197,116	146,568
Mentaş HPP	28 February 2023	DCF *	10.7%	84	90,840	95,607
Bereket I-II HPP	28 February 2023	DCF *	10.9%	84	9,602	4,597
Göktaş HPP	28 February 2023	DCF *	10.7%	96	641,024	386,096
Çırakdamı HPP	28 February 2023	DCF *	10.7%	73	112,487	109,580
Dereli HPP	28 February 2023	DCF *	10.7%	73	111,501	110,428
Yalova WPP	28 February 2023	DCF *	10.2%	73	142,918	77,031
Söke WPP	28 February 2023	DCF *	10.2%	84	176,240	88,382
Uşak WPP	28 February 2023	DCF *	10.2%	73	156,168	59,970
Uşak SPP	28 February 2023	DCF *	11.3%	84	-	100,215

* Discounted cash flow

2 Basis of presentation of consolidated financial statements *(continued)*

2.8 Significant accounting judgments, estimates and assumptions *(continued)*

B. Deferred tax assets for the carry forward tax losses

Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

As of 31 December 2023, deferred tax asset amounting to TL 439,641,568 (31 December 2022: TL 31,302,413) is recognized upon the unused tax losses. Aforementioned deferred tax asset, is calculated by the Group regarding the profit expectations in foreseeable future and deferred tax liabilities' reversal in relevant periods. In case, such profit expectations not being realized or differences rising from deferred tax asset and liability are concluded in different periods than expectation, aforementioned deferred tax assets will be recorded as expense in profit and loss statements.

2.9 Revenue

The operations of the Group entities are regulated under Electricity Market Law No. 6446, the Regulation on Electricity Market License of EMRA, the Electricity Market Balancing and Settlement Regulation ("BSR") and other related legislative provisions.

Electricity sales is recognised as revenue at the time of electricity delivery, on an accrual basis. In the case of revenue from feed-in-tariff ("FIT"), sale of electricity is recorded based upon output delivered at rates specified under FIT. In the case of revenue from other than FIT, sale of electricity is again recorded based upon output delivered but at market rates.

With EMRA's board decision dated March 17, 2022 and numbered 10866, "Procedures and Principles Regarding the Determination and Implementation of Resource Based Support Fee" was published. Pursuant to this decision, the Maximum Settlement Price (MSP) has been determined for the resource types used in the generation of electricity and is applied as a ceiling price in the electricity sales price for power plants not covered by FIT. The MSP is updated on a monthly basis by taking into account the commodity prices that are inputs to energy production and other parameters deemed appropriate by the Board in addition to one or more of the inflation and exchange rate parameters.

The MSP mechanism has been expired on 1 October 2023.

The company, related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") and Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") sells electricity to companies within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

2.10 Seasonal changes in operations

The Group's activities are not subject to seasonal fluctuations.

3 Cash and Cash Equivalents

As of December 31, 2023 and 2022, cash and cash equivalents are as follows:

	31 December 2023	**31 December 2022**
Cash at banks	1,393,347,665	2,131,818,652
- *Time deposits*	*1,392,595,565*	*2,024,015,895*
- *Demand deposits*	*752,100*	*107,802,757*
Cash	-	2,187
	1,393,347,665	**2,131,820,839**

As of 31 December 2023, the interest rate of the Group's term TL denominated time deposits amounting is between 5% to 41% (31 December 2022: between 5% and 15%); US Dollars denominated time deposits amounting interest rate is between 0.01% to 4% (31 December 2022: between 0.05% and 9.9%), Euro denominated time deposits amounting interest rate is between 0.15% (31 December 2022: 3%).

4 Segment reporting

4.1 Statement of financial position

Financial information is provided on a power plant-by-power plant basis to members of executive management, which collectively comprise the chief operating decision maker. The information provided to the members of the executive management includes results or operation, valuation gains and losses on power plants, assets and liabilities of each power plant. The individual properties are also monitored based on type of power plants such as Hydro, Wind, Geothermal and Solar. The Group management considers that it is appropriate to report the segments based on this aggregation, to monitor the financial performance.

Group management assesses segment performance over earnings before interest, tax, depreciation and amortization ("EBITDA"). EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

Company management preferred to use EBITDA in the evaluation of department performances in terms of comparability with companies in the same sector. EBITDA is not a measure of financial performance defined in TFRS. It may not be comparable to similar indicators defined by other companies.

The accounting policies adopted by each of the reportable segments are consistent with TFRS' used in preparation of consolidated financial statements of the Group. The detailed information regarding the reporting segments of Group is presented below:

4 Segment reporting *(continued)*

4.1 Statement of financial position *(continued)*

31 December 2023	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Other	Unallocated *	Consolidated
Segment assets	39,095,895,526	7,533,922,503	-	2,320,945,692	173,365,513	6,482,656,272	55,606,785,506
Segment liabilities	21,154,078,502	3,938,440,747	-	1,928,916,417	88,450	(35,513,734)	26,986,010,382

31 December 2022	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Other	Unallocated *	Consolidated
Segment assets	44,138,497,955	5,461,912,077	9,223,259	2,632,153,081	7,818,289	7,538,830,255	59,788,434,916
Segment liabilities	22,957,768,680	2,936,207,261	2,267,152	1,347,269,052	4,833	3,222,668,735	30,466,185,713

* Includes assets and liabilities which are not attributable to a reportable segment such as cash, trade receivables, other assets, trade payables, other liabilities, tax assets and liabilities, etc.

4 Segment reporting *(continued)*

4.2 Statement of profit or loss

1 January- 31 December 2023	**Hydro Power Plants**	**Wind Power Plants**	**Geothermal Power Plant**	**Solar Power Plant**	**Total Renewable Energy**	**Unallocated ***	**Consolidated**
Revenues	**4,796,158,542**	**1,300,978,524**	**32,833,123**	**228,847,944**	**6,358,818,133**	**-**	**6,358,818,133**
- Revenues from Feed in Tariff (FIT)	*1,118,900,963*	*770,761,901*	-	-	*1,889,662,864*	-	*1,889,662,864*
- Other than FIT	*3,677,257,579*	*530,216,623*	*32,833,123*	*228,847,944*	*4,469,155,269*	-	*4,469,155,269*
Cost of Sales	(2,081,501,500)	(860,265,605)	(33,699,888)	(117,888,798)	(3,093,355,791)	(517,583,835)	(3,610,939,626)
Operational Expenses/Income (incl. Other Expense and Income)	753,811,277	205,687,004	5,024,426	36,324,388	1,000,847,095	(691,309,348)	309,537,747
Earnings Before Interest and Taxes (EBIT)	**3,468,468,319**	**646,399,923**	**4,157,661**	**147,283,534**	**4,266,309,437**	**(1,208,893,183)**	**3,057,416,254**
Add-back, Depreciation & Amortization Expenses	1,100,306,941	394,475,612	-	76,216,096	1,570,998,649	558,695,208	2,129,693,857
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **	**4,568,775,260**	**1,040,875,535**	**4,157,661**	**223,499,630**	**5,837,308,086**	**(650,197,975)**	**5,187,110,111**
Gains from Investing Activities	-	-	-	-	-	305,693,097	305,693,097
Expenses from investing activities	(3,409,220,128)	(132,086,772)	-	-	(3,541,306,900)	(122,283,888)	(3,663,590,788)
Finance Income	-	-	-	-	-	1,043,908,459	1,043,908,459
Finance Expense	-	-		-	-	(13,193,720,783)	(13,193,720,783)
Monetary gain/(loss)	-	-	-	-	-	14,307,132,498	14,307,132,498
Tax Expense	-	-	-	-	-	(3,136,939,276)	(3,136,939,276)
Depreciation & Amortization Expenses	(1,100,306,941)	(394,475,612)	-	(76,216,096)	(1,570,998,649)	(558,695,208)	(2,129,693,857)
Net Profit for the Period							**(1,280,100,539)**

* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Operational income is mainly composed of foreign exchange income related to trading activities.

** EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

4 Segment reporting *(continued)*

4.2 Statement of profit or loss *(continued)*

1 January- 31 December 2022	**Hydro Power Plants**	**Wind Power Plants**	**Geothermal Power Plant**	**BIO Power Plant *****	**Total Renewable Energy**	**Unallocated**	**Consolidated**
Revenues	**6,012,749,930**	**1,522,375,686**	**23,192,430**	**2,479,836**	**7,560,797,882**	**4,778,836**	**7,565,576,718**
- Revenues from Feed in Tariff (FIT)	*4,518,851,614*	*1,522,375,686*	-	*2,479,836*	*6,043,707,136*	-	*6,043,707,136*
- Other than FIT	*1,493,898,316*	-	*23,192,430*	-	*1,517,090,746*	*4,778,836*	*1,521,869,582*
Cost of Sales	(1,946,365,310)	(809,360,577)	(42,768,669)	(4,163,204)	(2,802,657,760)	(574,057,438)	(3,376,715,198)
Operational Expenses/Income (incl. Other Expense and Income)	574,620,413	143,089,152	2,185,521	187,314	720,082,400	(192,652,693)	527,429,708
Earnings Before Interest and Taxes (EBIT)	**4,641,005,033**	**856,104,261**	**(17,390,718)**	**(1,496,054)**	**5,478,222,522**	**(761,931,295)**	**4,716,291,228**
Add-back, Depreciation & Amortization Expenses	1,134,244,811	340,751,736	19,826,985	1,494,263	1,496,317,795	651,185,186	2,147,502,981
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **	**5,775,249,844**	**1,196,855,997**	**2,436,268**	**(1,791)**	**6,974,540,317**	**(110,746,109)**	**6,863,794,209**
Gains from Investing Activities	-	-	-	-	-	12,050,294	12,050,294
Expenses from investing activities	(4,539,148,435)	(414,929,576)	595,358	(549,824)	(4,954,032,477)	-	(4,954,032,477)
Finance Income	-	-	-	-	-	1,280,656,588	1,280,656,588
Finance Expense	-	-	-	-	-	(4,226,715,622)	(4,226,715,622)
Monetary gain/(loss)	-	-	-	-	-	13,270,544,543	13,270,544,543
Tax Expense	-	-	-	-	-	(5,125,770,983)	(5,125,770,983)
Depreciation & Amortization Expenses	(1,134,244,811)	(340,751,736)	(19,826,985)	(1,494,263)	(1,496,317,795)	(651,185,186)	(2,147,502,981)
Net Loss for the Period							**4,973,023,571**

* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Most of operational income is composed of foreign exchange income related to trading activities.

** EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

*** The 10-year lease period of Kumkısık BIO expired on June 16, 2022 and all mechanical, electrical and construction equipment in the facility were transferred to Denizli Metropolitan Municipality.

5 Related party disclosures

Aydem Holding A.Ş. ("Aydem Holding") is the ultimate parent company and controlling party of the Group.

Transactions with related parties are classified according to the following groups and include all related party disclosures in this note.

1. Ultimate parent and its subsidiaries
2. Other companies controlled by the shareholders of Aydem Holding and other key persons.

Since the transactions between the Group and its subsidiaries, which are related parties of the Group, are eliminated during consolidation, they are not disclosed in this note.

The shareholders, key management personnel and members of the Board of Directors, their families and partners and entities controlled by the ultimate shareholders are considered and referred to as related parties in the consolidated financial statements. The Group companies have carried out various transactions with related parties during their operations.

Trade receivables from related parties generally arise from sale of electricity. Trade payables to related parties generally arise from the electricity purchases. The company, related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") and Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") sells electricity to companies within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

Other receivables from related parties arise from sale of subsidiary shares and amounts arisen from operational activities. At the end of each quarter period for other receivables and payables interest is accrued using market interest rates, which are determined using the Group external cost of borrowing.

5.1 Related party balances

As of 31 December 2023 and 2022, short-term trade receivables due from related parties are as follows:

	31 December 2023	**31 December 2022**
Aydem EPSAŞ (1)	1,699,940,103	1,565,282,796
Gediz EPSAŞ (1)	228,493,759	465,239,855
Other	460,872	138,104
	1,928,894,734	**2,030,660,755**

5 Related party disclosures *(continued)*

5.1 Related party balances *(continued)*

As of 31 December 2023 and 2022, short-term other receivables due from related parties are as follows:

	31 December 2023	31 December 2022
Aydem EPSAŞ [(1)] *	554,986,785	-
Aydem Holding A.Ş. ("Aydem Holding") [(1)] **	86,556,330	57,682,313
	641,543,115	**57,682,313**

* Consists of receivables arisen from operational activities. The related amount has been collected in subsequent period.
** Mainly consists of receivables related to the sale of 50% shares belonging to Yalova Karacabey.

Investment advance given to Parla Solar[(1)] for hybrid SPP projects and classified under long term prepaid expenses is TL 222,322,948 (December 31, 2022: TL 219,071,670).

As of 31 December 2023 and 2022, short-term trade payables due to related parties are as follows:

	31 December 2023	31 December 2022
Aydem Holding [(1)]	6,986,206	9,505,351
GDZ Enerji Yatırımları A.Ş. ("GDZ Enerji") [(1)]	2,993,669	2,587,009
Adm EDAŞ [(1)]	1,364,672	525,298
Other	91,228	109,661
	11,435,775	**12,727,319**

As of 31 December 2023 and 2022 long-term other payables to related parties are as follows:

	31 December 2023	31 December 2022
Aydem EPSAŞ [(1)] *	50,402,202	66,256,354
	50,402,202	**66,256,354**

* Consists of acquisition of Düzce WPP through under common control business transaction. The payment term is 27 June 2029 according to agreement signed between the Group and Aydem EPSAŞ.

5 Related party disclosures *(continued)*

5.2 Related party transactions

For the period ended 31 December 2023 and 2022, income and expense transactions with related parties are as follows:

Electricity Sales and Other Sales	1 January- 31 December 2023	1 January- 31 December 2022
Gediz EPSAŞ (1) *	4,916,210,380	4,099,162,376
Aydem EPSAŞ (1) *	2,473,853,496	5,431,233,313
Parla Solar (1) **	105,320,750	232,301,324
Adm EDAŞ (1)	-	14,432,997
GDZ EDAŞ (1)	-	12,147,446
Other	1,545,276	1,370,669
	7,496,929,902	**9,790,648,125**

* Consists of electricity sales within the bilateral agreements.
** Includes the sale amount of investment property. Gain on sale amounting to TL 44,374,440 is recognized in income from investing activities.

In the period ending on 31 December 2023, since the spot electricity market price was higher than MSP and the sales price of FIT, the difference was paid to Enerji Piyasaları İşletme A.Ş. ("EPİAŞ").

Purchase of Electricity and Services	1 January- 31 December 2023	1 January- 31 December 2022
Aydem Holding (1)	277,528,299	83,911,627
Aydem EPSAŞ (1)	254,477,166	130,580,993
Gediz EPSAŞ (1)	87,236,105	-
GDZ Enerji (1)	32,281,260	15,233,091
Yeni Filo A.Ş. (2)	1,365,877	1,499,129
Adm EDAŞ (1)	-	10,657,270
Parla (1)	-	580,913,077
Other	3,921,977	234,251
	656,810,684	**823,029,438**

Other Income	1 January- 31 December 2023	1 January- 31 December 2022
Aydem EPSAŞ (1) *	779,963,527	193,943,735
Gediz EPSAŞ (1) *	324,707,525	567,045,705
Aydem Holding (1)	17,679,735	4,820,050
Parla (1)	-	1,310,996
Other	-	97,076
	1,122,350,787	**767,217,562**

* Consists of net foreign exchange income and late interest income regarding trade receivables.

5 Related party disclosures *(continued)*

5.2 Related party transactions *(continued)*

Financial Income	1 January- 31 December 2023	1 January- 31 December 2022
Aydem EPSAŞ [1]	61,114,536	1,000,866
Gediz EPSAŞ [1]	17,205,879	1,595,272
Aydem Holding [1]	5,574,011	98,196
	83,894,426	**2,694,334**

The executive management of the Group is comprised of general manager and directors. For the period ended 31 December 2023 and 2022, the sum of short-term benefits, such as remuneration and attendance fees, provided to key management executives personnel is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Benefits to key management personnel	37,374,290	19,020,790
	37,374,290	**19,020,790**

6 Trade receivables and payables

Short term trade receivables

As of 31 December 2023 and 2022, the Group's short-term trade receivables are as follows:

	31 December 2023	31 December 2022
Trade receivables due from related parties (Note 5)	1,928,894,734	2,030,660,755
Trade receivables due from third parties	79,242,451	129,933,241
	2,008,137,185	**2,160,593,996**
Less: Allowances for doubtful trade receivables	(7,061,725)	(11,794,052)
	2,001,075,460	**2,148,799,944**

As of 31 December 2023 and 2022, short-term receivables consist of the following items:

	31 December 2023	31 December 2022
Trade receivables related to electricity sales *	1,949,353,554	2,085,418,701
Income accruals related to electricity sales **	51,721,906	63,381,243
Doubtful trade receivables	7,061,725	11,794,052
Allowances for doubtful trade receivables	(7,061,725)	(11,794,052)
	2,001,075,460	**2,148,799,944**

* Consists of electricity sales and ancillary income within the bilateral agreements.
** Consists of the Group’s unbilled receivables arising from the electricity sales.

6 Trade receivables and payables *(continued)*

Short term trade receivables *(continued)*

The movement of provisions for doubtful receivables for the period ended 31 December 2023 and 2022 are as follows:

	2023	**2022**
Opening balance (1 January)	**11,794,052**	**17,352,104**
Current provision	-	1,859,622
Provisions no longer required	(125,931)	(292,367)
Inflation effect	(4,606,396)	(7,125,307)
Closing balance (31 December)	**7,061,725**	**11,794,052**

Short term trade payables

As of 31 December 2023 and 2022, the Group's short-term trade payables are as follows:

	31 December 2023	**31 December 2022**
Trade payables from third parties	391,766,151	770,231,171
Trade payables due from related parties (Note 5)	11,435,775	12,727,319
	403,201,926	**782,958,490**

As of 31 December 2023 and 2022, short-term trade payables from third parties consist of the following items:

	31 December 2023	**31 December 2022**
Trade payables	329,360,273	200,688,132
Expense accruals	62,386,557	569,539,388
Other trade payables	19,321	3,651
	391,766,151	**770,231,171**

7 Other receivables and payables

Other short-term receivables

As of 31 December 2023 and 2022, the Group's short-term other receivables are as follows:

	31 December 2023	31 December 2022
Other receivables due from related parties (Note 5)	641,543,115	57,682,313
Other receivables due from third parties	14,423,886	50,202,342
	655,967,001	**107,884,655**

As of 31 December 2023 and 2022, short-term other receivables from third parties consist of the following items:

	31 December 2023	31 December 2022
Receivables from tax administration	14,322,922	50,092,946
Deposits & guarantees given	100,964	109,396
	14,423,886	**50,202,342**

Other long-term receivables

As of 31 December 2023 and 2022, other long-term receivables from third parties consist of the following items:

	31 December 2023	31 December 2022
Other receivables due from third parties	3,262,076	2,556,976
	3,262,076	**2,556,976**

7 Other receivables and payables *(continued)*

Other short-term payables

As of 31 December 2023 and 2022, the Group's short-term other payables are as follows:

	31 December 2023	31 December 2022
Other payables due to third parties	236,074	388,383
	236,074	**388,383**

As of 31 December 2023 and 2022, other short-term payables to third parties consist of the following items:

	31 December 2023	31 December 2022
Deposits and guarantees taken	235,714	388,383
Other payables	360	-
	236,074	**388,383**

8 Inventories

As of 31 December 2023 and 2022, inventories are composed of spare parts for property, plant and equipment:

	31 December 2023	31 December 2022
Spare parts *	21,071,412	20,830,560
	21,071,412	**20,830,560**

* Inventories consist of spare parts used in the maintenance of power plants and consumable materials.

As of 31 December 2023, there is no insurance coverage on the Group's inventories (31 December 2022: None).

As of 31 December 2023, there are no inventories presented as collateral for liabilities (31 December 2022: None).

9 Property, plant and equipment and right of use assets

9.1 Property, plant and equipment

The ending 31 December 2023 and 2022, movements of property, plant and equipment are as follows:

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2023	**35,114,779**	**71,191,137,990**	**1,374,999,569**	**186,696,184**	**72,787,948,522**
Additions	-	95,963,900	2,043,156,948	13,863,285	2,152,984,133
Disposals	-	(451,997)	(302,694,363)	(91,789)	(303,238,149)
Transfers	-	1,870,093,253	(1,870,093,253)	-	-
Value increase	-	1,170,931,473	-	-	1,170,931,473
Impairment	-	(6,560,080,490)	-	-	(6,560,080,490)
Cost or valuation as of 31 December 2023	**35,114,779**	**67,767,594,129**	**1,245,368,901**	**200,467,680**	**69,248,545,489**
Accumulated depreciation as of 1 January 2023	**-**	**(20,665,116,484)**	**-**	**(133,018,266)**	**(20,798,134,750)**
Additions	-	(1,993,367,924)	-	(13,677,897)	(2,007,045,821)
Disposals	-	106,153	-	39,024	145,177
Value increase	-	(341,219,100)	-	-	(341,219,100)
Impairment	-	2,506,596,657	-	-	2,506,596,657
Accumulated depreciation as of 31 December 2023	**-**	**(20,493,000,698)**	**-**	**(146,657,139)**	**(20,639,657,837)**
Net book value as of 31 December 2023	**35,114,779**	**47,274,593,431**	**1,245,368,901**	**53,810,541**	**48,608,887,652**

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2022	**107,634,341**	**74,783,958,063**	**766,401,746**	**181,155,983**	**75,839,150,133**
Additions	104,599	81,386,249	2,157,807,925	6,552,591	2,245,851,364
Disposals	-	(3,034,187)	-	(1,012,390)	(4,046,577)
Transfers **	(72,624,161)	1,549,210,102	(1,549,210,102)	-	(72,624,161)
Value increase	-	1,848,711,052	-	-	1,848,711,052
Impairment	-	(7,069,093,289)	-	-	(7,069,093,289)
Cost or valuation as of 31 December 2022	**35,114,779**	**71,191,137,990**	**1,374,999,569**	**186,696,184**	**72,787,948,522**
Accumulated depreciation as of 1 January 2022	**-**	**(20,518,936,988)**	**-**	**(118,820,986)**	**(20,637,757,974)**
Additions	-	(2,028,653,375)	-	(14,301,653)	(2,042,955,028)
Disposals	-	445,960	-	104,373	550,333
Value increase	-	(233,032,893)	-	-	(233,032,893)
Impairment	-	2,115,060,812	-	-	2,115,060,812
Accumulated depreciation as of 31 December 2022	**-**	**(20,665,116,484)**	**-**	**(133,018,266)**	**(20,798,134,750)**
Net book value as of 31 December 2022	**35,114,779**	**50,526,021,506**	**1,374,999,569**	**53,677,918**	**51,989,813,772**

* Mainly consists of investments regarding hybrid solar and capacity increase.
** Real estate classified as land amounting to TL 72,624,161 has been transferred to "investment properties".

As of 31 December 2023, there are pledges and mortgages on property, plant and equipment of the Group amounting to USD 1,248,750,000 in original currencies (31 December 2022: USD 1,248,750,000 in original currencies) in favor of lenders.

Total depreciation expense of property, plant and equipment amounting to TL 1,993,367,924 (31 December 2022: TL 2,028,653,375) has been reflected to cost of sales and amounting to TL 13,677,897 (31 December 2022: TL14,301,653) has been reflected to general administration expense.

The Group determined that the power plants constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property and as also mentioned in Note 2, elected to use revaluation method for such assets.

9 Property, plant and equipment and right of use assets *(continued)*

9.2 Right of use assets

The Group has lease contracts for various items of plant, machinery, vehicles, land right of use and other equipment used in its operations.

For the period then ended as of 31 December 2023, movements of right of uses is as follows:

Cost as of 1 January 2023	**345,205,533**
Additions	68,576,435
Cost as of 31 December 2023	**413,781,968**
Accumulated depreciation as of 1 January 2023	**(85,736,061)**
Additions	(73,925,022)
Accumulated depreciation as of 31 December 2023	**(159,661,083)**
Net book value as of 31 December 2023	**254,120,885**

For the period then ended as of 31 December 2022, movements of right of uses is as follows:

Cost as of 1 January 2022	**149,815,948**
Additions	195,389,585
Cost as of 31 December 2022	**345,205,533**
Accumulated depreciation as of 1 January 2022	**(28,868,653)**
Additions	(56,867,408)
Accumulated depreciation as of 31 December 2022	**(85,736,061)**
Net book value as of 31 December 2022	**259,469,472**

Total depreciation expense of right of uses amounting to TL 58,030,298 (31 December 2022: 37,173,051) has been reflected to cost of sales and amounting to TL 15,894,724 (31 December 2022: TL 19,694,357) has been reflected to general administration expense.

10 Intangible assets

As of 5 May 2017, the Company has signed a Transfer of Operating Rights Agreement (“Agreement”) with the Privatization Administration and the Electricity Generation Corporation (“EÜAŞ”) for Adıgüzel and Kemer Hydroelectric Plants. According to the agreement, the Company obtained the operating rights of the plants for 49 years and is responsible for the transfer of EÜAŞ at the end of the period in a complete and a functional state. During the contract period, the Company has to carry out all the maintenance, repairs and improvements which are necessary to ensure the convenience and efficiency of the plants for the generation activity, at their own expense. The Company is responsible for any damages and losses that may occur in the generation facilities in general referred as “Power Plants”. During the contact period; the Company has to perform all kinds of additional facilities, the investment for rehabilitation and development in accordance with the legislation, and will obtain the approval of EÜAŞ during the works and procedures to be carried out within this framework. In addition, the company must obtain approval from EÜAŞ in case it wants to make investments and transactions for capacity changes.

As of the transfer date, it is EÜAŞ’s responsibility to monitor and solve the administrative, legal disputes regarding the ownership of the immovable on which plants are located and the immovable in use, that are available now or will arise after the transfer date and all responsibilities and obligations arising from this matter.

Intangible assets related to agreements are amortized until the end of the related contract period.

Although the Company has the right to obtain substantially all of the economic benefits from use of the asset, it does not have the right to manage the use of power plants according to Article 7 of the contract signed with the EÜAŞ. Therefore, the contract has not been considered as a lease contract under TFRS 16, On the other hand, the Agreement is not accounted within the scope of TFRIC 12 Service Concession Agreements because although the residual interest of the power plants belongs to EÜAŞ, EÜAŞ does not control at what price electricity will be sold.

10 Intangible assets *(continued)*

As of 31 December 2023 and 2022, movements of intangible assets are as follows:

	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2023	**31,126,881**	**1,940,134,117**	**26,100,539**	**1,997,361,537**
Additions	6,155,896	-	775,198	6,931,094
Cost as of 31 December 2023	**37,282,777**	**1,940,134,117**	**26,875,737**	**2,004,292,631**
Accumulated depreciation as of 1 January 2023	**(15,931,566)**	**(224,369,250)**	**(18,874,913)**	**(259,175,729)**
Additions	(7,829,538)	(39,594,576)	(1,298,900)	(48,723,014)
Accumulated depreciation as of 31 December 2023	**(23,761,104)**	**(263,963,826)**	**(20,173,813)**	**(307,898,743)**
Net book value as of 31 December 2023	**13,521,673**	**1,676,170,291**	**6,701,924**	**1,696,393,888**

	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2022	**24,595,465**	**1,940,134,117**	**26,100,539**	**1,990,830,121**
Additions	6,531,416	-	-	6,531,416
Cost as of 31 December 2022	**31,126,881**	**1,940,134,117**	**26,100,539**	**1,997,361,537**
Accumulated depreciation as of 1 January 2022	**(9,310,703)**	**(184,774,674)**	**(17,409,807)**	**(211,495,184)**
Additions	(6,620,863)	(39,594,576)	(1,465,106)	(47,680,545)
Accumulated depreciation as of 30 September 2022	**(15,931,566)**	**(224,369,250)**	**(18,874,913)**	**(259,175,729)**
Net book value as of 31 December 2022	**15,195,315**	**1,715,764,867**	**7,225,626**	**1,738,185,808**

Amortization expense of intangible assets amounting to TL 39,594,576 (31 December 2022: TL 39,594,576) has been reflected to cost of sales and amounting to TL 9,128,438 (31 December 2022: TL 8,085,969) has been reflected to general administrative expenses.

11 Provisions, contingent assets and liabilities

11.1 Short-term provisions

As of 31 December 2023 and 2022, the breakdown of short-term provisions are as follows:

	31 December 2023	**31 December 2022**
Short-term provisions for employee benefits	44,202,139	37,234,930
Provision for litigations	13,730,479	20,531,449
	57,932,618	**57,766,379**

Short-term provisions for employee benefits consist of unused vacation days provisions and premium provisions.

The movement table of unused vacation days provisions is as follows:

	2023	**2022**
Opening balance (1 January)	**12,385,641**	**9,707,203**
Net change in provision within the period	10,524,909	7,779,857
Inflation effect	(7,616,091)	(5,101,419)
Closing balance (31 December)	**15,294,459**	**12,385,641**

The movement table of premium provisions is as follows:

	2023	**2022**
Opening balance (1 January)	**24,849,289**	**7,902,900**
Net change in provision within the period	18,710,664	24,071,593
Inflation effect	(14,652,273)	(7,125,204)
Closing balance (31 December)	**28,907,680**	**24,849,289**

Other short-term provisions consist of provisions for ongoing litigations of the Group.

The movement table is as follows:

	2023	**2022**
Opening balance (1 January)	**20,531,449**	**38,264,933**
Net change in provision within the period	1,512,257	(3,191,483)
Inflation effect	(8,313,227)	(14,542,001)
Closing balance (31 December)	**13,730,479**	**20,531,449**

11 Provisions, contingent assets and liabilities *(continued)*

11.2 Contingent liabilities

As of 31 December 2023 and 2022, the Group's collateral/pledge/mortgage ("CPM") balances are as follows:

		31 December 2023	31 December 2022
	Currency	**TL Amount**	**TL Amount**
A. Guarantees given in the name of its own legal personality*	TL	-	-
	US Dollars	36,760,952,250	38,473,656,131
B. Guarantees given on behalf of the fully consolidated companies	TL	-	-
C. Total amount of CPM's given to other 3rd parties for the purpose of carrying out their ordinary commercial activities	TL	-	-
D. Other guarantees	TL	-	-
i. Guarantees given on behalf of the majority shareholder		-	-
ii. Guarantees given to on behalf of other group companies which are not in scope of B and C.	TL	-	-
iii. Guarantees given on behalf of third parties which are not in scope of C.		-	-
Total		**36,760,952,250**	**38,473,656,131**

* On 2 December 2021, within the scope of the Eurobond, movable pledge was established on the Company's movable assets to form the guarantee of the bond issuance.

The Company are subject to litigation and regulatory proceedings in the normal course of the business. From time to time, The Company may be a party to legal proceedings, including, but not limited to, personal injury claims, commercial disputes, regulatory or administrative actions and employment matters. These proceedings may be brought by, among others, current, former or prospective employees, suppliers, governmental agencies or other third parties.

- Administrative fines and other administrative sanctions for all structures, with the decision of the Dalaman, Ortaca and Köyceğiz Municipal Committees, for alleged violation of the reconstruction legislation due to the absence of a building permit for Dalaman HPP 1-2-3-4-5 and Gökyar HPPs, Since these administrative actions are against the law and HPPs are public investments, they are exempt from construction permits. For this reason, lawsuits have been filed by the Company to the Administrative Courts for the cancellation of the transactions. As a result of the proceedings conducted by the courts, in 95 of these cases, the court decisions regarding the cancellation of the transaction in favor of the Company were notified to the Company, the court was decided one case rejected the transaction. Of the decisions given for the annulment of the aforementioned administrative transactions, in only 1 case, the request for annulment was rejected. Of the decisions on the annulment of administrative actions, 13 are under appeal at the Council of State and in 95 cases the annulment decisions have been finalized. The Company does not foresee any legal and financial risk in the form of any payment or penalty due to the administrative sanction decisions of the municipalities that have been decided to be cancelled.

- The Company provided a guarantee to one of the affiliates, Yatağan Termik Enerji Üretim A.Ş., ("Yatağan") a subsidiary of Aydem Holding, with respect to certain work that GE Enerji Endüstri Ticaret ve Servis A.Ş. ("GE") had contracted to perform for Yatağan. A dispute has arisen between Yatağan and GE, and as a result GE has initiated a lawsuit against Yatağan and the Company, seeking EUR 9.7 million in damages. With the court decision dated December 23, 2023, it was decided to reject the guarantor agreement for the benefit of the Company, thus it was no longer valid for the Company.

11 Provisions, contingent assets and liabilities *(continued)*

11.2 Contingent liabilities *(continued)*

Within the scope of the authority granted by the Electricity Market Law, EMRA has decided on the Procedures and Principles Regarding the Determination and Implementation of Resource Based Support Fee ("Procedures and Principles") dated 17 March 2022 and numbered 10866. With the Board Decision dated 29 March 2022 and numbered 10887, amendments were made to the Procedures and Principles. Accordingly, it has been ruled that fixed price and approved bilateral agreements entered into the market management system, which is an operating system where all contracts in the market are entered for 1 February and later, before 8 March 2022 may be exempted if they are submitted to Enerji Piyasaları İşletme A.Ş. ("EPİAŞ") together with the information and documents specified in the Procedures and Principles. According to the regulation, the bilateral agreements that are included in the scope of exemption will not be subject to the support price debt amount application. Following the Company's exemption application, which was duly submitted in due time within the scope of the Procedures and Principles, after the necessary information and documents were examined by EPİAŞ, the Company was notified by official letter that the Company's exemption application was accepted. In the following period, the Company performed the bilateral agreement transactions regarding the exemption in accordance with the relevant Procedures and Principles. At the end of the first 6-month implementation period of April - September 2022, with EMRA's Board Decision dated 29 September 2022 and numbered 11269, paragraph 1 of Article 7 of the Procedures and Principles was amended to enter into force on 1 October 2022. With the amended version of the article, the term "fixed price bilateral agreements" has been extended to include agreements up to the final consumer. On 13 January 2023, EMRA Board Decision dated 12 January 2023 and numbered 11574-13 was notified to the Company. In the aforementioned Board Decision, it was stated that it was determined that the Company had unjustly failed to pay the support fee debt amounts amounting to (not inflation accounted applied) TL 264,859,740 in the April-September 2022 period and it was decided to collect these amounts. Taking into account the precedent decisions in this regard, the Company reserves its legal rights with the assessment that if this retroactive decision is cancelled, the unlawful administrative action will be eliminated retroactively. In accordance with the agreements, the Company will reflect the additional costs that may arise regarding the transactions made within the scope of bilateral agreements to Gediz Elektrik Perakende Satış A.Ş., one of the group companies.

As of 31 December 2023, in accordance with the EMRA Board Decision dated 12 January 2023 and numbered 11574-13, the Company has made refund to EPİAŞ amounting to (not inflation accounted applied) TL 323,409,324 (including late fee and VAT) and reflected the same amount to Gediz EPSAŞ in accordance with the bilateral agreement. There is no impact on the financial statements related to this issue.

11 Provisions, contingent assets and liabilities *(continued)*

11.3 Letters of guarantees received and guarantees given

	Currency	31 December 2023 TL equivalent	31 December 2022 TL equivalent
Guarantees given *	TL	274,389,124	140,980,538
Total		**274,389,124**	**140,980,538**

* Guarantees given, in general, are comprised of the letters of guarantees given to the several institutions and organizations within the operations of the Group (to Energy Market Regulatory Authority ("EMRA"), Turkish Electricity Transmission Company ("TEİAŞ"), privatization administration and to the judicial authorities for some of the on-going lawsuits.

	Currency	31 December 2023 TL equivalent	31 December 2022 TL equivalent
Guarantees received *	TL	16,313,758	31,263,154
Guarantees received *	EURO	6,305,395	16,163,948
Guarantees received **	US Dollars	3,675,053,458	3,160,759,770
		3,697,672,611	**3,208,186,872**

* Guarantees received against the risk of failure to provide the services to be received from suppliers.
** Letters of guarantees received from Aydem EPSAŞ and Gediz EPSAŞ for electricity trade and regarding power plant investments.

11.4 Long term provisions

As of 31 December 2023 and 2022, the long-term provisions are as follows:

	31 December 2023	31 December 2022
Provisions for retirement pay liability	68,561,192	57,245,791
	68,561,192	**57,245,791**

As of 31 December 2023 and 2022, movements of provisions for retirement pay liability are as follows:

	2023	2022
Opening balance (1 January)	**57,245,791**	**31,244,489**
Service cost	6,355,002	3,010,882
Interest cost	9,552,544	4,872,350
Retirement payments paid	(7,676,116)	(3,997,034)
Actuarial loss/(gain)	33,759,844	41,411,531
Inflation effect	(30,675,873)	(19,296,427)
Closing balance (31 December)	**68,561,192**	**57,245,791**

11 Provisions, contingent assets and liabilities *(continued)*

11.4 Long term provisions *(continued)*

TFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions have been used in the calculation of the total liability. Related rates have been presented by considering the weighted average of actuarial assumptions of the subsidiaries within the scope of consolidation.

The main actuarial assumptions used as of 31 December 2023 and 2022 are as follows:

	31 December 2023	**31 December 2022**
Expected interest in the coming years %	25	22
Expected inflation in the coming years %	21	20
Expected probability of leaving without compensation in the coming years %	3.56	2.50

12 Liabilities for employee benefits

As of 31 December 2023 and 2022, short-term payables related to employee benefits are as follows:

	31 December 2023	**31 December 2022**
Social security withholdings payable	11,495,690	5,152,355
Payables to personnel	269,131	338,289
	11,764,821	**5,490,644**

13 Other current, non-current assets and other liabilities

13.1 Other current assets

As of 31 December 2023 and 2022, other current assets are as follows:

	31 December 2023	31 December 2022
Advances to personnel	29,337	75,171
Short-term deferred value added tax ("VAT")	13,250	8,962
	42,587	**84,133**

13.2 Other non-current assets

As of 31 December 2023 and 2022, other non-current assets are as follows:

	31 December 2023	31 December 2022
Long-term deferred VAT	33,227,884	18,177,915
	33,227,884	**18,177,915**

13.3 Other short-term liabilities

As of 31 December 2023 and 2022, other liabilities are as follows:

	31 December 2023	31 December 2022
Taxes and funds payable	98,618,141	120,242,932
Other	3,292,688	33,256
	101,910,829	**120,276,188**

14 Share capital

Paid-in capital

The Company adopter the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of kurus1, Registered and issued share capital of the Company is a follows:

	31 December 2023	31 December 2022
Limit on registered share capital	2,000,000,000	2,000,000,000
Issued share capital in nominal value	705,000,000	705,000,000
Adjustment to share capital	4,327,573,437	4,327,573,437

Companies in Turkey may exceed the limit on registered share capital in the event of the issuance of bonus shares to existing shareholders.

As of 31 December 2023, the Group's paid-in capital is divided into 705,000,000 shares (31 December 2022: 705,000,000 shares), each with a nominal value of TL 1. The ultimate shareholder of the Group is Aydem Holding Anonim Şirketi, whose controlling individual shareholder is Ceyhan Saldanlı. Shareholding structure is given in Note 1.

Legal reserves

According to the Turkish Commercial Code ("TCC"), legal reserves are comprised of first and second legal reserves. The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with Dividend Distribution Communiqué II-19.1, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. At 31 December 2022, legal reserves of the Group amounted to TL 137,913,977 (31 December 2022: TL 18,420,471).

Dividend distribution

Companies distribute their profits in accordance with their dividend policy determined by the General Assembly and with General Assembly resolution in accordance with provisions of the relevant legislation. According to the Turkish commercial code, legal reserves can only be distributed as dividends after they reached 50% of the company's paid in capital or issued share capital. Accordingly the Group determined its dividend distribution policy in line with the communique. Companies pay dividends according to their articles of association or dividend distribution policy. In addition, dividends may be paid in equal or different amount of installments, and cash dividend advances may be distributed over profit for the year period presented in financial statements.

14 Share capital *(continued)*

Share premium

Excess amount of selling price and nominal value for each share was recorded as share premium in equity.

As of December 31, 2023, the Company has gained TL 94,753,311 from the block sale of 5,733,502 shares purchased within the scope of the share buyback program with a price of TL 24.76 per share on December 23, 2022 at Borsa Istanbul. The inflation adjusted value of the related amount is TL 156,127,796.

5,000,000 shares of the Company with a nominal value of 1 TL were offered to the public on 29 April 2021 and were sold at TL 9.9 per share. The amount of TL 5,000,000 was used in the capital increase and the remaining TL 40,098,520 was recorded in the "Share Premium/(Discounts)" account. Expenses amounting to TL 4,401,480 incurred within the scope of initial public offering was deducted from "Share Premium/(Discount)" within the scope of TAS 32. The inflation adjusted value of the related amount is TL 140,063,094.

On April 16, 2019, in accordance with EMRA permission dated April 16, 2019, a total of 1,200 Düzce Aksu shares of Aydem Elektrik Perakende A.Ş. with a total value of TL 120,000,000 were taken over and the amount of TL 49,474,498 resulting from the transaction was recorded in the "Share Premium/(Discount)" account. The inflation adjusted value of the related amount is TL 224,523,132.

On December 31, 2020, the Company signed a share sale agreement to sell its 50% shares in Yalova RES Elektrik Üretim A.Ş. to Aydem Holding A.Ş. for TL 38,316,320. The Company has recognized the difference amounting to TL 1,845,320 between the value of the subsidiary disposed of and the fair value determined by independent valuation experts in equity. The inflation adjusted value of the related amount is TL 6,796,916.

Treasury Shares

As of December 31, 2023, within the scope of the share buyback program, shares were repurchased at an average price of TL 13.66 TL 83,423,193 related to the transaction was recorded under “Treasury Shares” account. The inflation adjusted value of the related amount is TL 119,493,506.

14 Share capital *(continued)*

Treasury Shares *(continued)*

As at the end of December 31, 2023 and 2022, the comparative amounts of equity items prepared in accordance with Tax Procedural Law and TAS/TFRS are as follows:

31 December 2023	In accordance with statutory books	In accordance with TFRS	Inflation adjustment differences
Paid-in capital	7,745,783,840	5,032,573,437	(2,713,210,403)
Share premium / discount	833,056,301	527,560,938	(305,495,363)
Treasury shares	(111,114,943)	(119,493,506)	(8,378,563)
Restricted reserves	29,495,675	137,913,977	108,418,302
	8,497,220,873	**5,578,554,846**	**(2,918,666,027)**

31 December 2022	In accordance with statutory books	In accordance with TFRS	Inflation adjustment differences
Paid-in capital	705,400,231	5,032,573,437	4,327,173,206
Share premium / discount	148,821,677	527,560,938	378,739,261
Restricted reserves	1,523,866	18,420,471	16,896,605
	855,745,774	**5,578,554,846**	**4,722,809,072**

As of January 1, 2022, the amount of "Accumulated loss" without inflation adjustment is TL 1,102,866,722 and the amount of "Accumulated profit" is TL 30,294,604,930 after inflation adjustment in accordance with TAS 29 to the purchasing power of December 31, 2023.

15 Revenue

Details of revenue for the year ended 31 December 2023 and 2022 is as follows:

	1 January-31 December 2023	1 January-31 December 2022
Revenues from electricity sales	6,358,818,133	7,565,576,718
- *Revenues from feed in tariff (FIT)*	*1,889,662,864*	*6,043,707,136*
- *Other than FIT*	*4,469,155,269*	*1,521,869,582*
	6,358,818,133	**7,565,576,718**

Management monitor revenues into two categories due to its risk group: FIT and Other than FIT.

16 Cost of sales

Details of the cost of sales for the year ended 31 December 2023 and 2022 is as follows:

	1 January-31 December 2023	**1 January-31 December 2022**
Cost of energy sales and generation	(3,610,939,626)	(3,376,715,198)
- Cost of energy sales and generation	*(2,090,992,798)*	*(2,105,419,266)*
*- Depreciation and amortization expenses **	*(1,519,946,828)*	*(1,271,295,932)*
	(3,610,939,626)	**(3,376,715,198)**

* Cost of energy generation mainly includes costs of energy sales and generation, system usage and transmission costs, maintenance and repair expenses and personnel expenses.

17 General and administrative expenses

The details of general administrative expenses for the year ended 31 December 2023 and 2022 is as follows:

	1 January-31 December 2023	**1 January-31 December 2022**
Administrative expenses *	(273,783,776)	(81,786,795)
Personnel expenses	(227,308,374)	(142,840,808)
Depreciation and amortization expenses	(38,701,059)	(42,083,715)
Consultancy expenses	(34,329,016)	(18,864,354)
Tax, duties and fees expenses	(9,428,747)	(23,854,069)
Maintenance and repair expenses	(4,902,858)	(6,732,751)
Insurance charges	(1,743,329)	(1,938,167)
License and dues expenses	(1,668,756)	(1,801,079)
Other	(39,661,455)	(28,880,503)
	(631,527,370)	**(348,782,241)**

* Consists of expenses related to shared services received from Aydem Holding.

18 Expenses by nature

The details of expenses incurred for the year ended 31 December 2023 and 2022 is as follows:

	1 January-31 December 2023	**1 January-31 December 2022**
Depreciation and amortization expenses	(2,129,693,857)	(2,147,502,981)
Costs of energy sales and generation	(1,120,732,386)	(982,589,293)
Personnel expenses	(495,058,956)	(331,303,826)
Administrative expenses	(273,783,776)	(81,786,795)
Consulting expenses	(43,225,889)	(26,846,644)
License and dues expenses	(27,217,691)	(10,385,411)
Other	(152,754,441)	(145,082,489)
	(4,242,466,996)	**(3,725,497,439)**

19 Other operating income and other operating expenses

Details of other operating income for the year ended 31 December 2023 and 2022 is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Foreign exchange income arising from operating activities, net	829,731,450	698,708,523
Interest income from commercial trasactions	200,171,532	153,117,926
Provisions for no longer required trade receivables	125,931	292,367
Compensation from insurances	-	12,534,572
Litigation provision reversal	-	3,191,483
Other	22,695,042	29,016,090
	1,052,723,955	**896,860,961**

Details of other operating expenses for the year ended 31 December 2023 and 2022 is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Donations	(76,108,776)	(1,809,435)
Litigation expenses	(22,189,406)	-
Interest expense on trade transactions	(12,135,293)	(6,438,783)
Expenses related to other provisions	-	(8,625,075)
Expenses related to allowance for trade receivables	-	(1,859,622)
Other	(1,225,363)	(1,916,097)
	(111,658,838)	**(20,649,012)**

20 Financial income and expense

The details of finance income for the year ended 31 December 2023 and 2022 is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Foreign exchange income arising from financing activities	702,380,984	774,404,718
Income arising from Eurobond buy-back	130,306,856	435,709,410
Interest income	108,807,898	67,181,578
Interest income from related parties	83,894,426	2,781,336
Income from derivative transactions	13,774,088	-
Other	4,744,207	579,546
	1,043,908,459	**1,280,656,588**

The details of financial expenses for the year ended 31 December 2023 and 2022 is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Foreign exchange losses arising from financing activities *	(6,465,216,089)	(2,143,721,150)
Foreign exchange losses transferred from equity	(4,941,232,210)	(307,918,729)
Bond interest expenses	(1,759,292,675)	(1,746,159,142)
Bank commission and other expenses	(15,233,682)	(14,337,960)
Right of use obligations interest expenses (Note 23)	(12,746,127)	(12,331,857)
Bail commission	-	(2,246,784)
	(13,193,720,783)	**(4,226,715,622)**

* Includes unrealised foreign exchange losses amounting to TL 10,970,081,468 related to Eurobond payable for the period 2025-2027, for which there is no principal payment obligation in the current period.

21 Income & expense from investing activities

The details of gains from investing activities for the year ended 31 December 2023 and 2022 is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Currency protected deposit income	238,291,480	376,737
Income from sale of investment properties	44,374,440	-
Securities Sales Income	17,960,309	-
Gains on sales of tangible fixed assets	4,089,867	8,503,069
Gains from investing rent	700,793	2,704,491
Gains on scrap sales	276,208	465,997
	305,693,097	**12,050,294**

21 Income & expense from investing activities *(continued)*

The details of losses from investing activities for the year ended 31 December 2023 and 2022 is as follows:

	1 January- 31 December 2023	**1 January- 31 December 2022**
Impairment of fixed asset	(3,541,306,900)	(4,954,032,477)
Loss on sale of property, plant and equipment	(122,283,888)	-
	(3,663,590,788)	**(4,954,032,477)**

22 Taxation on income

Corporation Tax

The Group is subject to corporation tax applicable in Turkey. The corporate tax rate is generally 25%, Corporate tax rate to be accrued on the taxable corporate income is determined by adding the expenses that cannot be deducted from the tax base in the determination of the commercial income and deducting gains from the tax, non-taxable income and other discounts (previous year losses, if any, and investment discounts used, if preferred).

In Turkey, provisional tax is calculated and accrued on a quarterly basis. The provisional tax rate that should be calculated on corporate earnings during the taxation phase of 2023 corporate earnings as of temporary tax periods is 25% (31 December 2022: 23%).

Losses can be carried forward for a maximum of 5 years to be deducted from future taxable profits. However, losses cannot be deducted retrospectively from the profits of previous years.

There is no clear and definitive agreement on tax assessment procedures in Turkey. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. These declarations and the accounting records that are the basis of these declarations can be examined and changed by the Tax Office within 5 years.

Deferred Tax

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

Income withholding tax

There is a withholding tax liability on dividend distributions and this withholding tax liability is accrued in the period in which the dividend payment is made. Dividend payments other than those made to non-resident corporations which have a place of business or permanent representative in Turkey and resident corporations are subject to withholding tax at the rate of 15%. In the application of withholding tax rates for dividend payments to non-resident corporations and real persons, the withholding tax rates in the related Double Tax Treaty Agreements are also taken into consideration. Allocation of retained earnings to capital is not considered as profit distribution and therefore not subject to withholding tax.

22 Taxation on income *(continued)*

Transfer pricing arrangements

In Turkey, the transfer pricing provisions of the Corporate Tax Law "disguised profit distribution via transfer pricing" is stated in Article 13 entitled. The communiqué of 18 November 2007 on disguised profit distribution through transfer pricing regulates the details of the application.

If the taxpayer purchases or sells goods or services at a price or price that they determine in contradiction with the principle of conformity with peers, the gain is deemed to be completely or partially distributed implicitly through transfer pricing. Disguised profit distribution through such transfer pricing is considered an unacceptable expense for corporate tax.

Transfer pricing regulations

Transfer pricing is disclosed in the 13th clause of the Corporate Tax Law under the heading "veiled shifting of profit" via transfer pricing. The application details are stated in the "general communiqué regarding veiled shifting of profits via transfer pricing" published on 18 November 2007. Veiled shifting of profits via transfer pricing will not be deducted from tax assessment for the purposes of corporate tax.

Disguised capital

The provisions on disguised capital are regulated under Article 12 of the Corporate Tax Law and accordingly, the portion of all kinds of debts obtained directly or indirectly from shareholders or persons related to shareholders and used in the enterprise exceeding three times the beginning-of-period equity capital of the corporation at any time during the accounting period is considered as disguised capital for the relevant accounting period.

In order for the debts used in the enterprise to be considered as implicit capital;

- Obtained directly or indirectly from a shareholder or a person related to a shareholder,
- Use in business,
- It must exceed three times the institution's equity at any time during the accounting period.

Tax expense

The income tax for the years ended 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	**1 January- 31 December 2022**
Deferred tax expense	(3,136,939,276)	(5,125,770,983)
	(3,136,939,276)	**(5,125,770,983)**

22 Taxation on income *(continued)*

Reconciliation of effective tax rate

As of 31 December 2023 and 2022, the reported tax provision is different from the amount calculated using the statutory tax rate on profit before tax. The reconciliation of tax expense / income is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Period profit / loss	(1,280,100,539)	4,973,023,571
Tax expenses	(3,136,939,276)	(5,125,770,983)
Loss before taxation	**1,856,838,737**	**10,098,794,554**
Tax calculated with the company's legal tax rate	**(464,209,684)**	**(2,322,722,747)**
Non-taxable inflation adjustments	(4,009,056,687)	(2,793,532,194)
Effect of use of different tax rate *	(1,561,954,479)	302,963,837
Non-deductible expenses	(173,906,468)	(181,706,013)
In accordance with the provisions of theTPL, inflation arising from inflation accounting deferred tax effect of temporary differences	2,952,762,143	-
Tax base increase effect	-	6,345,129
Effect of gain on sale of treasury shares	-	(31,225,559)
Other	119,425,899	(105,893,436)
Tax expense	**(3,136,939,276)**	**(5,125,770,983)**

* The effect arises from the use of 25% rate in deferred tax calculation for long-term temporary differences.

Deferred tax assets and liabilities

The movement of deferred tax liability is as follows:

	2023	2022
Opening balance (1 January)	**7,596,464,840**	**6,991,919,119**
Recognized in other comprehensive income	232,706,655	(850,817,679)
Recognised in profit or loss	3,136,939,276	5,125,770,983
Inflation effect	(4,827,244,609)	(3,670,407,583)
Closing balance (31 December)	**6,138,866,162**	**7,596,464,840**

22 Taxation on income *(continued)*

Deferred tax assets and liabilities

As of 31 December 2023 and 2022, the breakdown of deferred tax liabilities is as follows:

	31 December 2023	31 December 2022
Increase / decrease in value of tangible assets	(11,291,841,670)	(9,341,988,265)
Property, plant and equipment and intangible assets	(92,141,758)	(108,154,546)
Amortized cost adjustment for financial borrowings	(72,185,093)	(70,776,914)
Rediscount on payables	(3,986,093)	(8,612,966)
Provision for litigation	3,432,621	4,106,291
Provisions for retirement pay liability	19,314,663	11,752,272
Expensing of foreign exchange differences related to prepaid expenses	33,695,269	-
Expensing capitalized borrowing costs	1,109,912,915	1,057,064,840
Deferred tax asset from carry forward tax losses	1,211,747,031	872,894,517
Deferred tax effect on temporary differences arising from inflation accounting in accordance with the TPL	2,952,762,143	-
Other	(9,576,190)	(12,750,069)
	(6,138,866,162)	**(7,596,464,840)**

The breakdown of the parts of the Group and its subsidiaries for which deferred tax assets are created from carried forward tax losses is as follows:

	31 December 2023	31 December 2022
Expire in 2024	26,293,295	26,293,295
Expire in 2025	59,159,030	59,159,030
Expire in 2026	2,406,815,885	2,406,815,885
Expire in 2027	156,512,065	156,512,065
Expire in 2028	2,198,207,840	-
	4,846,988,115	**2,648,780,275**

23 Financial liabilities

23.1 Issued bond liabilities

As of 31 December 2023 and 2022, terms and conditions of financial liabilities are as follows:

					31 December 2023
Currency	**Effective interest rate**	**Maturity for the latest payment**	**Original currency amount**	**Short-term**	**Long-term**
USD	8.63%	2027	682,740,150	1,495,046,954	18,603,594,131
				1,495,046,954	**18,603,594,131**

					31 December 2022
Currency	**Effective interest rate**	**Maturity for the latest payment**	**Original currency amount**	**Short-term**	**Long-term**
USD	8.75%	2027	705,262,674	1,657,468,152	20,071,487,686
				1,657,468,152	**20,071,487,686**

The Group on the Irish Stock Exchange issued USD 750,000,000 with a maturity of 5.5 years, coupon payments every 6 months, principal and coupon payments at maturity, annual fixed interest rate of 7.75%, on 2 August 2021. With the amount obtained through the bond issuance, the entire loan debt of the Company to the banks has been repaid, and the remaining amount is going to be used for the investments in line with the Company's growth strategy.

Between 11 May 2022 and 31 October 2023, USD 75,893,000 of the said bond was buyback transactions and the related amount was accounted for by deducting the amortized cost using the effective interest rate and the total bond amount.

The repayments of the bond and debt instruments agreements according to their original maturities as of 31 December 2023 and 2022 are as follows:

	31 December 2023	**31 December 2022**
To be paid within 3 months	763,161,726	857,832,945
To be paid within a 3-12 months	731,885,228	799,635,207
To be paid in 1-2 year	4,852,782,058	1,516,889,124
To be paid in 2-3 year	4,210,421,782	4,862,168,796
To be paid in 3-4 year	9,540,390,291	4,200,915,730
To be paid in 4-5 year	-	9,491,514,036
	20,098,641,085	**21,728,955,838**

23 Financial liabilities *(continued)*

23.1 Issued bond liabilities *(continued)*

The movement of financial liabilities for the period ended 31 December 2023 and 2022 is as follows:

	2023	**2022**
Opening balance (1 January)	**21,728,955,838**	**27,219,824,785**
Repayment of financial liabilities *	(834,654,469)	(1,582,385,190)
Interest accrued in the period	1,736,012,592	2,216,647,427
Interest paid	(1,579,890,154)	(1,834,969,539)
Exchange rate differences accrued in the period	7,215,606,837	2,022,738,179
Exchange rate differences subjected to cash flow hedge, accounted in OCI	(750,390,748)	5,828,355,023
Inflation effect	(7,416,998,811)	(12,141,254,847)
Closing balance (31 December)	**20,098,641,085**	**21,728,955,838**

* Repurchase amount related to bond issuance.

23.2 Lease liabilities

The repayments of the lease liabilities according to their original maturities as of 31 December 2023 and 2022 are as follows:

	31 December 2023	**31 December 2022**
To be paid within a year	16,625,292	8,962,032
To be paid in 1-5 years	10,546,622	7,549,679
To be paid over 5 years	27,321,559	33,871,095
	54,493,473	**50,382,806**

For the period then ended as of 31 December 2023 and 2022, movements of lease of uses is as follows:

	2023	**2022**
Lease Liabilities (1 January)	**50,382,806**	**80,872,035**
Additions	59,167,746	201,331,822
Accretion of interest	12,746,126	12,331,856
Payments	(41,242,617)	(212,285,263)
Inflation effect	(26,560,588)	(31,867,644)
Lease Liabilities (31 December)	**54,493,473**	**50,382,806**

24 Nature and level of risks arising from financial instruments

Financial instruments and financial risk management

The Group may be exposed to the following risks depending on the use of financial instruments:
• Credit risk
• Liquidity risk
• Market risk
• Operational risk

This note provides information on the Group's exposure to the risks outlined above, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk that a customer or a counterparty will fail to fulfil its obligations under the contract and is mainly attributable to customer receivables. The carrying values of financial assets represent the maximum exposure to credit risk.

The maximum credit risk the Group is exposed to as of 31 December 2023 and 2022 are as follows:

31 December 2023	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	1,928,894,734	72,180,726	641,543,115	17,685,962	1,393,347,665
- Secured part of the maximum credit risk exposures via collateral etc.	1,928,894,734	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	348,572,977	72,180,726	641,543,115	17,685,962	1,393,347,665
B. Net book value of assets that are overdue but not impaired	1,580,321,757	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	7,061,725	-	-	-
- Impairment amount (-)	-	(7,061,725)	-	-	-
- Secured portion covered with guarantees, etc	-	-			-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
D. Off-balance sheet items including risk	-	-	-	-	-

24 Nature and level of risks arising from financial instruments *(continued)*

Credit risk ***(continued)***

31 December 2022	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	2,030,660,755	118,139,189	57,682,313	52,759,318	2,131,820,839
- Secured part of the maximum credit risk exposures via collateral etc.	2,030,660,755	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	1,105,091,591	118,139,189	57,682,313	52,759,318	2,131,820,839
B. Net book value of assets that are overdue but not impaired	925,569,164	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	11,794,052	-	-	-
- Impairment amount (-)	-	(11,794,052)	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
D. Off-balance sheet items including risk	-	-	-	-	-

24 Nature and level of risks arising from financial instruments *(continued)*

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities in the future. The Group's liquidity risk is managed by providing sufficient financing facilities from various financial institutions in a way that does not harm or damage the Group's reputation in order to fund the current and future debt requirements under normal conditions or in crisis situations.

As at 31 December 2023 and 2022, the maturity of financial liabilities including estimated interest payments according to the payment schedule is as follows:

31 December 2023	Book value	Contractual cash outflow	0-3 months	3-12 months	1-5 years	> 5 years
Non-derivative financial liabilities						
Financial liabilities	20,098,641,085	24,458,342,152	768,974,239	768,974,239	22,920,393,674	-
Financial lease liabilities (TFRS 16)	54,493,473	160,205,849	4,700,998	21,535,268	37,311,710	96,657,873
Other long term payables to related parties	50,402,202	174,329,348	-	-	-	174,329,348
Trade payables to related parties	11,435,775	11,435,775	11,435,775	-	-	-
Trade payables to third parties	391,766,151	336,134,561	335,098,487	1,036,074	-	-
Total	**20,606,738,686**	**25,140,447,685**	**1,120,209,499**	**791,545,581**	**22,957,705,384**	**270,987,221**

31 December 2022	Book Value	Contractual cash outflow	0-3 months	3-12 months	1-5 years	> 5 years
Non-derivative financial liabilities						
Financial liabilities	21,728,955,838	28,375,928,957	864,468,962	840,610,213	26,670,849,782	-
Financial lease liabilities (TFRS 16)	50,382,806	217,430,788	3,564,688	16,119,069	36,042,942	161,704,089
Other long term payables to related parties	66,256,354	287,247,555	-	-	-	287,247,555
Trade payables to related parties	12,727,319	12,727,319	12,727,319	-	-	-
Trade payables to third parties	770,231,171	770,231,183	759,196,326	11,034,857	-	-
Total	**22,628,553,488**	**29,663,565,802**	**1,639,957,295**	**867,764,139**	**26,706,892,724**	**448,951,644**

Market risk

Market risk; The risk of changes in the money market, such as exchange rates, interest rates or the prices of instruments traded in the securities markets, may change the Group's income or the value of its financial assets. Market risk management aims to optimize return while controlling market risk exposure within acceptable limits.

24 Nature and level of risks arising from financial instruments *(continued)*

Currency risk

While the Group's functional currency is Turkish Lira, the Group is exposed to foreign exchange risks. The Group has outstanding US Dollar debt instruments due to power plant investments. The Group also realizes significant USD indexed sales within the scope of the Feed-in Tariff.

As of 31 December 2023 and 2022, the foreign currency position of the Group arises from foreign currency assets and liabilities stated in the table below.

			31 December 2023
			Original Amounts
	TL Equivalent	US Dollars	EUR
Assets			
Cash and cash equivalents	281,534,259	9,303,295	235,219
Financial investments	626,629,118	21,286,258	-
Other receivables from related parties	85,458,138	2,902,967	-
Trade receivables from related parties	1,968,066,049	66,770,418	75,678
Total Asset	**2,961,687,564**	**100,262,938**	**310,897**
Liabilities			
Short-term and long-term financial liabilities	(20,098,641,084)	(682,740,150)	-
Short-term trade payables to third parties	(246,787,690)	(8,197,504)	(167,862)
Total liabilities	**(20,345,428,774)**	**(690,937,654)**	**(167,862)**
Foreign currency liability position	**(17,383,741,210)**	**(590,674,716)**	**143,035**
Amounts subject to cash flow hedge accounting *	**16,900,676,687**	**574,107,000**	**-**
Net foreign currency position after cash flow hedge	**(483,064,523)**	**(16,567,716)**	**143,035**

			31 December 2022
			Original Amounts
	TL Equivalent	US Dollars	EUR
Assets			
Cash and cash equivalents	1,366,527,718	43,337,246	953,462
Financial investments	569,792,482	18,493,911	-
Trade receivables from third parties	781	20	5
Other receivables from related parties	57,682,293	1,872,210	-
Trade receivables from related parties	2,022,372,638	65,621,301	18,198
Total assets	**4,016,375,912**	**129,324,688**	**971,665**
Liabilities			
Short-term and long-term financial liabilities	(21,728,955,838)	(705,262,674)	-
Short-term trade payables to third parties	(142,807,321)	(3,953,674)	(639,189)
Total liabilities	**(21,871,763,159)**	**(709,216,348)**	**(639,189)**
Foreign currency liability position	**(17,855,387,247)**	**(579,891,660)**	**332,476**
Amounts subject to cash flow hedge accounting *	**18,492,341,637**	**600,211,000**	**-**
Net foreign currency position after cash flow hedge	**636,954,390**	**20,319,340**	**332,476**

* Please refer to Note 2.7.

24 Nature and level of risks arising from financial instruments *(continued)*

Currency risk *(continued)*

Sensitivity analysis

The Group is mainly exposed to foreign currency risk in USD Dollars. The following table details the Group's sensitivity to a 10% increase and decrease in US Dollars and Euro, 10% is the rate used to report the exchange rate risk within the Group to the executives and this rate indicates the possible change in the exchange rates expected by the management. The sensitivity analysis covers only foreign currency denominated monetary items at the end of the year and shows the effects of the 10% increase in foreign exchange rates of these items at the end of the year excluding tax effects. A positive value indicates an increase in profit or loss and other equity items.

Exchange rate sensitivity analysis table		
31 December 2023		
	Increase in value of foreign currency	**Decrease in value of foreign currency**
If TL gains/losses 10% against US dollar		
1- TL net assets / liabilities	(1,738,840,042)	1,738,840,042
2- TL hedged portion (-)	1,690,067,669	(1,690,067,669)
3- TL net effect (1 + 2)	**(48,772,373)**	**48,772,373**
If the TL gains/losses 10% against the Euro		
4- TL net assets / liabilities	465,921	(465,921)
5- TL hedged portion (-)	-	-
6- Net effect of TL (4 + 5)	**465,921**	**(465,921)**
Total (3 + 6)	**(48,306,452)**	**48,306,452**

Exchange rate sensitivity analysis table		
31 December 2022		
	Increase in value of foreign currency	**Decrease in value of foreign currency**
If TL gains/losses 10% against US dollar		
1- TL net assets / liabilities	(1,118,879,293)	1,118,879,293
2- TL hedged portion (-)	1,122,292,534	(1,122,292,534)
3- TL net effect (1 + 2)	**3,413,241**	**(3,413,241)**
If the TL gains/losses 10% against the Euro		
4- TL net assets / liabilities	662,788	(662,788)
5- TL hedged portion (-)		
6- Net effect of TL (4 + 5)	**662,788**	**(662,788)**
Total (3 + 6)	**4,076,029**	**(4,076,029)**

24 Nature and level of risks arising from financial instruments *(continued)*

Capital risk managements

In managing capital, the Group's objectives are to maintain the Group's ability to continue to operate in order to maintain an optimal capital structure to provide returns to shareholders, benefits to other shareholders, and to reduce capital costs.

In order to maintain or adjust the capital structure, the Group determines the amount of dividend payable to shareholders.

The Group monitors capital on the basis of the net financial debt / equity ratio. Net financial debt is calculated by deducting cash and cash equivalents from total financial debt.

As of 31 December 2023 and 2022, net financial liabilities/equity ratios are as follows:

	31 December 2023	**31 December 2022**
Total financial liabilities *	20,098,641,085	21,728,955,838
Cash and cash equivalents	(2,019,976,783)	(2,717,332,613)
Net financial liabilities	18,078,664,302	19,011,623,225
Equity	28,620,775,124	29,322,249,203
	63.17%	**64.84%**

* Includes issued bond liabilities (Note 23.1).

Fair value of financial instruments

When measuring the fair value of an asset or liability, the Company uses market observable inputs. Fair value measurements are categorised into different levels of the fair value hierarchy based on the information used in the valuation techniques described below.

- Level 1: Quoted prices (unadjusted) in markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the information used to measure the fair value of an asset or liability can be categorised into a different level of the fair value hierarchy, that fair value is categorised into the same level of the fair value hierarchy that includes the least significant information for the overall measurement.

The Company recognises transfers between levels in the fair value hierarchy at the end of the reporting period in which the change occurs.

Fair value is the amount that would be realised in a sale transaction between two parties willing to exchange a financial asset, other than in a forced sale or liquidation, and is most readily measurable at fair value.

24 Nature and level of risks arising from financial instruments *(continued)*

Fair value of financial instruments *(continued)*

The Company has generally assumed that the carrying amounts of financial instruments with short remaining maturities or financial instruments that are initially recognised close to the reporting date approximate their fair values. It is also assumed that the fair value of foreign currency assets and liabilities within financial instruments, which are translated into Turkish Lira at the year-end exchange rate, approximates their carrying value.

However, since it is necessary to use judgement to determine the estimated fair value, fair value measurements may not reflect the values that may occur in current market conditions. Therefore, apart from the aforementioned assumptions, inputs that are not based on observable market data for financial assets or liabilities (unobservable inputs), which are used by the Company management in the use of judgement in fair value analysis, have been assessed within the scope of the classification defined as level 3 of the valuation method for the comparative fair value analysis of long-term financial liabilities.

As at 31 December 2023, the Company's central assets are measured at fair value determined by an independent professional valuation company using other valuation techniques that include direct or indirect observable inputs (Level 3).

Financial assets

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

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

Financial liabilities

The carrying values of trade payables are estimated to be their fair values since they are short term and leasing liabilities are estimated to be their fair values assuming that there is no significant change in the market prices of similar leases with the same maturity.

Derivative instruments

The Company uses derivative financial instruments (mainly foreign currency forward contracts) to hedge its foreign currency risk. Derivative financial instruments are measured at fair value at the contract date and remeasured at fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in the statement of profit or loss in the period in which they arise.

25 Earnings per share

The calculation of basic and diluted Earnings per share for the period ended 31 December 2023 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares as follows:

	31 December 2023	31 December 2022
Numerator:		
Income / (loss) for the period attributable to owners of the company	(1,280,100,539)	4,973,023,571
Denominator:		
Weighted average number of shares	700,788,482	700,848,068
Basic and diluted profit /(loss) per share	**(1.83)**	**7.10**

31 December 2023	**Number of shares**	**Time weighting (days)**
Outstanding ordinary shares as of 1 January 2023 (Par Value: TL 1)	705,000,000	10
Outstanding ordinary shares as of 11 January 2023	704,800,000	13
Outstanding ordinary shares as of 24 January 2023	704,100,000	24
Outstanding ordinary shares as of 17 February 2023	704,050,000	5
Outstanding ordinary shares as of 22 February 2023	703,740,000	40
Outstanding ordinary shares as of 3 April 2023	703,440,000	1
Outstanding ordinary shares as of 4 April 2023	703,240,000	1
Outstanding ordinary shares as of 5 April 2023	703,140,000	1
Outstanding ordinary shares as of 6 April 2023	703,040,000	1
Outstanding ordinary shares as of 7 April 2023	702,940,000	3
Outstanding ordinary shares as of 10 April 2023	702,840,000	1
Outstanding ordinary shares as of 11 April 2023	702,740,000	6
Outstanding ordinary shares as of 17 April 2023	702,640,000	1
Outstanding ordinary shares as of 18 April 2023	702,540,000	1
Outstanding ordinary shares as of 19 April 2023	702,490,000	6
Outstanding ordinary shares as of 25 April 2023	740,420,000	1
Outstanding ordinary shares as of 26 April 2023	702,220,000	7
Outstanding ordinary shares as of 3 May 2023	701,920,000	6
Outstanding ordinary shares as of 9 May 2023	701,420,000	1
Outstanding ordinary shares as of 10 May 2023	700,920,000	1
Outstanding ordinary shares as of 11 May 2023	699,920,000	1
Outstanding ordinary shares as of 12 May 2023	698,920,000	42
Outstanding ordinary shares as of 23 June 2023	698,420,000	192
Weighted average for the period	**700,788,482**	**365 / 365**

25 Earnings per share *(continued)*

31 December 2022	**Number of shares**	**Time weighting (days)**
Outstanding ordinary shares as of 1 January 2022 (Par Value: TL 1)	705,000,000	47
Outstanding ordinary shares as of 17 February 2022	704,800,000	4
Outstanding ordinary shares as of 21 February 2022	704,100,000	1
Outstanding ordinary shares as of 22 February 2022	704,050,000	1
Outstanding ordinary shares as of 23 February 2022	703,740,000	6
Outstanding ordinary shares as of 1 March 2022	703,240,000	8
Outstanding ordinary shares as of 9 March 2022	702,740,000	2
Outstanding ordinary shares as of 11 March 2022	702,576,498	5
Outstanding ordinary shares as of 16 March 2022	702,376,498	7
Outstanding ordinary shares as of 23 March 2022	701,876,498	15
Outstanding ordinary shares as of 7 April 2022	701,696,498	4
Outstanding ordinary shares as of 11 April 2022	701,396,498	2
Outstanding ordinary shares as of 13 April 2022	700,896,498	5
Outstanding ordinary shares as of 18 April 2022	700,596,498	7
Outstanding ordinary shares as of 25 April 2022	700,396,498	23
Outstanding ordinary shares as of 18 May 2022	700,196,498	7
Outstanding ordinary shares as of 25 May 2022	699,896,498	15
Outstanding ordinary shares as of 9 June 2022	699,596,498	7
Outstanding ordinary shares as of 16 June 2022	699,566,498	19
Outstanding ordinary shares as of 5 July 2022	699,266,498	171
Outstanding ordinary shares as of 23 December 2022	705,000,000	9
Weighted average for the period	**700,848,068**	**365 / 365**

26 Prepaid expenses

As of 31 December 2023 and 2022, short term prepaid expenses as follows:

	31 December 2023	**31 December 2022**
Advances given for purchase orders	32,063,727	37,266,152
Prepaid expense for the following months	7,991,545	6,676,176
Job advances	188,930	858,273
	40,244,202	**44,800,601**

As of 31 December 2023 and 2022, long term prepaid expenses as follows:

	31 December 2023	**31 December 2022**
Advances given	272,515,676	667,874,306
	272,515,676	**667,874,306**

27 Financial investments

As of 31 December 2023 and 2022, financial investments are as follows:

	31 December 2023	31 December 2022
Restricted accounts	517,714,399	569,792,482
*- Interest reserve account related to Eurobond **	*517,714,399*	*569,792,482*
Currency protected deposits	108,914,719	15,719,292
	626,629,118	**585,511,774**

* The Company shall, so long as any Note remains outstanding, fund the interest reserve account on a monthly basis and maintain the required balance given the amount of upcoming interest payment. The amount standing in the account will gradually increase and finally be equal to debt service amount on the date of debt service.

28 Independent audit fees and other fees related services received from independent audit firm

The fees related to the services received by the Group from the independent auditor/independent audit firm are presented below:

	31 December 2023	31 December 2022
Independent audit fees related to reporting period	1,767,720	2,567,589
Fees related to orher assurance services	205,690	51,464
	1,973,410	**2,619,053**

29 Events after the reporting period

On February 2, 2024, USD 26,121,646 was transferred to be transferred to the relevant investor accounts for the payment of coupon number 5 of the bonds with a nominal value of USD 750 million and a maturity of 5.5 years.