

**AKSA ENERJİ ÜRETİM A.Ş.**  
**AND ITS SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE NINE-MONTH PERIOD  
ENDED 30 SEPTEMBER 2021

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# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Unaudited Condensed Consolidated Statement of Financial Position As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

ASSETS	Notes	Unaudited/ Current period	Audited/ Prior period
		30 September 2021	31 December 2020
<b>Current assets</b>			
Cash and cash equivalents		396,425,542	314,171,908
Financial investments	5	588,124,192	-
Trade receivables		3,511,816,718	2,705,620,407
- Trade receivables from related parties	4	643,749,471	311,085,412
- Trade receivables from third parties	6	2,868,067,247	2,394,534,995
Other receivables		100,782,037	76,414,447
- Other receivables from related parties	4	55,578,157	42,317,908
- Other receivables from third parties		45,203,880	34,096,539
Derivative instruments		1,223,809	2,148,922
Inventories		354,453,794	138,322,794
Prepaid expenses		491,823,319	116,007,264
Current tax assets		-	37,623,113
Other current assets		133,106,697	73,474,659
<b>Total current assets</b>		<b>5,577,756,108</b>	<b>3,463,783,514</b>
<b>Non-current assets</b>			
Financial investments	5	412,408	412,408
Other receivables		4,234,394	6,529,795
- Other receivables from third parties		4,234,394	6,529,795
Property, plant and equipment	8	6,970,875,658	5,655,050,521
Right-of-use assets	9	70,298,541	73,524,027
Intangible assets		162,001,212	115,884,555
- Other intangible assets		162,001,212	115,884,555
Prepaid expenses		698,705	2,289,464
Deferred tax asset	15	134,582,235	185,220,021
<b>Total non-current assets</b>		<b>7,343,103,153</b>	<b>6,038,910,791</b>
<b>TOTAL ASSETS</b>		<b>12,920,859,261</b>	<b>9,502,694,305</b>

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

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Unaudited Condensed Consolidated Statement of Financial Position As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

LIABILITIES	Notes	Unaudited/ Current period	Audited/ Prior period
		30 September 2021	31 December 2020
<b>Current liabilities</b>			
Short-term borrowings	7	1,334,673,973	728,277,260
Short-term portion of long-term borrowings		1,325,786,575	1,292,953,512
Short-term finance lease liabilities	7	3,264,253	830,908
- Finance lease liabilities from related parties		194,162	-
- Finance lease liabilities from third parties	7	3,070,091	830,908
Short-term portion of long-term finance lease liabilities	7	3,108,114	3,396,047
Other financial liabilities	7	-	11,181,406
Trade payables		1,470,043,518	779,913,222
- Trade payables to related parties	4	45,459,208	35,657,639
- Trade payables to third parties	6	1,424,584,310	744,255,583
Payables related to employee benefits		12,647,326	8,597,007
Other payables		231,317,612	197,359,546
- Other payables to third parties		231,317,612	197,359,546
Derivative instruments		45,051,376	60,716,151
Current tax liabilities		431,322,611	183,176,286
Short-term provisions		10,062,684	23,855,979
- Short-term provisions for employee benefits		1,779,401	980,104
- Other short-term provisions		8,283,283	22,875,875
Other current liabilities		12,908,452	7,406,200
<b>Total current liabilities</b>		<b>4,880,186,494</b>	<b>3,297,663,524</b>
<b>Non-current liabilities</b>			
Long-term borrowings	7	1,550,832,764	834,709,520
Long-term finance lease liabilities	7	68,054,426	74,975,209
Other payables		7,254,333	72,221,252
- Other payables to third parties		7,254,333	72,221,252
Long-term provisions		6,913,360	9,346,433
- Long-term provisions for employee benefits		6,913,360	9,346,433
Deferred tax liabilities	15	460,929,131	588,434,184
<b>Total non-current liabilities</b>		<b>2,093,984,014</b>	<b>1,579,686,598</b>
<b>TOTAL LIABILITIES</b>		<b>6,974,170,508</b>	<b>4,877,350,122</b>

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

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Unaudited Condensed Consolidated Statement of Financial Position As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

EQUITY	Notes	Unaudited/ Current period	Audited/ Prior period
		30 September 2021	31 December 2020
<b>Equity Attributable to Owners of the Company</b>			
Share capital	11	613,169,118	613,169,118
Share premiums	11	247,403,635	247,403,635
Accumulated other comprehensive income not to be reclassified in profit or loss		2,125,338,081	2,196,268,403
- Gains on revaluation of property, plant and equipment		2,125,192,942	2,196,123,264
- Gain on remeasurements of the defined benefit plans		145,139	145,139
Accumulated other comprehensive income that will be reclassified in profit or loss		794,914,236	493,973,142
- Foreign currency translation differences		946,097,109	520,339,505
- Gain / (loss) of hedging reserve		(151,182,873)	(26,366,363)
Restricted reserves appropriated from profit	11	82,931,556	68,742,954
Prior years' profit	11	656,369,924	129,592,233
Net profit for the period		813,268,257	470,035,971
<b>Total equity attributable to equity holders of the Company</b>		<b>5,333,394,807</b>	<b>4,219,185,456</b>
Non-controlling interests	11	613,293,946	406,158,727
<b>Total equity</b>		<b>5,946,688,753</b>	<b>4,625,344,183</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>12,920,859,261</b>	<b>9,502,694,305</b>

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

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Unaudited Condensed Consolidated Statement of Profit or Loss For the Nine-Month Period Ended 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

		<i>Unaudited 1 January - 30 September 2021</i>	<i>Unaudited 1 January - 30 September 2020</i>	<i>Unaudited 1 July - 30 September 2021</i>	<i>Unaudited 1 July - 30 September 2020</i>
<b>PROFIT OR LOSS:</b>	<i>Notes</i>				
Revenue	12	8,322,920,419	5,267,896,719	3,558,590,184	1,800,984,479
Cost of sales (-)	12	(6,863,297,266)	(4,382,580,784)	(3,003,949,219)	(1,493,441,145)
<b>Gross profit</b>		<b>1,459,623,153</b>	<b>885,315,935</b>	<b>554,640,965</b>	<b>307,543,334</b>
General administrative expenses (-)		(87,338,301)	(83,549,540)	(39,897,132)	(24,385,719)
Marketing expenses		(4,298,135)	(3,905,905)	(2,180,707)	(3,075,909)
Other operating income		11,997,590	6,266,214	131,404	1,921,667
Other operating expenses (-)		(28,011,769)	(35,562,610)	(11,579,872)	(18,852,239)
<b>Operating profit</b>		<b>1,351,972,538</b>	<b>768,564,094</b>	<b>501,114,658</b>	<b>263,151,134</b>
Expected credit losses accordance with TFRS 9 (-)		(8,080,827)	(20,875,722)	2,529,811	(2,546,515)
Gain from investing activities		-	153,358	-	77,521
<b>Operating profit before finance costs</b>		<b>1,343,891,711</b>	<b>747,841,730</b>	<b>503,644,469</b>	<b>260,682,140</b>
Financial income	13	179,984,683	362,907,668	60,498,060	157,296,562
Financial expenses (-)	14	(431,833,865)	(609,805,765)	(152,001,645)	(231,824,940)
<b>Net financial costs</b>		<b>(251,849,182)</b>	<b>(246,898,097)</b>	<b>(91,503,585)</b>	<b>(74,528,378)</b>
<b>Profit before tax from continuing activities</b>		<b>1,092,042,529</b>	<b>500,943,633</b>	<b>412,140,884</b>	<b>186,153,762</b>
<b>Tax expense from continuing activities</b>		<b>(157,391,105)</b>	<b>(53,304,259)</b>	<b>(32,647,077)</b>	<b>(29,615,632)</b>
- Current tax expense		(254,310,521)	(80,569,172)	(98,091,969)	(41,731,800)
- Deferred tax income/(expense)	15	96,919,416	27,264,913	65,444,892	12,116,168
<b>Profit for the period from continuing activities</b>		<b>934,651,424</b>	<b>447,639,374</b>	<b>379,493,807</b>	<b>156,538,130</b>
<b>Profit for the period attributable to:</b>					
- Non-controlling interests		121,383,167	92,176,342	54,156,952	23,382,155
- Owners of the Company	16	813,268,257	355,463,032	325,336,855	133,155,975
<b>Profit for the period</b>		<b>934,651,424</b>	<b>447,639,374</b>	<b>379,493,807</b>	<b>156,538,130</b>
<b>Earnings per share</b>					
- Attributable to equity holders of the parent	16	1.326	0.580	0.531	0.217

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

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Unaudited Condensed Consolidated Statement of Other Comprehensive Income For the Nine-Month Period Ended 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

OTHER COMPREHENSIVE INCOME	Notes	Unaudited 1 January - 30 September 2021	Unaudited 1 January - 30 September 2020	Unaudited 1 July - 30 September 2021	Unaudited 1 July - 30 September 2020
<b>Profit for the period</b>		<b>934,651,424</b>	<b>447,639,374</b>	<b>379,493,807</b>	<b>156,538,130</b>
<b>Items that will not be reclassified to profit or loss</b>					
Loss on remeasurements of the defined benefit obligation		-	-	-	-
<b>Tax related to other comprehensive income not to be reclassified to profit or loss:</b>					
- Deferred tax income		-	-	-	-
<b>Items that will be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences		511,509,656	522,662,677	14,382,854	328,144,819
Gains/(loss) on cash flow hedging		(130,017,197)	(15,332,501)	7,946,451	(905,717)
<b>Tax related to other comprehensive income to be reclassified subsequently to profit or loss:</b>					
- Deferred tax income/(expense)	15	5,200,687	674,630	(317,858)	25,425
<b>Other comprehensive income</b>		<b>386,693,146</b>	<b>508,004,806</b>	<b>22,011,447</b>	<b>327,264,527</b>
<b>Total comprehensive income</b>		<b>1,321,344,570</b>	<b>955,644,180</b>	<b>401,505,254</b>	<b>483,802,657</b>
<b>Total comprehensive income attributable to</b>					
Non-controlling interests	11	207,135,219	130,036,921	58,271,191	77,273,137
Equity holders of the parent		1,114,209,351	825,607,259	343,234,063	406,529,520
<b>Total</b>		<b>1,321,344,570</b>	<b>955,644,180</b>	<b>401,505,254</b>	<b>483,802,657</b>

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

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Unaudited Condensed Consolidated Statement of Changes in Equity For the Nine-Month Period Ended 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

	Share capital	Share premium	Accumulated other comprehensive income and expenses not to be reclassified in profit or loss		Accumulated other comprehensive income and expenses that will be reclassified in profit or loss		Retained earnings			Attributable to equity holders of the parent	Non-controlling interests	Total equity
			Gain/(loss) on remeasurements of defined benefit plans	Gains on revaluation of property, plant and equipment	Gain / (loss) of hedging reserve	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years' profit/(loss)	Net profit for the period			
<b>Balance as of 1 January 2020</b>	<b>613,169,118</b>	<b>247,403,635</b>	<b>793,476</b>	<b>2,262,917,793</b>	<b>(13,622,807)</b>	<b>248,243,241</b>	<b>64,980,588</b>	<b>(262,622,830)</b>	<b>329,182,900</b>	<b>3,490,445,114</b>	<b>328,515,851</b>	<b>3,818,960,965</b>
- Total comprehensive income	-	-	-	-	(14,657,871)	484,802,098	-	-	355,463,032	<b>825,607,259</b>	130,036,921	<b>955,644,180</b>
-Transfers (*)	-	-	-	(49,243,539)	-	-	3,762,366	374,664,073	(329,182,900)	-	-	-
<b>Balance as of 30 September 2020</b>	<b>613,169,118</b>	<b>247,403,635</b>	<b>793,476</b>	<b>2,213,674,254</b>	<b>(28,280,678)</b>	<b>733,045,339</b>	<b>68,742,954</b>	<b>112,041,243</b>	<b>355,463,032</b>	<b>4,316,052,373</b>	<b>458,552,772</b>	<b>4,774,605,145</b>
<b>Balance as of 1 January 2021</b>	<b>613,169,118</b>	<b>247,403,635</b>	<b>145,139</b>	<b>2,196,123,264</b>	<b>(26,366,363)</b>	<b>520,339,505</b>	<b>68,742,954</b>	<b>129,592,233</b>	<b>470,035,971</b>	<b>4,219,185,456</b>	<b>406,158,727</b>	<b>4,625,344,183</b>
- Total comprehensive income	-	-	-	-	(124,816,510)	425,757,604	-	-	813,268,257	<b>1,114,209,351</b>	207,135,219	<b>1,321,344,570</b>
-Transfers (*)	-	-	-	(70,930,322)	-	-	14,188,602	526,777,691	(470,035,971)	-	-	-
<b>Balance as of 30 September 2021</b>	<b>613,169,118</b>	<b>247,403,635</b>	<b>145,139</b>	<b>2,125,192,942</b>	<b>(151,182,873)</b>	<b>946,097,109</b>	<b>82,931,556</b>	<b>656,369,924</b>	<b>813,268,257</b>	<b>5,333,394,807</b>	<b>613,293,946</b>	<b>5,946,688,753</b>

(\*) The transfer amount of TL 70,930,322 represents the current period depreciation difference incurred by the Group due to the increase in the value of property, plant and equipment (30 September 2020: TL 49,243,539).

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



# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Unaudited Condensed Consolidated Statement of Cash Flow For the Nine-Month Period Ended 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

	Notes	Unaudited 1 January - 30 September 2021	Unaudited 1 January - 30 September 2020
<b>A. Cash flows from operating activities</b>		<b>540,685,790</b>	<b>1,170,734,801</b>
Profit for the period		934,651,424	447,639,374
<b>Adjustments to reconcile net profit to net cash:</b>		<b>1,151,733,034</b>	<b>1,303,503,824</b>
Adjustments related to depreciation and amortization expenses		398,910,311	341,401,685
Adjustments related to provision for employee benefits		(2,160,273)	3,453,270
Adjustments related to interest expenses	14	351,941,855	327,884,773
Adjustments related to interest income	13	(145,976,225)	(119,482,472)
Adjustments related to expected provision losses		10,364,550	20,875,722
Adjustments related to impairment in inventories		358,036	1,877,899
Adjustments related to tax expense		157,391,105	53,304,259
Adjustments related to derivative transactions (income)/expense		(14,739,662)	5,694,429
Adjustments related to (gain) on disposal of property, plant and equipment		-	(77,759)
Adjustments related to unrealized currency translation (gains)/losses		395,643,337	668,572,018
<b>Adjustments related to other increase/(decrease) in working capital</b>		<b>(1,503,708,597)</b>	<b>(556,041,482)</b>
(Increase) / decrease in inventories		(333,529,624)	112,461,745
Increase in trade receivables from third parties		(485,165,736)	(871,935,995)
(Increase)/decrease in trade receivables from related parties		(332,664,059)	16,141,942
(Increase)/decrease in other operating receivables from related parties		(13,260,249)	1,851
(Increase)/decrease in other operating receivables from third parties		(8,811,940)	97,837,352
Increase in trade payables to third parties		680,328,727	73,721,774
(Decrease)/increase in other operating payables to third parties		(31,008,853)	4,865,245
Increase in trade payables to related parties		9,801,569	21,407,847
Decrease in other operating payables to related parties		-	(272,784)
(Decrease)/increase in other liabilities related to operations		(27,048,947)	27,461,360
Increase in prepaid expenses		(374,225,293)	(37,731,819)
Increase in financial investments		(588,124,192)	-
<b>Cash used in operations</b>		<b>(41,990,071)</b>	<b>(24,366,915)</b>
Taxes paid		(41,857,937)	(23,689,039)
Provision for employee benefits paid		(132,134)	(677,876)
<b>B. Cash flows used in investing activities</b>		<b>(1,244,336,489)</b>	<b>(156,615,750)</b>
Proceeds from sale of property, plant and equipment and intangible assets		-	217,371
Purchases of property, plant and equipment	8	(1,211,625,585)	(156,799,531)
Purchases of intangible assets		(32,710,904)	(33,590)
<b>C. Cash flows from/(used in) financing activities</b>		<b>786,124,714</b>	<b>(825,792,000)</b>
Cash inflows from borrowings	20	2,889,942,829	3,653,779,725
Cash outflows from borrowings	20	(1,858,269,327)	(4,224,758,350)
Payment of obligations under finance liability	20	(15,171,046)	(6,100,468)
Interest paid		(376,353,967)	(368,195,379)
Interest received		145,976,225	119,482,472
<b>Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)</b>		<b>82,474,015</b>	<b>188,327,051</b>
<b>D. Cash and cash equivalents at the beginning of the year</b>		<b>316,771,798</b>	<b>121,503,123</b>
<b>Cash and cash equivalents at the end of the year (A+B+C+D)</b>		<b>399,245,813</b>	<b>309,830,174</b>

(\*) The Group calculated expected credit loss amounting to TL 2,821,591 on Cash and Cash Equivalents within the scope of TFRS 9 (30 September 2020: TL 2,694,468).

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

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras (“TL”), unless otherwise stated.)

### 1 Organization and operations of the Company

Aksa Enerji Üretim A.Ş. (“Aksa Enerji” or “the Company”) was established on 12 March 1997 to engage in constructing, lending and operating of electricity power plant, production and sale of electricity and/or energy production capacity to the customers.

The Company is registered in İstanbul Trade Registry and the shares of the Company are trading on Borsa İstanbul A.Ş. (“BİST”) since 21 May 2010 under the ticker “AKSEN”. As of 30 September 2021, the Company's free float rate is 20.58% (31 December 2020: 20.58%).

The main shareholder of the Company is Kazancı Holding A.Ş. (“Kazancı Holding”). The Company's registered office address is Rüzgarlıbahçe Mahallesi, Özalp Çıkmazı, No:10, Kavacık-Beykoz, İstanbul / Turkey.

Aksa Enerji and its subsidiaries are collectively referred to as “the Group” in this report. As of 30 September 2021 and 31 December 2020, the details of the subsidiaries included in the consolidation are as follows:

Name of subsidiary – Foreign Branch	Principal activity	Place of operation	Voting Power held(%)	
			30 September 2021	31 December 2020
Aksa Aksa Enerji Ticareti A.Ş. (“Aksa Aksa Enerji”)	Electricity production	Turkey	100,00	100,00
Aksa Energy Company Ghana Limited (“Aksa Enerji Gana”)	Electricity production	Ghana	75,00	75,00
Aksa Enerji Üretim A.Ş.-Y.Ş. (“Aksa Enerji – Y.Ş.”)	Electricity production	TRNC	100,00	100,00
Aksa Ghana B.V.	Holding company	Netherlands	100,00	100,00
Aksa Uzbekistan Investment B.V.	Holding company	Netherlands	100,00	100,00
Aksa Uzbekistan Bukhara B.V.	Holding company	Netherlands	100,00	100,00
Aksa Global Investment B.V. (“Aksa Global B.V.”)	Holding company	Netherlands	100,00	100,00
Aksa Göynük Enerji Üretim A.Ş. (“Aksa Göynük Enerji”)	Electricity production	Turkey	99,99	99,99
Aksa Madagascar B.V.	Holding company	Netherlands	100,00	100,00
Aksa Madagascar SAU	Electricity production	Madagascar	100,00	100,00
Aksa Mali S.A.	Electricity production	Mali	100,00	100,00
Aksaf Power Ltd. (“Aksaf Power”)	Electricity production	Mauritius	100,00	100,00
İdil İki Enerji Sanayi ve Ticaret A.Ş. (“İdil İki Enerji”)	Electricity production	Turkey	99,99	99,99
Overseas Power Ltd. (“Overseas Power”)	Supply trade	Mauritius	100,00	100,00
Rasa Enerji Üretim A.Ş. (“Rasa Enerji”)	Electricity production	Turkey	99,99	99,99
Aksa Energy Company Congo (“Aksa Enerji Kongo” (*)	Electricity production	Congo	100,00	100,00
Aksa Energy Cameroon (“Aksa Enerji Kamerun” (*)	Electricity production	Cameroon	75,00	75,00
Aksa Energy Tashkent FE LLC (*)	Electricity production	Uzbekistan	100,00	100,00
Aksa Energy Bukhara FE LLC (*)	Electricity production	Uzbekistan	100,00	-

(\*) The related company is in the investment phase, and it has not started its operations yet.

As of 30 September 2021, the number of employees of the Group is 991 (31 December 2020: 841).

#### Aksa Aksa Enerji:

Aksa Aksa Enerji was founded on 8 July 2015 by the Aksa Enerji with an ownership percent of 100.00% for the purpose of trading the electricity İdil İki Enerji:

#### İdil İki Enerji:

In 2001, İdil İki Enerji was acquired by Koni İnşaat Sanayi A.Ş. (“Koni İnşaat”), a related party, from Bilkent Group. İdil İki Enerji has a fuel oil fired power plant located in Şırnak with a capacity of 24 MW. The power plant started its operations in 2001. On 5 June 2010, Aksa Enerji acquired 99.99% of all shares of İdil İki İnşaat from Koni İnşaat. Licence of power plant has been cancelled on 7 February 2017.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

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### 1 Organization and operations of the Company (continued)

#### **Aksa Energy Ghana:**

Aksa Energy Ghana was founded on 15 July 2015 by the Aksa Enerji in accordance with the electricity production and sale agreement signed with the Government of Ghana Republic. As of the reporting date, unit of power plant with a capacity 192.5 MW of the fuel oil power plant with a total 370 MW capacity was temporarily approved and it started its operations on 10 April 2017. The installed power of the power plant has increased from 192.5 MW to 35 MW with a reserve capacity of total 280 MW as of 1 August 2017. As of 19 November 2018, the installed capacity of Ghana Fuel Oil Power Plant has increased from 280 MW to 370 MW and thus the guaranteed capacity has been increased from 223.5 MW to 332 MW. Aksa Energy Ghana, sells all of the electricity generated during the agreement to the Ghana Electricity Authority (ECG) on a tariff basis determined in terms of US Dollars ("USD").

#### **Aksa Enerji – Kıbrıs ("Aksa Enerji Y.Ş.")**

On 10 June 2009, Aksa Enerji- Y.Ş. made an electricity sale agreement with Electricity Distribution Company of Turkish Northern Cyprus ("KIB-TEK") by providing service through lending the power plant constituting of diesel generator groups established in Kalecik-TRNC. The contract period is 15+3 years and extended until 2027 on 1 April 2009. Kıbrıs Türk Elektrik Kurumu commits to purchase all of the electricity produced during the contract period on a tariff basis determined in terms of US Dollars.

In accordance with the capacity increase investments of Kalecik Power Plant in TRNC, the installed capacity has been increased by 33 MW by the instalment of two units with the same engine specifications from the fuel-oil power plant located in Mogosa City whose licenses were cancelled in Turkey. The installed capacity of our TRCN Kalecik Power Plant has increased to 153 MW, thus its percentage of availability has also grown by the increase in spare units capacity.

#### **Aksa Energy Company Cameroon Plc**

Aksa Energy Company Cameroon Plc was established in 2019 as the holding company of Aksa Energy Cameroon.

#### **Aksa Uzbekistan Investment B.V.:**

Aksa Indonesia B.V. has changed its trade name as Aksa Uzbekistan Investment B.V. Aksa Uzbekistan Investment B.V. is the partner of Aksa Energy Tashkent LLC Company.

#### **Aksa Uzbekistan Bukhara B.V.:**

Aksa Uzbekistan Bukhara BV was established in the Netherlands in 2021 as the holding company of Aksa Energy Bukhara FE LLC.

#### **Aksa Ghana B.V.:**

On 24 November 2016, Aksa Ghana B.V. was established in Holland as a holding Company of Aksa Energy Ghana.

#### **Aksa Global B.V.:**

On 24 November 2016, Aksa Global was established in Holland to coordinate the foreign investments as a holding Company. Aksa Ghana B.V., Aksa Madagascar B.V., Aksa Uzbekistan Investment B.V. and Aksa Energy Company Cameroon Plc are affiliated companies of Aksa Global B.V.

#### **Aksa Göynük Enerji:**

Aksa Göynük Enerji has a royalty agreement with General Directorate of Turkish Coal for the use of coal in Bolu-Göynük reservoir and Aksa Enerji has a licence for the utilisation of this coal in its power plant with 270 MW capacity.

On 28 October 2011, Aksa Enerji acquired 99.99% of all shares of Aksa Göynük Enerji from Kazancı Holding, the ultimate parent company. The main operations of Aksa Göynük Enerji are constructing, lending and operating of electricity power plant, production and sale of electricity and all kind of exploration and production of natural gas and petroleum resources and mining. First unit of the power plant with 135 MW has started its operations as of 15 July 2015 and second unit of the power plant with 135 MW has started its operations as of 29 January 2016.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

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### 1 Organization and operations of the Company (continued)

#### Aksa Madagascar B.V:

On 19 October 2016, Aksa Madagascar B.V. was established as a holding company of Aksaf Power.

#### Aksa Mali S.A.:

On 6 February 2017, Aksa Mali SA was established for operating and maintenance coordination of Mali plant. On 4 August 2017, 10 MW powered portion from the first phase has been put in use. On 28 September 2017, the remaining 30 MW portion of 40 MW installed powered plant in total has been put in use. As of 27 January 2021, in accordance with the agreement signed between EDM and Aksa Enerji Üretim A.Ş., and its 100% subsidiary Aksa Mali SA, on top of existing power plant, Aksa Enerji Üretim A.Ş. will initiate a power plant with an installed capacity of 20 MW. Power generated by 20 MW installed capacity will also be purchased by EDM for 3 years based on a guaranteed EUR denominated price. As of the reporting period, the total installed power of Mali Power Plant reached 57 MW.

#### Aksaf Power:

Aksa Enerji established Aksaf Power with participation by Aksa Enerji and a local partner with an ownership interest of 58.35% and 41.65%, respectively, in Mauritius for the purpose of constructing a Heavy Fuel Oil ("HFO") power plant with a capacity of 120 MW in Republic of Madagascar and guarantee sale of the electricity produced for 20 years. Aksaf Power started the construction of power plant upon receipt of the advances and guarantees in accordance with the agreement with Jiro Sy Rano Malagasy ("Jirama"), a public company in Republic of Madagascar providing water and electricity services in this country. On 22 October 2019, Aksa Energy acquired the entire company by purchasing 41.65% of the shares belonging to the local partner.

The first engines of the power plant with an installed power of 25 MW, whose construction started in the last quarter of 2016, were put in use on 10 July 2017, earlier than the planned period and on 4 August 2017, installed power of power plant has increased to 50 MW and the remaining 16 MW powered portion from the first phase of 66 MW installed powered in total, has been put in use on 5 September 2017. Second phase of 54 MW installed power will be planned to put in use subsequent to the completion of transmission lines in the area. In the guaranteed electricity sales agreement, the tariff was determined in USD, and the field, fuel supply, all licenses and permissions related to the project were provided by Jirama.

#### Rasa Enerji:

Rasa Enerji was established in 2000 for production and distribution of electricity and its 99.99% shares have been acquired by Aksa Enerji on 5 June 2010 from one of the related parties of Koni İnşaat. Şanlıurfa Natural Gas Power Plant started to generate electricity in August 2011 with an installed capacity of 129 MW and the investment to transform the plant into a combined cycle engine driven technology was completed on 8 October 2012. As of 18 November 2015, the installed capacity of Şanlıurfa Natural Gas Power Plant is increased to 147 MW with an increase of 18 MW.

#### Aksa Enerji Congo:

It was established in 2019 to develop projects in the Republic of Congo.

#### Aksa Enerji Cameroon:

It was established in 2019 to develop projects in Cameroon.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 1 Organization and operations of the Company (continued)

#### Overseas Power:

Overseas Power was established on 18 November 2016 in Mauritius in order to carry out the procurement of raw materials and goods mainly related to the activities of Aksaf Power. Overseas Power is the partner of Aksa Enerji Kongo.

#### Aksa Energy Tashkent FE LLC:

Aksa Energy has established a company named Aksa Energy Tashkent LLC located in Uzbekistan which is 100% owned by Aksa Energy, in order to establish two natural gas combined cycle power plant with an installed capacity of 470 MW respectively 240 and 230 in Uzbekistan and sale of the energy generated in plant based on a guaranteed capacity payment for a duration of 25 years. As of the reporting date, the Company has not started its operations yet and is at the investment stage.

#### Aksa Uzbekistan Bukhara FE LLC

Aksa Energy Bukhara FE LLC: Aksa Energy has established a company named Aksa Energy Bukhara FE LLC located in Uzbekistan which is 100% owned by Aksa Energy, in order to establish a natural gas combined cycle power plant with an installed capacity of 270 MW in Uzbekistan and sale of the energy generated in the plant based on a guaranteed capacity payment for a duration of 25 years. As of the reporting date, the Company has not started its operations yet and is at the investment stage.

As of 30 September 2021, electricity production licenses held by the Group are as follows:

Licence owner	Location	Type of facility	Date of licence	Licence Duration	The capacity of the plant (MWhe)
Aksa Enerji	TRNC	Fuel oil	1 April 2009	15+3	153
Aksa Enerji	Antalya	Natural gas	13 November 2007	30 years	900
Aksa Göynük Enerji	Bolu	Thermal	25 June 2008	30 years	270
Aksa Enerji Gana	Ghana	Fuel Oil	1 August 2017	6,5 years	370
Aksa Mali S.A	Mali	Fuel Oil	27 January 2021	3 years	57
Aksaf Power	Madagascar	Fuel Oil	5 September 2017	20 years	66
Rasa Enerji	Şanlıurfa	Natural gas	12 May 2011	49 years	147
<b>Total</b>					<b>1.963</b>

Licence owner	Location	Name of facility	Type of facility	Date of licence	Licence Duration	Type of licence	The capacity of the plant (MWe)
Societe Jiro Sy Rano Malagasy (Jirama)	Madagascar	CTA-2	Fuel oil	8 January 2019	5 years	Maintenance& operating	24

### 2 Basis of preparation of condensed consolidated financial statements

#### 2.1 Basis of Preparation

##### a) Preparation of Financial Statements

##### Statement of compliance to TFRS

The accompanying condensed consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board (CMB) "Communiqué on Principles Regarding Financial Reporting in the Capital Market" No:14.1 published in the Official Gazette No: 28676 of 13 June 2013. Pursuant to Article 5 of the Communiqué, the financial statements are based on Turkish Financial Reporting Standards ("TFRS") and exhibits and interpretations associated which were enacted by the Public Oversight Accounting and Auditing Standards Authority ("POA"). TFRS Standards include Standards and Interpretations published as Turkish Accounting Standards ("TAS"), Turkish Reporting Standards, TAS Interpretations and TFRS Interpretations.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

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### **2 Basis of preparation of condensed consolidated financial statements (continued)**

#### **2.1 Basis of Preparation (continued)**

##### **a) Preparation of Financial Statements (continued)**

###### Statement of compliance to TFRS (continued)

The condensed consolidated financial statements are presented in accordance with the TFRS Taxonomy developed on the basis of the financial statement illustrations specified in the Illustrative Financial Statements and User Guide published by the POA in the Official Gazette dated 7 June 2019 and numbered 30794.

The Company and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the accounting principles as promulgated by the Turkish Commercial Code ("TCC") and the Uniform Chart of Accounts published by the Ministry of Finance. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

The interim condensed consolidated financial statements have been prepared from the statutory financial statements of Group's subsidiaries' and joint ventures and presented in TL in accordance with CMB Accounting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for business combinations, accounting for deferred taxes on temporary differences, accounting for employee termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets carried from their fair values and assets and liabilities included in Business Combination application, condensed consolidated financial statements are prepared on a historical cost basis.

The accompanying interim condensed consolidated financial statements have been prepared in accordance with the provisions of the CMB's "Communiqué on Principles Regarding Financial Reporting in the Capital Market" No:14.1 published in the Official Gazette No: 28676 of 13 June 2013.

The companies reporting according to the CMB regulations apply Turkish Financial Reporting Standards and additional provisions and interpretations ("TFRS") issued by Public Oversight, Accounting and Auditing Board ("POA") in accordance with the Article 5 of the Communiqué.

The condensed consolidated financial statements of the Group as of 30 September 2021 were approved by the Board of Directors of the Company on 4 November 2021. The Company's General Assembly and the relevant regulatory bodies have the right to request the change of the consolidated financial statements after the publication.

The condensed consolidated financial statements of the Group for the period ended 30 September 2021 have been prepared in accordance with to TAS 34 interim financial reporting standards. The interim condensed consolidated financial statements do not include all information regarding to year-end financial statements and should be read together with the year end financial statements as of the 31 December 2020.

##### **b) Adjustment of Financial Statements in Hyperinflationary Periods**

In accordance with the decision numbered 11/367 and dated 17 March 2005 issued by CMB, for companies that operate in Turkey and prepare their financial statements applying Turkish Financial Reporting Standards, it is decided not to apply inflation accounting from 1 January 2005. Accordingly, as of 1 January 2005, No:29 "Financial reporting in Hyperinflationary Economies" ("TAS 29") was not applied.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements

As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 2 Basis of preparation of condensed consolidated financial statements (continued)

#### 2.1 Basis of Preparation (continued)

##### c) Basis of measurement

The condensed consolidated financial statements have been prepared on the historical cost basis and for the Group's Turkish entities as adjusted for the effects of inflation that lasted by 31 December 2004, except for the followings:

- Derivative financial instruments.
- Financial investments.
- Land and building and land improvements and machinery and equipment in property, plant and equipment are measured at fair value.

##### d) Functional and presentation currency

The Group and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the accounting principles as promulgated by the Turkish Commercial Code ("TCC") and the Uniform Chart of Accounts published by the Ministry of Finance. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

The functional currency of the Group, except for its subsidiaries in foreign countries, is Turkish Lira ("TL"). The accompanying condensed consolidated financial statements expressed in TL.

Company	Functional currency
Aksa Enerji – Y.Ş.	USD
Aksa Göynük Enerji	TL
İdil İki	TL
Rasa Enerji	TL
Aksa Aksen Enerji	TL
Aksa Enerji Gana	USD
Aksa Energy Cameroon PLC	USD
Aksa Mali S.A.	EUR
Aksa Madagascar SAU	USD
Aksaf Power	USD
Overseas Power	USD
Aksa Enerji Kongo	USD
Aksa Enerji Tashkent	USD
Aksa Enerji Buhara	USD
Aksa Global B.V.	USD
Aksa Gana B.V.	USD
Aksa Madagascar B.V.	USD
Aksa Uzbekistan BV	USD
Aksa Bukhara BV	USD

Functional currencies are used to a significant extent in, or have a significant impact on the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currencies selected for measuring items in the condensed consolidated financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currencies have been re-measured to the related functional currencies.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

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### **2 Basis of preparation of condensed consolidated financial statements (*continued*)**

#### **2.1 Basis of preparation (*continued*)**

##### **e) Basis of consolidation**

##### **(i) *Business combinations***

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

##### **(ii) *Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls a business when exposure, or rights, to variable returns due to its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries are included in the condensed consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The Group measures any non-controlling interests in the acquiree at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

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. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

##### **(iii) *Loss of control***

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any NCI and other components of equity related to the subsidiary. Any resulting gain or loss arising on the loss of control is recognized in profit or loss. Any interest retained in the former subsidiary, then such interest is measured at fair value at the date when control is lost.



# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 2 Basis of preparation of condensed consolidated financial statements (*continued*)

#### 2.1 Basis of preparation (*continued*)

##### e) Basis of consolidation (*continued*)

##### (iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the condensed consolidated interim financial statements.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Carrying value of shares owned by the Group and dividends arising from these shares has been eliminated in equity and profit or loss accounts.

##### f) Foreign currency

##### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising hedge instruments recognized in other comprehensive income.

The EUR/TL, USD/TL, GHS/USD and TL/USD as of the end of the reporting periods are as follows:

	<u>30 September 2021</u>	<u>31 December 2020</u>
EUR / TL	10.2484	9.0079
USD / TL	8.8469	7.3405
GHS / USD	0.1655	0.1745
TL / USD	0.1129	0.1362

##### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at average exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation difference in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

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### **2 Basis of preparation of condensed consolidated financial statements (*continued*)**

#### **2.1 Basis of preparation (*continued*)**

##### **f) Foreign currency (*continued*)**

##### ***Foreign operations (continued)***

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operations is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and presented within equity in the foreign currency translation difference.

#### **2.2 Summary of accounting policies**

According to CMB, the entities have option to prepare interim financial statements prepared according to TAS 34 "Interim Financial Statements" as condensed or full set. Therefore, the Company decided to prepare its interim financial statements as of 30 September 2021 as condensed.

The explanations and notes required to be included in the annual financial statements prepared in accordance with TAS/IFRS based on this communiqué are summarized in accordance with TAS 34 or not included in the financial statements. The accompanying condensed consolidated financial statements should be presented with the audited financial statements and accompanying notes prepared as of 31 December 2020. The results of interim financial statements cannot be solely considered as the results of the entire financial period.

Accounting policies and accounting estimates disclosed in the 31 December 2020 financial statements are applied in the current period.

#### **2.3 Standards issued but not yet effective and not early adopted**

##### **a) Amendments that are mandatorily effective from 2021**

##### **Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 *Interest Rate Benchmark Reform - Phase 2***

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The Group assessed that the adoption of this amendment does not have any material effect on the Group's consolidated financial statements.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 2 Basis of preparation of condensed consolidated financial statements (*continued*)

#### 2.3 Standards issued but not yet effective and not early adopted (*continued*)

##### b) New and revised TFRSs in issue but not yet effective

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

#### **TFRS 17 Insurance Contracts**

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2023.

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

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

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

#### **Amendments to TFRS 3 Reference to the Conceptual Framework**

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

*(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)*

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### **2 Basis of preparation of condensed consolidated financial statements (*continued*)**

#### **2.3 Standards issued but not yet effective and not early adopted (*continued*)**

##### **b) New and revised TFRSs in issue but not yet effective (*continued*)**

##### **Amendments to TAS 16 *Property, plant and equipment - Proceeds before Intended Use***

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling 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 the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

##### **Amendments to TAS 37 *Onerous Contracts – Cost of Fulfilling a Contract***

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

##### **Annual Improvements to TFRS Standards 2018-2020 Cycle**

##### **Amendments to TFRS 1 *First time adoption of Turkish Financial Reporting Standards***

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to TFRSs.

##### **Amendments to TFRS 9 *Financial Instruments***

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

##### **Amendments to TAS 41 *Agriculture***

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

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

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 2 **Basis of preparation of condensed consolidated financial statements (continued)**

#### 2.3 **Standards issued but not yet effective and not early adopted (continued)**

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

##### **Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021**

Public Oversight Accounting and Auditing Standards Authority ("POA") has published *COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to TFRS 16)* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

##### **Amendments to TAS 1 Disclosure of Accounting Policies**

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

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

##### **Amendments to TAS 8 Definition of Accounting Estimates**

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

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

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

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

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

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

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 2 Basis of preparation of condensed consolidated financial statements (*continued*)

#### 2.4 Significant accounting judgements, estimates and assumptions

Other matters that significantly affect the financial statements or are required to be disclosed in order to make the financial statements clear, interpretable and understandable

Group has been implementing several contingency plans to mitigate the potential negative impacts of COVID 19 on the Group's operations and financial statements. It has been some partial hitches in sales process due to curfews and due to closure in countries that Group operates in parallel with the effects on global markets in terms of macro-economic uncertainty. Meanwhile Group has taken series of actions to minimize operational costs and has reviewed current cash flow strategies to maintain strong balance sheet and liquidity figures. Lifting of curfews and decreasing in restrictions regarding to pandemic has positive effect on both market demand and Group's operations.

While preparing its condensed consolidated financial statements dated 30 September 2021, the Group evaluated the possible effects of the COVID-19 pandemic on the financial statements and reviewed the estimates and assumptions used in the preparation of the condensed consolidated financial statements. While preparing the financial statements dated 30 September 2021, the Group evaluated the possible effects of the COVID-19 outbreak on the important estimates and assumptions used in the preparation of the financial statements and concluded that there is no material effect. The Group Management takes the necessary precautions to keep the possible negative effects under control and to minimize its exposure. This approach, which is preferred for the period of 30 September 2021, will be reviewed in the upcoming reporting periods, taking into account the impact of the epidemic and future expectations.

The nature of the Group's risks arising from financial instruments, risk management policies and risk level are presented in Note 18.

#### Useful life of plant, property and equipment

Items of property, plant and equipment are depreciated from the date that they are available for use, or in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

After initial recognition, the stripping activity asset is initially measured at its cost less depreciation and less impairment losses. Stripping activity asset is depreciated on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

The estimated useful lives for the current and comparative periods are as follows:

	Year
Buildings	10 - 50
Plant, machinery and equipment	3 - 43
Furnitures and fixtures	5 - 15
Vehicles	5 - 8
Land improvements	5
Leasehold improvements	5

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

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### **2 Basis of preparation of condensed consolidated financial statements (*continued*)**

#### **2.4 Significant accounting judgements, estimates and assumptions (*continued*)**

Power generation plants depreciated over shorter of license term and their useful lives. The Group depreciates its power generation plants in different useful lives in accordance to their different useful lives.

	<u>Year</u>
Fuel oil power plants	4-22
Natural gas power plants	33
Coal plants	43

Overhaul costs related to power generation plants have different useful lives, then they are accounted as separate items (major components) of power generation plants.

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

#### Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

### **2.5 Comparative information and restatement of prior periods' consolidated financial statements**

The consolidated financial statements of the Group are prepared in comparison with the prior period in order to allow the determination of financial position and performance trends. The Group prepared comparatively its statement of condensed consolidated financial position prepared as of 30 September 2021 compared to its statement of consolidated financial statement prepared as of 31 December 2020, its condensed consolidated statement of profit or loss, condensed consolidated other comprehensive income, condensed consolidated statement of cash flows and condensed consolidated changes in equity for the period ended 1 January – 30 September 2021 compared to its condensed consolidated statement of profit or loss, condensed consolidated other comprehensive income, condensed consolidated statement of cash flows and condensed consolidated changes in equity for the period ended 1 January – 30 September 2020. According to condensed consolidated financial statements as of 30 September 2021, there is no adjustment for previous financial period.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 3 Operating Segments

The geographical information presented below analyzes the Group's revenue, profit before interest, tax, depreciation and amortization (EBITDA), assets and liabilities, taking into account the country where the Group is located and the African region. In the presentation of this information, segment revenue and EBITDA are presented according to the geographical location of the customers, and the segment assets and liabilities are presented according to the geographical location.

	1 January – 30 September 2021		
	Turkey (*)	Africa	Total
Total segment income	7,132,382,295	1,190,538,124	8,322,920,419
Profit before interest, tax, depreciation and amortization (EBITDA)	748,483,571	994,318,451	1,742,802,022
	1 January – 30 September 2020		
	Turkey (*)	Africa	Total
Total segment income	4,202,804,300	1,065,092,419	5,267,896,719
Profit before interest, tax, depreciation and amortization (EBITDA)	363,766,451	725,323,606	1,089,090,057
	1 January – 30 September 2021		
	Turkey (*)	Africa	Total
Reconciliation of EBITDA with profit before taxes:	748,483,571	994,318,451	1,742,802,022
Depreciation and amortization	(117,927,367)	(280,982,944)	(398,910,311)
Finance expenses, net	(241,602,866)	(10,246,316)	(251,849,182)
<b>Profit before tax</b>	<b>388,953,338</b>	<b>703,089,191</b>	<b>1,092,042,529</b>
	1 January – 30 September 2020		
	Turkey (*)	Africa	Total
Reconciliation of EBITDA with profit before taxes:	363,766,451	725,323,606	1,089,090,057
Depreciation and amortisation	(122,653,459)	(218,748,226)	(341,401,685)
Financing income/(expenses), net	(257,868,381)	10,970,284	(246,898,097)
Income from investing activities, net	75,612	77,746	153,358
<b>Profit before tax</b>	<b>(16,679,777)</b>	<b>517,623,410</b>	<b>500,943,633</b>

(\*) Uzbekistan and TRNC are shown in Turkey.



# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 3 Operating Segments (continued)

	30 September 2021		
	Turkey (*)	Africa	Total
Segment assets	7,360,534,667	5,560,324,594	12,920,859,261
Segment liabilities	4,848,749,451	2,125,421,057	6,974,170,508
	31 December 2020		
	Turkey (*)	Africa	Total
Segment assets	5,959,878,216	3,542,816,089	9,502,694,305
Segment liabilities	3,835,636,531	1,041,713,591	4,877,350,122

(\*) Uzbekistan and TRNC are shown in Turkey.

### 4 Related party disclosures

#### (a) Related party balances

Short-term receivables from related parties as of 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021		31 December 2020	
	Trade	Non-trade	Trade	Non-trade
Short-term receivables				
Short-term receivables	643,749,471	55,578,157	311,085,412	42,317,908
<b>Total</b>	<b>643,749,471</b>	<b>55,578,157</b>	<b>311,085,412</b>	<b>42,317,908</b>

#### i) Receivables from related parties:

	30 September 2021		31 December 2020	
	Trade	Non-trade	Trade	Non-trade
Aksa Elektrik Satış A.Ş.	485,670,821	55,578,157	250,470,646	42,317,908
Aksa Doğalgaz Toptan Satış A.Ş.	40,475,286	-	4,986,827	-
Fırat Elektrik Perakende Satış A.Ş.	91,211,456	-	22,072,262	-
Koni İnşaat Sanayi A.Ş.	15,609,872	-	20,886,486	-
Çoruh Elektrik Perakende Satış A.Ş.	4,194,364	-	8,064,709	-
Flamingo Biyoyakıt Üretim ve Sanayi A.Ş.	4,146,627	-	-	-
Aksa Power Generation FZE	-	-	1,282,697	-
Other	2,441,045	-	3,321,785	-
<b>Total</b>	<b>643,749,471</b>	<b>55,578,157</b>	<b>311,085,412</b>	<b>42,317,908</b>

Maturity difference is calculated by taking into account the legal interest rate for the receivables from related parties.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 4 Related party disclosures (continued)

#### (a) Related party balances (continued)

##### ii) Payables to related parties:

Short-term payables to related parties as of 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021		31 December 2020	
Short-term payables	Trade	Non-trade	Trade	Non-trade
Short-term payables	45,459,208	-	35,657,639	-
<b>Total payables</b>	<b>45,459,208</b>	<b>-</b>	<b>35,657,639</b>	<b>-</b>

  

	30 September 2021		31 December 2020	
	Trade	Other	Trade	Other
Aksa Şanlıurfa Doğalgaz Dağıtım A.Ş.	16,109,263	-	-	-
Atk Sigorta Aracılık Hiz.A.Ş.	14,689,572	-	10,308,746	-
Aksa Jeneratör Sanayi A.Ş.	9,060,096	-	6,603	-
Aksa Satış ve Pazarlama A.Ş.	2,369,878	-	-	-
Kazancı Holding A.Ş.	1,655,063	-	1,347,985	-
Rasa Endüstriyel Radyatörler San. A.Ş.	1,348,759	-	-	-
Koni İnşaat Sanayi A.Ş.	193,218	-	30,722	-
Aksa Elektrik Satış A.Ş.	-	-	208,971	-
Aksa Doğalgaz Toptan Satış A.Ş.	-	-	23,732,705	-
Diğer	33,359	-	21,907	-
<b>Total</b>	<b>45,459,208</b>	<b>-</b>	<b>35,657,639</b>	<b>-</b>

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 4 Related party disclosures (cont'd)

#### (b) Related party transactions

##### i) Purchases and sales from/to related parties:

1 January - 30 September 2021

	Electricity Sales	Electricity Purchases	Natural Gas Purchases	Interest Income	Interest Expense	Rent Expenses	General Administrative Expenses	Reflection of Common Expenses	Material Purchases	Material Sales	Other (Expense) / Income, Net
Aksa Ankara Makine Sat. ve Servis A.Ş.	-	-	-	-	-	-	465	-	-	-	(11,932)
Aksa Doğal Gaz Toptan Satış A.Ş.	-	-	-	1,591,510	-	-	-	-	-	-	-
Aksa Doğal Gaz Dağıtım A.Ş.	-	-	177,775,023	362,003	-	-	-	-	-	-	-
Aksa Elektrik Satış A.Ş.	240,292,464	92,771,585	-	41,586,179	-	-	-	-	-	-	3,725
Aksa Generators Ghana LTD.	-	-	-	-	-	-	-	-	-	55,027	7,156
Aksa Jeneratör Sanayi A.Ş.	-	-	-	109,609	165,318	-	4,098	-	27,103,699	-	(137,934)
Aksa Power Generation (Dubai)	-	-	-	-	-	-	-	-	40,506,178	-	(83,587)
Aksa Satış ve Pazarlama A.Ş.	-	-	-	-	57,040	-	32,540	-	-	-	(1,362)
Aksa Şanlıurfa Doğal Gaz Dağıtım A.Ş.	-	-	42,122,232	-	1,091	-	-	-	1,392,522	-	(249,416)
Aksa Turizm İşletmeleri A.Ş.	-	-	-	-	-	-	-	-	-	-	-
Aksa Servis ve Kiralama A.Ş.	-	-	-	-	1,291	-	-	-	-	-	-
ATK Sigorta Aracılık Hizmetleri A.Ş.	-	-	-	-	-	-	-	-	-	-	(123,837)
Çoruh Elektrik Dağıtım A.Ş.	-	-	-	151,964	-	-	-	-	-	-	-
Çoruh Elektrik Perakende Satış A.Ş.	58,112,507	4,164,926	-	1,098,828	554,106	-	-	-	-	-	-
Eurl Aksa Generateurs Algerie	-	-	-	-	-	-	-	-	87,715	-	-
Fırat Elektrik Dağıtım A.Ş.	-	-	-	109,628	-	-	-	-	-	-	-
Fırat Elektrik Perakende Satış A.Ş.	54,386,095	9,153,336	-	4,651,303	92,253	-	-	-	-	-	-
Flamingo Biyoküt Üretim Sanayi A.Ş.	-	-	-	326,486	-	-	-	-	-	-	-
Flamingo Enerji Üretim A.Ş.	-	-	-	152,613	-	-	-	-	-	-	-
Kazancı Holding A.Ş.	-	-	-	65,415,712	306,572	-	768,264	12,030,132	-	-	-
Koni İnşaat Sanayi A.Ş.	-	-	-	3,230,909	21,910	3,831,271	1,257,043	-	1,062,126	-	13,248
Koni Teknik Mühendislik A.Ş.	-	-	-	-	325,030	-	-	-	-	-	(5,207)
Rasa Endüstriyel Radyatörler San.A.Ş.	-	-	-	-	-	-	-	-	-	-	-
	<b>352,791,066</b>	<b>106,089,847</b>	<b>219,897,255</b>	<b>118,786,744</b>	<b>1,524,611</b>	<b>3,831,271</b>	<b>2,062,410</b>	<b>12,030,132</b>	<b>70,152,240</b>	<b>55,027</b>	<b>(589,146)</b>

## AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

### Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

#### 4 Related party disclosures (cont'd)

##### (b) Related party transactions (cont'd)

##### i) Purchases and sales from/to related parties: (cont'd)

1 January – 30 September 2020

	Electricity Sales	Electricity Purchases	Natural Gas Purchases	Interest Income	Interest Expense	Rent Expenses	General Administrative Expenses	Reflection of Common Expenses	Material Purchases	Material Sales	Other (Expense) / Income, Net
Aksa Ankara Makine Sat. ve Servis A.Ş.	-	-	-	-	-	-	-	-	-	-	(40,379)
Aksa Doğal Gaz Toptan Satış A.Ş.	-	-	168,855,159	-	1,294	-	-	-	-	-	(2,251,630)
Aksa Elektrik Satış A.Ş.	200,031,475	35,621,717	-	20,343,657	-	-	5,200	-	-	-	211
Aksa Generators Ghana LTD.	-	-	-	-	-	-	-	-	32,237	133,345	(574,997)
Aksa Jeneratör Sanayi A.Ş.	-	-	-	2,396,107	51,136	-	3,677	-	-	-	(550,779)
Aksa Jeneratör Sanayi A.Ş. Servis	-	-	-	-	-	-	-	-	3,519	-	(4)
Aksa Power Generation (Dubai)	-	-	-	-	-	-	-	-	-	-	(269,272)
Aksa Satış ve Pazarlama A.Ş.	-	-	-	-	1,666	-	-	-	72,860	-	(21,975)
Aksa Şanlıurfa Doğal Gaz Dağıtım A.Ş.	-	-	11,934,126	-	94,035	-	-	-	-	5,000	-
ATK Sigorta Aracılık Hizmetleri A.Ş.	-	482	-	-	-	-	-	-	45	-	(651,755)
Çoruh Elektrik Dağıtım A.Ş.	-	-	-	9,787	-	-	-	-	-	172,350	-
Çoruh Elektrik Perakende Satış A.Ş.	104,688,369	5,325,695	-	-	2,161,827	-	-	-	-	-	2,751
Elektrik Altyapı Hizmetleri	-	-	-	-	2,918	-	-	-	-	-	-
Fırat Elektrik Perakende Satış A.Ş.	80,379,019	7,493,913	-	463,459	1,092,617	-	-	-	-	-	1,704
Flamingo Biyokütle Üretim Sanayi A.Ş.	-	-	-	128,166	-	-	-	-	-	-	-
Flamingo Enerji Üretim A.Ş.	-	-	-	90,748	-	-	-	-	-	-	-
Kazancı Holding A.Ş.	-	-	-	44,958,790	445,641	-	213,896	10,095,522	-	-	-
Koni İnşaat Sanayi A.Ş.	1,018	-	-	1,164,744	19,731	2,813,378	1,167,723	-	-	81,833	68,919
	<b>385,099,881</b>	<b>48,441,807</b>	<b>180,789,285</b>	<b>69,555,458</b>	<b>3,870,865</b>	<b>2,813,378</b>	<b>1,390,496</b>	<b>10,095,522</b>	<b>108,661</b>	<b>392,528</b>	<b>(4,287,206)</b>

##### ii) Guarantees and other liabilities given by the related parties in favor of the Group:

iii) The total amount of guarantees given by the partners and related parties in favor of the Group within the framework of the general loan agreements made against the loans used by the Group is TL 15,347,233,409 as of 30 September 2021 (31 December 2020: TL 13,952,026,500).

##### iv) Total salaries and benefits provided to key management personnel:

The Company's key management personnel consists of the members of the Board of Directors. Benefits provided to key management include benefits such as salary, bonus, health insurance and transportation. The total amount of benefits provided to key management during the period is TL 2,801,581 (30 September 2020: TL 1,185,000).

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 5 Financial investments

<b>Short-term financial investments</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Blocked bank deposits (*)	588,124,192	-
<b>Total</b>	<b>588,124,192</b>	<b>-</b>

(\*) The balance consist of bank loans in relation to Uzbekistan investment.

<b>Long-term financial assets</b>	<b>Acquisition %</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Enerji Piyasaları İşletme A.Ş. (*)	0.67	412,408	412,408
<b>Total</b>		<b>412,408</b>	<b>412,408</b>

(\*) The Group invest to Enerji Piyasaları İşletme A.Ş. and obtained 412,408 number of Group C share on 20 November 2014.

According to TFRS 9, since cost is a reflection of the fair value estimation, financial investments are presented at their cost value.

### 6 Trade receivables and payables

#### (a) Short-term trade receivables

As of 30 September 2021 and 31 December 2020, trade receivables from third parties consist of the following items:

<b>Current trade receivables</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Trade receivables	2,913,789,600	2,428,623,864
Provision of expected credit losses (-)	(45,722,353)	(34,088,869)
<b>Total trade receivables from third parties</b>	<b>2,868,067,247</b>	<b>2,394,534,995</b>

Details on credit risk, currency risk and impairment of the Group's short-term trade receivables are explained in Note 18.

Movement of expected credit loss as of 30 September as follows:

	<b>30 September 2021</b>	<b>30 September 2020</b>
Balance as at 1 January	34,088,869	16,569,801
Provision made during the period	10,144,169	20,108,032
Currency translation adjustment	1,489,315	8,306,617
	<b>45,722,353</b>	<b>44,984,450</b>

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 6 Trade receivables and payables (continued)

#### (b) Short-term trade payables

As of 30 September 2021 and 31 December 2020, trade payables to third parties consist of the following items:

Current trade payables	30 September 2021	31 December 2020
Trade payables	1,424,584,310	744,255,583
<b>Total trade payables to third parties</b>	<b>1,424,584,310</b>	<b>744,255,583</b>

The foreign currency and liquidity risk regarding the short-term trade payables of the Group is explained in Note 18.

### 7 Borrowings

Short-term	30 September 2021	31 December 2020
Short-term bank borrowings	1,334,673,973	728,277,260
Short-term portion of long-term bank borrowings	1,325,786,575	1,292,953,512
<b>Total Current Borrowings</b>	<b>2,660,460,548</b>	<b>2,021,230,772</b>
<b>Long-term</b>		
<b>Long-term bank borrowings</b>	<b>1,550,832,764</b>	<b>834,709,520</b>
<b>Total Borrowings</b>	<b>4,211,293,312</b>	<b>2,855,940,292</b>

The maturities and terms for the open borrowings as of 30 September 2021 and 31 December 2020 are as follows:

Currency	Interest rate	30 September 2021
TL	7.50% - 22.00%	1,877,994,128
USD	Libor6M + 6.35% - Libor6M + 6.73% , 3.60% -7.00%	2,251,620,785
EUR	1.20% - 1.50%	81,678,399
<b>Total</b>		<b>4,211,293,312</b>
Currency	Interest rate	31 December 2020
TL	7.50% - 20.50%	1,931,765,729
USD	Libor6M + 6.35% , 6.75%-8.35%	911,057,249
EUR	Euribor6M + 1.95%	13,117,314
<b>Total</b>		<b>2,855,940,292</b>

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 7 Borrowings (continued)

30 September 2021			
Maturity	Currency	Currency amount	TL Amount
Less than 1 year	USD	82,187,394	726,807,778
	EUR	7,919,562	81,678,399
	TL	1,851,974,371	1,851,974,371
1-2 Years	USD	54,454,653	481,558,830
	TL	26,019,757	26,019,757
2-3 Years	USD	48,341,901	427,501,929
3-4 Years	USD	33,568,103	296,852,805
4-5 Years	USD	20,696,673	183,026,888
+5 Years	USD	15,364,463	135,872,555
<b>Total</b>			<b>4,211,293,312</b>

31 December 2020			
Maturity	Currency	Currency amount	TL Amount
Less than 1 year	USD	104,663,974	768,285,902
	EUR	1,456,201	13,117,314
	TL	1,239,827,556	1,239,827,556
1-2 Years	USD	27,980,708	205,392,390
	TL	214,024,170	214,024,170
2-3 Years	USD	24,453,680	179,502,235
	TL	9,592,701	9,592,701
3-4 Years	USD	21,264,144	156,089,449
4-5 Years	USD	9,550,926	70,108,575
<b>Total</b>			<b>2,855,940,292</b>

Other financial liabilities as of 30 September 2021 and 31 December 2020 are as follows:

Other short-term financial liabilities	30 September 2021	31 December 2020
Factoring liabilities	-	11,181,406
<b>Total</b>	<b>-</b>	<b>11,181,406</b>

Details of the liquidity and exchange rate risk regarding the borrowings of the Group are explained in Note 18.

The details of payables from leases are as follows:

The Group's lease obligations represent the present value of the future payables of the power plant land, vehicle and building leased from third parties during the useful life of the asset.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

7

### Borrowings (continued)

As of 30 September 2021 and 31 December 2020, the TL equivalent values and the repayment schedule of financial lease payables as of the balance sheet date are as follows:

				30 September 2021
Currency	Interest Type	Agreement Date	Interest Rate	
TL	Fixed	1 March 2038	20.98%-29.40%	69,819,041
USD	Fixed	19 October 2039	3.24%-8.53%	3,512,126
EUR	Fixed	17 February 2022	3.81%-5.70%	1,095,626
<b>Total</b>				<b>74,426,793</b>

  

				31 December 2020
Currency	Interest Type	Agreement Date	Interest Rate	
TL	Fixed	1 March 2038	13.55%-29.40%	73,898,863
USD	Fixed	19 October 2039	3.24%-8.53%	4,685,964
EUR	Fixed	17 February 2022	3.81%-5.70%	617,337
<b>Total</b>				<b>79,202,164</b>

8

### Property, plant and equipment

As of 30 September 2021 and 31 December 2020, property, plant and equipment consists of other tangible assets and mining assets.

	30 September 2021	31 December 2020
Other property, plant and equipment	6,922,788,817	5,599,044,159
Mining assets	48,086,841	56,006,362
<b>Total</b>	<b>6,970,875,658</b>	<b>5,655,050,521</b>



AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

Notes to the Unaudited Condensed Consolidated Financial Statements  
As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

8 Property, plant and equipment (continued)

a) Other property, plant and equipment

	Land	Land improvements	Buildings	Plant, machinery and equipment(*)	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
<b>Cost</b>									
Opening balance as of 1 January 2021	93,035,084	13,789,949	138,052,423	7,642,506,570	9,081,109	19,925,150	26,815,088	289,852,050	8,233,057,423
Additions	-	533,494	-	27,566,336	2,087,987	1,092,514	16,547	1,180,097,752	1,211,394,630
Transfers	-	-	-	175,041,690	-	(2,561,994)	-	(55,439,108)	117,040,588
Effect of movements in exchange rates	-	1,433,639	20,285,952	551,697,149	1,609,595	1,682,022	-	101,427,123	678,135,480
<b>Closing balance as of 30 September 2021</b>	<b>93,035,084</b>	<b>15,757,082</b>	<b>158,338,375</b>	<b>8,396,811,745</b>	<b>12,778,691</b>	<b>20,137,692</b>	<b>26,831,635</b>	<b>1,515,937,817</b>	<b>10,239,628,121</b>
<b>Accumulated depreciation</b>									
Opening balance as of 1 January 2021	-	3,854,976	50,090,357	2,550,392,664	4,861,483	16,936,453	7,877,331	-	2,634,013,264
Depreciation for the period	-	895,146	9,458,886	358,827,122	505,713	1,345,454	921,033	-	371,953,354
Transfers	-	-	-	-	-	(1,386,789)	-	-	(1,386,789)
Effect of movements in exchange rates	-	351,450	9,846,015	299,676,369	927,674	1,457,967	-	-	312,259,475
<b>Closing balance as of 30 September 2021</b>	<b>-</b>	<b>5,101,572</b>	<b>69,395,258</b>	<b>3,208,896,155</b>	<b>6,294,870</b>	<b>18,353,085</b>	<b>8,798,364</b>	<b>-</b>	<b>3,316,839,304</b>
<b>Net book value</b>	<b>93,035,084</b>	<b>10,655,510</b>	<b>88,943,117</b>	<b>5,187,915,590</b>	<b>6,483,821</b>	<b>1,784,607</b>	<b>18,033,271</b>	<b>1,515,937,817</b>	<b>6,922,788,817</b>

(\*) Machines dismantled and transferred from Antalya, Manisa and Van power plants for Tashkent and Bukhara investments in Uzbekistan are included in plant, machinery and equipment.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

Notes to the Unaudited Condensed Consolidated Financial Statements  
As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

**8 Property, plant and equipment (continued)**  
**a) Other property, plant and equipment (continued)**

	Land	Land improvements	Buildings	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
<b>Cost</b>									
Opening balance as of 1 January 2020	90,951,776	8,559,932	117,630,717	7,027,288,865	7,421,782	16,357,642	26,815,088	160,937,044	7,455,962,846
Additions	2,083,308	767,231	12,185	14,002,200	357,598	1,046,398	-	108,968,273	127,237,193
Disposals	-	-	-	-	(191,234)	-	-	-	(191,234)
Transfers	-	-	-	41,674,463	-	-	-	(20,368,939)	21,305,524
Effect of movements in exchange rates	-	1,781,028	26,342,035	709,078,679	1,923,784	1,922,903	-	64,646,083	805,694,512
<b>Closing balance as of 30 September 2020</b>	<b>93,035,084</b>	<b>11,108,191</b>	<b>143,984,937</b>	<b>7,792,044,207</b>	<b>9,511,930</b>	<b>19,326,943</b>	<b>26,815,088</b>	<b>314,182,461</b>	<b>8,410,008,841</b>
<b>Accumulated depreciation</b>									
Opening balance as of 1 January 2020	-	2,899,113	32,214,490	1,929,664,937	3,134,271	14,704,316	5,130,043	-	1,987,747,170
Depreciation for the period	-	507,004	7,044,650	310,158,984	341,732	1,876,151	939,001	-	320,867,522
Disposals	-	-	-	-	(51,622)	-	-	-	(51,622)
Transfers	-	-	-	(17,224,454)	-	-	-	-	(17,224,454)
Effect of movements in exchange rates	-	330,968	11,262,502	306,619,237	1,149,346	1,656,133	-	-	321,018,186
<b>Closing balance as of 30 September 2020</b>	<b>-</b>	<b>3,737,085</b>	<b>50,521,642</b>	<b>2,529,218,704</b>	<b>4,573,727</b>	<b>18,236,600</b>	<b>6,069,044</b>	<b>-</b>	<b>2,612,356,802</b>
<b>Net book value</b>	<b>93,035,084</b>	<b>7,371,106</b>	<b>93,463,295</b>	<b>5,262,825,503</b>	<b>4,938,203</b>	<b>1,090,343</b>	<b>20,746,044</b>	<b>314,182,461</b>	<b>5,797,652,039</b>

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 8 Property, plant and equipment (continued)

#### a) Other property, plant and equipment (continued)

As of 30 September 2021 and 31 December 2020, the details of the expenditures classified under the construction in progress item of the projects under construction are as follows:

Project	30 September 2021	31 December 2020
Uzbekistan Investment	941,200,318	18,962,685
Ghana Investment	425,162,992	209,245,929
Other (*)	149,574,507	61,643,436
<b>Total</b>	<b>1,515,937,817</b>	<b>289,852,050</b>

(\*) It consists of construction in progress in Africa.

#### b) Mining assets

As of 30 September 2021 and 31 December 2020, mining assets consist of mine site development and deferred mining costs.

Cost:	30 September 2021	31 December 2020
Deferred stripping costs	94,959,154	94,728,199
Mining development assets	5,477,772	5,477,772
	<b>100,436,926</b>	<b>100,205,971</b>
<b>Accumulated amortization:</b>		
Deferred stripping costs	52,117,752	43,967,276
Mining development assets	232,333	232,333
	<b>52,350,085</b>	<b>44,199,609</b>
<b>Net book value</b>	<b>48,086,841</b>	<b>56,006,362</b>

### 9 Right-of-use Assets

	Land of Power Plants	Buildings	Vehicles	Total
<b>Balance as of 1 January 2021</b>	<b>70,174,997</b>	<b>1,175,094</b>	<b>2,173,936</b>	<b>73,524,027</b>
Additions	893,572	151,904	-	1,045,476
Changes in leases	1,950,325	8,941,620	1,100,159	11,992,104
Disposals	(2,641,905)	-	-	(2,641,905)
Amortization and depreciation for the period	(5,079,517)	(6,915,357)	(1,626,287)	(13,621,161)
<b>Balance as of 30 September 2021</b>	<b>65,297,472</b>	<b>3,353,261</b>	<b>1,647,808</b>	<b>70,298,541</b>

The Group, as a lessee, has included the right-of-use asset representing the right to use the underlying asset and the lease payables representing the lease payments for which the rent is required to be paid in the condensed consolidated financial statements.

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 9 Right-of-use Assets (continued)

	Land of Power Plants	Buildings	Vehicles	Total
<b>Balance as of 1 January 2020</b>	<b>46,989,961</b>	<b>1,161,619</b>	<b>554,643</b>	<b>48,706,223</b>
Additions	7,557,567	4,321,136	4,060,104	15,938,807
Disposals	-	(250,532)	(713,276)	(963,808)
Amortization and depreciation for the period	(2,484,118)	(2,997,377)	(1,093,102)	(6,574,597)
<b>Balance as of 30 September 2020</b>	<b>52,063,410</b>	<b>2,234,846</b>	<b>2,808,369</b>	<b>57,106,625</b>

### 10 Commitments

#### (a) Guarantees, pledges and mortgages given

As of 30 September 2021 and 31 December 2020, the table regarding the Group's guarantee, pledge and mortgage (GPM) position is as follows:

	30 September 2021	31 December 2020
<b>GPM Given by the Group</b>		
A. GPM given for companies own legal personality	2,704,569,736	2,172,067,306
B. GPM given in behalf of fully consolidated companies	6,780,774,623	6,275,339,013
C. GPM given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other GPM's	-	-
i. Total amount of GPM's given on behalf of majority shareholder	-	-
ii. Total amount of GPM's given on behalf of other Group companies which are not in scope of B and C	-	-
iii. Total amount of GPM's given on behalf of third parties which are not in scope of C	-	-
<b>Total GPM</b>	<b>9,485,344,359</b>	<b>8,447,406,319</b>

The details of the letters of guarantee given by the Group as of 30 September 2021 and 31 December 2020 are as follows:

30 September 2021	TL	USD	EUR	CHF	TL Equivalent
Electricity Distribution Companies Republic of Turkey Energy Market Regulatory Authority	136,448,175	6,079,855	-	-	190,214,157
Turkey Electricity Transmission Company (TEIAS)	172,748,000	-	-	-	172,748,000
Turkish Coal Enterprises Institution(TKI)	24,328,766	-	200,000	-	26,391,466
Enforcement Offices Botaş-Petroleum Pipeline Corporation	9,382,744	-	-	-	9,382,744
Saving Deposit Insurance Fund (TMSF)	2,977,119	-	-	-	2,977,119
Other	665,042	-	-	-	665,042
	86,000,000	-	-	-	86,000,000
	25,298,179	6,330,000	1,133,000	800,000	100,557,064
<b>Total</b>	<b>457,848,025</b>	<b>12,409,855</b>	<b>1,333,000</b>	<b>800,000</b>	<b>588,935,592</b>

### 10 Commitments (continued)

## AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

Notes to the Unaudited Condensed Consolidated Financial Statements  
As At 30 September 2021*(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)*

31 December 2020	TL	USD	EUR	CHF	TL Equivalent
Electricity Distribution Companies Republic of Turkey Energy Market Regulatory Authority	191,494,053	6,525,463	-	-	239,394,214
Turkey Electricity Transmission Company (TEIAS)	35,458,000	-	-	-	35,458,000
Turkish Coal Enterprises Institution(TKI)	20,340,525	-	400,000	-	23,943,685
Enforcement Offices	7,497,253	-	-	-	7,497,253
Botaş-Petroleum Pipeline Corporation	1,307,490	-	-	-	1,307,490
Other	665,042	-	-	-	665,042
	8,770,056	3,000,000	1,896,000	800,000	54,497,814
<b>Total</b>	<b>265,532,419</b>	<b>9,525,463</b>	<b>2,296,000</b>	<b>800,000</b>	<b>362,763,498</b>

**(b) Guarantees received**

The details of the letters of guarantee received by the Group as of 30 September 2021 and 31 December 2020 are as follows:

				30 September 2021
Type of Guarantees	TL	USD	EUR	TL Equivalent
Letter of guarantee	231,526,852	86,433,875	2,745,023	1,024,198,333
Notes taken for collaterals	26,268,905	1,034,174	1,184,169	47,627,343
Cheques taken for collaterals	8,400,000	28,000	3,456,000	44,291,068
Mortgage	700,000	-	-	700,000
<b>Total</b>	<b>266,895,757</b>	<b>87,496,049</b>	<b>7,385,192</b>	<b>1,116,816,744</b>

				31 December 2020
Type of Guarantees	TL	USD	EUR	TL Equivalent
Letter of guarantee	152,658,902	75,900,224	-	709,804,496
Notes taken for collaterals	26,268,905	1,034,174	1,184,169	44,527,135
Cheques taken for collaterals	8,400,000	28,000	3,456,000	39,736,836
Mortgage	700,000	-	-	700,000
<b>Total</b>	<b>188,027,807</b>	<b>76,962,398</b>	<b>4,640,169</b>	<b>794,768,467</b>

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 11 Share capital, reserves and other equity items

#### (a) Issued capital

The Company has switched to the registered capital system with the permission of the CMB dated 16 April 2010 and numbered 10/330, and the registered capital ceiling is TL 4,750,000,000 (31 December 2020: TL 4,750,000,000). The registered capital ceiling permission given by the Capital Markets Board is valid for the years 2021-2025 (5 years).

As of 30 September 2021, the issued capital of the Company is TL 613,169,118 (31 December 2020: TL 613,169,118). The issued capital consists of 613,169,118 shares each with a nominal value of 1 TL (31 December 2020: 613,169,118).

The capital structure of the Group as of 30 September 2021 and 31 December 2020 is as follows:

Shareholders	30 September 2021		31 December 2020	
	Share rate (%)	Amount	Share rate (%)	Amount
Kazancı Holding	78.607	481,991,868	78.607	481,991,868
Public share (*)	21.390	131,158,000	21.390	131,158,000
Other	0.003	19,250	0.003	19,250
<b>Total</b>	<b>100.00</b>	<b>613,169,118</b>	<b>100.00</b>	<b>613,169,118</b>

(\*) The shares acquired by Kazancı Holding from the shares under the publicly traded item in 2012, 2013 and 2018 are presented in the publicly traded item shares in the table above. Together with the shares purchased by Kazancı Holding among the publicly traded shares, its shareholding portion in our partnership is 79.42% (31 December 2020: 79.42%). As of 30 September 2021, these shares are 4,958,962 (31 December 2020: 4,958,962).

The details of the shares on a group basis as of 30 September 2021 are as follows:

Group	30 September 2021		31 December 2020	
	Share rate (%)	Amount	Share rate (%)	Amount
A Group (Registered share)	47.93	293,896,220	47.93	293,896,220
B Group (Bearer share)	52.07	319,272,898	52.07	319,272,898
<b>Paid in Capital</b>	<b>100.00</b>	<b>613,169,118</b>	<b>100.00</b>	<b>613,169,118</b>

TL 131,158,000 of the bearer B group shares are traded on BIST.

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 11 Share capital, reserves and other equity items (continued)

#### (a) Issued capital (cont'd)

Due to a loan agreement ("the Old Loan") amounting to USD 500 million between the ultimate partner of the Company, Kazancı Holding and Goldman Sachs International, China Development Bank, Türkiye Garanti Bankası A.Ş. ("Garanti Bankası") and Türkiye İş Bankası A.Ş. ("İş Bankası"), the Company has established a pledge as a collateral for loan agreement in favor of Türkiye Garanti Bankası A.Ş., which is the loan collateral representative, on the shares corresponding to 68.86% of the capital.

Under the leadership of Garanti Bank and İşbank, a new loan agreement with a total amount of USD 800 million ("the New Loan") was signed between the consortium consisting T.C. Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Odea Bank A.Ş. ve Türkiye Sınai Kalkınma Bankası A.Ş. and Kazancı Holding and Aksa Doğal Gaz Dağıtım A.Ş. on 2 August 2016. With this financing, the above-mentioned Old Loan was fully repaid and Aksa Energy shares owned by Kazancı Holding, which were pledged, has become free. In addition to these liberalized shares belonging to the Kazancı Holding, representing %61.98 capital shares of Aksa Energy which is owned by Kazancı Holding and is 9.74% shares of Kazancı Holding, was pledged to be a guarantee for the new loan, to the Guarantee Representative Türkiye İş Bankası A.Ş. by Kazancı Holding. In addition, Aksa Energy shares representing 16.62% of the capital that Kazancı Holding bought back from Goldman Sachs International has been pledged to İşbank by Kazancı Holding to provide additional security for the new loan.

#### (b) Share premium

The difference between the nominal value of each share and the selling price is recognized as the share premium in equity. As of 30 September 2021, 96,523,266 TL of the total issue amounting to TL 247,403,635 (31 December 2020: TL 247,403,635) have occurred as a result of first public offering in 2010 and TL 150,880,369 have occurred as a result of allocated capital increase in 2012.

#### (c) Loss on Remeasurement of Defined Benefit Plans:

It consists of actuarial gains and losses recognized as other comprehensive income as a result of the adoption of TAS 19 (2011) standard.

#### (d) Hedging reserve:

The hedging reserve consists of the effective portion of the accumulated net change in the fair value of the cash flow hedging instrument related to the transaction subject to hedging, which has not yet been realized.

#### (e) Foreign currency translation differences:

Foreign currency translation differences consist of all foreign currency exchange differences arising from the conversion of foreign currency based financial statements to TL, which is the Company's functional currency.

#### (f) Valuation increase of property, plant and equipment:

Valuation increases of property, plant and equipment consist of revaluation differences in land, buildings, land improvements and plant, machinery and equipment

#### (g) Restricted reserves appropriated from profit:

##### i) Legal reserves:

ii) The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 1/10 of all cash dividend distributions exceeding 5% of the company's capital in cases where profit distribution is made according to CMB regulations, and in cases where dividends are distributed according to legal records, it is appropriated at the rate of 1/11 per annum of all cash distributions in excess of 5% of the historical paid-in share capital. The legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. As of 30 September 2021, the Group's total legal reserves are TL 82,931,556 (31 December 2020: TL 68,742,954).

Notes to the Unaudited Condensed Consolidated Financial Statements  
As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

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**11 Share capital, reserves and other equity items (continued)**

**iii) Dividend:**

It has been decided that the profit distribution will be realized within the framework of the principles in the "Dividend Communiqué" Serial: II-19.1 of the CMB, the provisions in the articles of association of the partnerships and the profit distribution policies disclosed to the public by the companies. In addition, in the aforementioned Communiqué, companies that are obliged to prepare condensed consolidated financial statements are required to calculate the net distributable profit amount, as long as it can be covered from the resources in their legal records, by taking into account the net profit for the period in their condensed consolidated financial statements that they will prepare and publicly disclose in accordance with the Communiqué Serial: II-14.1.

In publicly held partnerships, dividends are distributed equally to all of the existing shares as of the date of distribution, regardless of their issue and acquisition dates.

**(h) Non-controlling interest:**

The parts of the net assets of the subsidiaries, which correspond to the shares not in the direct and/or indirect control of the parent company, are classified under the "Non-controlling interests" item under equity in the consolidated statement of financial position. As of 30 September 2021 and 31 December 2020, the amounts classified under the line item "Non-controlling interests" in the consolidated statement of financial position are positive TL 613,293,946 and TL 406,158,727, respectively.

In addition, the parts of the net assets of the subsidiaries, which correspond to the shares not in the direct and/or indirect control of the parent company, are classified under the "Non-controlling interests" item in the consolidated statement of profit or loss and other comprehensive income. As of the period ended 30 September 2021 and 30 September 2020, the profit and loss of non-controlling interests out of the total comprehensive income is TL 207,135,219 and TL 130,036,921, respectively, within the item "Non-controlling interests".

**(i) Prior years' profit/(loss):**

Accumulated profits/losses other than net profit for the period are offset in this item. Extraordinary reserves that are in the nature of accumulated profit/loss are also considered as retained earnings and presented in this item. As of 30 September 2021, the Group's retained earnings is TL 656,369,924 (31 December 2020: prior years' profit is TL 129,592,233).



# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 12 Revenue

Revenue for the nine-months accounting period ended on 30 September is as follows:

	1 January- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2021	1 July - 30 September 2020
Domestic sales	7,132,382,295	4,202,804,300	3,159,925,223	1,463,876,025
Foreign sales	1,190,538,124	1,065,092,419	398,664,961	337,108,454
<b>Net sales</b>	<b>8,322,920,419</b>	<b>5,267,896,719</b>	<b>3,558,590,184</b>	<b>1,800,984,479</b>
Cost of sales (-)	(6,863,297,266)	(4,382,580,784)	(3,003,949,219)	(1,493,441,145)
<b>Gross profit</b>	<b>1,459,623,153</b>	<b>885,315,935</b>	<b>554,640,965</b>	<b>307,543,334</b>

The details of the Group's sales revenues and gross profit are as follows:

	1 January- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2021	1 July - 30 September 2020
<b>Revenue – Amount</b>				
Electricity	8,321,154,715	5,264,022,803	3,557,640,713	1,799,742,663
Other	1,765,704	3,873,916	949,471	1,241,816
<b>Total</b>	<b>8,322,920,419</b>	<b>5,267,896,719</b>	<b>3,558,590,184</b>	<b>1,800,984,479</b>
<b>Gross profit</b>				
Electricity	1,459,313,495	884,664,890	554,486,350	307,330,937
Other	309,658	651,045	154,615	212,397
<b>Total</b>	<b>1,459,623,153</b>	<b>885,315,935</b>	<b>554,640,965</b>	<b>307,543,334</b>

### 13 Finance income

Finance income for the nine-months accounting period ended on 30 September is as follows:

	1 January- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2021	1 July - 30 September 2020
<b>Finance income</b>				
Interest and late charge expenses	145,976,225	119,482,472	40,360,280	65,532,057
Translation income / (expense) – net (*)	29,527,626	176,837,067	18,176,032	65,642,444
Expense from derivative transactions	4,480,832	66,588,129	1,961,748	26,122,061
<b>Total</b>	<b>179,984,683</b>	<b>362,907,668</b>	<b>60,498,060</b>	<b>157,296,562</b>

(\*) Foreign exchange gains and expenses are presented by offsetting on company basis in subsidiaries of the consolidation.

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## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

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### 14 Finance expenses

Financial expenses for the six-months accounting period ended on 30 September are as follows:

	1 January- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2021	1 July - 30 September 2020
<b>Finance expenses</b>				
Interest and maturity income	351,941,855	327,884,773	139,013,368	118,206,249
Exchange difference income / (expense) – net (*)	45,220,126	217,263,373	(141,789)	99,992,389
Expense from derivative transactions	14,961,395	43,734,226	4,956,989	11,500,691
Other	19,710,489	20,923,393	8,173,077	2,125,611
<b>Total</b>	<b>431,833,865</b>	<b>609,805,765</b>	<b>152,001,645</b>	<b>231,824,940</b>

(\*) Foreign exchange gains and expenses are presented by offsetting on company basis in subsidiaries of the consolidation.

### 15 Taxation

#### Turkey

##### Corporate tax

In Turkey, the corporate tax rate is 20%, according to Article 32 of the Corporate Tax Law (KVK). This rate had returned to the legal rate of 20% at the beginning of 2021, after being applied as 22% for the corporate earnings of the institutions for 2018, 2019, and 2020 taxation periods under the temporary article 10 of the KVK. With the temporary article 13 added to the KVK with the 11th article of the Law on the Collection Procedure of Public Receivables and Other Laws No. 7316, the corporate tax rate has been increased for a period of 2 years once again. According to the aforementioned temporary article, the legal corporate tax rate of 20% will be applied as 25% for the corporate earnings of the corporations for the 2021 taxation period, and as 23% for the corporate earnings for the 2022 taxation period. Unless a new legal regulation will be made, Article 32 of the KVK will come into effect, and the corporate tax rate will be back to the legal rate of 20% from the beginning of 2023. Within the scope of the aforementioned law, deferred tax assets and liabilities in the condensed consolidated financial statements as of 30 September 2021, are calculated as 25% for the part of temporary differences that will have a tax effect in 2021, 23% for the amount that will have tax effect in 2022 and for the part that will have a tax effect in the following periods calculated with 20% rate. Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in full by the end of the related month. The tax legislation provides for a provisional tax of 25% (2020 - 22%) to be calculated and paid based on earnings generated for each quarter.

According to the Corporate Tax Law, if 75% of the revenues obtained from the sales of subsidiaries and property, plant and equipment owned for at least two years are recorded in equity accounts to be used in capital increase within five years from the date of sale, it becomes subject to tax exemption. The remaining 25% is subject to corporate tax. This rate has been revised as 50% for immovables, effective from 2018.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the condensed consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

Notes to the Unaudited Condensed Consolidated Financial Statements  
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(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

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**15 Taxation (continued)**

*Income tax withholding*

There is a withholding tax obligation on dividend distributions, and this withholding obligation is accrued in the period when the dividend payment is made. A business or a corporate taxpayer who earns revenue through permanent representative in Turkey and dividend payments to non-resident institutions other than those made in Turkey are subject to withholding at the rate of 15%. In the application of the withholding rates regarding the dividend distributions made to non-resident companies and real persons, the withholding rates included in the related Double Taxation Agreements are also taken into consideration. Allocation of prior years' profits to the capital is not considered as profit distribution, therefore it is not subject to withholding tax.

*Transfer pricing regulations*

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

*Tax applications for foreign subsidiaries of the Group*

*Turkish Republic Of Northern Cyprus ("TRNC")*

The applicable corporate tax rate in TRNC is 23.5% (31 December 2020: 23.5%).

*Republic of Ghana*

The applicable corporate tax rate in Republic of Ghana is 25% (31 December 2020: 25%).

*Netherlands*

Corporate income tax is levied at the rate of 20% (31 December 2020: 20%) on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the year 2020. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. There is an additional dividend tax of 5% computed only on the amounts of dividend distribution at the time of such payments.

Under the Dutch taxation system, tax losses can be carried forward to be offset against future taxable income for nine years. Tax losses can be carried back to offset profits up to one year. Entities must file their tax returns within six months following the close of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months). Tax returns are open for five years from the date of final assessment of the tax return during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

*Republic of Mauritius*

There is no corporate tax in Mauritius (31 December 2020: none)

*Republic of Mali*

The applicable corporate tax rate in Mali 25% (31 December 2020: 25%).

*Madagascar*

The applicable corporate tax rate in Madagascar 20% (31 December 2020: 20%).

*Uzbekistan*

The corporate tax rate applicable to corporations in Uzbekistan is 15% (31 December 2020: 15%).

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### 15 Taxation (continued)

#### Deferred tax assets and liabilities

Deferred tax is calculated over the temporary differences between the carrying values of assets and liabilities in the financial statements and the values used in the tax base, except for the goodwill not subject to tax deduction and the differences in the first recorded assets and liabilities that are not subject to accounting and tax.

#### Deferred tax assets and liabilities recognized

As of 30 September 2021 and 31 December 2020, items of deferred tax assets and deferred tax liabilities consist of the following:

	30 September 2021	31 December 2020
	Asset / (Liability)	Asset / (Liability)
Net difference between carrying values of property, plant and equipment and intangible assets and tax base	(353,812,234)	(425,484,289)
Unused carryforward tax losses	-	4,665,471
Adjustments according to TFRS 9	10,951,059	7,553,389
Provision for impairment on inventory	222,135	117,627
Provision for employment termination benefit	1,626,064	1,894,773
Provision for unused vacation	334,146	201,086
Provision for legal cases	908,130	1,515,708
Derivative transactions	9,935,097	4,020,007
Adjustment related to interest discount for bank loans	(261,923)	(1,091,519)
Other	3,750,630	3,393,584
<b>Net deferred tax asset/(liabilities)</b>	<b>(326,346,896)</b>	<b>(403,214,163)</b>
Deferred tax asset	134,582,235	185,220,021
Deferred tax liabilities	(460,929,131)	(588,434,184)
	<b>(326,346,896)</b>	<b>(403,214,163)</b>

The movement of deferred tax for the years 30 September 2021 and 2020 is as follows:

	1 January 2021	Effects of exchange differences	Recognized in profit or loss	Recognized in other comprehensive income	30 September 2021
<b>Total deferred tax asset/(liabilities)</b>	<b>(403,214,163)</b>	(25,252,836)	96,919,416	5,200,687	<b>(326,346,896)</b>
	1 January 2020	Effects of exchange differences	Recognized in profit or loss	Recognized in other comprehensive income	30 September 2020
<b>Total deferred tax asset/(liabilities)</b>	<b>(361,126,111)</b>	(81,788,939)	27,264,913	674,630	<b>(414,975,507)</b>

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

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### 16 Earning per share

Earnings per share calculations are made by dividing the net profit/(loss) for the period in the profit or loss statement given in this report by the weighted average number of shares issued.

	1 January - 30 September 2021	1 January - 30 September 2020	1 July- 30 September 2021	1 July - 30 September 2020
Profit for the period attributable to equity holders	813,268,257	355,463,032	325,336,855	133,155,975
Weighted average number of common shares issued	613,169,118	613,169,118	613,169,118	613,169,118
Profit per share with nominal value of TL 1	1.326	0.580	0.531	0.217

### 17 Financial instruments

#### Grup risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included in Note 14 and 15.

#### Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established an Early Detection of Risk Committee responsible for developing and monitoring the Group's risk management policies.

The risk management policies of the Group are determined in order to identify and analyze the risks to be encountered, to determine the appropriate risk limits and to establish their controls, and to observe the risks and the dependency of the risks to the limits. Risk management policies and systems are regularly reviewed to reflect changes in the Group's activities and market conditions. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities through training and management standards and procedures.

Aksa Energy Audit Committee audits the management in terms of compliance with the risk management policies and procedures of the Group and provides support during the fulfillment of the risk management framework depending on the risks exposed by the Group. The internal audit department makes regular and specific evaluations of risk management policies and procedures and reports the results to the Audit Committee.

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**17 Financial instruments (continued)**

**Credit risk**

The Group closely monitors customer credit risks in order to eliminate possible risks that may arise in the collection of trade receivables. Certain credit control procedures, credit rating system and internal control policies are used in the management of credit risk. The Group management covers these risks by limiting the average risk for the counterparty in each agreement and by obtaining guarantees if necessary. Foreign customer credit risks are related to public institutions and organizations with low collection risk, and guarantees are received for these customer credit risks.

Credit risk is the risk of financial loss to the other party as a result of one of the parties in a mutual relationship not fulfilling its obligations regarding a financial instrument.

Holding financial instruments also bears the risk of failure of the counterparty to fulfill the requirements of the agreement. The collection risk of the Group mainly arises from its trade receivables. Trade receivables are evaluated by taking into account the Group's policies and procedures, and accordingly, they are presented as net in the consolidated statement of financial position after making provision for doubtful receivables.

A proportion of the Group's trade receivables are receivables from TEİAŞ, and similarly, it has receivables arising from agreements with the governments or ministries of the countries in its operations in foreign countries. The Group takes part in a sector with low collection risk.

The Group manages the liquidity risk by maintaining the continuation of sufficient funds by regularly monitoring the cash flows and matching the maturities of financial assets and liabilities.

**Liquidity risk**

Liquidity risk is the possibility of the Group not meeting its net funding liabilities. Occurrence of events that cause a decrease in fund resources such as deterioration in the markets or a decrease in credit score, cause liquidity risk. The Group management manages the liquidity risk by distributing the fund resources and keeping sufficient cash and similar resources to fulfill its current and possible liabilities.

The Group uses activity-based costing in costing its products and services, which helps to monitor cash flow needs and makes effective cash return on investments. The Group generally ensures that it has sufficient cash to cover financial and operational expenses, including the fulfillment of financial liabilities, excluding the potential impact of unreasonably foreseeable events such as natural disasters.

**Market risk**

Market risk is the changes that will occur in interest rates, exchange rates or the value of securities and other financial agreements and will affect the Group negatively. The main important risks for the Group are changes in currency and interest rates.

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**17 Financial instruments (continued)**

**Foreign currency risk**

Foreign currency risk arises from the Group's liabilities in USD and EUR and the changes in the value of Turkish Lira against USD and EUR.

The Group also has a foreign currency risk arising from its transactions. These risks arise from the Group's purchase and sale of goods in a currency other than the functional currency and using bank loans in foreign currency.

The Group aims to balance the exchange rate risk against foreign currency through derivative financial contracts.

The basis of the sensitivity analysis made in order to measure the currency risk is to make the total currency statement throughout the Group. Total foreign currency position includes all short-term and long-term foreign currency-based purchase and sale contracts and all assets and liabilities.

The Group is exposed to foreign exchange risk due to various income and expense items in foreign currencies and foreign currency payables, receivables and financial borrowings arising from these.

**Interest rate risk**

Within the scope of fund management, sensitivity analysis is performed in measuring the interest risk of interest sensitive assets in the portfolio. By determining the average maturity and interest rate of interest-sensitive assets, the sensitivity to changes in market interest rates is calculated, and the interest risk arising from the securities portfolio created within the scope of fund management by monitoring the markets is managed within the framework of the decisions taken to move, increase or decrease the existing securities portfolio in accordance with market interest rates expectations.

**Capital management**

The main purpose of the capital management of the Company is to provide a strong capital ratio in order to continue the operations of the Company and to increase the value it provides to the Company partners.

The Company manages the capital structure and makes the necessary arrangements according to the market competition conditions, economic conjuncture and growth strategy. In order to strengthen and regulate the capital structure, shareholders can make direct cash payments according to their working capital needs.

During the period, there has been no change in the Group's perspective on capital management.

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### 18 Nature and level of risks arising from financial instruments

#### Credit risk

Carrying value of financial assets shows the maximum credit risk of the Group. The table below shows the details of the values exposed to maximum credit risk as of 30 September 2021 and 31 December 2020:

	Receivables				Deposits at banks	Other(*)
30 September 2021	Trade receivables		Other receivables			
	Related Parties	Other	Related Parties	Other		
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)	643,749,471	2,868,067,247	55,578,157	49,438,274	395,525,324	588,125,512
A. Carrying amount of financial assets not overdue or not impaired	643,749,471	2,727,582,572	55,578,157	13,978,861	395,525,324	588,125,512
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	-	-	-	-	-	-
C. Carrying amount of financial assets overdue but not impaired	-	140,484,675	-	35,459,413	-	-
D. Carrying amount of assets impaired	-	-	-	-	-	-
- Overdue (gross book value)	-	45,722,353	-	-	2,821,591	-
- Impairment (-)	-	(45,722,353)	-	-	(2,821,591)	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-

(\*) Balance consists of blocked bank deposits.

	Receivables				Deposits at banks
31 December 2020	Trade receivables		Other receivables		
	Related Parties	Other	Related Parties	Other	
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)	311,085,412	2,394,534,995	42,317,908	40,626,334	314,171,908
A. Carrying amount of financial assets not overdue or not impaired	311,085,412	2,262,308,256	42,317,908	10,725,835	314,171,908
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	-	-	-	-	-
C. Carrying amount of financial assets overdue but not impaired	-	132,226,739	-	29,900,499	-
D. Carrying amount of assets impaired	-	-	-	-	-
- Overdue (gross book value)	-	29,945,027	-	-	2,601,210
- Impairment (-)	-	(29,945,027)	-	-	(2,601,210)
E. Off balance sheet items with credit risk	-	-	-	-	-

(\*) Deposits and guarantees are not included in other receivables.



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

Liquidity risk

The maturities of the financial liabilities determined according to the payment schedule of the Group, including the estimated interest payments as of 30 September 2021 and 31 December 2020, are as follows:

30 September 2021	Carrying amount	Contractual cash flows (=I+II+III+IV+V)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>	<b>4,285,720,105</b>	<b>5,092,929,591</b>	<b>964,200,703</b>	<b>2,106,563,779</b>	<b>1,713,355,132</b>	<b>308,809,977</b>
Financial liabilities	4,211,293,312	4,887,557,251	958,198,320	2,094,243,116	1,664,161,546	170,954,269
Leases	74,426,793	205,372,340	6,002,383	12,320,663	49,193,586	137,855,708
<b>Derivative financial assets, net</b>	<b>43,827,567</b>	<b>(40,248,686)</b>	<b>(5,364,131)</b>	<b>(11,106,654)</b>	<b>(23,777,901)</b>	<b>-</b>
Cash inflow	-	179,945,638	125,826,091	564,035	53,555,511	-
Cash outflow	-	(220,194,324)	(131,190,223)	(11,670,689)	(77,333,412)	-

Expected maturity	Carrying amount	Contractual cash flows (=I+II+III+IV+V)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>	<b>1,708,615,463</b>	<b>1,708,615,463</b>	<b>1,679,137,796</b>	<b>22,108,250</b>	<b>7,369,417</b>	<b>-</b>
Trade payables to related parties	45,459,208	45,459,208	45,459,208	-	-	-
Trade payables to third parties	1,424,584,310	1,424,584,310	1,424,584,310	-	-	-
Other payables to third parties	238,571,945	238,571,945	209,094,278	22,108,250	7,369,417	-

31 December 2020	Carrying amount	Contractual cash flows (=I+II+III+IV+V)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>	<b>2,946,323,862</b>	<b>3,344,840,719</b>	<b>906,937,468</b>	<b>1,256,145,219</b>	<b>1,013,490,890</b>	<b>168,267,142</b>
Financial liabilities	2,855,940,292	3,148,493,581	894,517,628	1,248,373,609	1,005,602,344	-
Other financial liabilities	11,181,406	11,507,886	11,507,886	-	-	-
Leases	79,202,164	184,839,252	911,954	7,771,610	7,888,546	168,267,142
<b>Derivative financial assets, net</b>	<b>58,567,229</b>	<b>(46,112,095)</b>	<b>(2,906,230)</b>	<b>(40,112,971)</b>	<b>(3,092,894)</b>	<b>-</b>
Cash inflow	-	404,640,345	62,780,700	323,849,645	18,010,000	-
Cash outflow	-	(450,752,440)	(65,686,930)	(363,962,616)	(21,102,894)	-

Expected maturity	Carrying amount	Contractual cash flows (=I+II+III+IV+V)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>	<b>858,482,345</b>	<b>858,482,345</b>	<b>815,662,762</b>	<b>18,351,250</b>	<b>24,468,333</b>	<b>-</b>
Trade payables to related parties	35,657,639	35,657,639	35,657,639	-	-	-
Trade payables to third parties	767,165,582	767,165,582	767,165,582	-	-	-
Other payables to third parties	55,659,124	55,659,124	12,839,541	18,351,250	24,468,333	-

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### 18 Nature and level of risks arising from financial instruments (continued)

#### Market risk

##### Foreign currency risk

As of 30 September 2021, the Group's foreign currency position arises from foreign currency-based assets and liabilities stated in the table below. The currency risk table shows the foreign currency position of companies whose functional currency is TL, since the reporting currency is TL. Companies whose functional currency is foreign currency stated in section 2 article 1.d. are not presented in the foreign currency risk table.

	30 September 2021		
	Total TL Equivalent	USD TL Equivalent	EUR TL Equivalent
Cash and Cash Equivalents	7,638,290	7,151,978	486,312
Trade Receivables	469,573,561	348,074,508	121,499,053
Other Assets	345,773,929	160,330,464	185,443,465
<b>Total Assets</b>	<b>822,985,780</b>	<b>515,556,950</b>	<b>307,428,830</b>
Borrowings	(977,346,882)	(895,668,479)	(81,678,403)
Trade Payables	(254,057,731)	(205,985,961)	(48,071,770)
Other Liabilities	(66,024,077)	(66,024,077)	-
<b>Total Liabilities</b>	<b>(1,297,428,690)</b>	<b>(1,167,678,517)</b>	<b>(129,750,173)</b>
<b>Net foreign currency position</b>	<b>(474,442,910)</b>	<b>(652,121,567)</b>	<b>177,678,657</b>
Amounts subject to cash flow hedge accounting	778,809,411	778,809,411	-
<b>Net foreign currency position after cash flow hedge</b>	<b>304,366,501</b>	<b>126,687,844</b>	<b>177,678,657</b>

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### 18 Nature and level of risks arising from financial instruments (continued)

#### Market risk (cont'd)

##### Foreign currency risk (cont'd)

As of 31 December 2020, the Group's foreign currency position arises from foreign currency-based assets and liabilities presented in the table below. Transactions in which functional currencies are foreign currencies are not included.

	31 December 2020		
	Total TL Equivalent	USD TL Equivalent	EUR TL Equivalent
Cash and Cash Equivalents	449,141,841	335,862,733	113,279,108
Trade Receivables	698,720,628	213,751,218	484,969,410
Other Assets	36,884,501	33,831,219	3,053,282
<b>Total Assets</b>	<b>1,184,746,970</b>	<b>583,445,170</b>	<b>601,301,800</b>
Borrowings	(924,174,559)	(911,057,246)	(13,117,313)
Trade Payables	(125,926,783)	(60,689,346)	(65,237,437)
Other Liabilities	(15,349,971)	(14,174,197)	(1,175,774)
<b>Total Liabilities</b>	<b>(1,065,451,313)</b>	<b>(985,920,789)</b>	<b>(79,530,524)</b>
Net asset position of off-balance sheet foreign currency derivative instruments	-	-	-
<b>Net foreign currency position</b>	<b>119,295,657</b>	<b>(402,475,619)</b>	<b>521,771,276</b>
Amounts subject to cash flow hedge accounting	-	-	-
<b>Net foreign currency position after cash flow hedge</b>	<b>119,295,657</b>	<b>(402,475,619)</b>	<b>521,771,276</b>

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 18 Nature and level of risks arising from financial instruments (continued)

#### Market risk (cont'd)

#### Foreign currency risk (cont'd)

#### Sensitivity analysis

The Group's currency risk generally consists of changes in the value of TL against EUR and USD.

The basis of the sensitivity analysis made to measure the currency risk is to make the total currency statement throughout the entity. Total foreign currency position includes all short-term and long-term purchase contracts and all assets and liabilities based on foreign currency. The analysis does not include net foreign currency investments.

The Group realizes its medium and long-term loans in the currency of the project revenues it generates. For short-term loans, borrowings are made in TL, EUR and USD balanced under the pool/portfolio model.

Sensitivity analysis				
30 September 2021				
	Profit/Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
10% appreciation / depreciation of TL against the USD				
1 - USD net asset / liability	(65,212,157)	65,212,157	(65,212,157)	65,212,157
2- Portion secured from USD risk (-)	77,880,941	(77,880,941)	77,880,941	(77,880,941)
<b>3- USD net effect (1 +2)</b>	<b>12,668,784</b>	<b>(12,668,784)</b>	<b>12,668,784</b>	<b>(12,668,784)</b>
10% appreciation / depreciation of TL against EUR				
4 - EUR net asset / liability	17,767,866	(17,767,866)	17,767,866	(17,767,866)
5 - Portion secured from EUR risk (-)	-	-	-	-
<b>6 - EUR net effect (4+5)</b>	<b>17,767,866</b>	<b>(17,767,866)</b>	<b>17,767,866</b>	<b>(17,767,866)</b>
<b>Total (3+6)</b>	<b>30,436,650</b>	<b>(30,436,650)</b>	<b>30,436,650</b>	<b>(30,436,650)</b>
Sensitivity analysis				
31 December 2020				
	Profit/Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
10% appreciation / depreciation of TL against the USD				
1 - USD net asset / liability	(41,546,999)	41,546,999	(41,546,999)	41,546,999
2- Portion secured from USD risk (-)	41,724,947	(41,724,947)	41,724,947	(41,724,947)
<b>3- USD net effect (1 +2)</b>	<b>177,948</b>	<b>(177,948)</b>	<b>177,948</b>	<b>(177,948)</b>
10% appreciation / depreciation of TL against EUR				
4 - EUR net asset / liability	51,944,337	(51,944,337)	51,944,337	(51,944,337)
5 - Portion secured from EUR risk (-)	-	-	-	-
<b>6 - EUR net effect (4+5)</b>	<b>51,944,337</b>	<b>(51,944,337)</b>	<b>51,944,337</b>	<b>(51,944,337)</b>
<b>Total (3+6)</b>	<b>52,122,285</b>	<b>(52,122,285)</b>	<b>52,122,285</b>	<b>(52,122,285)</b>

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 18 Nature and level of risks arising from financial instruments (continued)

#### Market risk (cont'd)

#### Interest rate risk

#### Profile

The interest structure of the Group's financial items with an interest component at the reporting date is as follows:

Interest rate position			
		30 September 2021	31 December 2020
<b>Fixed rate instruments</b>			
Financial assets		49,592,837	274,335,539
Financial liabilities (Note 7)		2,977,202,946	1,995,602,608
Financial lease (Note 7)		74,476,293	79,202,164
Other financial liabilities		-	11,181,406
<b>Variable rate instruments</b>			
Financial liabilities (Note 7)		1,234,090,366	860,337,684

#### Fair value risk of financial instruments with fixed interest:

The Group does not have financial assets and liabilities with fixed interest fair value difference reflected on profit or loss and hedging derivatives (forward interest rate swaps) registered under the accounting model for hedging purposes of fair value risk. Therefore, as of the reporting period, changes in interest rates will not affect profit or loss.

#### Cash flow sensitivity analysis for financial instruments with floating interest:

As of 30 September 2021, how much a 100 basis point change in interest rates will increase (decrease) equity and profit or loss before tax is presented below. This analysis assumes that all other variables, especially foreign exchange rates, remain constant. This analysis was conducted in the same way as of 30 December 2020.

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
<b>30 September 2021</b>				
Variable rate instruments	(23,143,179)	23,273,655	(23,143,179)	23,273,655
<b>Cash flow sensitivity (net)</b>	<b>130,476</b>	<b>-</b>	<b>130,476</b>	<b>-</b>
<b>30 September 2020</b>				
Variable rate instruments	(15,298,564)	14,399,296	(15,298,564)	14,399,296
<b>Cash flow sensitivity (net)</b>	<b>(899,268)</b>		<b>(899,268)</b>	

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 18 Nature and level of risks arising from financial instruments (continued)

#### Market risk (cont'd)

##### Interest rate risk

##### Capital risk management

While managing the capital, the Group's goals are to maintain the Group's continuity of activity in order to maintain the most appropriate capital structure in order to provide return to its partners, benefit to other shareholders and to reduce the cost of capital.

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

Net debt/invested capital ratios as of 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
Total financial liabilities	4,285,720,105	2,946,323,862
Less: cash and cash equivalents	(984,548,414)	(314,170,588)
<b>Net financial debt</b>	<b>3,301,171,691</b>	<b>2,632,153,274</b>
Total equity	5,946,688,753	4,625,344,183
<b>Gearing ratio (net financial debt / equity ratio)</b>	<b>%56</b>	<b>57%</b>

### 19 Financial instruments (fair value disclosures and disclosures within the framework of hedge accounting)

#### Fair value

Fair value refers to the price of a financial instrument subject to purchase and sale between willing parties in a current transaction, except in cases such as a forced sale or liquidation. Quoted market price, if any, is the value that best reflects the fair value of a financial instrument.

Foreign currency based financial receivables and payables are evaluated at the exchange rates valid on the date of the financial statement.

The following methods and assumptions have been used in estimating the fair values of the Group's financial instruments:

**Financial Assets** - The fair values of some financial assets include their cost values, cash and cash equivalents in the financial statements, interest accruals on them and other short-term financial assets, and due to their short-term nature, their fair values are considered to approximate their carrying values. The values of trade receivables carried, after deducting the provision for doubtful receivables, is considered to approximate their fair values.

**Financial Liabilities** - Due to the short-term nature of trade payables and other monetary liabilities, it is considered that their fair values approximate their carrying values. Fixed interest bank loans are expressed with discounted cost and transaction costs are added to the initial carrying values of the loans. Since the interest rates on variable rate loans are updated taking into account the changing market conditions, it is considered that the fair values of the loans represent the value they carry. Due to the short-term nature of trade payables, it is predicted that their fair values approximate their carrying values.

The Group classifies fair value measurements according to the source of the inputs of each financial instrument class, using a three-level hierarchy as follows:

Level 1: Valuation techniques using market prices traded in the active market

Level 2: Other valuation techniques involving direct or indirect observable input

Level 3: Valuation techniques that do not contain observable market inputs

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 19 Financial instruments (fair value disclosures and disclosures within the framework of hedge accounting) (continued)

#### Financial instruments at fair value

The table below presents the financial instruments measured with their fair value according to their fair value levels and their values in the statement of financial position.

<b>30 September 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value:</b>				
Financial assets held for risk management and trade	-	1,223,809	-	1,223,809
	-	<b>1,223,809</b>	-	<b>1,223,809</b>
<b>Financial liabilities measured at fair value:</b>				
Derivative assets held for risk management and trade	-	(45,051,376)	-	(45,051,376)
	-	<b>(45,051,376)</b>	-	<b>(45,051,376)</b>
<b>31 December 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value:</b>				
Financial assets held for risk management and trade	-	2,148,922	-	2,148,922
	-	<b>2,148,922</b>	-	<b>2,148,922</b>
<b>Financial liabilities measured at fair value:</b>				
Derivative assets held for risk management and trade	-	(60,716,151)	-	(60,716,151)
	-	<b>(60,716,151)</b>	-	<b>(60,716,151)</b>

### 20 Notes to the statement of cash flows

Changes in the Group's obligations resulting from financing activities between 1 January – 30 September 2021 and 1 January 2020 – 30 September 2020 are as follows:

	<b>1 January 2021</b>	<b>Cash inflows</b>	<b>Cash outflows</b>	<b>Other non- cash movements</b>	<b>30 September 2021</b>
Financial borrowings	2,946,323,862	2,889,942,829	(1,873,390,873)	322,893,787	<b>4,285,769,605</b>
<b>Total financial liabilities</b>	<b>2,946,323,862</b>	<b>2,889,942,829</b>	<b>(1,873,390,873)</b>	<b>322,893,787</b>	<b>4,285,769,605</b>

# AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

## Notes to the Unaudited Condensed Consolidated Financial Statements As At 30 September 2021

(Amounts expressed in Turkish Liras ("TL"), unless otherwise stated.)

### 20 Notes to the statement of cash flows (continued)

	1 January 2020	Cash inflows	Cash outflows	Other non- cash movements	30 September 2020
Financial borrowings	3,263,455,979	3,653,779,725	(4,230,858,818)	478,068,450	3,164,445,336
<b>Total financial liabilities</b>	<b>3,263,455,979</b>	<b>3,653,779,725</b>	<b>(4,230,858,818)</b>	<b>478,068,450</b>	<b>3,164,445,336</b>

It represents the change in cash amounts related to the lines "Cash Inflows from Borrowing" and "Cash Outflows from Debt Payments" within the financing activities in the cash flow statement.

### 21 Subsequent events after the reporting period

As stated in the Material Disclosure dated 5 October 2021 published by our Group, İstanbul Trade Registry has registered our Company's 100% bonus capital increase from 613,169,118 TL to 1,226,338,236 TL within the capital ceiling of 4,750,000,000 TL and amendment of 6th article about capital in Articles of Association on 5 October 2021. Accordingly, start of bonus issuance is 7 October 2021.

On 18 October 2021, a non-binding Memorandum of Understanding was signed between Aksa Energy and Ministry of Energy and Water of Republic of Angola aimed at developing projects in the field of power generation and transmission.

As stated in the Material Disclosure dated 2 November 2021 published by our Group, "Aksa Aksen Enerji Ticareti A.Ş.", 100% power trading subsidiary of Aksa Enerji Üretim A.Ş. ("Aksa Energy"), has been continuing its electricity export operations to Iraq up to 150 MW capacity via Turkey-Iraq electricity transmission line in accordance with the agreement signed with the importer since 24 January 2021. Under the scope of this agreement, Aksa Energy has applied to EMRA for 2 year extension of export operations to Iraq.

As stated in the Material Disclosure dated 2 November 2021 published by our Group, as of 2 November 2021, 20 MW additional capacity at Mali Power Plant became completely operational and installed capacity reached 60 MW. Therefore, Aksa Energy's total installed capacity reached 1,966 MW.