Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated Financial Statements
For The Year Ended 31 December 2022 and
Independent Auditor's Report

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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, 2022, 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, 2022, 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 87.1% of total assets of the Group as at 31 December 2022. 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 engaged 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.

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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 2022, the Group used its bond amounting to USD 600.211.000 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.

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.

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

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 2 March 2023.

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 2022 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

Onur Ünal, SMMM
Partner

2 March 2023
İstanbul, Türkiye

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries
Consolidated statement of financial position as at 31 December 2022
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

	Notes	Audited 31 December 2022	Audited 31 December 2021
ASSETS			
Current Assests			
Cash and Cash Equivalents	3	1,293,793,214	1,525,592,118
Financial Investments	27	355,344,664	2,704,681
Trade Receivables		1,304,097,762	147,835,801
- *Due from Related Parties*	*5*	*1,232,399,579*	*127,311,860*
- *Due from Third Parties*	*6*	*71,698,183*	*20,523,941*
Other Receivables		65,474,749	22,946,045
- *Due from Related Parties*	*5*	*35,007,156*	*15,530,259*
- *Due from Third Parties*	*7*	*30,467,593*	*7,415,786*
Inventories	8	8,961,584	8,556,333
Prepaid Expenses	26	20,098,838	32,815,063
Other Current Assets	13.1	51,062	28,417
TOTAL CURRENT ASSETS		**3,047,821,873**	**1,740,478,458**
Non-Current Assets			
Other Receivables		1,551,818	2,740,754
- *Other Receivables due from Third Parties*	*7*	*1,551,818*	*2,740,754*
Property, Plant and Equipments	9.1, 2.12	31,516,128,533	20,288,516,897
Right of Use Assets	9.2	119,616,453	27,802,539
Intangible Assets	10	293,108,113	298,995,009
Investment properties		10,131,324	-
Prepaid Expenses	26, 2.12	390,314,940	161,897,442
Other Non-current Assets	13.2	11,032,099	10,925,788
TOTAL NON-CURRENT ASSETS		**32,341,883,280**	**20,790,878,429**
TOTAL ASSETS		**35,389,705,153**	**22,531,356,887**

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 2022
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

	Notes	Audited 31 December 2022	Audited 31 December 2021
LIABILITIES			
Current Liabilities			
Short-term portion of Long-term Financial Liabilities	23.1	1,005,910,538	763,819,958
Lease Liabilities	23.2	5,439,020	4,734,769
Trade Payables		475,174,256	68,147,916
- *Due to Related Parties*	*5*	*7,724,157*	*4,124,009*
- *Due to Third Parties*	*6*	*467,450,099*	*64,023,907*
Liabilities for Employee Benefits	12	3,332,249	1,471,629
Other Payables		235,708	491,732
- *Due to Third Parties*		*235,708*	*491,732*
Current Provisions		35,058,175	20,643,094
- *Provisions for Employee Benefits*	*11.1*	*22,597,724*	*6,506,072*
- *Other Short-term Provisions*	*11.1*	*12,460,451*	*14,137,022*
Other Current Liabilities	13.3	72,995,119	17,324,105
TOTAL CURRENT LIABILITIES		**1,598,145,065**	**876,633,203**
Non-Current Liabilities			
Financial Liabilities	23.1	12,181,302,520	9,292,574,451
Lease Liabilities	23.2	25,138,096	25,143,494
Other Payables		40,210,706	37,092,472
- *Due to Related Parties*	*5*	*40,210,706*	*37,092,472*
Non-current Provisions		34,742,233	11,543,311
- *Provisions for Employee Benefits*	*11.4*	*34,742,233*	*11,543,311*
Deferred Tax Liabilities	22	4,431,914,609	2,485,110,016
TOTAL NON-CURRENT LIABILITIES		**16,713,308,164**	**11,851,463,744**
TOTAL LIABILITIES		**18,311,453,229**	**12,728,096,947**

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

(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

		Audited	Audited
	Notes	**31 December 2022**	**31 December 2021**
EQUITY			
Paid-in Capital	14	705,000,000	705,000,000
Share Premium / Discount		186,171,649	91,418,338
Restricted Reserves	14	1,523,866	1,523,866
Other Comprenhensive Income that will not be reclassified to profit or loss in subsequent periods		21,091,055,621	13,228,664,194
- Gains on Revaluation of Property, Plant and Equipment		*21,105,254,202*	*13,225,881,526*
- Actuarial Gains / (Losses)on Defined Benefit Plans		*(14,198,581)*	*2,782,668*
Other Comprenhensive Income that may be reclassified to loss or profit it subsequent periods		(5,228,688,835)	*(3,000,188,096)*
-Reserve of / (Losses on) Cash Flow Hedge		*(5,228,688,835)*	*(3,000,188,096)*
Accumulated Losses		(694,880,978)	(1,102,866,722)
Net Income / (Loss) for the Period		1,018,070,601	(120,291,640)
Equity Attributable to Equity Holders of the Parent		**17,078,251,924**	**9,803,259,940**
TOTAL EQUITY		**17,078,251,924**	**9,803,259,940**
TOTAL EQUITY AND LIABILITIES		**35,389,705,153**	**22,531,356,887**

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 2022

(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

	Notes	Audited 1 January – 31 December 2022	Audited 1 January – 31 December 2021
Loss or Profit Statement			
Revenue	15	3,807,844,798	1,240,753,398
Cost of Sales	16	(1,405,210,503)	(725,768,454)
Gross Profit		**2,402,634,295**	**514,984,944**
General Administrative Expenses	17	(163,515,386)	(100,007,917)
Other Operating Income	19	471,144,900	10,223,158
Other Operating Expenses	19	(10,000,096)	(7,779,304)
Operating Profit		**2,700,263,713**	**417,420,881**
Gains from Investing Activities	21	5,521,517	4,793,107
Profit Before Net Finance (Expense) / Income		**2,705,785,230**	**422,213,988**
Finance Income	20	611,393,725	707,563,009
Finance Expense	20	(1,892,846,538)	(1,144,109,805)
Net Finance Expense		**(1,281,452,813)**	**(436,546,796)**
(Loss) / Gain Before Tax		**1,424,332,417**	**(14,332,808)**
Tax Expense		**(406,261,816)**	**(105,958,832)**
- *Current Tax Expense*	22	-	*(17,581,616)*
- *Deferred Tax Expense*	22	*(406,261,816)*	*(88,377,216)*
Net Income / (Loss) for the Period		**1,018,070,601**	**(120,291,640)**
Gain / (Loss) Attributable To:			
Equity Holders of the Parent		1,018,070,601	(120,291,640)
Gain Earnings per share			
- Gain Earnings per share		1,45	(0,17)
Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods		**8,390,668,811**	**6,985,789,162**
- *Increases(Decreases) in Property, Plant and Equipments Revaluation*		*10,509,562,575*	*8,732,319,029*
- *Actuarial (Losses) on Defined Benefit Plans*		*(21,226,563)*	*(82,576)*
- *Tax Related to Other Comprehensive Income that will not be reclassified to Loss or Profit*		*(2,097,667,201)*	*(1,746,447,291)*
Other Comprehensive Income that may be reclassified to loss or profit in subsequent periods		**(2,228,500,739)**	**(3,000,188,096)**
- *Reserve of (Losses) Gains on Cash Flow Hedge*		*(2,785,625,924)*	*(3,750,235,120)*
- *Tax Related to Other Comprehensive Income that will be reclassified to Loss or Profit*		*557,125,185*	*750,047,024*
Other Comprehensive Income		**6,162,168,072**	**3,985,601,066**
Total Comprehensive Income		**7,180,238,673**	**3,865,309,426**

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries
Consolidated statement changes in equity
for the year period ended 31 December 2022 and 2021

(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

				Other comprenhensive income that will not be reclassified to (loss) or profit		Other comprenhensive income that will be reclassified to (loss) or profit			
	Paid-in capital	Share premium / discount	Restricted Reserves	Gains on revaluation of property, plant and equipment	Actuarial (losses)/ gains on defined benefit plans	Reserve of (losses) gains on cash flow hedge	Accumulated losses	Net income / (loss) for the period	Total equity
Balance as of 1 January 2021	**700,000,000**	**51,319,818**	**1,523,866**	**6,477,727,452**	**2,848,729**	**-**	**(773,286,902)**	**(567,280,969)**	**5,892,851,994**
Transfers	-	-	-	-	-	-	(567,280,969)	567,280,969	-
Net income / (loss) for the period	-	-	-	-	-	-	-	(120,291,640)	(120,291,640)
Other comprehensive income / (expense)	-	-	-	6,985,855,223	(66,061)	(3,000,188,096)	-		3,985,601,066
Total comprehensive income	**-**	**-**	**-**	**6,985,855,223**	**(66,061)**	**(3,000,188,096)**	**-**	**(120,291,640)**	**3,865,309,426**
Capital increase **	5,000,000	-	-	-	-	-	-	-	5,000,000
Acquisition of own shares ***	-	40,098,520	-	-	-	-	-	-	40,098,520
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	(237,701,149)	-	-	237,701,149	-	-
Balance as of 31 December 2021	**705,000,000**	**91,418,338**	**1,523,866**	**13,225,881,526**	**2,782,668**	**(3,000,188,096)**	**(1,102,866,722)**	**(120,291,640)**	**9,803,259,940**
Balance as of 1 January 2022	**705,000,000**	**91,418,338**	**1,523,866**	**13,225,881,526**	**2,782,668**	**(3,000,188,096)**	**(1,102,866,722)**	**(120,291,640)**	**9,803,259,940**
Transfers	-	-	-	-	-	-	(120,291,640)	120,291,640	-
Net income / (loss) for the period	-	-	-	-	-	-	-	1,018,070,601	1,018,070,601
Other comprehensive income / (expense)	-	-	-	8,407,650,060	(16,981,249)	(2,228,500,739)	-	-	6,162,168,072
Total comprehensive (expense) / income	**-**	**-**	**-**	**8,407,650,060**	**(16,981,249)**	**(2,228,500,739)**	**-**	**1,018,070,601**	**7,180,238,673**
Acquisition of own shares *	-	94,753,311	-	-	-	-	-	-	94,753,311
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	(528,277,384)	-	-	528,277,384	-	-
Balance as of 31 December 2022	**705,000,000**	**186,171,649**	**1,523,866**	**21,105,254,202**	**(14,198,581)**	**(5,228,688,835)**	**(694,880,978)**	**1,018,070,601**	**17,078,251,924**

* 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 by considering that the share price did not reflect the actual performance of the Company's activities, 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, 5,733,502 shares have been bought back in the amount of TL 47,208,198 by our Company for the year ended 31 December 2022. Pursuant to the resolution of our Board of Directors dated 23 December 2022, all of the above-mentioned repurchased shares were sold by our Company to a non-resident institutional investor at a price of TL 24.76 per share and through block sale method with a special order in Istanbul Stock Exchange (BIST) in the amount of TL 141,961,509.

** With the decision of the Board of Directors dated 26 April 2021, the Company's issued capital increased by TL 5,000,000 in cash and was registered with the Turkish Trade Registry Gazette dated 10 June 2021 and numbered 10346.

*** 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 portion was recorded in the "Share Premium" account. Expenses amounting to TL 4,401,480 incurred within the scope of initial public offering was deducted from Share Premium within the scope of TAS 32.

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries
Consolidated statement of cash flows
for the year period ended 31 December 2022
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

	Notes	Audited 1 January- 31 December 2022	Audites 1 Januarys- 31 December 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		**2,988,814,584**	**1,301,635,806**
Net income / (loss) for the period		**1,018,070,601**	**(120,291,640)**
Net income / (loss) for the period adjustment to reconcile		**3,266,222,461**	**1,619,911,449**
Adjustment related to amortization and depreciation	9, 10	771,380,212	454,696,539
Adjustment related to provisions		19,153,786	9,729,311
Adjustment related to incomes / expenses of interest, net		1,096,409,482	485,438,486
Adjustment related to tax income / expense	22	406,261,816	105,958,832
Adjustment related to exchanges differences	20	975,122,916	593,908,332
Adjustment related to gains of sales of tangible and intangible assets, net	21	(3,896,157)	(2,925,496)
Adjustment to related party to interest incomes / expenses from related parties		(1,327,828)	(226,946)
Other adjustments to reconcile net loss / income		3,118,234	(26,667,609)
Change in working capital		**(1,281,738,062)**	**(191,756,934)**
Related to increase / decrease in restricted accounts		(343,272,633)	-
Related to increase / decrease in trade receivables		(1,157,008,207)	(94,534,069)
Related to increase / decrease in other receivables		(257,074,999)	(101,577,058)
Related to increase / decrease in the inventories	2.12	(405,251)	(206,752)
Related to increase / decrease in trade payables		407,026,340	18,503,557
Related to increase / decrease in other payables		67,136,068	(12,654,543)
Related to increase / decrease in liabilities for employee benefits		1,860,620	(1,288,069)
Taxes paid		(11,721,077)	(5,860,539)
Employee termination benefit paid	11.4	(2,019,339)	(366,530)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(1,453,973,824)**	**(249,929,767)**
Interest received		33,200,884	6,243,618
Inflow related to sales of tangible and intangible assets	9	5,410,112	6,677,076
Outflow related to purchase of tangible and intangible assets	9, 10, 2.12	(1,485,021,840)	(198,030,461)
Cash inflows arising from acquisition of shares or debt instruments of other businesses or funds		20,613,381	-
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds		(28,176,361)	-
Outflow related to payment of debts to the privatization administration		-	(64,820,000)
C. CASH FLOWS FROM FINANCIAL ACTIVITIES		**(1,766,639,664)**	**328,361,001**
Cash inflow related to proceeds from borrowings		-	6,245,487,625
Cash outflow related to repayment of borrowings	23.1	(856,694,561)	(5,707,089,212)
Cash outflow related to lease liabilities	23.1	(107,628,096)	(6,072,962)
Other cash inflow / outflow		-	(8,080,612)
Cash outflows for the acquisition of own shares		141,961,509	40,098,520
Cash inflows for the sales of on shares		(47,208,198)	-
Capital increase		-	5,000,000
Interest paid	23.1	(897,070,318)	(240,982,358)
NET INCREASE / DECREASE CASH AND CASH EQUIVALENTS (A+B+C)		**(231,798,904)**	**1,380,067,040**
D. CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD		**1,525,592,118**	**145,525,078**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)		**1,293,793,214**	**1,525,592,118**

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

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

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 ("SOLAR") 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 2022 and 31 December 2021, the Group's subsidiaries ("subsidiaries") and their main business activities are as follows:

Subsidiaries	**Location**	**Main Activities**	**Ownership Percentage**	
			31 December 2022	**31 December 2021**
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.

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

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

As of 31 December 2022 and 31 December 2021, 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 2022**	**31 December 2021**
Aydem Yenilenebilir	556	537
Sarı Perakende	-	-
Ey-Tur	-	-
Başat	-	-
Akköprü	-	-
Total	**556**	**537**

Laws and regulations affecting the business activities

The Group is subject to the regulation and board desicions 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 forcewith the Official Gazzette No.28603 dated 30 March 2013.

List of shareholders

As of 31 December 2022 and 31 December 2021, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	31 December 2022		**31 December 2021**	
Shareholders	**TL**	**%**	**TL**	**%**
Aydem Enerji Yatırımları A.Ş.*	574,975,680	%81,56	574,975,010	%81,56
Publicly traded	130,000,000	%18,44	130,000,000	%18,44
Others	24,320	%0,00	24,990	%0,00
Total	**705,000,000**	**%100**	**705,000,000**	**%100**

* Aydem Enerji Yatırımları A.Ş. is controlled by Aydem Holding A.Ş.

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

<u>*Approval of consolidated financial statements:*</u>

Consolidated financial statements prepared as of 31 December 2022 were approved for publication by the Board of Directors on 2 March 2023. 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 30794 on 7 June 2019.

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.

Consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions except for the revaluated power plants, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TFRS.

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 2022. 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 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 December 31, 2022 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, 2022 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, 2022

Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively.

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

Amendments to TAS 16 – Proceeds before intended use

In July 2020, POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

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

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

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)*

Annual Improvements – 2018–2020 Cycle

In July 2020, POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary tto measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments – Fees in the "10 per cent test" for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

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.

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 will wait until the final amendment to assess the impacts of the changes.

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. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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 amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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 issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. 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. Earlier application is permitted.

The amendments are not applicable for the Group and will not have an 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. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. 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.

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

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 issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. 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.

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

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 amendments are not applicable for the Group and will not have an impact on the 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.

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

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 2021 and performed a detailed impairment analysis as of 31 December 2022. The Renewable Energy Group consist of power plants below:

- Çırakdamı HPP, Dereli HPP, Kızıldere GPP, Uşak WPP, Yalova WPP, Söke WPP, 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 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 2022 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)*

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. AYDEM has outstanding USD debt due to power plant investments. The company also experiences significant sales revenue in USD.

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

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-generatedi 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 (Including non-FIT forecasted sales until 31 December 2023)
Hedging Instrument	USD denominated financial borrowings
Hedged Risk	Foreign exchange risk of forecasted future USD cash inflows due to FIT incentive (Including non-FIT forecasted sales until 31 December 2023)

As of 31 December 2022, the amount of forecasted revenue under FIT and bilateral agreements are USD 629,851,966 whereas the total notional of the outstanding USD denominated bonds is USD 700,210,000. The Group designates USD 600,211,000 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 2022 is provided below;

Payment Date	Principal Payment Amount
February 2025	60,021,100
August 2025	60,021,100
February 2026	60,021,100
August 2026	60,021,100
February 2027	360,126,600
Total	600,211,000

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

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 2022, the hedge relationship has been measured as %96.75 effective. Accordingly, the foreign exchange losses incurred between 1 January 2022 and 31 December 2022 amounting to TL 2,785,625,924 has been treated as follows:

Foreign Exchange Loss relating to USD Borrowings	**1 January – 31 December 2022**
Recognized in OCI	TL 3,137,432,506
Recognized in profit or loss (ineffective portion)	TL (203,364,925)
The amount reclassified from OCI to profit or loss as Finance expenses – Foreign Exchange losses transferred from equity (cash flow hedge)	TL (148,441,658)

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, Kızıldere GPP, Uşak WPP, Arova WPP, Söke WPP, 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 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 2022 and 31 December 2021, the Group obtained valuation report from an independent valuation company and revalued its power plants to its fair values. As of 31 December 2022 and 31 December 2021, 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.

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

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 2022

Power Plants	Valuation Date	Valuation Method	Weighted Average Cost of Capital	Average MCP for Next Year (USD)	Generation Volume Realized in 2022 (MWh/Year)	Expected Future Generation Volume (MWh/ Year)
Dalaman I-V HPP	28 February 2023	DCF *	10,8%	84	86.239	42.660
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
Kızıldere GPP	28 February 2023	DCF *	12,7%	-	-	-
Uşak SPP	28 February 2023	DCF *	11,3%	84	-	100.215
Uşak WPP	28 February 2023	DCF *	10,2%	73	156.168	59.970
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

31 December 2021

Power Plants	Valuation Date	Valuation Method	Weighted Average Cost of Capital	Average MCP for Next Year (USD)	Generation Volume Realized in 2021 (MWh/Year)	Expected Future Generation Volume (MWh/ Year)
Dalaman I-V HPP	20 December 2021	DCF *	9,9%	71	66.481	96.212
Gökyar HPP	20 December 2021	DCF *	9,9%	71	19.074	26.671
Toros HPP	20 December 2021	DCF *	9,9%	61	94.171	183.125
LFG BIO	20 December 2021	DCF *	9,9%	69	1.452	1.610
Feslek HPP	20 December 2021	DCF *	9,9%	71	8.396	14.792
Koyulhisar HPP	20 December 2021	DCF *	9,9%	71	100.826	223.816
Mentaş HPP	20 December 2021	DCF *	9,9%	71	77.632	105.123
Bereket I-II HPP	20 December 2021	DCF *	9,9%	71	8.241	11.862
Göktaş HPP	20 December 2021	DCF *	9,9%	62	471.974	873.133
Çırakdamı HPP	20 December 2021	DCF *	9,9%	61	78.410	119.516
Dereli HPP	20 December 2021	DCF *	9,9%	61	76.646	117.961
Yalova WPP	20 December 2021	DCF *	9,9%	64	152.367	129.676
Söke WPP	20 December 2021	DCF *	9,9%	64	177.181	165.133
Kızıldere GPP	20 December 2021	DCF *	9,9%	71	-	-
Uşak WPP	20 December 2021	DCF *	9,9%	61	154.520	115.491
Akıncı HPP	20 December 2021	DCF *	9,9%	71	176.840	395.562
Aksu HPP	20 December 2021	DCF *	9,9%	61	95.977	92.809

* 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 2022, deferred tax asset amounting to TL 31,302,413 (31 December 2021: TL 481,363,177) 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.

The Company has defined the sale of electricity as a performance obligation. Since the billed amounts reasonably represent the value to customers of the performance obligations fulfilled to date, the identified performance obligations were evaluated and determined to be fulfilled over time and eligible for billing. The transaction price is based on the actual price per mega-watt output. Sales subject to Renewable Energy Resources Support Mechanism ("FIT") are invoiced at the end of the month and collections are made on the 25th day of the following month. Other invoices are issued monthly and payment is usually in advance.

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.

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

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

2.11 Adjustment of financial statements during periods of high inflation

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2022 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of December 31, 2022.

2.12 Comparative information and reclassification of prior period consolidated financial statements

The Group's consolidated financial statements are presented together with the comparatives for the previous year enabling comparison of the financial condition and performance trends. Where necessary, comparative figures of the financial statements have been reclassified to conform to changes in presentation of the current period financial statements. The Group management considered that it is appropriate to have such reclassifications when they provide more relevant information to users of the financial statements.

As of 31 December 2021, the Group reclassified advances given for construction in progress amounting to TL 160,945,092 which were accounted under property, plant and equipments into long-term prepaid expenses account.

3 Cash and Cash Equivalents

	31 December 2022	**31 December 2021**
Cash at banks	1,293,791,887	1,525,592,118
- *Time deposits*	1,228,366,841	*1,449,817,095*
- *Demand deposits*	65,425,046	*75,775,023*
Cash	1,327	-
	1,293,793,214	**1,525,592,118**

As of 31 December 2022, the interest rate of the Group's term TL denominated time deposits amounting is between 5% to 15% (31 December 2021: between 12% to 15.41%); US Dollars denominated time deposits amounting interest rate is between 0.05% to 9.9% (31 December 2021: between 0.10% to 1.80%), Euro denominated time deposits amounting interest rate is between 3% (31 December 2021: None).

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 BIO. 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:

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

4 Segment reporting *(continued)*

4.1 Statement of financial position *(continued)*

31 December 2022	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	BIO Power Plant	Other *	Unallocated **	Consolidated
Segment assets	26,032,830,327	3,315,002,028	5,597,558	-	1,602,187,661	4,434,087,579	35,389,705,153
Segment liabilities	12,394,160,828	967,100,706	1,049,065	-	2,934	4,949,139,697	18,311,453,230

31 December 2021	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	BIO Power Plant	Other *	Unallocated **	Consolidated
Segment assets	18,077,351,085	2,251,001,000	11,730,000	1,457,794	4,964,905	2,184,852,103	22,531,356,887
Segment liabilities	10,771,953,787	796,104,590	1,276,214	11,747,578	13,293	1,147,001,485	12,728,096,947

* The fair value of Uşak SPP amounting to TL 1,597,442,774 is presented as other. It will be recognized as a separate segment from the date it becomes ready for use.
Also includes assets and liabilities of Sarı Perakende whose main business activity is trading of electricity.

** 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.

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

4 Segment reporting *(continued)*

4.2 Statement of profit or loss

1 January- 31 December 2022	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	BIO Power Plant	Total Renewable Energy	Unallocated *	Consolidated
Revenues	**3,026,288,596**	**766,229,800**	**11,673,026**	**1,248,131**	**3,805,439,553**	**2,405,245**	**3,807,844,798**
- Revenues from Feed in Tariff (FIT)	*2,274,391,795*	*766,229,800*	-	*1,248,131*	*3,041,869,726*	-	*3,041,869,726*
- Other than FIT	*751,896,801*	-	*11,673,026*	-	*763,569,827*	*2,405,245*	*765,975,072*
Cost of Sales	(983,518,086)	(408,978,089)	(21,611,441)	(2,103,709)	(1,416,211,325)	11,000,822	(1,405,210,503)
Operational Expenses/Revenues (including Other Expense and Income)	290,303,635	72,289,985	1,104,146	94,633	363,792,399	(66,162,981)	297,629,418
Earnings Before Interest and Taxes (EBIT)	**2,333,074,145**	**429,541,696**	**(8,834,269)**	**(760,945)**	**2,753,020,627**	**(52,756,914)**	**2,700,263,713**
Add-back, Depreciation & Amortization Expenses	573,145,380	172,185,300	10,018,776	755,066	756,104,522	15,275,690	771,380,212
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **	**2,906,219,525**	**601,726,996**	**1,184,507**	**(5,879)**	**3,509,125,149**	**(37,481,224)**	**3,471,643,925**
Gains from Investing Activities	-	-	-	-	-	5,521,517	5,521,517
Finance Income	-	-	-	-	-	611,393,725	611,393,725
Finance Expense	-	-	-	-	-	(1,892,846,538)	(1,892,846,538)
Tax Expense	-	-	-	-	-	(406,261,816)	(406,261,816)
Depreciation & Amortization Expenses	(573,145,380)	(172,185,300)	(10,018,776)	(755,066)	(756,104,522)	(15,275,690)	(771,380,212)
Net Profit for the Year							**1,018,070,601**

* 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.

*** 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.

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

4 Segment reporting *(continued)*

4.2 Statement of profit or loss *(continued)*

1 January-31 December 2021	**Hydro Power Plants**	**Wind Power Plants**	**Geothermal Power Plant**	**BIO Power Plant**	**Total Renewable Energy**	**Unallocated**	**Consolidated**
Revenues	856,655,098	370,029,718	7,807,401	1,744,850	1,236,237,067	4,516,331	1,240,753,398
- Revenues from Feed in Tariff (FIT)	*701,625,768*	*370,029,718*	-	*1,744,850*	*1,073,400,336*	-	*1,073,400,336*
- Other than FIT	*155,029,330*	-	*7,807,401*	-	*162,836,731*	*4,516,331*	*167,353,062*
Cost of Sales	(541,101,913)	(186,826,049)	(13,095,326)	(2,698,335)	(743,721,623)	17,953,169	(725,768,454)
Operational Expenses/Revenues (including Other Expense and Income)	(3,813,503)	(636,134)	(24,565)	(110,035)	(4,584,237)	(60,231,769)	(64,816,006)
Earnings Before Interest and Taxes (EBIT)	**311,739,682**	**182,567,535**	**(5,312,490)**	**(1,063,520)**	**487,931,207**	**(37,762,269)**	**450,168,938**
Add-back, Depreciation & Amortization Expenses	**343,080,223**	**93,206,460**	**6,798,108**	**1,033,788**	**444,118,579**	**10,577,960**	**454,696,539**
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) *	**654,819,905**	**275,773,995**	**1,485,618**	**(29,732)**	**932,049,786**	**(27,184,309)**	**904,865,477**
Gains from Investing Activities	-	-	-	-	-	4,793,107	4,793,107
Finance Income	-	-	-	-	-	674,814,952	674,814,952
Finance Expense	-	-	-	-	-	(1,144,109,805)	(1,144,109,805)
Tax Expense	-	-	-	-	-	(105,958,832)	(105,958,832)
Depreciation & Amortization Expenses	(343,080,223)	(93,206,460)	(6,798,108)	(1,033,788)	(444,118,579)	(10,577,960)	(454,696,539)
Net Loss for the Year							**(120,291,640)**

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

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

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 mainly arise from investment transactions. 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 2022 and 31 December 2021, short-term trade receivables due from related parties are as follows:

	31 December 2022	31 December 2021
Aydem EPSAŞ (1) *	949,963,628	10,227,070
Gediz EPSAŞ (1) **	282,352,136	116,683,426
Other	83,815	401,364
	1,232,399,579	**127,311,860**

* Consists of receivables related to electricity trade. The company collected TL 633,330,000 from Aydem EPSAŞ in subsequent period.
** Consists of receivables related to electricity trade. The company collected TL 267,470,000 from Gediz EPSAŞ in subsequent period.

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

5 Related party disclosures *(continued)*

5.1 Related party balances *(continued)*

As of 31 December 2022 and 31 December 2021, short-term other receivables due from related parties are as follows:

	31 December 2022	31 December 2021
Aydem Holding A.Ş. ("Aydem Holding") (1) *	35,007,156	15,530,259
	35,007,156	**15,530,259**

* It consists of receivables related to the sale of 50% shares belonging to Yalova Karacabey.

As of 31 December 2022 and 31 December 2021, short-term trade payables due to related parties are as follows:

	31 December 2022	31 December 2021
Aydem Holding (1) *	5,768,758	3,004,715
GDZ Enerji Yatırımları A.Ş. ("GDZ Enerji") (1)	1,570,045	647,430
Adm EDAŞ (1)	318,801	240,369
YF Operasyonel Kiralama A.Ş. ("YF") (2)	59,517	137,806
Parla Solar Hücre ve Panel Üretim A.Ş. ("Parla") (1)	-	78,869
Other	7,036	14,820
	7,724,157	**4,124,009**

* Consists of personnel services and management fees.

As of 31 December 2021 and 31 December 2021 long-term other payables to related parties are as follows:

	31 December 2022	31 December 2021
Aydem EPSAŞ (1) *	40,210,706	37,092,472
	40,210,706	**37,092,472**

* 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.

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

5 Related party disclosures *(continued)*

5.2 Related party transactions

For the year ended 31 December 2022 and 2021, income and expense transactions with related parties are as follows:

Electricity Sales and Other Sales	1 January- 31 December 2022	1 January- 31 December 2021
Aydem EPSAŞ (1) *	2,733,604,362	112,286,522
Gediz EPSAŞ (1) *	2,063,157,207	122,470,432
Parla (1) **	116,920,021	189,220
Adm EDAŞ (1)	7,264,299	-
GDZ EDAŞ	6,113,954	-
Aydem Enerji Yatırımları A.Ş. ("Holdco") (1)	-	5,936,451
Entek (2)	-	432,205
Other	688,374	1,219,955
	4,927,749,717	**242,534,785**

* Consists of electricity sales within the bilateral agreements.
** Within the scope of hybrid SPP investments, the Group has purchased solar panels. In order to reduce the investment cost, raw materials for the solar panels to be produced have been purchased by the Group and delivered to Parla to complete the assembly and labor. After the production is completed, the solar panels will be purchased from Parla and the investment cost will be realized as laboring cost.

In the period ending on 31 December 2022, since the price in the spot electricity market was higher than the sales price of FIT electricity, a completion payment was made to Enerji Piyasaları İşletme A.Ş. ("EPİAŞ") equal to the difference. The difference between revenue and electricity sales is due to this payment.

Purchase of Electricity and Services	1 January- 31 December 2022	1 January- 31 December 2021
Parla (1) *	293,482,748	3,420,606
Aydem EPSAŞ (1) **	65,983,897	40,335,976
Aydem Holding (1) ***	42,392,943	29,584,856
GDZ Enerji (1)	7,695,901	4,770,159
Adm EDAŞ (1)	5,384,153	2,955,519
Yeni Filo A.Ş.(2)	757,374	829,765
Entek (2)	-	1,174,256
Holdco (1)	-	755,405
Other	118,346	133,112
	415,815,362	**83,959,653**

* Within the scope of hybrid SPP investments, the Group has purchased solar panels.
** TL 60,743,012 of the amount consists of imbalance cost related to electricity trade.
*** TL 42,201,311 of the amount consists of reflected expenses regarding personnel and management services.

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

5 Related party disclosures *(continued)*

5.2 Related party transactions

Finance Income	1 January- 31 December 2022	1 January- 31 December 2021
Gediz EPSAŞ [(1)] *	297,884,180	-
Aydem EPSAŞ [(1)] *	101,883,799	-
Aydem Holding [(1)]	2,532,100	5,622,730
Parla [(1)]	688,701	-
Other	63,107	14,816
	403,051,887	**5,637,546**

* Consists of foreign exchange income on trade receivables.

Finance Expenses	1 January- 31 December 2022	1 January- 31 December 2021
GDZ Enerji [(1)]	10,593	-
Gediz EPSAŞ [(1)]	-	2,457,207
Aydem EPSAŞ [(1)]	-	6,126,203
Diğer	1,516	15,784
	12,109	**8,599,195**

The executive management of the Group is comprised of general manager and directors. For the period ended 31 December 2022 and 2021, 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 2022	1 January- 31 December 2021
Benefits to key management personnel	9,609,482	7,839,861
	9,609,482	**7,839,861**

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

6 Trade receivables and payables

Short term trade receivables

As of 31 December 2022 and 31 December 2021, the Group's short-term trade receivables are as follows:

	31 December 2022	31 December 2021
Trade receivables due from related parties (Note 5)	1,232,399,579	127,311,860
Trade receivables due from third parties	78,855,944	26,934,695
	1,311,255,523	**154,246,555**
Less: Allowances for doubtful trade receivables	(7,157,761)	(6,410,754)
	1,304,097,762	**147,835,801**

As of 31 December 2022 and 31 December 2021, short-term trade receivables consist of the following items:

	31 December 2022	31 December 2021
Trade receivables related to electricity sales *	1,265,631,949	133,771,113
Income accruals related to electricity sales **	38,465,813	14,064,688
Doubtful trade receivables	7,157,761	6,410,754
Allowances for doubtful trade receivables	(7,157,761)	(6,410,754)
	1,304,097,762	**147,835,801**

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

The movement of provisions for doubtful receivables for the period ended 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Opening balance (1 January)	6,410,754	4,776,282
Current provision	900,595	1,680,210
Provisions no longer required	(153,588)	(45,738)
Closing balance (31 December)	**7,157,761**	**6,410,754**

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

6 Trade receivables and payables *(continued)*

Short term trade payables

As of 31 December 2022 and 31 December 2021, the Group's short-term trade payables are as follows:

	31 December 2022	31 December 2021
Trade payables from third parties	467,450,099	64,023,907
Trade payables due from related parties (Note 5)	7,724,157	4,124,009
	475,174,256	**68,147,916**

As of 31 December 2022 and 31 December 2021, short-term trade payables from third parties consist of the following items:

	31 December 2022	31 December 2021
Expense accruals	345,651,089	9,329,223
Trade payables	121,796,794	54,690,827
Other trade payables	2,216	3,857
	467,450,099	**64,023,907**

7 Other receivables and payables

Other short-term receivables

As of 31 December 2022 and 31 December 2021, the Group's short-term other receivables are as follows:

	31 December 2022	31 December 2021
Other receivables due from related parties (Note 5)	35,007,156	15,530,259
Other receivables due from third parties	30,467,593	7,415,786
	65,474,749	**22,946,045**

As of 31 December 2022 and 31 December 2021, short-term other receivables from third parties consist of the following items:

	31 December 2022	31 December 2021
Receivables from tax administration	30,401,201	6,513,821
Deposits & guarantees given	66,392	717,904
Other receivables	-	184,061
	30,467,593	**7,415,786**

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

7 Other receivables and payables*(continued)*

Other long-term receivables

As of 31 December 2022 and 31 December 2021, other long term receivables from third parties consist of the following items:

	31 December 2022	31 December 2021
Other receivables due from third parties	1,551,818	2,740,754
	1,551,818	**2,740,754**

Other short-term payables

As of 31 December 2022 and 31 December 2021, the Group's short-term other payables are as follows:

	31 December 2022	31 December 2021
Other payables due to third parties	235,709	491,732
	235,709	**491,732**

As of 31 December 2021 and 31 December 2020, other short-term payables to third parties consist of the following items:

	31 December 2022	31 December 2021
Deposits and guarantees taken	235,709	235,709
Other payables	-	256,023
	235,709	**491,732**

8 Inventories

As of 31 December 2022 and 31 December 2021, inventories are composed of spare parts for property, plant and equipment:

	31 December 2022	31 December 2021
Spare parts *	8,961,584	8,556,333
	8,961,584	**8,556,333**

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

As of 31 December 2022, there is no insurance coverage on the Group's inventories (31 December 2021: None).

As of 31 December 2022, there are no inventories presented as collateral for liabilities (31 December 2021: None).

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

9 Property, plant and equipment and right of use assets

9.1 Property, plant and equipment

The ending 31 December 2022 and 31 December 2021, movements of property, plant and equipment are as follows:

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2022	**13,023,687**	**27,629,016,119**	**214,362,885**	**28,667,515**	**27,885,070,206**
Additions	45,000	43,773,835	1,433,960,303	3,479,276	1,481,258,414
Disposals	-	(1,494,010)	-	(518,927)	(2,012,937)
Transfers **	(10,131,324)	972,561,224	(972,561,224)	-	(10,131,324)
Revaluation fund	-	14,721,127,686	-	-	14,721,127,686
Cost or valuation as of 31 December 2022	**2,937,363**	**43,364,984,854**	**675,761,964**	**31,627,864**	**44,075,312,045**
Accumulated depreciation as of 1 January 2022	**-**	**(7,580,743,992)**	**-**	**(15,809,317)**	**(7,596,553,309)**
Additions	-	(749,488,236)	-	(2,075,838)	(751,564,074)
Disposals	-	445,483	-	53,499	498,982
Revaluation fund	-	(4,211,565,111)	-	-	(4,211,565,111)
Accumulated depreciation as of 31 December 2022	**-**	**(12,541,351,856)**	**-**	**(17,831,656)**	**(12,559,183,512)**
Net book value as of 31 December 2022	**2,937,363**	**30,823,632,998**	**675,761,964**	**13,796,208**	**31,516,128,533**

* Mainly consists of investments regarding hybrid solar and capacity increase.
In accordance with TAS 23, interest and foreign exchange expenses were capitalized amounting to TL 156,425,468 and TL 73,424,062 respectively.
** Uşak SPP project has been transferred to power plant class due to the completion of physical construction and recognized at fair value. The amount transferred from construction in progress related to the project is TL 962,419,595.

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2021	**12,983,687**	**15,095,201,257**	**123,107,545**	**24,629,419**	**15,255,921,908**
Additions	40,000	90,329,918	93,748,514	4,011,500	188,129,932
Disposals	-	(5,113,327)	(1,814,849)	(633,358)	(7,561,534)
Transfers	-	4,377	(678,325)	659,954	(13,994)
Revaluation fund	-	12,448,593,894	-	-	12,448,593,894
Cost or valuation as of 31 December 2021	**13,023,687**	**27,629,016,119**	**214,362,885**	**28,667,515**	**27,885,070,206**
Accumulated depreciation as of 1 January 2021	**-**	**(3,430,267,259)**	**-**	**(13,095,275)**	**(3,443,362,534)**
Additions	-	(437,504,293)	-	(3,221,571)	(440,725,864)
Disposals	-	3,302,425	-	507,529	3,809,954
Revaluation fund		(3,716,274,865)	-	-	(3,716,274,865)
Accumulated depreciation as of 31 December 2021	**-**	**(7,580,743,992)**	**-**	**(15,809,317)**	**(7,596,553,309)**
Net book value as of 31 December 2021	**13,023,687**	**20,048,272,127**	**214,362,885**	**12,858,198**	**20,288,516,897**

* Mainly consists of investments regarding hybrid solar and capacity increase.

As of 31 December 2022, 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 2021: USD 1,248,750,000 in original currencies) in favor of lenders.

Total depreciation expense of property, plant and equipment amounting to TL 749,488,236 (31 December 2021: TL 437,504,293) has been reflected to cost of sales and amounting to TL 2,075,838 (31 December 2021: TL 3,221,571) 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.

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

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

9.2 Right of uses

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 year then ended as of 31 December 2022, movements of right of uses is as follows:

Cost as of 1 January 2022	**35,251,135**
Additions	102,074,729
Cost as of 31 December 2022	**137,325,864**
Accumulated depreciation as of 1 January 2022	**(7,448,596)**
Additions	(10,260,815)
Accumulated depreciation as of 31 December 2022	**(17,709,411)**
Net book value as of 31 December 2022	**119,616,453**

Within the scope of Uşak WPP capacity increase and hybrid SPP projects, area expansion works have been carried out, and in this context, with the agreements made with third parties, a right of superficies has been established on the immovables belonging to the land owners in favor of the Company, which is valid for 35 years from the date of registration, excluding force majeure, and a total cash payment amounting to TL 96,103,640 has been made in the year ending as of December 31, 2022

For the year then ended as of 31 December 2021, movements of right of uses is as follows:

Cost as of 1 January 2021	**21,244,253**
Additions	14,006,882
Cost as of 31 December 2021	**35,251,135**
Accumulated depreciation as of 1 January 2021	**(8,551,882)**
Additions	(5,816,481)
Disposals	6,919,767
Accumulated depreciation as of 31 December 2021	**(7,448,596)**
Net book value as of 31 December 2021	**27,802,539**

Total depreciation expense of right of uses amounting to TL 6,707,283 (31 December 2021: None) has been reflected to cost of sales and amounting to TL 3,553,532 (31 December 2021: TL 5,816,481) 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.

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

10 Intangible assets *(continued)*

As of 31 December 2022 and 31 December 2021, movements of intangible assets are as follows:

	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2022	**5,959,379**	**324,100,000**	**3,992,066**	**334,051,445**
Additions	3,763,426	-	-	3,763,426
Cost as of 31 December 2022	**9,722,805**	**324,100,000**	**3,992,066**	**337,814,871**
Accumulated depreciation as of 1 January 2022	**(1,772,050)**	**(30,833,915)**	**(2,545,470)**	**(35,151,435)**
Additions	(2,645,926)	(6,616,286)	(293,111)	(9,555,323)
Accumulated depreciation as of 31 December 2022	**(4,417,976)**	**(37,450,201)**	**(2,838,581)**	**(44,706,758)**
Net book value as of 31 December 2022	**5,304,829**	**286,649,799**	**1,153,485**	**293,108,113**

	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2021	**3,211,232**	**324,100,000**	**3,992,066**	**331,303,298**
Additions	2,980,762	-	-	2,980,762
Transfers	13,994	-	-	13,994
Cost as of 31 December 2021	**6,205,988**	**324,100,000**	**3,992,066**	**334,298,054**
Accumulated depreciation as of 1 January 2021	**(717,449)**	**(24,217,962)**	**(2,213,440)**	**(27,148,851)**
Additions	(1,203,335)	(6,614,286)	(336,573)	(8,154,194)
Accumulated depreciation as of 31 December 2021	**(1,920,784)**	**(30,832,248)**	**(2,550,013)**	**(35,303,045)**
Net book value as of 31 December 2021	**4,285,204**	**293,267,752**	**1,442,053**	**298,995,009**

Amortization expense of intangible assets amounting to TL 6,616,286 (31 December 2021: TL 6,614,286) has been reflected to cost of sales and amounting to TL 2,939,037 (31 December 2021: TL 1,539,908) has been reflected to general administrative expenses.

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

11 Provisions, contingent assets and liabilities

11.1 Short-term provisions

As of 31 December 2022 and 31 December 2021, the breakdown of short-term provisions are as follows:

	31 December 2022	31 December 2021
Short-term provisions for employee benefits	22,597,724	6,506,072
Provision for litigations	12,460,451	14,137,022
	35,058,175	**20,643,094**

Short-term provisions for employee benefits consist of unused vacation days provisions. The current period movement table is as follows:

	2022	2021
Opening balance (1 January)	3,586,337	3,188,285
Net change in provision within the period	3,930,457	398,052
Closing balance (31 December)	**7,516,794**	**3,586,337**

Movement of premium provisions for the current period as follows:

	2022	2021
Opening balance (1 January)	2,919,735	-
Net change in provision within the period	12,161,195	2,919,735
Closing balance (31 December)	**15,080,930**	**2,919,735**

Other short-term provisions consist of provisions for ongoing litigations of the Group. The movement table is as follows:

	2022	2021
Opening balance (1 January)	14,137,022	13,064,328
Net change in provision within the period	(1,676,571)	1,072,694
Closing balance (31 December)	**12,460,451**	**14,137,022**

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

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

11.2 Contingent liabilities

As of 31 December 2022 and 31 December 2021, the Group's collateral / pledge / mortgage ("CPM") balances are as follows:

		31 December 2022	31 December 2021
	Currency	**TL Amount**	**TL Amount**
A. Guarantees given in the name of its own legal	TL	-	-
personality*	US Dollars	23,349,502,125	16,644,588,750
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		**23,349,502,125**	**16,644,588,750**

* 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, 1 case is under appeal at the Regional Administrative Court and 13 cases are under appeal at the Council of State, and in 81 cases, the annulment decisions have become final. 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 canceled.

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. During the litigation process, petitions and evidence regarding the claims and defences were submitted to the court by the parties. It was decided to examine the commercial books and records of the parties with the participation of experts. According to the "Settlement Agreement" signed between the parties on January 2, 2019, GE's balance receivable was determined as EUR 9.5 million and EUR 500,000 of this amount was paid by Yatağan. The report has been objected and an additional report is in progress. In this case, there is a possibility of an unfavorable decision in terms of EUR 9 million and accrued interest. The next lawsuit will be held on March 16, 2023. Even if the case is decided unfavorably, since the payment will be made by Yatağan, it is not considered that the Company will incur any liability as a guarantor.

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

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

11.3 Letters of guarantees received and guarantees given

	Currency	31 December 2022 TL equivalent	31 December 2021 TL equivalent
Guarantees given *	TL	85,560,503	78,101,819
Total		**85,560,503**	**78,101,819**

* 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 2022 TL equivalent	31 December 2021 TL equivalent
Guarantees received *	TL	18,973,478	9,976,174
Guarantees received *	EURO	9,809,833	701,079
Guarantees received **	US Dollars	1,918,251,978	186,339,420
		1,947,035,289	**197,016,673**

* Guarantees received against the risk of failure to provide the services to be received from suppliers.
** Letters of guarantee were received from Aydem EPSAŞ and Gediz EPSAŞ for electricity trade.

11.4 Long term provisions

As of 31 December 2022 and 31 December 2021, the long-term provisions are as follows:

	31 December 2022	31 December 2021
Provisions for retirement pay liability	34,742,233	11,543,311
	34,742,233	**11,543,311**

As of 31 December 2022 and 31 December 2021, movements of provisions for retirement pay liability are as follows:

	2022	2021
Opening balance (1 January)	11,543,311	8,122,907
Service cost	1,521,429	1,966,056
Interest cost	2,470,269	1,738,302
Retirement payments paid	(2,019,339)	(366,530)
Actuarial loss / (gain)	21,226,563	82,576
Closing balance (31 December)	**34,742,233**	**11,543,311**

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

11 Provisions, contingent assets and liabilities *(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 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Expected interest in the coming years %	22	21.4
Expected inflation in the coming years %	20	17
Expected probability of leaving without compensation in the coming years %	2.50	3.76

12 Liabilities for employee benefits

As of 31 December 2022 and 31 December 2021, short-term payables related to employee benefits are as follows:

	31 December 2022	31 December 2021
Social security withholdings payable	3,126,943	1,362,799
Payables to personnel	205,306	108,830
	3,332,249	**1,471,629**

13 Other current, non-current assets and other liabilities

13.1 Other Current Assets

As of 31 December 2022 and 31 December 2021, other current assets are as follows:

	31 December 2022	31 December 2021
Advances to personnel	45,621	27,130
Short-term deferred value added tax ("VAT")	5,441	1,287
	51,062	**28,417**

13.2 Other Non-Current Assets

As of 31 December 2022 and 31 December 2021, other non-current assets are as follows:

	31 December 2022	31 December 2021
Long-term deferred VAT	11,032,099	10,925,788
	11,032,099	**10,925,788**

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

13 Other current, non-current assets and other liabilities *(continued)*

13.3 Other Short Term Liabilities

As of 31 December 2022 and 31 December 2021, other liabilities are as follows:

	31 December 2022	31 December 2021
Taxes and funds payable	72,974,936	6,439,726
Overdue deferred or installed taxes and other payables	-	10,824,343
Other	20,183	60,036
	72,995,119	**17,324,105**

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 2022	31 December 2021
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

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 2022, the Group's paid-in capital is divided into 705,000,000 shares (31 December 2021: 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 1,523,866 (31 December 2021: TL 1,523,866).

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

14 Share Capital

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 commrcial 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.

Share premium

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

As of December 31, 2022, 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.

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.

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.

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.

15 Revenue

Details of revenue for the year ended 31 December 2022 and 2021 is as follows:

	1 January-31 December 2022	**1 January-31 December 2021**
Revenues from electricity sales	3,807,844,798	1,240,753,398
- Revenues from feed in tariff (FIT)	*3,041,869,726*	*1,073,400,336*
- Other than FIT	*765,975,072*	*167,353,062*
	3,807,844,798	**1,240,753,398**

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

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

16 Cost of sales

Details of the cost of sales for the year ended 31 December 2022 and 2021 is as follows:

	1 January-31 December 2022	**1 January-31 December 2021**
Cost of energy sales and generation	(1,405,210,503)	(725,768,454)
- *Cost of energy sales and generation*	*(642,398,698)*	*(281,649,875)*
- *Depreciation and amortization expenses*	*(762,811,805)*	*(444,118,579)*
	(1,405,210,503)	**(725,768,454)**

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 2022 and 2021 is as follows:

	1 January-31 December 2022	**1 January-31 December 2021**
Personnel expenses	(72,164,519)	(38,187,541)
Administrative expenses	(41,319,458)	(26,192,669)
Tax, duties and fees expenses	(12,051,300)	(3,796,424)
Consultancy expenses	(9,530,449)	(4,753,773)
Depreciation and amortization expenses	(8,568,407)	(10,577,960)
Maintenance and repair expenses	(3,401,449)	(2,065,298)
Promotion and trade expenses	(1,095,209)	(7,248,728)
Insurance charges	(979,180)	(1,189,072)
License and dues expenses	(909,922)	(297,777)
Legal counselling expenses	(635,685)	(1,022,413)
Rent expenses	(541,053)	(33,600)
Other	(12,318,755)	(4,642,662)
	(163,515,386)	**(100,007,917)**

18 Expenses by nature

The details of expenses incurred for the year ended 31 December 2022 and 2021 is as follows:

	1 January-31 December 2022	**1 January-31 December 2021**
Depreciation and amortization expenses	(771,380,212)	(454,696,539)
Costs of energy sales and generation	(496,511,634)	(196,791,109)
Personnel expenses	(167,396,789)	(95,242,652)
Consulting expenses	(13,563,981)	(7,758,169)
Other	(119,873,273)	(71,287,902)
	(1,568,725,889)	**(825,776,371)**

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

19 Other operating income and other operating expenses

Details of other operating income for the year ended 31 December 2022 and 2021 is as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Foreign exchange income arising from operating activities	367,050,158	-
Interest income from commercial trasactions	80,436,916	114,033
Compensation from insurances	6,584,744	6,382,219
Litigation provision reversal	1,676,571	-
Provisions for no longer required trade receivables	153,588	45,738
Other	15,242,923	3,681,168
	471,144,900	**10,223,158**

Details of other operating expenses for the year ended 31 December 2022 and 2021 is as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Expenses related to other provisions	(4,177,032)	-
Rediscount expenses	(3,118,234)	-
Expenses related to allowance for trade receivables	(900,595)	(1,680,210)
Donations	(876,290)	(4,483,663)
Litigation provisions expenses	-	(1,072,694)
Other	(927,945)	(542,737)
	(10,000,096)	**(7,779,304)**

20 Financial income and expense

The details of finance income for the year ended 31 December 2022 and 2021 is as follows :

	1 January- 31 December 2022	1 January- 31 December 2021
Foreign exchange income arising from financing activities	369,705,813	668,798,280
Income arising from Eurobond buy-back	208,010,486	-
Interest income	32,072,919	5,529,908
Interest income from related parties	1,327,828	226,946
Rediscount income	-	26,667,609
Other	276,679	259,818
	611,393,725	**674,814,952**

The details of financial expenses for the year ended 31 December 2022 and 2021 is as follows :

	1 January- 31 December 2022	1 January- 31 December 2021
Foreign exchange losses arising from financing activities	(975,122,916)	(587,403,240)
Bond interest expenses	(754,621,320)	(241,773,295)
Foreign exchange losses transferred from equity (Cash flow hedge)	(148,441,658)	(53,341,983)
Bank comission and other expenses	(7,269,310)	(15,047,342)
Right of use obligations interest expenses (Note 23)	(6,252,220)	(5,561,587)
Bail comission	(1,139,114)	-
Loan interest expenses	-	(240,982,358)
	(1,892,846,538)	**(1,144,109,805)**

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

21 Gains & Losses from Investing Activities

The details of gains and losses from investing activities for the year ended 31 December 2022 and 2021 is as follows:

	1 January-31 December 2022	**1 January-31 December 2021**
Gains on sales of tangible fixed assets	3,896,157	2,925,496
Gains from investing rent	1,239,214	-
Gains on scrap sales	213,523	1,867,611
Currency protected deposit income	172,623	-
	5,521,517	**4,793,107**

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 2022 corporate earnings as of temporary tax periods is 25% (31 December 2021: 25%). However, in accordance with the Provisional Article 10 added to the Corporate Tax Law, the 25% corporate tax rate will be applied as 23% for the 2022 taxation period and 20% for the corporate earnings of the 2023 and later taxation periods. Losses can be carried forward for a maximum of 5 years to be deducted from the taxable profit that will occur in the coming years. However, the losses cannot be deducted retrospectively from previous years' profits.

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

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding is 15% as of 31 December 2021. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

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

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.

Tax expense

The income tax for the years ended 31 December 2022 and 31 December 2021 are as follows:

	1 January- 31 December 2022	**1 January- 31 December 2021**
Deferred tax expense	(406,261,816)	(88,377,216)
Current corporate tax expense	-	(17,581,616)
	(406,261,816)	**(105,958,832)**

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

22 Taxation on income*(continued)*

Reconciliation of effective tax rate

As of 31 December 2022 and 31 December 2021, 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 2022	**1 January-31 December 2021**
Period profit / loss	1,018,070,601	(120,291,640)
Tax expenses	(406,261,816)	(105,958,832)
Loss before taxation	**1,424,332,417**	**(14,332,808)**
Tax calculated with the company's legal tax rate	**(327,596,456)**	**3,583,202**
Non-deductible expenses	(98,234,387)	(105,444,194)
Tax effect related to investment accounted under equity method	-	-
Tax base increase effect	2,344,215	(3,516,323)
Effect of use of different tax rate *	42,729,973	(6,014,582)
Effect of sales of treasury shares	(18,950,662)	-
Other	(6,554,499)	5,433,065
Tax expense	**(406,261,816)**	**(105,958,832)**

* The effect arises from the use of 20% rate in deferred tax calculation for long-term temporary differences.

Deferred tax assets and liabilities

The movement of deferred tax liability is as follows:

	2022	**2021**
At the beginning of the period	2,485,110,016	1,400,332,535
Recognized in other comprehensive income	1,540,542,777	996,400,267
Recognised in profit or loss	406,261,816	88,377,216
End of period closing balance	**4,431,914,609**	**2,485,110,018**

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

22 Taxation on income*(continued)*

Deferred tax assets and liabilities

As of 31 December 2022 and 31 December 2021, the breakdown of deferred tax liabilities is as follows:

	31 December 2022	31 December 2021
Provisions for retirement pay liability	7,132,405	1,706,529
Provision for litigation	2,492,091	2,827,405
Rediscount on payables	(5,227,173)	(5,850,820)
Amortized cost adjustment for financial borrowings	(42,954,215)	25,322,874
Property,plant and equipment and intangible assets	104,562,764	11,356,991
Increase in value of tangible assets	(5,635,330,226)	(3,533,417,713)
Effect of capitalized borrowing costs in profit or loss statement	595,558,355	505,142,043
Deferred tax asset from carry forward tax losses	529,756,057	498,453,642
Effect of capital increase	1,197,375	689,625
Provision for premium	3,016,186	583,947
Other	7,881,772	8,075,461
	(4,431,914,609)	**(2,485,110,016)**

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 2022	31 December 2021
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	-
	2,648,780,275	**2,492,268,210**

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

23 Financial liabilities

23.1 Issued bond liabilities

As of 31 December 2022 and 31 December 2021, terms and conditions of financial liabilities are as follows:

			31 December 2022	
Currency	**Effective Interest rate**	**Maturity for the latest payment**	**Short-term**	**Long-term**
USD	8.75%	2027	1,005,910,538	12,181,302,520
			1,005,910,538	**12,181,302,520**

			31 December 2021	
Currency	**Effective Interest rate**	**Maturity for the latest payment**	**Short-term**	**Long-term**
USD	8.75%	2027	763,819,958	9,292,574,451
			763,819,958	**9,292,574,451**

* 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 23 December 2022, USD 49,789,000 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 2022 and 31 December 2021 are as follows:

	31 December 2022	**31 December 2021**
To be paid within 3 months	520,615,252	392,990,197
To be paid within a 3-12 months	485,295,286	370,829,761
To be paid in 1-2 year	920,593,710	702,353,541
To be paid in 2-3 year	2,950,830,050	647,493,336
To be paid in 3-4 year	2,549,518,310	2,078,232,941
To be paid in 4-5 year	5,760,360,450	1,797,992,769
To be paid over 5 year	-	4,066,501,864
	13,187,213,058	**10,056,394,409**

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

23 Financial liabilities *(continued)*

23.1 Issued bond liabilities *(continued)*

The movement of financial liabilities for the period ended 31 December 2022 and 2021 is as follows:

	2022	2021
1 January	**10,056,394,409**	**4,928,941,332**
Cash inflow	-	6,245,487,625
Repayment of financial liabilites	(856,694,561)	(5,707,089,212)
Interest accrual	1,123,834,689	485,893,571
Interest paid	(897,070,318)	(240,982,358)
Exchange rate differences accounted in profit or loss	975,122,915	593,908,331
Exchange rate differences subjected to cash flow hedge, accounted in OCI	2,785,625,924	3,750,235,120
31 December	**13,187,213,058**	**10,056,394,409**

23.2 Lease liabilities

The repayments of the lease liabilities according to their original maturities as of 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
To be paid within a year	5,439,020	4,734,769
To be paid in 1-2 years	5,439,020	4,734,769
To be paid over 2 years	19,699,076	20,408,725
	30,577,116	**29,878,263**

For the year then ended as of 31 December 2022 and 2021, movements of lease of uses is as follows:

	2022	2021
Lease Liabilities – Opening	**29.878.263**	**16.382.756**
Additions	102,074,729	14,006,882
Accretion of interest	6,252,220	5,561,587
Payments	(107,628,096)	(6,072,962)
Lease Liabilities - Closing	**30,577,116**	**29,878,263**

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

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 fulfill 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 2022 and 31 December 2021 are as follows:

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)	1,232,399,579	71,698,183	35,007,156	32,019,411	1,293,793,214
- Secured part of the maximum credit risk exposures via collateral etc.	1,232,399,579	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	1,232,399,579	71,698,183	35,007,156	32,019,411	1,293,793,214
B. Net book value of assets that are overdue but not impaired	-	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	7,157,761	-	-	-
- Impairment amount (-)	-	(7,157,761)	-	-	-
- 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	-	-	-	-	-

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

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

Credit risk *(continued)*

31 December 2021	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)	127,311,860	20,523,941	15,530,259	10,156,540	1,525,592,118
- Secured part of the maximum credit risk exposures via collateral etc.	127,311,860	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	127,311,860	20,523,941	15,530,259	10,156,540	1,525,592,118
B. Net book value of assets that are overdue but not impaired	-	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	6,410,754	-	-	-
- Impairment amount (-)	-	(6,410,754)	-	-	-
- 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	-	-	-	-	-

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

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 2022 and 31 December 2021, the maturity of financial liabilities including estimated interest payments according to the payment schedule is as follows:

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	13,187,213,058	17,221,233,439	524,642,623	510,162,847	16,186,427,969	-
Financial lease liabilities (TFRS 16)	30,577,116	131,957,842	2,163,394	9,782,596	21,874,312	98,137,540
Other long term payables to related parties	40,210,706	174,329,348	-	-	-	174,329,348
Trade payables to related parties	7,724,157	7,724,157	7,724,157	-	-	-
Trade payables to third parties	467,450,099	467,450,106	460,753,097	6,697,009	-	-
Total	**13,733,175,136**	**18,002,694,892**	**995,283,271**	**526,642,452**	**16,208,302,281**	**272,466,888**

31 December 2021	Book Value	Contractual cash outflow	0-3 months	3-12 months	1-5 years	> 5 years
Non-derivative financial liabilities						
Financial liabilities	10,056,394,409	13,929,887,981	395,982,371	389,526,136	6,910,031,296	6,234,348,178
Financial lease liabilities (TFRS 16)	29,878,263	134,503,698	5,647,315	2,498,521	6,144,457	120,213,405
Other long term payables to related parties	37,092,472	174,329,348	-	-	-	174,329,348
Trade payables to related parties	4,124,009	4,124,009	4,124,009	-	-	-
Trade payables to third parties	64,023,907	64,023,907	52,499,604	11,524,303	-	-
Total	**10,191,513,060**	**14,306,868,943**	**458,253,299**	**403,548,960**	**6,916,175,753**	**6,528,890,931**

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.

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

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 2022 and 31 December 2021, the foreign currency position of the Group arises from foreign currency assets and liabilities stated in the table below.

			31 December 2022
			Original Amounts
	TL Equivalent	US Dollars	EUR
Assets			
Cash and cash equivalents	829,339,997	43,337,246	953,462
Trade receivables from third parties	474	20	5
Other receivables from related parties	35,007,144	1,872,210	-
Trade receivables from related parties	1,227,369,555	65,621,301	18,198
Total Asset	**2,091,717,170**	**110,830,777**	**971,665**
Liabilities			
Short-term and long-term financial liabilities	(13,187,213,058)	(705,262,674)	-
Short-term trade payables to third parties	(86,669,170)	(3,953,674)	(639,189)
Total liabilities	**(13,273,882,228)**	**(709,216,348)**	**(639,189)**
Foreign currency liability position	**(11,182,165,058)**	**(598,385,572)**	**332,476**
Amounts subject to cash flow hedge accounting *	**11,222,925,341**	**600,211,000**	**-**
Net foreign currency position after cash flow hedge	**40,760,283**	**1,825,428**	**332,476**

			31 December 2021
			Original Amounts
	TL Equivalent	US Dollars	EUR
Assets			
Cash and cash equivalents	1,521,432,522	114,092,615	45,872
Trade receivables from third parties	333	19	5
Other receivables from related parties	15,530,258	1,165,148	-
Trade receivables from related parties	122,805,314	9,196,299	15,102
Total assets	**1,659,768,427**	**124,454,081**	**60,979**
Liabilities			
Short-term and long-term financial liabilities	(10,056,394,409)	(754,474,785)	-
Short-term trade payables to third parties	(19,289,712)	(866,421)	(513,113)
Short-term other payables to third parties	(256,890)	(19,273)	-
Short-term trade payables to related parties	(20,076)	-	(1,331)
Total liabilities	**(10,075,961,087)**	**(755,360,479)**	**(514,444)**
Foreign currency liability position	**(8,416,192,660)**	**(630,906,398)**	**(453,465)**
Amounts subject to cash flow hedge accounting *	**8,663,850,000**	**650,000,000**	**-**
Net foreign currency position after cash flow hedge	**247,657,340**	**19,093,602**	**(453,465)**

* 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 2022		
	Increase in Value of foreign currency	**Decrease in value of foreign currency**
If TL gains / loses 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 / loses 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)**

Exchange rate sensitivity analysis table		
31 December 2021		
	Increase in Value of foreign currency	**Decrease in value of foreign currency**
If TL gains / loses 10% against US dollar		
1- TL net assets / liabilities	(840,935,137)	840,935,137
2- TL hedged portion (-)	866,385,000	(866,385,000)
3- TL net effect (1 + 2)	**25,449,863**	**(25,449,863)**
If the TL gains / loses 10% against the Euro		
4- TL net assets / liabilities	(684,129)	684,129
5- TL hedged portion (-)	-	-
6- Net effect of TL (4 + 5)	**(684,129)**	**684,129**
Total (3 + 6)	**24,765,734**	**(24,765,734)**

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

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 2022 and 31 December 2021 net financial liabilities / equity ratios are as follows:

	31 December 2022	**31 December 2021**
Total financial liabilities	13,187,213,058	10,056,394,409
Cash and cash equivalents	(1,649,137,878)	(1,525,592,118)
Net financial liabilities	11,538,075,180	8,530,802,291
Equity	17,078,251,923	9,803,259,940
Net financial liabilities / equity ratio	**67.56%**	**87.02%**

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

Financial assets

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

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

Financial liabilities

The 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.

As of December 31, 2022, carrying amount of the liabilities regarding bond issued is TL 13,187,213,058 (December 31, 2021: TL 10,056,394,409) where its fair value is TL 10,795,500,489 (December 31, 2021: TL 8,190,937,080).

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

25 Earnings per share

The calculation of basic and diluted Earnings per share for the year ended 31 December 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares as follows:

	31 December 2022	31 December 2021
Numerator:		
Income / (loss) for the period attributable to owners of the company	1,018,070,601	(120,291,640)
Denominator:		
Weighted average number of shares	700,743,104	703,383,978
Basic and diluted profit /(loss) per share (full TL)	**1.45**	**(0.17)**

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 05 July 2022	699,266,498	171
Outstanding ordinary shares as of 23 December 2022	705,000,000	9
Weighted average for the period	**700,743,104**	**365/365**

2021	**Number of shares**	**Time weighting (days)**
Outstanding ordinary shares as of 1 January 2021 (Par Value: TL 1)	700,000,000	117
29 April 2021: Capital increase	5,000,000	
29 April to 31 December 2021 (Par Value: TL 1)	705,000,000	245
Weighted average for the period	**703,383,978**	**365/365**

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

26 Prepaid Expenses

As of 31 December 2022 and 31 December 2021, short term prepaid expenses as follows:

	31 December 2022	31 December 2021
Advances given for purchase orders	15,636,037	9,945,845
Prepaid expense for the following months	3,941,919	22,768,765
Job advances	520,882	100,453
	20,098,838	**32,815,063**

As of 31 December 2022 and 31 December 2021, long term prepaid expenses as follows:

	31 December 2022	31 December 2021
Advances given	390,314,940	161,897,442
	390,314,940	**161,897,442**

27 Financial Investments

As of 31 December 2022 and 31 December 2021, financial investments are as follows:

	31 December 2022	31 December 2021
Restricted accounts	345,804,691	2,704,681
*- Interest reserve account related to Eurobond **	*345,804,691*	-
- Restricted account related to guarantees	-	*2,704,681*
Currency protected deposits	9,539,973	-
	355,344,664	**2,704,681**

* 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 2022	31 December 2021
Independent audit fees related to reporting period	1,297,170	1,794,161
Fees related to orher assurance services	26,000	14,000
	1,323,170	**1,808,161**

29 Events after the reporting period

- On 11 January 2023, 185,026 shares were bought-back from the TL 22.44 – TL 23.84 price range (average TL 23.414689).

- On 24 January 2023, 200,000 shares were bought-back from the TL 19.98 – TL 20.26 price range (average TL 20.159844).

- Within the scope of our Board of Directors' buy-back decision on 11 May 2022, the Company purchased Eurobonds (XS2368781477) with a nominal value of USD 1,679,000.00 on 24 January 2023. The total amount of the transaction is USD 1,490,699.

- As of 2 February 2023, in order to be transferred into the related investors' accounts, USD 27,068,115.00 has been paid as the payment of third coupons with regard to our Company's USD 750 million 5.5 year maturity bonds.

- On 17 February 2023, 200,000 shares were bought-back from the TL 17.15 – TL 18.51 price range (average TL 17.782942).

- On 22 February 2023, 200,000 shares were bought-back from the TL 16.32 – TL 16.69 price range (average TL 16.395007).

- As of 23 February 2023, the Ministry Acceptance of our Uşak WPP Auxiliary Source SPP power plant with a power of 82.15 MW was carried out, and with this acceptance, our total installed capacity increased by 8% from 1,019 MW to 1,102 MW. Our Uşak WPP Hybrid power plant, which has been put into commercial operation, will make a contribution of 164,000 MWh to our annual production.

- An earthquake occurred in the southeastern part of Turkey that affected many of our cities. Considering the region in which the Group operates, no direct impact is expected on Group operations.