

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

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2023 AND
FOR THE YEAR THEN ENDED TOGETHER
WITH INDEPENDENT AUDITOR’S REPORT**

**(CONVENIENCE TRANSLATION OF
THE REPORT AND THE CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH)**

(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Aksa Enerji Üretim A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Aksa Enerji Üretim A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Emphasis of Matter

Consolidated financial statements as of 31 December 2023 are subject to inflation adjustment in accordance with TAS 29 “Financial Reporting in Hyperinflationary Economies” within the scope of the “Announcement on the Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit” dated 23 November 2023 published by the POA. Accordingly, we draw attention to Note 2 of the consolidated financial statements, which describes the transition to inflation accounting. Our opinion is not modified in respect of this matter.

4) Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
<p>Impairment of Trade Receivables from Third Parties</p> <p>Group's trade receivables from third parties amounts to TL 10,981,073,063 which comprise 20% of total assets as of 31 December 2023.</p> <p>Provision for expected credit losses for trade receivables from third parties is recognized for as a result of assumptions made considering the guarantees received from customers, customer's past payment performance and credibility with maturity analysis of receivables balances and legal disputes or lawsuits regarding receivables.</p> <p>There are significant estimates and assumptions used in the impairment tests of trade receivables performed by the Group management. These trade receivables from third parties are material taken the consolidated financial statements as a whole, thus the measurement of the expected credit loss of trade receivables from third parties in accordance with TFRS 9 (“Financial Instruments”) is determined as a key audit matter.</p> <p>The related disclosure including the accounting policies for the measurement of expected credit losses of trade receivables from third parties are included in Note 2 and Note 5.</p>	<p>The audit procedures applied including but not limited to the following are:</p> <ul style="list-style-type: none"> • Understanding of the process of the Group's collection of trade receivables from third parties and performing the design and implementation testing of the relevant controls, • Review of basis and arithmetical accuracy of the model that is used for Group's expected credit losses calculation, • Testing of the receivables used in the ageing data used in the expected credit loss calculation model by sampling method and comparing collection turnover rate with previous year, • Inquiring about the management of any disputes or proceedings related to collections and obtaining information about the proceedings from legal counsel, • Testing collections after reporting period by sampling method, • Testing of trade receivable balances from third parties by sending external confirmations by sampling method, <p>We have evaluated the adequacy of related disclosures of trade receivables from third parties in Note 2 and Note 5 in accordance with TFRS.</p>

4) Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>TAS 29 Financial Reporting Application in Hyperinflationary Economies</p> <p>TAS 29, Financial Reporting in Hyperinflationary Economies ("TAS 29") standard has been applied in the Group's consolidated financial statements for the year ending 31 December 2023.</p> <p>In accordance with TAS 29, the consolidated financial statements and financial information of the prior periods have been restated to reflect the changes in the purchasing power of the Turkish Lira and presented in terms of the purchasing power of the Turkish Lira at the reporting date. The application of TAS 29 has a significant effect on the consolidated financial statements, both on a widespread and consistent basis. Accordingly, we determined the application of TAS 29 as a key audit matter.</p> <p>The Group's accounting policies related to Financial Reporting in Hyperinflationary Economies are disclosed in Note 2.</p>	<p>During our audit, we performed the following audit procedures related to the application of TAS 29:</p> <ul style="list-style-type: none"> - Testing whether the distinction between monetary and non-monetary items made by management is made in accordance with TAS 29, - Testing the completeness and mathematical accuracy of the lists subject to calculation on a sample basis, - Evaluating the calculation methods used by management and checking their consistency in each period, - Testing the general price index rates used in the calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, <p>The adequacy of the explanations in the notes of the consolidated financial statements regarding the application of TAS 29 has been checked in accordance with TFRS.</p>

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

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

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

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



6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

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

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

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

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 9 May 2024.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January - 31 December 2023 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of the TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Ali Çiçekli.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED



Ali Çiçekli
Partner
İstanbul, 9 May 2024

INDEX	PAGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	1-3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....	4
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONSOLIDATED STATEMENT OF CASH FLOWS	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	8-82
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP	8-12
NOTE 2 BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS	12-37
NOTE 3 OPERATING SEGMENTS	38
NOTE 4 RELATED PARTY DISCLOSURES	39-42
NOTE 5 TRADE RECEIVABLES AND PAYABLES	43
NOTE 6 CASH AND CASH EQUIVALENTS	44
NOTE 7 FINANCIAL INVESTMENTS	44-45
NOTE 8 FINANCIAL LIABILITIES	45-47
NOTE 9 OTHER RECEIVABLES AND PAYABLES	48
NOTE 10 INVENTORIES	49
NOTE 11 PREPAID EXPENSES	49
NOTE 12 PROPERTY, PLANT AND EQUIPMENT	49-52
NOTE 13 INTANGIBLE ASSETS	52-53
NOTE 14 RIGHT-OF-USE ASSETS	54
NOTE 15 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	54-55
NOTE 16 COMMITMENTS	56-57
NOTE 17 EMPLOYEE BENEFITS	57-58
NOTE 18 OTHER ASSETS AND LIABILITIES	58
NOTE 19 SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS	59-61
NOTE 20 REVENUE	61-62
NOTE 21 GENERAL ADMINISTRATIVE EXPENSES, SALES, MARKETING AND DISTRIBUTION EXPENSES	62-63
NOTE 22 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	63
NOTE 23 INCOME AND EXPENSES FROM INVESTING ACTIVITIES	64
NOTE 24 EXPENSES BY NATURE	64-65
NOTE 25 FINANCE INCOME	65
NOTE 26 FINANCE EXPENSES	65
NOTE 27 TAXATION	66-70
NOTE 28 EARNINGS PER SHARE	70
NOTE 29 FINANCIAL INSTRUMENTS	71-72
NOTE 30 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	73-79
NOTE 31 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATION ON HEDGE ACCOUNTING)	79-81
NOTE 32 NOTES ON THE STATEMENT OF CASH FLOWS	81
NOTE 33 EVENTS AFTER THE REPORTING PERIOD	82

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS OF 31 DECEMBER 2023

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

ASSETS	Notes	Audited/ Current period 31 December 2023	Audited/ Prior period 31 December 2022
Current assets			
Cash and cash equivalents	6	794,882,334	1,544,463,434
Financial investments	7	876,290,463	504,878,236
Trade receivables		13,530,095,407	15,187,558,873
- Trade receivables from related parties	4	2,549,022,344	4,011,449,673
- Trade receivables from third parties	5	10,981,073,063	11,176,109,200
Other receivables		57,107,459	96,076,293
- Other receivables from third parties	9	57,107,459	96,076,293
Derivative instruments	7	25,969,464	37,203,362
Inventories	10	895,977,077	320,594,141
Prepaid expenses	11	427,709,553	543,953,151
Current tax assets	27	23,556,094	244,375,531
Other current assets	18	459,051,722	327,645,250
Total current assets		17,090,639,573	18,806,748,271
Non-current assets			
Financial investments	7	3,095,470	3,095,470
Other receivables		6,381,582	22,113,930
- Other receivables from third parties	9	6,381,582	22,113,930
Property, plant and equipment	12	35,016,612,273	35,283,432,161
Right-of-use assets	14	291,214,509	223,831,039
Intangible assets		1,106,534,226	740,729,506
- Goodwill	13	358,313,063	-
- Other intangible assets	13	748,221,163	740,729,506
Prepaid expenses	11	1,863,098,742	34,703,608
Deferred tax asset	27	428,705,046	89,049,060
Total non-current assets		38,715,641,848	36,396,954,774
TOTAL ASSETS		55,806,281,421	55,203,703,045

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS OF 31 DECEMBER 2023

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

LIABILITIES	Notes	Audited/ Current period	Audited/ Prior period
		31 December 2023	31 December 2022
Current liabilities			
Short-term borrowings	8	2,956,937,075	3,943,580,721
Short-term portion of long-term borrowings	8	5,214,092,682	3,856,471,038
Payables from short-term lease transactions	8	3,685,382	4,507,409
- Lease transactions from related parties		-	1,017,199
- Lease transactions from third parties		3,685,382	3,490,210
Short-term portions of long-term lease transactions	8	33,268,579	10,674,336
Trade payables		3,340,362,189	3,511,099,702
- Trade payables to related parties	4	272,492,454	251,661,557
- Trade payables to third parties	5	3,067,869,735	3,259,438,145
Payables related to employee benefits	17	68,212,179	38,748,211
Other payables		712,243,460	779,420,337
- Other payables to related parties	4	12,534	36,248
- Other payables to third parties	9	712,230,926	779,384,089
Current tax liabilities	27	1,362,996,954	943,653,773
Short-term provisions		40,089,738	39,400,464
- Short-term provisions for employee benefits	17	11,594,817	9,745,225
- Other short-term provisions	15	28,494,921	29,655,239
Other current liabilities	18	34,245,495	28,097,449
Total current liabilities		13,766,133,733	13,155,653,440
Non-current liabilities			
Long-term borrowings	8	5,077,656,835	6,237,181,973
Long-term finance lease liabilities	8	154,458,261	131,761,849
Other payables		994,893,867	965,090,807
- Other payables to third parties	9	994,893,867	965,090,807
Long-term provisions		141,288,705	143,901,074
- Long-term provisions for employee benefits	17	34,656,448	38,419,832
- Other long-term provisions	15	106,632,257	105,481,242
Deferred tax liabilities	27	1,036,208,963	2,155,904,281
Total non-current liabilities		7,404,506,631	9,633,839,984
TOTAL LIABILITIES		21,170,640,364	22,789,493,424

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS OF 31 DECEMBER 2023

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

EQUITY	Notes	Audited/ Current period 31 December 2023	Audited/ Prior period 31 December 2022
Equity attributable to equity holders of the parent			
Paid-in capital	19	1,226,338,236	1,226,338,236
Share capital adjustment differences	19	8,628,197,049	8,628,197,049
Shares repurchased (-)		(42,934,122)	-
Accumulated other comprehensive income not to be reclassified in profit or loss	19	3,327,431,402	3,207,688,007
- Property, plant and equipment revaluation increases	19	3,327,530,769	3,207,341,897
- Losses/(gains) on remeasurements of the defined benefit plans	19	(99,367)	346,110
Accumulated other comprehensive income /expense that will be reclassified in profit or loss	19	(1,090,190,542)	1,056,130,543
- Foreign currency translation differences		336,407,232	3,078,064,703
- Gain of hedging reserve		(1,426,597,774)	(2,021,934,160)
Restricted reserves appropriated from profit	19	1,304,111,526	1,003,991,050
Prior years' profit	19	12,879,593,007	8,826,027,288
Net profit for the period		5,496,564,945	5,581,565,888
Total equity attributable to equity holders of the parent		31,729,111,501	29,529,938,061
Non-controlling interests	19	2,906,529,556	2,884,271,560
Total equity		34,635,641,057	32,414,209,621
TOTAL LIABILITIES AND EQUITY		55,806,281,421	55,203,703,045

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

		<i>Audited/ Current period</i>	<i>Audited/ Prior period</i>
Profit or loss:	Notes	1 January - 31 December 2023	1 January - 31 December 2022
Revenue	20	35,172,257,432	87,101,671,476
Cost of sales (-)	20	(27,956,855,325)	(76,510,664,856)
Gross profit		7,215,402,107	10,591,006,620
General administrative expenses (-)	21	(786,067,361)	(568,837,532)
Sales, marketing and distribution expenses (-)	21	(23,444,369)	(43,354,126)
Other operating income	22	475,239,889	744,899,354
Other operating expenses (-)	22	(101,970,451)	(286,342,547)
Operating profit		6,779,159,815	10,437,371,769
Impairment in accordance with TFRS 9		(425,498,342)	(177,762,971)
Income from investment activities	23	77,098,380	49,251,012
Expenses from investment activities (-)	23	(118,449,663)	(2,405,874,001)
Operating profit before finance expense		6,312,310,190	7,902,985,809
Finance income	25	4,212,069,965	2,801,087,320
Finance expenses (-)	26	(2,530,345,563)	(2,091,959,106)
Net financial income		1,681,724,402	709,128,214
Net monetary position losses		(852,529,743)	(455,260,804)
Profit from operations before tax		7,141,504,849	8,156,853,219
Operations tax expense		(1,035,661,300)	(1,880,224,033)
- Current tax expense	27	(2,465,607,213)	(2,270,194,023)
- Deferred tax income	27	1,429,945,913	389,969,990
Profit from operations for the period		6,105,843,549	6,276,629,186
Profit for the period attributable to:			
- Non-controlling interests		609,278,604	695,063,298
- Equity holders of the parent	28	5,496,564,945	5,581,565,888
Total		6,105,843,549	6,276,629,186
Earnings per share			
- Earnings per share attributable to equity holders of the parent	28	4.48	4.55

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

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

		<i>Audited/ Current period</i>	<i>Audited/ Prior period</i>
		1 January - 31 December 2023	1 January - 31 December 2022
Other comprehensive income:	<i>Notes</i>		
Profit for the period		6,105,843,549	6,276,629,186
Items that will not be reclassified to profit or loss		427,992,420	3,024,952,553
Property, plant and equipment revaluation increases	12	428,244,900	3,024,793,225
Defined benefit plans remeasurement gains / (losses)	17	(252,480)	159,328
Tax related to other comprehensive income not to be reclassified to profit or loss		(106,496,241)	(766,596,104)
- Deferred tax expense	27	(106,496,241)	(766,596,104)
Items that will be reclassified subsequently to profit or loss		(2,708,536,010)	(5,172,404,435)
Foreign currency translation differences		(3,328,678,079)	(4,575,447,888)
Gains / (losses) on cash flow hedging		620,142,069	(596,956,547)
Tax related to other comprehensive income to be reclassified subsequently to profit or loss		(24,805,683)	23,878,261
- Deferred tax income	27	(24,805,683)	23,878,261
Other comprehensive income		(2,411,845,514)	(2,890,169,725)
Total comprehensive income		3,693,998,035	3,386,459,461
Total comprehensive income attributable to			
Non-controlling interests	19	22,257,996	360,592,575
Equity holders of the parent		3,671,740,039	3,025,866,886
Total		3,693,998,035	3,386,459,461

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023
(Amounts expressed Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated.)

	Paid-in capital	Share capital adjustment differences	Repurchased shares	Accumulated other comprehensive income and expenses not to be reclassified in profit or loss		Accumulated other comprehensive income and expenses to be reclassified in profit or loss		Retained earnings					Attributable to equity holders of the parent	Non-controlling interests	Total equity
				Defined benefit plans remeasurement gains/(losses)	Property, plant and equipment revaluation increases	Gain/(loss) of hedging reserve	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years' profit/(loss)	Net profit for the period					
Balance as of 1 January 2022	1,226,338,236	8,628,197,049	-	-	-	1,706,905,627	(1,448,855,874)	6,836,160,684	514,802,152	3,664,730,409	6,675,996,628	27,804,274,911	2,523,678,985	30,327,953,896	
- Profit distribution	-	-	-	-	-	-	-	-	-	(1,300,203,736)	-	(1,300,203,736)	-	(1,300,203,736)	
- Total comprehensive income	-	-	-	346,110	1,775,129,155	(573,078,286)	(3,758,095,981)	-	-	5,581,565,888	3,025,866,886	360,502,575	-	3,386,459,461	
- Transfers	-	-	-	-	(274,692,885)	-	-	489,188,898	6,461,500,615	(6,675,996,628)	-	-	-	-	
Balance as of 31 December 2022	1,226,338,236	8,628,197,049	-	346,110	3,207,341,897	(2,021,934,160)	3,078,064,703	1,003,991,050	8,826,027,288	5,581,565,888	29,529,938,061	2,884,271,560	32,414,209,621		
Balance as of 1 January 2023	1,226,338,236	8,628,197,049	-	346,110	3,207,341,897	(2,021,934,160)	3,078,064,703	1,003,991,050	8,826,027,288	5,581,565,888	29,529,938,061	2,884,271,560	32,414,209,621		
- Profit distribution (*)	-	-	-	-	-	-	-	-	(1,429,632,477)	-	(1,429,632,477)	-	-	(1,429,632,477)	
- Repurchased shares	-	-	(42,934,122)	-	-	-	-	-	-	-	(42,934,122)	-	-	(42,934,122)	
- Total comprehensive income	-	-	-	(445,477)	321,941,656	595,336,386	(2,741,657,471)	-	-	5,496,564,945	3,671,740,039	22,257,996	-	3,693,998,035	
- Transfers	-	-	-	-	(201,752,784)	-	-	300,120,476	5,483,198,196	(5,581,565,888)	-	-	-	-	
Balance as of 31 December 2023	1,226,338,236	8,628,197,049	(42,934,122)	(99,367)	3,327,530,769	(1,426,597,774)	336,407,232	1,304,111,526	12,879,593,007	5,496,564,945	31,729,111,501	2,906,529,556	34,635,641,057		

(*) At the Ordinary General Assembly Meeting held on 2 May 2023, it was approved to distribute TL 1,429,632,477 of the net distributable period profit from the activities of 2022 (nominal amount TL 1,000,000,000 at the general assembly meeting) as dividends.

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2023

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

		<i>Audited</i> 1 January - 31 December 2023	<i>Audited</i> 1 January - 31 December 2022
	<i>Notes</i>		
A. Cash flows from operating activities		4,722,179,440	1,148,686,300
Profit for the period		6,105,843,549	6,276,629,186
Adjustments to reconcile net profit/loss to net cash		4,415,251,701	2,590,109,034
Adjustments related to depreciation and amortization expenses	24	1,546,946,911	2,395,250,005
Adjustments related to provision for employee benefits		28,974,856	33,214,911
Adjustments related to interest expenses	26	1,502,466,933	1,737,880,617
Adjustments related to interest income	25	(1,027,491,636)	(842,761,119)
Adjustments related to expected provision losses	5.30	425,498,342	177,762,971
Adjustments related to provisions for legal cases	15	13,481,315	17,008,023
Adjustments related to impairment in inventories	10	(9,557,916)	13,256,945
Adjustments related to tax expense	27	1,035,661,300	1,880,224,033
Adjustments related to derivative transactions (income)/expense		(42,024,339)	(108,044,316)
Adjustments related to losses/(gain) on disposal of property, plant and equipment	23	31,548,685	-
Adjustments related to impairment of property, plant and equipment	23	36,030,963	2,405,874,001
Adjustments related to unrealized foreign currency translation differences		3,612,539,766	2,344,212,431
Monetary gain/ (loss)		(2,738,823,479)	(7,463,769,468)
Adjustments related to other increase/(decrease) in working capital		(5,166,551,704)	(6,619,582,905)
Adjustments related to decreases (increases) in inventories		(591,086,630)	515,656,948
Increase in trade receivables from third parties		(4,478,693,326)	(3,748,208,945)
Increase in trade receivables from related parties		(114,447,074)	(2,749,067,192)
Decrease/(increase) in other operating receivables from related parties		-	96,587,119
Increase in other operating receivables from third parties		8,241,385	(28,652,006)
Increase in trade payables to third parties		1,089,695,222	26,974,626
Increase in other operating payables to third parties		648,391,470	530,254,082
Increase in trade payables to related parties		119,757,395	104,028,232
Decrease in other payables related to operations		(9,465)	-
Increase in other liabilities related to operations		(1,420,029,358)	(1,704,690,336)
Increase in prepaid expenses		141,505,208	(134,645,421)
Decrease/(increase) in other assets related to operations	7	(569,876,531)	472,179,988
Cash flows generated from operations		5,354,543,546	2,247,155,315
Tax payments		(618,545,804)	(1,095,910,093)
Payments related to provisions for employee benefits		(13,201,688)	(2,558,922)
Payments for other provisions	15	(616,614)	-
B. Cash flows used in investing activities		(3,650,009,468)	(3,355,458,505)
Cash inflows from sale of property, plant and equipment and intangible assets		76,471,207	112,348
Cash outflows from purchases of property, plant and equipment	12	(1,833,683,764)	(3,207,629,822)
Cash outflows from purchases of intangible assets	13	(64,401,777)	(147,941,031)
Other cash advances and funds given		(1,828,395,134)	-
C. Cash flows used in financing activities		(1,217,747,760)	2,893,763,887
Cash inflows from loans	32	8,037,022,133	9,225,859,015
Cash outflows from loans	32	(7,186,696,498)	(4,238,165,273)
Cash outflows related to debt payments arising from lease agreements	32	(158,397,903)	(85,531,672)
Cash outflows resulting from the business receiving its own payments		(42,934,122)	-
Interest paid		(1,464,600,529)	(1,550,991,814)
Interest received	25	1,027,491,636	842,761,119
Dividend payments	19	(1,429,632,477)	(1,300,167,488)
Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)		(145,577,788)	686,991,682
D. Inflation impact on cash and cash equivalents		(607,118,387)	(555,647,151)
E. Cash and cash equivalents at the beginning of the year		1,554,361,041	1,423,016,510
Cash and cash equivalents at the end of the year (A+B+C+D+E)		801,664,866	1,554,361,041

On 31 December 2023, the Group calculated expected credit loss amounting to TL 6,782,532 on cash and cash equivalents within the scope of TFRS 9 (31 December 2022: TL 9,899,782).

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

1 Organization and operations of the Group

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 has been registered in Istanbul Trade Registry Office and the shares of the Company have been traded in the Borsa İstanbul A.Ş. ("BIST") on 21 May 2010 under the name "AKSEN". As of 31 December 2023, the Company's share in actual circulation is 20.58% (31 December 2022: 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 Çıkmaşı, No:10, Kavacık-Beykoz, İstanbul / Turkey.

Aksa Enerji and its subsidiaries are collectively referred to as "the Group" in this report. As of 31 December 2023 and 31 December 2022, the details of the subsidiaries included in the consolidation are as follows:

Name of subsidiary – Foreign Branch	Principal activity	Place of operation	Group's effective share ratio (%)	Group's effective share ratio (%)
			31 December 2023	31 December 2022
Aksa Yenilenebilir Enerji Üretim A.Ş. ("Aksa Yenilenebilir")	Electricity trade	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 PLC ("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	100.00
Aksa Enerji Üretim A.Ş. Kazakistan Branch (*)	Electricity production	Kazakhstan	100.00	100.00
Aksa Kyzylorda Investment B.V.	Holding company	Netherlands	100.00	100.00
Aksa Energy Kyzylorda LLP (*)	Electricity production	Kazakhstan	100.00	100.00
Aksa Taboth IPP	Electricity production	Ivory Coast	80.00	80.00
Aksa Talimarjan B.V.	Holding company	Netherlands	100.00	-
Aksa Renewable Energy B.V.	Holding company	Netherlands	100.00	-
Aksa Enerji Talimarjan FE LLC (*)	Electricity production	Uzbekistan	100.00	-
Ndar Energies SA (*)	Electricity production	Senegal	85.00	-
Aksa-Ndar Holding SA	Holding company	Senegal	60.00	-

(*) The relevant companies are in the investment period; as of 31 December 2023, electricity generation has not started.

As of 31 December 2023, the number of employees of the Group is 1,268 (31 December 2022: 1,234).

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

1 Organization and operations of the Group (continued)

Aksa Yenilenebilir Enerji Üretim A.Ş. ("Aksa Yenilenebilir") :

Aksa Yenilenebilir Enerji Üretim A.Ş. was founded on 8 July 2015 by the Aksa Enerji with an ownership percent of 100.00% for the purpose of selling the electricity produced by the Group companies. As of 6 March 2023, the name has been changed to Aksa Yenilenebilir Enerji Üretim A.Ş.

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"). As of 3 October 2022, the electricity sales contract was extended for 15 years.

Aksa Enerji – Cyprus ("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 was extended by Aksa Enerji- Y.Ş. with a lease and operation agreement signed with KIBTEK to 15+3 years until 2027 on 1 April 2009, and extended to 15 years until 2038 on 19 July 2023. 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 the instalment of two units with the same engine specifications from the power plants whose licenses were cancelled. The installed capacity of our TRCN Kalecik Power Plant has increased to 153 MW.

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 Uzbekistan Investment B.V.:

Aksa Indonesia BV company changed its title in 2020 and continues its activities as Aksa Uzbekistan Investment BV. Aksa Uzbekistan Investment B.V. is the partner of Aksa Energy Tashkent LLC Company.

Aksa Uzbekistan Bukhara B.V.:

Aksa Uzbekistan Bukhara B.V. is the partner of Aksa Energy Bukhara FE LLC Company.

Aksa Global Investment B.V.:

On 24 November 2016, Aksa Global Investment 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., Aksa Uzbekistan Bukhara B.V., Aksa Kyzlorda Investment B.V., Aksa Taboth IPP, Aksa Energy Company Cameroon PLC, Aksa Talimarjan B.V., Aksa Renewable Energy B.V. and Aksa NDAR Holding S.A. 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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

1 Organization and operations of the Group (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. Thus, the installed power of the Financial Power Plant increased from 40 MW to 60 MW. The guaranteed capacity cost increased from 30 MW to 50 MW. Power generated by 50 MW installed capacity will also be purchased by EDM for 3 years based on a guaranteed EUR denominated price.

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. Established power of the plant is 66 MW. 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.

Madagascar SAU:

Madagascar SAU was established on 6 April 2018 in Antananarivo/Madagascar, mainly to carry out business activities and groups related to Aksaf Power's activities.

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 was established and started electricity production in 2001. On 5 March 2010, Aksa Enerji acquired 99.99% of all shares of İdil İki İnşaat from Koni İnşaat. License of power plant has been cancelled on 7 February 2017 by the Company.

Rasa Enerji:

Rasa Enerji was established in 2000 for production and distribution of electricity. Rasa Enerji's 99.99% shares have been acquired by Aksa Enerji on 5 June 2010 from Koni İnşaat, one of the related parties of the Group. Rasa Enerji 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 has been increased by 18 MW to 147 MW.

Aksa Enerji Kongo:

It was established in Republic of Congo in 2019 to develop projects. On 2 December 2022, the completed 50 MW section of the power plant started operation.

Aksa Energy Company Cameroon Plc:

It was established in Cameroon in 2019 to develop projects.

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.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

1 Organization and operations of the Group (continued)

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 14 January 2022, commercial production started gradually at the Tashkent A power plant with an installed power of 240 MW. As of 30 March 2022, test production started at the Tashkent B power plant with an installed power of 230 MW.

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 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 14 January 2022, commercial production started gradually at the Bukhara power plant with an installed power of 270 MW.

Aksa Enerji Talimarjan FC

Aksa Enerji, established a company called Aksa Enerji Talimarjan FC, located in Uzbekistan, 100% owned by Aksa Energy in order to establish a natural gas combined cycle power plant with an installed capacity of 430 MW in Talimarjan, Uzbekistan, and to make guaranteed sales of the electricity produced for 25 years.

Aksa Enerji Üretim A.Ş. Branch of the Republic of Kazakhstan in Almaty:

Aksa Enerji Üretim A.Ş. Kazakhstan Branch was established to develop projects.

Aksa Kyzylorda Investment B.V.

Kyzylorda Investment B.V is the partner of Aksa Energy Kyzylorda LLP Company.

Aksa Energy Kyzylorda LLP

Aksa Enerji, in order to establish a natural gas combined cycle power plant with an installed capacity of 240 MW in Kızılorda, Kazakhstan and to sell the electricity produced for a period of 15 years, established a company called Aksa Energy Kyzylorda LLP located in Kazakhstan, 100% owned by Aksa Enerji.

Aksa Taboth IPP

Aksa Taboth IPP was established in Ivory Coast for project development.

Aksa Talimarjan B.V.

Aksa Talimarjan B.V. is the partner of Aksa Enerji Talimarjan FC.

Aksa Renewable Energy B.V.

It was established as a holding company %100 owned by Aksa Global Investments B.V.

Ndar Energies SA

NDAR Energies SA, a subsidiary of Aksa Global Investments B.V., one of the group companies of Aksa Enerji Üretim A.Ş., is a company operating in Senegal, 85% of which is owned by Aksa Ndar Holding SA and 15% of which is owned by the local partner in order to establish a natural gas combined cycle power plant with an installed capacity of 255 MW in the City of Saint Louis, Senegal, and to sell the electricity generated in Euro index for 25 years.

Aksa-Ndar Holding SA

Aksa-Ndar Holding SA was established as a holding company in Senegal, 60% of which belongs to Aksa Global Investment B.V., one of the group companies of Aksa Enerji Üretim A.Ş.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

1 Organization and operations of the Group (continued)

As of 31 December 2023, electricity production licenses held by the Group are as follows:

Licence Owner	Region/country	Type of facility	Date of licence	Licence Duration	The installed capacity (MWh)
Aksa Enerji	KKTC	Fuel oil	19 July 2023	15 years	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	Dual Fuel	1 November 2017	15 years	370
Aksa Enerji Congo	Congo	Natural gas	2 December 2022	30 years	25
Aksa Mali S.A	Mali	Fuel Oil	28 September 2017	3+3 years	60
Aksaf Power	Madagascar	Fuel Oil	5 September 2017	20 years	66
Rasa Enerji	Şanlıurfa	Natural gas	12 May 2011	49 years	147
Aksa Energy Bukhara	Bukhara	Natural gas	20 January 2021	25 years	270
Aksa Energy Tashkent	Tashkent	Natural gas	24 October 2020	25 years	470
Total					2,731

License owner	Location	Name of facility	Type of facility	Date of licence	License Duration	Type of license	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 the financial statements

2.1 Basis of Preparation

a) Preparation of Financial Statements

Statement of Compliance to TFRS

The accompanying 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 and 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").

In addition, the financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on 4 October 2022 and the Financial Statement Examples and User Guide published by the CMB.

The consolidated financial statements have been prepared on the historical cost basis except for revaluation of certain property, plant and equipment and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The consolidated financial statements of the Group as of 31 December 2023 were approved by the Company's Board of Directors on 9 May 2024. 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.

b) Restatement of Financial Statements During Periods of High Inflation

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies."

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.1 Basis of Preparation (continued)

b) Restatement of Financial Statements During Periods of High Inflation (continued)

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 January 2024, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

POA made a announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

In this framework, while preparing the consolidated financial statements dated 31 December 2023 inflation adjustment has been made in accordance with TAS 29.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31 December 2023	1,859.38	1.00000	268%
31 December 2022	1,128.45	1.64773	156%
31 December 2021	686.95	2.70672	74%

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.1 Basis of Preparation (continued)

b) Restatement of Financial Statements During Periods of High Inflation (continued)

The impact of the application of TAS 29 Inflation Accounting is summarised below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognized in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortisation expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

The subsidiaries of the Group whose functional currency is other than the Turkish Lira have been translated into purchasing power as of 31 December 2023, according to the following principles.

The consolidated financial statements for the year ended 31 December 2023, have been translated into Turkish Lira using the closing exchange rate on 31 December 2023. The consolidated income statement for the period from 1 January 2023 - 31 December 2023, has been translated into Turkish Lira using the three-month average exchange rates and indexed to the purchasing power as of 31 December 2023. Similarly, the consolidated financial statements for the year ended 31 December 2022, have been translated into Turkish Lira using the closing exchange rate on 31 December 2022, and indexed to the purchasing power as of 31 December 2023. The income statement for the period from 1 January 2022 - 31 December 2022, has been translated into Turkish Lira using the three-month average exchange rates and indexed to the purchasing power as of 31 December 2023.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

c) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value. Historical cost is generally based on the fair value of the consideration given for goods and services.

The methods used to measure fair values are discussed further in Note 2.3.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.1 Basis of Preparation (continued)

d) Functional and presentation currency

The financial statements of each business of the Group are presented in the currency of the main economic environment in which they operate (the functional currency). The financial position and operating results of each business are expressed in TL, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

The functional currencies of the Group companies are summarized in the table below.

Company	Functional currency
Aksa Enerji - Y.Ş.	USD
Aksa Göynük Enerji	TL
İdil İki Enerji	TL
Rasa Enerji	TL
Aksa Yenilenebilir Enerji Üretim A.Ş.	TL
Aksa Enerji Gana	USD
Aksa Gana B.V.	USD
Aksa Global B.V.	USD
Aksa Uzbekistan Investment B.V.	USD
Aksa Uzbekistan Bukhara B.V.	USD
Aksa Madagascar B.V.	USD
Aksa Mali S.A.	EUR
Aksaf Power	USD
Overseas Power	USD
Aksa Enerji Tashkent	USD
Aksa Bukhara	USD
Aksa Enerji Kongo	USD
Aksa Madagaskar SAU	USD
Aksa Energy Kamerun	USD
Aksa Enerji Üretim A.Ş. Kazakistan Branch	USD
Aksa Kyzylorda Investment B.V.	USD
Aksa Energy Kyzylorda LLP	USD
Aksa Taboth IPP	EUR
Aksa Talimarjan B.V.	USD
Aksa Renewable Energy B.V.	USD
Aksa Enerji Talimarjan FC	USD
Ndar Energies SA	EUR
Aksa-Ndar Holding SA	EUR

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 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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the 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 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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the 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 consolidated 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:

	31 December 2023	31 December 2022
EUR / TL	32.5739	19.9349
USD / TL	29.4382	18.6983
GHS / USD	11.8741	8.5717
TL / USD	0.0340	0.0535

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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the 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 New and amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

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>
Amendments to TAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

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.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.2 New and amended Turkish Financial Reporting Standards (continued)

a) Amendments that are mandatorily effective from 2023 (continued)

Amendments to TAS 12 International Tax Reform — Pillar Two Model Rules

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023.

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 TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</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 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2025.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

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 2024 and earlier application is permitted

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.2 New and amended Turkish Financial Reporting Standards (continued)

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

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 Non-current Liabilities with Covenants

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

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

Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2.3 Summary of significant accounting policies

a) Revenue

The Group includes the revenue generated by the sale of the electricity produced by the official authorities and in the market, in the financial statements. An asset is transferred when or when control of an asset is transferred to the customer.

The Group recognizes revenue in its consolidated financial statements within the scope of 5-step model given below:

- (a) Identify the contract(s) with a customer
- (b) Identify the performance obligations in the contract
- (c) Determine the transaction price
- (d) Allocate the transaction price to the performance obligations in the contract
- (e) Recognition of revenue when each performance obligation is satisfied.

When a contract is only legally enforceable, collectible, rights and payment terms for goods and services are identifiable, the contract is considered to be in accordance with TFRS 15 if the terms of the contract have been met, the contract has been approved by the parties and the parties have fulfilled all the obligations under which they are committed.

At the beginning of the contract, the Group evaluates the goods or services committed on the contract with the customer and defines each commitment given to be transferred to the customer as a performance obligation. The Group also determines, at the inception of the contract, whether it has fulfilled each performance obligation over time or at a particular moment in time.

TEİAŞ sales income includes sales arising from the settlement system due to all sales transactions made by the market participant in the free market settled by the free market MFSC (Market Financial Settlement Center) and due to the existence of a free market.

Bilateral Agreements Electricity Sales, physical or service sales to both wholesale companies or private generation companies. Primary Frequency Control (PFK) includes the sale of services related to the transfer of this obligation by the power plants that have obligations in the relevant legislation.

Energy Imbalance, When group companies combine and form a balancing group according to the relevant legislation, all imbalance receivables and debts are reconciled within the body of the party responsible for the balance. The balance responsible party distributes these amounts to the balancing group members. Group imbalance items include positive imbalance receivables, negative imbalance debit and zero balance debit/credit amounts.

b) Financial instruments

i) Recognition and initial measurement

The Group's trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

b) Financial instruments (continued)

ii) Classification and subsequent measurement

According to TFRS 9, when a financial asset is recognized for the first time; it is classified as measured at amortized cost; measured at fair value through other comprehensive income – investments in debt instruments; measured at fair value through other comprehensive income – investments in equity instruments or measured at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- the purpose of the business model may be to manage daily liquidity needs, to maintain a certain interest yield, or to match the maturity of financial assets with the maturity of the debts funding those assets;
- the business model and how the performance of financial assets held under the business model is reported to Group management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, value, timing and cause of sales made in previous periods and future sales prospects.

Transfers of financial assets to third parties in transactions that are not eligible for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of its assets in its financial statements.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

b) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets- Assessment whether contractual cash flows are solely payments of principal and interest:

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are "solely payments of principal and interest", the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Since the principal is the present value of expected cash flows, trade receivables and other receivables meet the "solely payments of principal and interest criteria". It is managed in accordance with the business model based on collection of these receivables.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

b) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

The following accounting policies apply to subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Equity instruments at FVOCI	These assets are measured at fair value in subsequent periods. Dividends are recognized in profit or loss unless it is expressly intended to recover part of the investment cost. Other net gains and losses are recognized in other comprehensive income and cannot be reclassified to profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Group does not have any financial liabilities at FVTPL except for derivatives and issued debt instruments.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Non-derivative financial liabilities are initially recognized on the transaction date when the Group becomes a party to the contractual terms of the financial instrument.

Non-derivative financial liabilities are comprised of loans, other financial liabilities, trade payables and other payables.

Such financial liabilities were recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities were measured at amortized cost using the effective interest method.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of presentation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

b) Financial instruments (continued)

iii. Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group continues to recognize the financial asset in the statement of financial position if it retains substantially all the risks and benefits arising from the ownership of a financial asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting of financial assets and liabilities

The Group offsets its financial assets and liabilities and presents the net amount in its financial statements only when it has a legal right to offset and it intends to settle the transaction on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivative financial instrument and hedge accounting

The Group uses derivative financial instruments for the purpose of hedging foreign currency and interest risk rate. Embedded derivative instruments are separated from the host contract and recognized separately when the underlying contract is not a financial asset and met certain criteria.

Derivatives are initially recognized at fair value. Subsequent to initial recognition of derivative instruments, changes in fair value are recognized in profit or loss.

The Group defines certain derivatives as hedging instruments in order to maintain the variability in the cash flows related to the high probability of realization arising from the changes in exchange rates and interest rates.

At the beginning of the hedge relationship, the Group makes a certification regarding the risk management purpose and strategy that causes the hedging relationship and the operation of the enterprise.

The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and the hedging means are expected to offset each other.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of presentation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

b) Financial instruments (continued)

Financial liabilities (continued)

Cash flow hedges

If a derivative instrument is designed as a cash flow hedge hedging instrument, the effective portion of the change in the fair value of the derivative instrument is recognized in other comprehensive income and presented under equity in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognized directly in profit or loss. The effective portion of the change in the fair value of the derivative instrument determined on the present value basis from the beginning of the hedging relationship recognized in other comprehensive income is limited to the cumulative effect of the change in the fair value of the hedging instrument.

In the cash flow hedge relationship, the group defines only the change in the spot item of the forward contract as a means of hedging.

The change in the fair value of forward value of forward foreign exchange purchase contracts is recognized as hedging reserve as a hedging cost in equity as a hedging cost.

In the event that a non-financial asset or liability is subsequently recognized in the financial statements, the amount accumulated in the hedging fund and the cost of hedging are included directly in the initial cost of the non-financial asset or liability.

For all other hedge transactions, the hedging reserve and the hedging cost are classified in profit or loss in the hedging reserve in the period or periods when the estimated future cash flows are affected by profit or loss.

The hedge accounting is discontinued in case the hedging relationship (or part of it) no longer meets the required criteria, the hedging instrument is expired or sold, terminated or used. In case of discontinuation of cash flow hedge accounting, the retained amount in the hedging fund shall continue to be classified under equity until the hedged estimate of the non-financial item is recorded; hedging cost is included directly in the initial cost of the non-financial item or, for other cash flow hedges, the cost of the hedge is reclassified to profit or loss in the period or periods in which the estimated future cash flows hedged affect profit or loss.

If the expected future cash flows are no longer expected to materialize, the amount accumulated in the hedge fund and the cost of that fund are immediately classified in profit or loss.

vi. Non-derivative financial assets

Financial instruments

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- bank balances for which credit risk has not increased significantly since initial recognition (i.e. the risk of default over the expected life of the financial instrument).

The Group applied lifetime ECL for calculation of loss allowances for trade receivables.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of presentation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

b) Financial instruments (continued)

Financial liabilities (continued)

Cash flow hedges (continued)

vi. Non-derivative financial assets (continued)

Financial instruments (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

c) Impairments of assets

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. In other words, it is the credit losses that are measured on the present value of all the cash deficits (for example, the difference between the cash inflows to the entity and the cash flows expected by the entity to be collected based on the contract).

The cash deficit is the difference between the cash flows to be incurred and the cash flows expected to be received by the entity. As the amount and timing of payments are considered in anticipated credit losses, a credit loss occurs even if the entity expects to receive the full payment in the contract with the maturity specified in the contract. Expected credit loss are discounted over the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of presentation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

c) Impairments of assets (continued)

Write-off (continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where trade receivables, other receivables, other assets and contract assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that cannot be tested separately are grouped into the smallest units that generate cash inflows from sustainable operations or cash-generating units ("CGU") independently of other assets and asset groups. Goodwill arising in a business combination is allocated for impairment testing to CGUs that are expected to benefit from the synergies of the merger.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

If the carrying amount of CGU of an asset exceeds its recoverable amount, an impairment charge is recognized.

Impairment losses are recognized in profit or loss. Impairments recognized in prior periods are reassessed in each reporting period if there is a decrease in impairment or there are indications that the impairment is not valid. The impairment is reversed if there is a change in the estimates used in determining the recoverable amount.

If the impairment of non-financial assets was not recorded in the previous periods, they are reversed to a extent not exceeding the book value to be determined for the asset after deducting depreciation or amortization.

d) Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. The cost of inventories is calculated using the weighted average method.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of presentation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

e) Related parties

Parties are considered related to the Group if;

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

f) Goodwill

The goodwill amount arising from the purchase transaction is valued at the indexed cost value at the purchase date after deducting any impairment provisions, if applicable.

For impairment testing, goodwill is allocated to the cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies arising from the combination.

The cash-generating unit to which goodwill is allocated is subject to impairment testing annually. If there are indicators of impairment, the impairment test is performed more frequently. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment provision is first deducted from the goodwill allocated to the unit, and then the carrying amount of the assets within the unit is reduced. The impairment provision allocated to goodwill is recognized directly in the consolidated statement of profit or loss and other comprehensive income. The impairment provision for goodwill is not reversed in subsequent periods.

Upon the sale of the relevant cash-generating unit, the amount determined for goodwill is included in the calculation of profit/loss in the sales transaction.

g) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment except for land, land improvements, buildings and plant, machinery and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The Group has opted for the option of measuring the land, land improvements, buildings and plant, machinery and equipment in the property, plant and equipment by revaluation method in accordance with TAS 16 Property, Plant and Equipment. The revalued amount is the fair value at the revaluation date less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. The increase resulting from the revaluation of the land, land improvements, buildings and plant machinery and equipment is recognized after netting the deferred tax effect on the revaluation reserve in equity. Decreases resulting from the valuation of the revalued lands, land improvements, buildings and plant machinery and equipment are also reflected as an expense, if any, exceeding the revaluation reserve amount due to the previous valuation.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of presentation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

g) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property and equipment, and are recognized net within "income from investing activities" or "expenses from investing activities" in profit or loss.

During the production phase of the mine, the material removed when stripping in the production phase, often it will be a combination of ore and waste. Removal of material with a low ratio of ore to waste may produce some usable material, which can be used to produce inventory. This removal might also provide access to deeper levels of material that have a higher ratio of ore to waste that will be mined in future periods. The Group recognize stripping activity asset when it is probable that the future economic benefit associated with the stripping activity will flow to the Group, identify the component of the ore body for which access has been improved; and the costs relating to the stripping activity associated with that component can be measured reliably. The Group shall allocate the production stripping costs between the inventory produced and the stripping activity asset by using an allocation basis that is based on mineral content of the ore extracted compared with expected mineral content to be extracted, for a given quantity of ore produced.

Since some incidental operations may take place at the same time as the production stripping activity, but which are not necessary for the production stripping activity to continue as planned, these incidental operations are not be included in the cost of the stripping activity asset.

(ii) Subsequent costs

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

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 calculated on a straight-line basis over their estimated useful life. Depreciation is generally recognized in profit or loss unless it is included in the carrying amount of another asset. 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. On the other hand, the value increase amounts on the related fixed assets are transferred to the prior year's profit and loss.

Depreciation expense for the period of revalued lands, land improvements, buildings and plant machinery and equipment is recognized in profit or loss. When the revalued lands, land improvements, buildings and plant machinery and equipment are sold or withdrawn from service, the remaining balance in the revaluation reserve is transferred directly to the prior years' losses. On the other hand, some of the increase in value is transferred to retained earnings as the asset is used by the entity.

After initial recognition, the stripping asset is followed at cost less depreciation and impairment losses in the same way as the current asset of which it is a part. The stripping asset is depreciated systematically according to the production amount method over the expected useful life of the defined part of the ore deposit that is easier to access as a result of the stripping.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of presentation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

g) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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

	<u>Years</u>
Buildings	5 - 50
Machinery and equipment	2 - 50
Furniture and fixtures	2 - 20
Vehicles	2 - 10
Land improvements	5 - 15
Leasehold improvements	2 - 5

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>Years</u>
Fuel oil power plants	4 - 22
Natural gas power plants	33 - 40
Coal plants	43

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

Depreciation methods and useful lives are reviewed at each reporting date and adjusted when necessary.

h) Intangible assets

(i) Recognition and measurement

Other intangible assets

Other intangible assets that are acquired by the Group which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. In case of impairment, the book value of the intangible assets is reduced to the recoverable amount.

(ii) Subsequent expenditures

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives of licenses for the current and comparative periods are between 2 and 49 years. Amortization methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of presentation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

i) Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of presentation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

i) Leases (continued)

The Group as a lessee (continued)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 standard to determine whether the right-of-use assets are impaired or not, and recognized all the determined impairment losses as specified in the 'Property, Plant and Equipment' policy.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group as lessor

The Group, as a lessor, signs lease agreements for some of its investment properties. The Group also leases equipment and equipment manufactured by the Group to retailers for the presentation of footwear products, customer customization and testing.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net lease investment. The Group regularly reviews the estimated uncommitted residual values used in the calculation of the gross lease investment and in case of a decrease in the estimated uncommitted residual value, the Group revises the distribution of income over the lease term and reflects the reductions in the accrued amounts directly to the financial statements.

When a contract includes lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

j) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. According to the current Labor Law in Turkey is obliged to pay for any reason claimed by the employee if the ending, but unused annual leave belonging fee gross salary at the date when the contract expires and contractual other interests him or rights to their owners over the total. The unused vacation liability is the undiscounted total liability amount that all employees deserve but which are not yet used as of the reporting date. Liabilities arising from unused vacation rights are accrued in the period in which they are entitled.

(ii) Other long-term employee benefits

In accordance with the existing labor law in Turkey, the Group entities in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. The provision for employment termination benefits represents the present value of the estimated future probable obligation of the Group in the event of the retirement of its employees on a 30-day basis. The provision for employment termination benefits has been calculated as if all employees will be subject to such a payment and is reflected in the consolidated financial statements on an accrual basis. Severance pay provision has been calculated according to the severance pay ceiling announced by the Government. As of 31 December 2023, the maximum severance pay is TL 23,489.83 (31 December 2022: TL 15,371.40). The Group management used some assumptions in the calculation of the retirement pay provision as detailed in Note 17. The Group recognizes actuarial differences in other comprehensive income.

l) Contingent liability and contingent assets

It is defined as a current asset or liability that will result in an outflow or inflow of resources that result from past events and whose performance includes economic benefits. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If the possibility of transfer of assets is probable, contingent liability is recognized in the consolidated financial statements. A contingent asset is disclosed, when the possibility of an inflow of economic benefits to the entity is probable. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

m) Income from investment activities and expenses from investment activities

Income from investment activities include profit on subsidiary sales, revenues from sales of fixed assets and scrap. Expenses from investment activities include expenses and losses on sales of fixed assets and subsidiaries.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

n) Finance income and finance expenses

Financing income include interest income on bank deposit that forms part of the cycle used for financing purposes, interest income from funds made, foreign exchange income on financial assets and liabilities (other than trade receivables and payables) and interest and maturity earnings received from related parties consisting of derivative instruments and recognized in profit or loss.

Financial expenses include interest expenses on bank loans, foreign exchange losses on financial assets and liabilities (other than trade receivables and payables), losses on derivative instruments recorded in profit or loss, and interest and interest expense paid to related parties. Borrowing costs that cannot be directly associated with the acquisition, construction or production of an asset are accounted for in consolidated profit or loss using the effective interest rate.

Exchange rate income and expenses on financial assets and liabilities (other than trade receivables and payables) are reported separately in finance income or finance expenses according to the net position of the currency difference movements. Exchange rate difference and rediscount income on trade receivables and debts are reported in other income from operating activities, exchange rate difference and rediscount expenses are reported in other expenses from operating activities.

o) Earnings/(loss) per share

Earnings/(loss) per share disclosed in the consolidated statement of profit or loss and other comprehensive income are determined by dividing net earnings/(loss) or total comprehensive income/(expense) by the weighted average number of shares that have been outstanding during the related period.

Income as per share stated in the income statement is calculated by dividing the net profit by the weighted average of the share certification available in the market during the whole year. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been calculated by taking into account the retrospective effects of the aforementioned share distributions.

p) Tax

Tax expense comprises current and deferred tax. Tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

It is calculated by taking into consideration the tax rates which are in effect as of the end of the reporting period or which are close to the registration date.

Current tax assets and liabilities can only be offset when certain conditions are met. Tax legislation in Turkey does not allow the parent and subsidiaries to file consolidated tax returns. Therefore, the tax provision reflected in the consolidated financial statements has been calculated on a separate basis.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.3 Summary of significant accounting policies (continued)

p) Tax (continued)

(ii) Deferred tax

Deferred tax is calculated over the temporary differences between the book values of assets and liabilities in the financial statements and the values used in the tax base. Deferred tax is not recognized for temporary differences in the following cases:

- Temporary differences in the initial recognition of assets or liabilities resulting from a transaction that is not a business combination and does not affect either accounting profit or taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and jointly controlled entities that are not likely to reverse in the foreseeable future and for which the Group has control over the reversal time, and
- Taxable temporary differences during the initial recognition of goodwill.

Deferred tax assets are recognized if it is probable that taxable profits will be sufficient to offset unused tax losses, tax benefits and deductible temporary differences in the future. Taxable profit is determined according to the business plans of each subsidiary in the Group. Deferred tax assets are reviewed at each reporting date and if it is probable that taxable profits will be generated in the future, deferred tax assets that have not been previously recognized are recognized, limited to these amounts.

The Group measures deferred tax liabilities and deferred tax assets in a manner consistent with the tax consequences of its expectations at the end of the reporting period regarding how its assets will recover or pay their liabilities.

The Company and its subsidiaries within the scope of consolidation have reflected their deferred tax assets and liabilities in their financial statements by netting, but no offsetting has been made on a consolidated basis. Deferred tax is calculated over the tax rates expected to be valid in the period in which the assets are created or liabilities are fulfilled.

(iii) Tax risk

While determining the period tax expense and deferred tax expense amounts, the Group considers uncertain tax positions and whether there is any additional tax and interest liability to be paid. In the event that new information emerges that will change the Group's professional opinion about the adequacy of the current tax liability, this change in the tax liability will affect the tax expense for the period in which this situation is determined.

r) Segment reporting

Operating segment is a part of the operating activities that the Group can generate revenues and expenditures from, and the operating results are regularly reviewed by the Group's chief operating decision maker in order to make decisions regarding the resources to be allocated to the segment and to evaluate the performance of the segment, and for which separate financial information is available.

Explanations on the operating segments for the periods ending on 31 December 2023 and 31 December 2022 are presented in Note 3.

s) Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) Statement of cash flow

In the statement of cash flow, cash flows for the period are classified and reported on the basis of principal, investment and financing activities.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2 Basis of preparation of the financial statements (continued)

2.4 Significant accounting judgements, estimates and assumptions (continued)

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	5 - 50
Plant, machinery and equipment	2 - 50
Furnitures and fixtures	2 - 20
Vehicles	2 - 10
Land improvements	5 - 15
Leasehold improvements	2 - 5

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.

	Year
Fuel oil power plants	4-22
Natural gas power plants	33-40
Coal plants	43

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

Depreciation methods and useful lives 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. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed. In accordance with the accounting policy changes specified in Note 2.1, the Group has restated its prior period financials. In the current year there is no reclassification in the consolidated financial statements.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, 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 – 31 December 2023				
	Turkey (*)	Africa	Asia	Total
Total segment income	27,282,509,183	4,644,978,001	3,244,770,248	35,172,257,432
Profit before interest, tax, depreciation and amortization (EBITDA)	3,302,505,203	2,373,156,320	2,224,946,861	7,900,608,384

1 January – 31 December 2022				
	Turkey (*)	Africa	Asia	Total
Total segment income	78,583,615,553	5,639,329,489	2,878,726,434	87,101,671,476
Profit before interest, tax, depreciation and amortization (EBITDA) (*)	6,393,040,080	4,304,915,891	1,956,902,832	12,654,858,803

(*) As of 31 December 2022, the unadjusted EBITDA figure is TL 6,558,757,458.

1 January – 31 December 2023				
	Turkey (*)	Africa	Asia	Total
Reconciliation of EBITDA with profit before taxes:	3,302,505,203	2,373,156,320	2,224,946,861	7,900,608,384
Depreciation and amortization	(684,326,060)	(493,559,566)	(369,061,285)	(1,546,946,911)
Finance income/(expenses), net	(599,066,649)	2,523,477,459	(242,686,408)	1,681,724,402
Income/(expenses) on investing activities	(41,598,848)	247,565	-	(41,351,283)
Net monetary position gains	(852,529,743)	-	-	(852,529,743)
Profit before tax	1,124,983,903	4,403,321,778	1,613,199,168	7,141,504,849

1 January – 31 December 2022				
	Turkey (*)	Africa	Asia	Total
Reconciliation of EBITDA with profit before taxes:	6,393,040,080	4,304,915,891	1,956,902,832	12,654,858,803
Depreciation and amortization	(701,577,000)	(1,369,653,676)	(324,019,329)	(2,395,250,005)
Finance income/(expenses), net	(378,276,106)	1,205,779,766	(118,375,446)	709,128,214
Income/(expenses) on investing activities	(2,356,622,989)	-	-	(2,356,622,989)
Net monetary position gains	(455,260,804)	-	-	(455,260,804)
Profit before tax	2,501,303,181	4,141,041,981	1,514,508,057	8,156,853,219

31 December 2023				
	Turkey (*)	Africa	Asia	Total
Segment assets	24,386,331,637	15,778,462,253	15,641,487,531	55,806,281,421
Segment liabilities	11,363,393,285	4,053,173,093	5,754,073,986	21,170,640,364

31 December 2022				
	Turkey (*)	Africa	Asia	Total
Segment assets	24,313,227,522	16,242,686,201	14,647,789,322	55,203,703,045
Segment liabilities	15,062,515,856	4,993,239,674	2,733,737,894	22,789,493,424

(*) TRNC are included in Turkey.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

4 Related party disclosures

(a) Related party balances

Short-term receivables from related parties as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023		31 December 2022	
Short-term receivables	Trade	Non-trade	Trade	Non-trade
Short-term receivables	2,549,022,344		4,011,449,673	-
Total	2,549,022,344		4,011,449,673	-

i) Receivables from related parties:

	31 December 2023		31 December 2022	
	Trade	Non-trade	Trade	Non-trade
Aksa Elektrik Satış A.Ş.	1,916,988,809		3,212,489,670	-
Fırat Elektrik Perakende Satış A.Ş.	414,314,295		536,556,507	-
Çoruh Elektrik Perakende Satış A.Ş.	93,122,137		119,071,337	-
Koni İnşaat Sanayi A.Ş.	90,727,529		125,580,154	-
Rasa Endüstriyel Radyatörler San. A.Ş.	20,000,000		1,724,148	-
Aksa Doğalgaz Toptan Satış A.Ş.	11,883,878		15,557,066	-
Other	1,985,696		470,791	-
Total	2,549,022,344		4,011,449,673	-

For all receivables from related parties, the interest rate is calculated by taking into account the borrowing interest rate.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

4 Related party disclosures (continued)

(a) Related party balances (continued)

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

	31 December 2023		31 December 2022	
Short-term payables	Trade	Non-trade	Trade	Non-trade
Short-term payables	272,492,454	12,534	251,661,557	36,248
Total payables	272,492,454	12,534	251,661,557	36,248

ii) Payables to related parties:

	31 December 2023		31 December 2022	
	Trade	Non-trade	Trade	Non-trade
Aksa Doğalgaz Toptan Satış A.Ş.	59,703,789	-	6,317,339	-
Rasa Endüstriyel Radyatörler San. A.Ş.	45,384,249	-	3,023,213	-
Kazancı Holding A.Ş.	44,694,110	-	1,188,156	-
Aksa Jeneratör Sanayi A.Ş.	42,673,651	-	18,249,805	-
Aksa Servis ve Kiralama A.Ş.	26,850,811	-	21,569,286	-
Aksa Elektrik Satış A.Ş.	16,998,757	-	26,652,350	-
Aksa Far East(Pte.)Ltd.	14,934,178	-	15,629,690	-
Koni İnşaat Sanayi A.Ş.	9,030,910	-	678,508	-
Atk Sigorta Aracılık Hiz. A.Ş.	7,818,339	-	20,160,758	-
Aksa Şanhurfa Doğalgaz Dağıtım A.Ş.	-	-	134,429,610	-
Other	4,403,660	12,534	3,762,842	36,248
Total	272,492,454	12,534	251,661,557	36,248

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

4 Related party disclosures (continued)

(b) Related party transactions

i) Purchases and sales from/to related parties:

1 January - 31 December 2023

	Electricity Sales	Electricity Purchases	Natural Gas Purchases	Interest Income	Interest Expenses	Rent Expenses	Administrative Expenses	Reflection of Common Expenses (*)	Material Purchases (**)	Material Sales	Other (Expense) / Income, Net
Aksa Doğal Gaz Dağıtım A.Ş.	-	-	-	6,271,747	942,250	-	-	-	-	-	-
Aksa Doğal Gaz Toptan Satış A.Ş.	-	-	946,219,607	3,073,512	-	-	-	-	-	-	-
Aksa Elektrik Satış A.Ş.	8,627,681,672	1,254,635,161	-	239,084,148	15,964,629	-	16,404	-	-	-	-
Aksa Jeneratör Sanayi A.Ş.	-	-	-	5,464,842	10,107,616	-	1,712	-	-	-	(235,262)
Aksa Servis ve Kiralama A.Ş. Servis	-	-	-	-	-	-	-	-	25,652,807	-	-
ATK Sigorta Aracılık Hizmetleri A.Ş.	-	-	-	-	-	-	17,097,167	-	-	-	-
Çonuh Elektrik Perakende Satış A.Ş.	217,523	467,937	-	21,766,847	-	-	-	-	-	-	-
Firat Elektrik Perakende Satış A.Ş.	499,095	470,815	-	99,538,798	2,026	-	17,602	-	-	-	(34,313)
Kazancı Holding A.Ş.	-	-	-	133,200	3,409,542	-	261	166,459,218	-	-	-
Koni İnşaat Sanayi A.Ş.	-	-	-	23,197,856	128,575	14,917,819	21,893,103	-	-	597,746	-
Koni Teknik Mühendislik A.Ş.	-	-	-	6,627,432	-	-	-	-	-	73,223	-
Other	-	-	-	437,143	808,100	-	130,423	-	-	-	(681,839)
	8,628,398,290	1,255,573,913	946,219,607	405,595,525	31,362,738	14,917,819	39,156,672	166,459,218	25,652,807	670,969	(951,414)

(*) It is a reflection of the use of computer software, legal consultancy and other expenses incurred by Kazancı Holding.

(**) Consists of material and spare parts purchases from related parties.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

4 Related party disclosures (continued)

(b) Related party transactions (continued)

i) Purchases and sales from/to related parties: (continued)

1 January - 31 December 2022											
	Electricity Sales	Electricity Purchases	Natural Gas Purchases	Interest Income	Interest Expenses	Rent Expenses	Administrative Expenses	General Expenses	Reflection of Common Expenses (*)	Material Purchases (**)	Material Sales
Aksa Doğal Gaz Tüptan Satış A.Ş.	-	-	-	6,050,234	18,337,268	-	-	-	-	-	-
Aksa Elektrik Satış A.Ş.	19,519,361,154	7,254,044,896	-	325,893,823	7,422,197	-	-	-	-	-	-
Aksa Jeneratör Sanayi A.Ş.	-	-	-	2,558,227	240,418	4,052,307	2,541,381	-	-	4,682,815	-
Aksa Servis ve Kiralama A.Ş.	787	-	-	-	82,969	-	-	-	-	37,947,765	-
Aksa Sanlıurfa Doğal Gaz Dağıtım A.Ş.	-	-	928,314,461	-	10,071,432	-	-	-	-	-	-
ATK Sigorta Aracılık Hizmetleri A.Ş.	-	-	-	-	-	-	11,617,727	-	-	-	-
Çoruh Elektrik Perakende Satış A.Ş.	648,986,268	66,403,279	-	23,175,965	2,316,868	-	-	-	-	-	-
Fırat Elektrik Perakende Satış A.Ş.	979,893,339	200,880,824	-	88,736,496	-	-	-	-	-	-	-
Kazanıcı Holding A.Ş.	-	-	49	1,116,033	-	-	-	-	97,725,207	-	89,489
Koni İnşaat Sanayi A.Ş.	-	-	-	12,626,542	110,646	11,780,867	360,094	-	-	-	-
Other	100,792	-	-	430,902	2,526,778	-	1,778,364	-	-	-	179,766
	21,148,342,340	7,521,328,999	928,314,461	459,472,238	42,224,609	15,833,174	16,297,566	97,725,207	42,630,580	269,255	(4,522,747)

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

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 46,917,815,278 as of 31 December 2023 (31 December 2022: TL 61,701,427,363).

iii) Total salaries and benefits provided to key management personnel:

The Company's key management personnel consist 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 amounted to TL 21,521,409 (31 December 2022: TL 16,487,120).

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

5 Trade receivables and payables

(a) Short-term trade receivables

As of 31 December 2023 and 31 December 2022, trade receivables from third parties consist of the following items:

Short-term trade receivables	31 December 2023	31 December 2022
Trade receivables	11,550,808,092	11,465,369,563
Trade receivables from related parties (Note 4)	2,549,022,344	4,011,449,673
Provision of expected credit losses (-)	(569,735,029)	(289,260,363)
Total trade receivables	13,530,095,407	15,187,558,873

Details on credit risk, currency risk and impairment of the Group's short-term trade receivables are explained in Note 30.

Movement of expected credit loss as of 31 December as follows:

	2023	2022
Balance as at 1 January	289,260,363	200,078,599
Provision made during the period, net	428,615,592	170,684,780
Foreign currency translation differences	(139,990,113)	(71,452,146)
Inflation effect	(8,150,813)	(10,050,870)
31 December balance	569,735,029	289,260,363

(b) Short-term trade payables

As of 31 December 2023 and 31 December 2022, trade payables to third parties consist of the following items:

Short-term trade payables	31 December 2023	31 December 2022
Trade payables	3,067,869,735	3,259,438,145
Trade payables to related parties (Note 4)	272,492,454	251,661,557
Total trade payables	3,340,362,189	3,511,099,702

The foreign currency and liquidity risk regarding the short-term trade payables of the Group is explained in Note 30.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

6 Cash and cash equivalents

At 31 December 2023 and 31 December 2022, cash and cash equivalents comprise the following:

	31 December 2023	31 December 2022
Cash on hand	8,593,970	4,244,787
Cash at banks	786,251,820	1,540,218,647
- Demand deposits	728,230,221	1,029,008,053
- Time deposits (*)	58,021,599	511,208,419
- Restricted cash	-	2,175
Other cash and cash equivalents	36,544	-
Total	794,882,334	1,544,463,434
Restricted cash amount	-	(2,175)
Cash and cash equivalents in the statement of cash flows	794,882,334	1,544,461,259

(*) As of 31 December 2023, the Group has:

- TL 29,500,000 with 41% interest rate and a maturity of 2 January 2024, TL 15,000,000 with a 40% interest rate and a maturity of 2 January 2024, TL 8,268,653 with 39.57% interest rate and a maturity of 2 January 2024 and TL 5,000,000 with %35 interest rate and a maturity of 2 January 2024 (As of 31 December 2022, the Group has TL 41,192,500 with a maturity of 2 January 2023 with an interest rate of 8,5%, TL 70,700,000 with a maturity of 2 January 2023 with an interest rate of 13%, TL 467,946,800)

Credit, currency, interest rate risks and sensitivity analyzes for the Group's cash and cash equivalents are disclosed in Note 30.

7 Financial investments

(a) Financial assets

At 31 December 2023 and 31 December 2022, financial assets comprise the following:

Short-term financial investments	31 December 2023	31 December 2022
Restricted cash(*)	876,290,463	-
Time deposits (**)	-	504,878,236
Total	876,290,463	504,878,236

(*) This balance belongs to the credit used for Talimercan investment and will be utilized within the year 2024.

(**) TL 14,797,829 with 14% interest rate and a maturity of 30 January 2023, TL 458,764,168 with a 15% interest rate and a maturity of 29 March 2023.

Financial assets	Acquisition%	31 December 2023	31 December 2022
Enerji Piyasaları İşletme A.Ş. (*)	0.67	3,095,470	3,095,470
Total		3,095,470	3,095,470

(*) As of 20 November 2014, 412,408 Group C shares have been purchased by the Group in order to participate in the capital of Enerji Piyasaları İşletme A.Ş.

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

7 Financial investments (continued)

(b) Derivative financial assets and liabilities

Derivative financial instruments are accounted for as derivative financial instruments in the consolidated financial statements, unless they are designed in the hedging relationship required for hedge accounting. Hedging transactions that fulfill the Group's hedge accounting requirements are classified as hedging derivative financial instruments.

As of 31 December 2023 and 31 December 2022, the details of derivative financial instruments are as follows:

	31 December 2023		31 December 2022	
	Fair value		Fair value	
Short-term derivative financial instruments	Asset	Liability	Asset	Liability
Cash flow hedges	12,984,732		18,601,681	-
Held for trading	12,984,732		18,601,681	-
Total	25,969,464		37,203,362	

All derivative financial instruments with net receivables (positive fair value), including options purchased, are reported as derivative financial assets, and all derivative financial instruments with net liabilities (negative fair value) are reported as derivative financial liabilities.

The Group's credit and currency risks related to derivative financial instruments are explained in Note 30.

8 Financial liabilities

At 31 December 2023 and 31 December 2022, liabilities comprise the following:

Short-term	31 December 2023	31 December 2022
Short-term bank borrowings	2,956,937,075	3,943,580,721
Short-term portion of long-term bank borrowings	5,214,092,682	3,856,471,038
Total short-term borrowings	8,171,029,757	7,800,051,759
Long-term		
Long-term bank borrowings	5,077,656,835	6,237,181,973
Total borrowings	13,248,686,592	14,037,233,732

Collateral information of financial borrowings is given in Note 16.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

8 Financial liabilities (continued)

The maturities and terms for the open borrowings as of 31 December 2023 and 31 December 2022 are as follows:

Currency	Interest rate	31 December 2023
TL	12.00% - 50.5%	2,757,395,655
USD	3.60% – Sofr6M+6.35%	8,683,798,490
EUR	8.5% - 9.25%	1,020,304,164
UZS	20.50% - 22.5%	171,602,854
KZT	18.75% - 19.75%	615,585,429
Total		13,248,686,592

Currency	Interest rate	31 December 2022
TL	7.50% - 34.00%	5,784,849,556
USD	Libor6M +5.50%	8,252,384,176
Total		14,037,233,732

31 December 2023

Maturity	Currency	Currency amount	TL Amount
Less than 1 year	USD	190,566,470	5,609,933,845
	EUR	8,174,314	266,269,272
	TL	2,043,208,029	2,043,208,029
	UZS	61,952,667,333	147,876,044
	KZT	1,601,905,734	103,742,567
1-2 Years	USD	52,709,920	1,551,685,156
	EUR	7,505,011	244,467,488
	TL	576,585,012	576,585,012
	UZS	9,940,348,349	23,726,812
	KZT	1,740,475,212	112,716,599
2-3 Years	USD	32,862,055	967,399,759
	EUR	6,246,418	203,470,205
	TL	137,602,612	137,602,612
	KZT	1,725,446,182	111,743,290
3-4 Years	USD	18,845,572	554,779,730
	EUR	5,162,234	168,154,104
	KZT	1,314,398,632	85,123,042
4-5 Years	EUR	3,256,288	106,069,988
	KZT	859,417,063	55,657,540
+5 Years	EUR	978,486	31,873,107
	KZT	2,263,711,196	146,602,391
Total			13,248,686,592

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

8 **Financial liabilities (continued)**

31 December 2022

Maturity	Currency	Currency amount	TL Amount
Less than 1 year	USD	188,993,956	3,533,865,666
	TL	4,266,186,093	4,266,186,093
1-2 Years	USD	111,109,025	2,077,549,877
	TL	798,397,227	798,397,227
2-3 Years	USD	75,298,283	1,407,949,887
	TL	582,289,539	582,289,539
3-4 Years	USD	40,833,861	763,523,776
	TL	137,976,723	137,976,723
4-5 Years	USD	25,108,964	469,494,944
Total			14,037,233,732

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.

As of 31 December 2023 and 31 December 2022, the TL equivalent values and the repayment schedule of financial lease payables as of the balance sheet date are as follows:

Currency	Interest Type	Payment Period	Interest Rate	31 December 2023
TL	Fixed	21 September 2038	14.38% - 31.54%	177,559,916
USD	Fixed	20 January 2039	1.77% - 11.07%	13,439,713
EUR	Fixed	31 March 2024	3.43% - 8.74%	412,593
				191,412,222
Currency	Interest Type	Payment Period	Interest Rate	31 December 2022
TL	Fixed	25 March 2038	19.37% - 31.54%	135,168,187
USD	Fixed	20 October 2038	1.77% - 8.97%	11,021,974
EUR	Fixed	1 June 2023	3.43% - 7.43%	753,433
Total				146,943,594

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

9 Other receivables and payables

(a) Other short-term receivables

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

Other short-term receivables	31 December 2023	31 December 2022
Receivables from subsidiary sales (*)	55,167,644	94,871,019
Deposits and guarantees given	702,324	1,089,983
Other	1,237,491	115,291
Total	57,107,459	96,076,293

(*) Consists of receivables from Borusan EnBW Enerji Yatırımlar ve Üretim A.Ş due to the sale of Alenka Enerji. The details of the credit and currency risk related to the Group's other short-term receivables are disclosed in Note 30.

(b) Other long-term receivables

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

Other long-term receivables	31 December 2023	31 December 2022
Deposits and guarantees given	6,381,582	8,821,433
Other	-	13,292,497
Total	6,381,582	22,113,930

The details of the credit and currency risk related to the Group's other long-term receivables are disclosed in Note 30.

(c) Other short-term liabilities

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

Other short-term payables	31 December 2023	31 December 2022
Tax, duty, fee (*)	484,900,125	495,832,716
VAT payable	223,823,199	245,989,436
Deposits and guarantees received	3,486,915	5,405,775
Trade payables to related parties (Note 4)	12,534	36,248
Other	20,687	32,156,162
Total	712,243,460	779,420,337

(d) Other long-term liabilities

As of 31 December 2023 and 31 December 2022, other long-term payables consist of the following items:

Other long-term payables	31 December 2023	31 December 2022
Tax, duty, fee (*)	994,893,867	965,090,807
Total	994,893,867	965,090,807

(*) These are corporate tax payments in installments for foreign subsidiaries.

Currency and liquidity risk related to the Group's other short-term payables are explained in Note 30.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

10 Inventories

As of 31 December 2023 and 31 December 2022, the inventories are as follows:

	31 December 2023	31 December 2022
Raw materials	714,161,890	288,550,713
Operating materials	21,305,102	35,104,417
Work-in-progress	166,888,337	12,875,179
Provision for impairment on inventories (-)	(6,378,252)	(15,936,168)
Total	895,977,077	320,594,141

As of 31 December 2023, the Group's inventories mainly consist of fuel oil, oil, fuel, coal and operating materials and there is no pledge, annotation or guarantee given on the inventories.

Whether or not there is a decrease in the value of the inventories is determined over the net realizable value of the inventories that have not moved for a long time as a result of the aging studies.

11 Prepaid expenses

(a) Prepaid expenses – short-term

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

Short-term prepaid expenses	31 December 2023	31 December 2022
Raw material purchase advances given	280,931,376	421,267,074
Prepaid insurance expenses	98,803,330	89,945,972
Other prepaid expenses	47,974,847	32,740,105
Total	427,709,553	543,953,151

(b) Prepaid expenses – long-term

As of 31 December 2023 and 31 December 2022, long-term prepaid expenses consist of the following items:

Long-term prepaid expenses	31 December 2023	31 December 2022
Fixed asset advances given (*)	1,854,876,374	21,723,128
Prepaid letter of guarantee commissions	8,222,368	12,980,480
Total	1,863,098,742	34,703,608

(*) There are advances given in accordance with maintenance contracts.

12 Property, plant and equipment

Property, plant and equipment as at 31 December 2023 and 31 December 2022 as follows:

	31 December 2023	31 December 2022
Property, plant and equipment	34,713,521,107	34,952,576,382
Mining assets	303,091,166	330,855,779
Total	35,016,612,273	35,283,432,161

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

a) **Other property, plant and equipment**

The lands, land improvements, buildings, plant, machinery and equipment and investments in progress owned by the Group are shown with their revaluation amount, which is the fair value less accumulated depreciation at the revaluation date. As of 31 December 2023, the fair value of the lands and land improvements, buildings and plant machinery and equipment owned by the Group has been determined by a valuation company independent of the Group. The fair value of the lands and land improvements, buildings and plant machinery and equipment has been determined according to the cost method. A value increase of TL 392,213,937 has been determined for the related lands, land improvements, buildings, plant machinery and equipment, and investments in progress. A value increase of TL 392,213,937 was determined for the relevant lands, land improvements, buildings, facilities, machinery and equipment. The net book values of the revalued assets were brought to their revalued amounts and the resulting additional value was recorded as TL 321,941,656 by netting off the deferred tax effect in the revaluation increase fund in equity, and as TL 36,030,963 in the property, plant and equipment impairment loss in profit and loss. As of the reporting date, the fair value level of the relevant lands is Level 2, and the fair value level of land improvements, buildings and machinery, equipment and devices is Level 3.

Mortgages and Pledges on the Group's property, plant and equipment is shown in Note 16.

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

12 **Property, plant and equipment (continued)**

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

(*) The lands, land improvements, buildings, plant, machinery and equipment owned by the Group are shown at revaluation amounts, which are the fair value at the revaluation date, less accumulated depreciation. As of 31 December 2022, the fair value of the lands, land improvements, buildings and plant machinery and equipment owned by the Group was determined by a valuation company independent of the Group. The fair value of owned lands was determined according to the market approach, land improvements, buildings, plant, machinery and equipment, according to the cost method. A value increase of TL 618,919,224 was determined for the relevant lands, land improvements, buildings, plant, machinery and equipment. The net book values of the revalued assets were brought to their revalued amounts and the resulting additional value was recorded as TL 2,258,383,903 by netting off the deferred tax effect in the revaluation increase fund in equity, and as TL 2,405,874,001 in the impairment loss of property, plant and equipment in profit or loss. As of the reporting date, the fair value level of the relevant lands is Level 2, and the fair value level of land improvements, buildings and machinery, equipment and devices is Level 3.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

12 Property, plant and equipment (continued)

a) Other property, plant and equipment (continued)

As of 31 December 2023 and 31 December 2022 the details of the expenditures classified under the construction in progress item of the projects under construction are as follows:

<u>Project</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Other (*)	936,635,363	169,379,224
Total	936,635,363	169,379,224

(*) It consists of investments in Congo, which are under construction in Africa, and investments in other domestic power plants.

b) Mining assets

As of 31 December 2023 and 31 December 2022, mining assets consist of mine site development and deferred mining costs.

<u>Cost:</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Deferred stripping costs	713,072,392	713,072,392
Mine site development cost	50,709,879	50,709,879
	763,782,271	763,782,271
Accumulated amortization:		
Deferred stripping costs	434,049,573	408,490,210
Mine site development cost	26,641,532	24,436,282
	460,691,105	432,926,492
Net book value	303,091,166	330,855,779

13 Intangible Assets

a) Intangible assets

Movement tables of intangible assets as of 31 December 2023 are summarized as follows:

<u>Cost</u>	<u>Rights</u>	<u>Other</u>	<u>Total</u>
Balance as at 1 January 2023	864,135,475	7,979,186	872,114,661
Additions	64,401,777	-	64,401,777
Disposals	(9,430,365)	-	(9,430,365)
Foreign currency translation differences	(18,656,802)	-	(18,656,802)
Balance as at 31 December 2023	900,450,085	7,979,186	908,429,271
Amortization			
Balance as of 1 January 2023	123,691,067	7,694,088	131,385,155
Period charge	30,807,410	99,759	30,907,169
Disposals	(943,037)	-	(943,037)
Foreign currency translation differences	(1,141,179)	-	(1,141,179)
Balance as of 31 December 2023	152,414,261	7,793,847	160,208,108
Net book value	748,035,824	185,339	748,221,163

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

13 Intangible Assets (continued)

a) Intangible assets

Movement tables of intangible assets as of 31 December 2022 are summarized as follows:

<u>Cost</u>	<u>Rights</u>	<u>Other</u>	<u>Total</u>
Balance as at 1 January 2022	791,843,756	7,679,883	799,523,639
Additions	147,641,728	299,303	147,941,031
Foreign currency translation differences	(75,350,009)	-	(75,350,009)
Balance as at 31 December 2022	864,135,475	7,979,186	872,114,661
<u>Amortization</u>			
Balance as of 1 January 2022	103,868,356	7,358,651	111,227,007
Period charge	27,583,674	335,437	27,919,111
Foreign currency translation differences	(7,760,963)	-	(7,760,963)
Balance as of 31 December 2022	123,691,067	7,694,088	131,385,155
Net book value	740,444,408	285,098	740,729,506

b) Goodwill

Aksa Ndar Holding, a subsidiary of Aksa Enerji, accounted for the value resulting from the acquisition of 85% of Ndar Energies SA's shares, which amounted to 358,313,063 TL, under goodwill in the consolidated financial statements for the year 2023.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

14 Right-of-use assets

As of 31 December 2023 and 31 December 2022, right-of-use assets consist of the following items:

	Land of Power Plants	Buildings	Vehicles	Total
Balance as of 1 January 2023	194,808,592	6,552,996	22,469,451	223,831,039
Additions	307,140,557	25,622,114	12,560,487	345,323,158
Changes in leases	2,991,776	4,443,069	864,898	8,299,743
Disposals	(150,220,846)	(535,522)	-	(150,756,368)
Amortization and depreciation for the period	(85,361,969)	(28,509,381)	(17,121,510)	(130,992,860)
Foreign currency translation effect	(2,462,061)	(1,709,416)	(318,726)	(4,490,203)
Balance as of 31 December 2023	266,896,049	5,863,860	18,454,600	291,214,509
	Land of Power Plants	Buildings	Vehicles	Total
Balance as of 1 January 2022	247,225,337	21,477,249	4,659,531	273,362,117
Additions	219,886,473	18,247,226	27,981,877	266,115,576
Changes in leases	578,477	8,819,057	1,390,586	10,788,120
Disposals	(224,826,322)	(19,437,043)	-	(244,263,365)
Amortization and depreciation for the period	(44,083,422)	(21,227,011)	(11,279,972)	(76,590,405)
Foreign currency translation effect	(3,971,951)	(1,326,482)	(282,571)	(5,581,004)
Balance as of 31 December 2022	194,808,592	6,552,996	22,469,451	223,831,039

The Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

15 Provisions, contingent assets and liabilities

(a) Short-term provisions

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

Short-term provisions	31 December 2023	31 December 2022
Litigation	28,494,921	29,655,239
Total	28,494,921	29,655,239

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

15 Provisions, contingent assets and liabilities(continued)

(a) Short-term provisions(continued)

The movement of provisions for the years ended 31 December is as follows:

	Litigations
1 January 2022 opening	24,274,256
Provision released (Note 22)	(5,145,058)
Current year provision (Note 21)	22,153,081
Inflation effect	(11,432,676)
Foreign currency translation differences	(194,364)
31 December 2022 closing	29,655,239
1 January 2023 opening	29,655,239
Provision released (Note 22)	(1,121,436)
Payments (-)	(616,614)
Current year provision (Note 21)	14,602,751
Inflation effect	(14,008,045)
Foreign currency translation differences	(16,974)
31 December 2023 closing	28,494,921

Litigation provisions consist of reemployment lawsuits and expropriation lawsuits.

(b) Long-term provisions

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

Long-term provisions	31 December 2023	31 December 2022
Rehabilitation fee	106,632,257	105,481,242
Total	106,632,257	105,481,242

The movement of provisions for the years ended 31 December is as follows:

Rehabilitation fee	31 December 2023	31 December 2022
1 January 2023 opening	105,481,242	-
Current year provision	4,715,130	105,481,242
Foreign currency translation differences	(3,564,115)	-
Total	106,632,257	105,481,242

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

16 Commitments

(a) Guarantees, pledges and mortgages given ("GPM")

As of 31 December 2023 and 2022, the Group's guarantees, pledge and mortgage (GPM) position is disclosed as follows:

Guarantees, Pledges and Mortgages Given by the Group (GPM)	31 December 2023	31 December 2022
A. GPM given for companies own legal personality	15,892,168,838	11,335,482,837
B. GPM given in behalf of fully consolidated companies	17,613,028,579	20,835,737,304
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	-	-
Total GPM	33,505,197,417	32,171,220,141

As of 31 December 2023, the ratio of other guarantees, pledges, and mortgages provided by the Group to the Group's equity is 0% (31 December 2022: 0%).

As of 31 December 2023 and 31 December 2022, the details of the letters of guarantee given by the Group are as follows:

31 December 2023	TL	USD	EUR	CHF	TL Equivalent
Republic of Turkey Energy Market Regulatory Authority	120,085,111	-	-	-	120,085,111
Enerji Piyasaları İşletme A.Ş.	520,550,000	-	-	-	520,550,000
Türkiye Elektrik İletişim A.Ş.	62,934,523	-	591,187	-	82,191,775
Turkish Coal Enterprises Institution(TKI)	33,371,713	-	-	-	33,371,713
Boru Hatları İle Petrol Taşıma A.Ş.	665,042	-	-	-	665,042
Enforcement Offices	19,931,232	-	-	-	19,931,232
Electricity Distribution Companies	328,167	16,498,486	-	-	486,013,910
Other	27,076,765	4,306,740	260,000	800,000	190,301,928
Total	784,942,553	20,805,226	851,187	800,000	1,453,110,711
31 December 2022	TL	USD	EUR	CHF	TL Equivalent
Republic of Turkey Energy Market Regulatory Authority	1,527,253,313	-	-	-	1,527,253,313
Türkiye Elektrik İletişim A.Ş.	62,512,247	-	200,000	-	69,081,594
Turkish Coal Enterprises Institution(TKI)	21,635,245	-	-	-	21,635,245
Boru Hatları İle Petrol Taşıma A.Ş.	1,095,790	-	-	-	1,095,790
Enforcement Offices	9,934,494	-	-	-	9,934,494
Electricity Distribution Companies	15,395,359	15,586,859	-	-	495,613,842
Other	42,118,007	3,061,212	370,000	800,000	175,214,107
Total	1,679,944,455	18,648,071	570,000	800,000	2,299,828,385

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

16 Commitments (continued)

(b) Guarantees received

The details of the letters of guarantee received by the Group as of 31 December 2023 and 31 December 2022 are as follows:

Type of Guarantees	31 December 2023				
	TL	USD	EUR	KZT	TL Equivalent
Letter of guarantee	171,641,563	52,582,446	26,154,753	28,621,350	2,573,389,986
Notes taken for collaterals	26,345,405	1,034,174	1,184,169	-	95,362,616
Cheques taken for collaterals	8,400,000	28,000	3,456,000	-	121,799,668
Mortgage	700,000	-	-	-	700,000
Total	207,086,968	53,644,620	30,794,922	28,621,350	2,791,252,270

Type of Guarantees	31 December 2022				
	TL	USD	EUR	KZT	TL Equivalent
Letter of guarantee	628,445,266	49,478,906	6,388,484	-	2,346,834,183
Notes taken for collaterals	43,409,324	1,034,174	1,184,169	-	113,836,028
Cheques taken for collaterals	13,840,680	28,000	3,456,000	-	128,212,679
Mortgage	1,153,390	-	-	-	1,153,390
Total	686,848,660	50,541,080	11,028,653	-	2,590,036,280

17 Employee benefits

(a) Provision for unused vacation

Short-term provisions for employee benefits consist of provision for unused vacation. For the accounting period ending on 31 December 2023, provision for unused vacation amounting to TL 11,594,817 (31 December 2022: TL 9,745,225) was recognized.

The amount of provision for unused vacation is calculated by multiplying the remaining leave days with the daily wage. Current period provision expenses are recognized in cost of sales and general administrative expenses accounts in the consolidated financial statements.

(b) Provision for employment termination benefits

According to the Turkish Labor Law, the Group is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life (aged 58 for women, 60 for men), terminated, called for military service or passed away.

Provision for employment termination benefits to be paid as of 31 December 2023 is subject to a monthly ceiling of TL 23,489.83 (31 December 2022: TL 15,371.40).

Provision for employment termination benefits is not legally subject to any funding. Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 *Employee Benefits* requires the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as of 31 December 2023 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates are calculated using the real discount rate, which is approximately 3.13% (31 December 2022: 2.01%), based on the assumptions of annual 23.20% inflation and 27.05% interest rate. Voluntary dismissal rates are 19.65% for those working for 0 - 15 years and 0% for 15 years or more. The maximum amount of TL 35,058.58 effective from 1 January 2023 has been taken into account in the calculation of the provision for employment termination benefits (1 January 2023: TL 19,982.83).

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

17 Employee benefits (continued)

(b) Provision for employment termination benefits (continued)

The movements in the provision for severance pay for the accounting period ending on 31 December are as follows:

	2023	2022
1 January opening	38,419,831	25,953,730
Service cost	22,514,854	26,470,301
Payments (-)	(12,631,450)	(2,017,036)
Actuarial loss	252,480	(159,328)
Translation difference (*)	218,121	(843,547)
Inflation effect	(14,117,388)	(10,984,288)
31 December closing	34,656,448	38,419,832

(*) As of 2020, severance pay is reserved for employees at Group's power plants operating in Africa.

(c) Payables related to employee benefits

As of 31 December 2023 and 31 December 2022, payables within the scope of employee benefits are as follows:

	31 December 2023	31 December 2022
Payables to personnel	46,108,068	28,995,595
Social security deductions payable	22,104,111	9,752,616
Total	68,212,179	38,748,211

18 Other assets and liabilities

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

Other current assets	31 December 2023	31 December 2022
Deferred Value Added Tax ("VAT")	445,725,003	316,787,586
Other	13,326,719	10,857,664
Total	459,051,722	327,645,250

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

Other short-term liabilities	31 December 2023	31 December 2022
Advances received	31,044,416	27,690,414
Other	3,201,079	407,035
Total	34,245,495	28,097,449

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

19 Share capital, reserves and other equity items

(a) Issued capital

The Group switched to the registered capital system with the permission of CMB dated 16 April 2010 and numbered 10/330, and the registered capital ceiling is TL 4,750,000,000 (31 December 2022: TL 4,750,000,000). The registered capital ceiling permission granted by the Capital Markets Board is valid for the years 2021-2025 (5 years).

It has been registered that the Group's capital was increased by 100% by using internal resources to TL 1,226,338,236 within the registered capital ceiling of TL 4,750,000,000 and the amendment of article 6 of the articles of association regarding capital by the Istanbul Trade Registry on 5 October 2021.

As of 31 December 2023, the Group's issued capital is TL 1,226,338,236 (31 December 2022: TL 1,226,338,236). Issued capital consists of 1,226,338,236 shares, each with a nominal value of TL 1 (31 December 2022: 1,226,338,236 shares).

The capital structure of the Group as of 31 December 2023 and 31 December 2022 is as follows:

Shareholder	31 December 2023		31 December 2022	
	Share rate (%)	Share amount	Share rate (%)	Share amount
Kazancı Holding	79.415	973,901,660	79.415	973,901,660
Public share (*)	20.582	252,398,076	20.582	252,398,076
Other	0.003	38,500	0.003	38,500
Total	100.00	1,226,338,236	100.00	1,226,338,236
Inflation adjustment	-	8,628,197,049	-	8,628,197,049
Total	100.00	9,854,535,285	100.00	9,854,535,285

(*) 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 79.415%. As of 31 December 2023, these shares are 9,917,924 (31 December 2022: 9,917,924).

The details of the shares on a group basis as of 31 December 2023 and 31 December 2022 are as follows:

Group	31 December 2023		31 December 2022	
	Share rate (%)	Share amount	Share rate (%)	Share amount
A Group (Registered share)	47.93	587,792,440	47.93	587,792,440
B Group (Bearer share)	52.07	638,545,796	52.07	638,545,796
Issued Capital	100.00	1,226,338,236	100.00	1,226,338,236

TL 262,316,000 of the bearer B group shares are traded on BIST.

On 2 August 2016, under the leadership of Garanti Bank and İşbank, a new loan agreement amounting to a total of USD 800 million was signed between T.R. Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Odea Bank A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş. and Kazancı Holding and Akso Doğal Gaz Dağıtım A.Ş. As a guarantee for this loan, Akso Enerji shares, representing a total of 78.6% of Akso Enerji shares owned by Kazancı Holding, were pledged to İşbank, the Collateral Representative, by Kazancı Holding.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

19 Share capital, reserves and other equity items (continued)

(b) 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. As of 31 December 2023, the Group's Defined Benefit Plans Remeasurement Gains are TL (99,367) (31 December 2022: TL 346,110).

(c) 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. As of 31 December 2023, the Group's hedging losses are TL (1,426,597,774) (31 December 2022: TL (2,021,934,160)).

(d) Foreign currency translation differences:

Foreign currency translation differences consist of all foreign currency exchange differences arising from the translation of the foreign currency based financial statements of the Group's operations abroad into TL, the functional currency of the Company. As of 31 December 2023, the Group's foreign currency translation differences are TL 336,407,232 (31 December 2022: TL 3,078,064,703).

(e) 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. As of 31 December 2023, the Group's property, plant and equipment valuation increases are TL 3,327,530,769 (31 December 2022: TL 3,207,341,897).

(f) Restricted reserves appropriated from profit:

i) Legal reserves:

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 31 December 2023, the Group's total legal reserves are TL 1,304,111,526 (31 December 2022: TL 1,003,991,050).

ii) 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 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 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.

At the Ordinary General Assembly Meeting held on 2 May 2023, it was approved to distribute TL 1,429,632,477 of the net distributable period profit from the activities of 2022 (nominal amount TL 1,000,000,000 at the general assembly meeting) as dividends.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

19 Share capital, reserves and other equity items (continued)

(g) 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 31 December 2023 and 31 December 2022, the amounts classified under the line item "Non-controlling interests" in the consolidated statement of financial position are TL 2,906,529,556 and TL 2,884,271,560 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 31 December 2023 and 31 December 2022, the profit and loss of non-controlling interests out of the total comprehensive income is TL 22,257,996 and TL 360,592,575 respectively, within the item "Non-controlling interests".

(i) Prior years' profit:

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 31 December 2023, the Group's prior years' profit is TL 12,879,593,007 (31 December 2022: prior years' profit is TL 8,826,027,288).

A comparison of the Group's equity items restated for inflation in the consolidated financial statements as of 31 December 2023 and the restated amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation are as follows:

	Inflation adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation	Inflation adjusted amounts in the financial statements prepared in accordance with TAS/IFRS	Differences recognized in retained earnings
31 December 2023			
Adjustments to share capital	9,023,848,047	8,628,197,049	395,650,998
Restricted reserves appropriated from profit	1,444,973,693	1,304,111,526	140,862,167
Total	10,468,821,740	9,932,308,575	536,513,165

The impact of "Retained Earnings or Losses" in the balance sheet prepared in accordance with IFRS/IFRS under the scope of initial adoption of inflation accounting, as of 1 January 2022, is TL 2,732,116,124 and the indexed value of this amount as of 31 December 2023, is TL 3,664,730,409.

20 Revenue

Revenue for period year ended on 1 January- 31 December is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Domestic sales	27,282,509,183	78,583,615,553
Foreign sales	7,889,748,249	8,518,055,923
Net sales income	35,172,257,432	87,101,671,476
Cost of sales (-)	(27,956,855,325)	(76,510,664,856)
Total	7,215,402,107	10,591,006,620

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

20 Revenue (continued)

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

	1 January- 31 December 2023	1 January- 31 December 2022
Sales income – Amount		
Electricity	35,172,196,381	87,101,355,726
Other	61,051	315,750
Total	35,172,257,432	87,101,671,476
Gross profit		
Electricity	7,215,371,831	10,590,949,041
Other	30,276	57,579
Total	7,215,402,107	10,591,006,620

21 General administrative expenses, sales, marketing and distribution expenses

General administrative expenses, sales, marketing and distribution expenses for the years ended 1 January - 31 December are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
General administrative expenses	786,067,361	568,837,532
Sales, marketing and distribution expenses	23,444,369	43,354,126
Total	809,511,730	612,191,658

Administrative expenses for the years ended 1 January - 31 December are as follows:

	1 January – 31 December 2023	1 January - 31 December 2022
Personnel expenses	226,393,450	185,614,414
Consultancy and legal expenses	136,159,818	76,327,791
Holding expense share	133,569,145	68,361,781
Travelling, vehicle and transportation expenses	103,789,437	114,328,411
Advertising expenses	81,655,057	29,501,294
Litigation provision expenses (Note 15)	14,602,751	22,153,081
License and enterprise software expenses	8,292,785	7,841,854
Insurance expenses	7,499,167	10,448,246
Representation and entertainment expenses	4,114,576	3,151,477
Depreciation expenses	1,078,581	1,183,695
Other	68,912,594	49,925,488
Total	786,067,361	568,837,532

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

21 General administrative expenses, sales, marketing and distribution expenses (continued)

Sales, marketing and distribution expenses for the years ended 1 January - 31 December are as follows:

	1 January – 31 December 2023	1 January – 31 December 2022
Freight and export expenses	20,430,066	35,113,176
Advertising expenses	2,317,703	2,966,827
Other	696,600	5,274,123
Total	23,444,369	43,354,126

22 Other income and expenses from operating activities

Other income from operating activities for the years ended 1 January – 31 December is as follows:

Other income from operating activities	1 January- 31 December 2023	1 January- 31 December 2022
Foreign exchange income from commercial monetary transactions	300,221,988	555,817,131
Provisions for cancelled lawsuits (Note 15)	1,121,436	5,145,058
Other	173,896,465	183,937,165
Total	475,239,889	744,899,354

Other expenses and losses from operating activities for the years ended 1 January - 31 December are as follows:

Other expenses from operating activities	1 January- 31 December 2023	1 January- 31 December 2022
Donations and aids	20,136,988	10,184,907
Foreign exchange expenses from commercial monetary transactions	12,143,041	191,207,805
Other	69,690,422	84,949,835
Total	101,970,451	286,342,547

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

23 Income and expenses from investing activities

Income from investment activities for the years ended 1 January – 31 December is as follows:

Income from investing activities	1 January- 31 December 2023	1 January- 31 December 2022
Profit on sale of fixed assets	50,870,015	-
Interest income from time deposits	26,228,365	49,109,942
Income from subsidiary shares	-	141,070
Total	77,098,380	49,251,012

Expense from investment activities for the years ended 1 January – 31 December is as follows:

Expense from investing activities	1 January- 31 December 2023	1 January- 31 December 2022
Impairment loss on fixed assets (Note 12)	36,030,963	2,405,874,001
Loss on sale of fixed assets	82,418,700	-
Total	118,449,663	2,405,874,001

24 Expenses by nature

Expenses classified on the basis of type for the years ended 1 January - 31 December are as follows:

Depreciation and amortization expenses	1 January - 31 December 2023	1 January - 31 December 2022
Cost of sales	1,545,868,330	2,394,066,310
General administrative expenses	1,078,581	1,183,695
Total	1,546,946,911	2,395,250,005

Personnel expenses	1 January - 31 December 2023	1 January - 31 December 2022
Cost of sales	646,465,521	430,624,829
General administrative expenses	226,393,450	185,614,414
Total	872,858,971	616,239,243

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

24 Expenses by nature (continued)

Fees for Services Received from Independent Audit Firms

Based on the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority "POA" published in the Official Gazette, the fees related to the services that the Group received from the independent auditor/independent audit firm as of the reporting period are as follows:

Audit fees	1 January- 31 December 2023		1 January- 31 December 2022	
	IAF	Other IAF	IAF	Other IAF
Independent audit service fee	5,045,475	3,497,271	3,599,108	3,498,698
Tax consulting services fee	-	2,970,966	-	1,125,752
Other assurance services fee	159,097	-	101,833	-
Fees for non-audit services	-	-	-	-
Total	5,204,572	6,468,237	3,700,941	4,624,450

25 Finance income

Finance income for the years ended 1 January – 31 December is as follows:

Finance income	1 January- 31 December 2023	1 January – 31 December 2022
Foreign exchange income (*)	3,108,728,335	1,769,570,533
Interest and delay income	1,027,491,636	842,761,119
Derivative transaction income	75,849,994	188,755,668
Total	4,212,069,965	2,801,087,320

(*) Foreign exchange gains and expenses are presented on a company basis in subsidiaries which are connected to consolidation.

26 Finance expenses

Finance expenses for the years ended 1 January - 31 December are as follows:

Finance expenses	1 January- 31 December 2023	1 January- 31 December 2022
Interest and delay interest expenses	1,502,466,933	1,737,880,617
Foreign currency difference expense (*)	901,171,324	149,886,308
Derivative transaction expenses	33,825,655	80,711,352
Other	92,881,651	123,480,829
Total	2,530,345,563	2,091,959,106

(*) Foreign exchange gains and expenses are presented on a company basis in subsidiaries which are connected to consolidation.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

27 Taxation

Turkey

Corporate tax

The Group is subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Group regarding the current period operating results. 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 consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

The effective tax rate in 2023 is 25% (2022: 23%).

15 July 2023, amendment to the Corporate Tax Law has abolished the 50% exemption on real estate capital gains. However, for properties acquired before the date of the amendment, this exemption will continue to be applied at a rate of 25%.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. However, 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.

According to Temporary Article 33 added to the Tax Procedure Law by the Law Amending the Tax Procedure Law and Corporate Tax Law published in the Official Gazette numbered 7352 on 29 January 2022, the financial statements dated 31 December 2023, prepared in accordance with the tax legislation have been adjusted for inflation. This application has been applied to the financial statements dated 31 December 2023. The difference in profit/loss arising from the inflation adjustment will be shown in the retained earnings account of previous years and will not be subject to taxation.

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 10%. 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.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

27 Taxation (continued)

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 2022: 23.5%).

Republic of Ghana

The applicable corporate tax rate in Republic of Ghana is 25% (31 December 2022: 25%).

Netherlands

Corporate income tax is levied at the rate of 20% (31 December 2022: 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 2023. 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 Dutch tax legislation, tax losses can be carried forward to be offset against future taxable income for up to nine years. Financial losses can be offset against retained earnings for 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 inspection authorities, starting from the beginning of the year following the submission of the tax return, can examine the previous year's tax returns and the accounting records that are the basis for them and make a reassessment as a result of their findings for five years.

Mauritius

There is no corporate tax in Mauritius (31 December 2022: None).

Republic of Mali

The applicable corporate tax rate in Mali is 35% (31 December 2022: 35%).

Madagascar

The applicable corporate tax rate in Madagascar is 20% (31 December 2022: 20%).

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

27 Taxation (continued)

Tax applications for foreign subsidiaries of the Group (continued)

Uzbekistan

Corporate income tax is levied at the rate of 15% (31 December 2022: 15%) 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 2023. 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 10% computed only on the amounts of dividend distribution at the time of such payments.

Under the Uzbekistan taxation system, tax losses can be carried forward to be offset against future taxable income for limitlessly. Entities must file their tax returns within two 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 inspection authorities, starting from the beginning of the year following the submission of the tax return, can examine the previous year's tax returns and the accounting records that are the basis for them and make a reassessment as a result of their findings.

Congo

The applicable corporate tax rate in Congo is 30% (31 December 2022: 30%).

As of 31 December 2023 and 31 December 2022, tax liability details are as follows:

	31 December 2023	31 December 2022
Corporate tax payable	1,957,986,664	1,942,746,047
Prepaid corporate tax	(618,545,804)	(1,243,467,805)
Total tax liability	1,339,440,860	699,278,242
The tax expense consists of the following:	31 December 2023	31 December 2022
Current tax expense	(1,957,986,664)	(1,942,746,047)
Deferred tax income related to the origination and reversal of temporary differences	1,429,945,913	389,969,990
Additional tax related to article 10 of law no.7440	(92,601,652)	-
Foreign exchange translation difference and inflation effect	(415,018,897)	(327,447,976)
Total tax expense	(1,035,661,300)	(1,880,224,033)

As of 31 December 2023, since the taxes payable amounting to TL 1,957,986,664 (31 December 2022: TL 1,942,746,047) are related to the tax assets and liabilities of the different subsidiaries within the scope of consolidation, prepaid taxes related to current period tax amounting to TL 23,556,094 (31 December 2022: TL 244,375,531) have not been offset.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

27 **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 assets and liabilities that are recognized for the first time and are not subject to accounting and tax.

As of 31 December 2023 and 31 December 2022, deferred tax assets and deferred tax liabilities consist of the following:

	31 December 2023	31 December 2022
	Asset / (Liability)	Asset / (Liability)
Net difference between carrying values of property, plant and equipment and intangible assets and tax base	(934,205,577)	(2,097,442,758)
Unused carryforward tax losses	108,189,338	-
Adjustments according to TFRS 9	140,880,247	66,956,112
Other	77,632,075	(36,368,575)
	(607,503,917)	(2,066,855,221)
Deferred tax asset	428,705,046	89,049,060
Deferred tax liabilities	(1,036,208,963)	(2,155,904,281)
Net deferred tax asset/(liabilities)	(607,503,917)	(2,066,855,221)

The movement of deferred tax during 2023 and 2022 is as follows:

	1 January 2023	Foreign currency translation differences	Recognized in profit or loss	Recognized in other comprehensive income	31 December 2023
Total deferred tax asset/(liabilities)	(2,066,855,221)	160,707,315	1,429,945,913	(131,301,924)	(607,503,917)

	1 January 2022	Foreign currency translation differences	Recognized in profit or loss	Recognized in other comprehensive income	31 December 2022
Total deferred tax asset/(liabilities)	(1,813,127,915)	99,020,547	389,969,990	(742,717,843)	(2,066,855,221)

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

27 Taxation (continued)

Deferred tax assets and liabilities (continued)

The tax provision reported for the years ended 31 December is different from the amount calculated using the statutory tax rate on profit before tax. The relevant reconciliation breakdown is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
	<u>Amount</u>	<u>Amount</u>
Profit before tax	7,141,504,849	8,156,853,219
Income tax rate	25%	23%
Tax calculated with the Company's legal tax rate	(1,785,376,212)	(1,876,076,240)
Non-deductible expenses	(36,508,272)	(4,138,484)
Exemptions and deductions	149,685,556	43,185,199
Tax-exempt income	180,588,795	124,024,899
Unrecognized unused tax losses not recognized as deferred tax assets	(65,900,182)	(41,893,068)
Inflation accounting effect and other, net	521,849,015	(125,326,339)
Tax expense	(1,035,661,300)	(1,880,224,033)

28 Earning per share

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

	1 January- 31 December 2023	1 January- 31 December 2022
Profit for the period attributable to equity holders	5,496,564,945	5,581,565,888
Weighted average number of common shares issued	1,226,338,236	1,226,338,236
Profit per share with nominal value of TL 1	4.48	4.55

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

29 Financial instruments

The Group 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 30 and 31.

Risk management framework

The Board of Directors of the Group 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.

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.

The Group 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 significant 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.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

29 Financial instruments (continued)

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.

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.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

30 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 31 December 2023 and 31 December 2022:

	Receivables				Deposits at banks	Other (*)
	Trade receivables		Other receivables			
	Related Parties	Other	Related Parties	Other		
31 December 2023						
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)	2,549,022,344	10,981,073,063	-	63,489,041	786,251,820	876,290,463
A. Carrying amount of financial assets not overdue or not impaired	2,549,022,344	7,689,358,250	-	10,354,274	786,251,820	876,290,463
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	-	3,291,714,813	-	53,134,767	-	-
D. Carrying amount of assets impaired	-	-	-	-	-	-
- Overdue (gross book value)	-	569,735,029	-	-	6,782,532	-
- Impairment (-)	-	(569,735,029)	-	-	(6,782,532)	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) Other balance consists of financial investments.

	Receivables				Deposits at banks	Other (*)
	Trade receivables		Other receivables			
	Related Parties	Other	Related Parties	Other		
31 December 2022						
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)	4,011,449,673	11,176,109,200	-	118,190,223	1,540,216,472	504,880,411
A. Carrying amount of financial assets not overdue or not impaired	4,011,449,673	8,605,466,556	-	62,142,609	1,540,216,472	504,880,411
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	-	2,570,642,644	-	56,047,614	-	-
D. Carrying amount of assets impaired	-	-	-	-	-	-
- Overdue (gross book value)	-	289,260,363	-	-	9,899,782	-
- Impairment (-)	-	(289,260,363)	-	-	(9,899,782)	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

30 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 31 December 2023 and 31 December 2022, are as follows:

31 December 2023	Carrying amount	Contractual cash flows (=I+II+III+IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	13,440,098,814	15,801,629,745	2,549,298,132	6,112,279,997	6,381,092,342	758,959,274
Financial liabilities	13,248,686,592	15,389,267,721	2,529,003,095	6,064,485,605	6,216,201,128	579,577,893
Leases	191,412,222	412,362,024	20,295,037	47,794,392	164,891,214	179,381,381
Derivative financial assets, net	(25,969,464)	(34,411,378)	(17,314,882)	(11,356,066)	(5,740,430)	-
Cash inflows	-	1,704,749	857,784	562,583	284,382	-
Cash outflows	-	(36,116,127)	(18,172,666)	(11,918,649)	(6,024,812)	-

Expected maturity	Carrying amount	Contractual cash flows (=I+II+III+IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	3,567,705,524	3,567,705,524	3,245,715,250	321,990,274	-	-
Trade payables to related parties	272,492,454	272,492,454	272,492,454	-	-	-
Trade payables to third parties	3,067,869,735	3,067,869,735	2,745,879,461	321,990,274	-	-
Other payables to related parties	12,534	12,534	12,534	-	-	-
Other payables to third parties	227,330,801	227,330,801	227,330,801	-	-	-

31 December 2022	Carrying amount	Contractual cash flows (=I+II+III+IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	14,184,177,326	16,357,336,774	3,441,668,841	4,777,498,348	7,826,624,914	311,544,671
Financial liabilities	14,037,233,732	15,729,944,351	3,389,863,934	4,713,402,659	7,626,677,758	-
Leases	146,943,594	627,392,423	51,804,907	64,095,689	199,947,156	311,544,671
Derivative financial assets, net	(37,203,362)	(44,748,101)	(14,856,173)	(11,884,939)	(18,006,989)	-
Cash inflows	-	2,216,833	735,979	588,783	892,071	-
Cash outflows	-	(46,964,934)	(15,592,152)	(12,473,722)	(18,899,060)	-

Expected maturity	Carrying amount	Contractual cash flows (=I+II+III+IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	3,764,884,263	3,764,884,263	3,508,608,916	256,275,347	-	-
Trade payables to related parties	251,661,557	251,661,557	251,661,557	-	-	-
Trade payables to third parties	3,259,438,145	3,259,438,145	3,003,162,798	256,275,347	-	-
Other payables to related parties	36,248	36,248	36,248	-	-	-
Other payables to third parties	253,748,313	253,748,313	253,748,313	-	-	-

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

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

Market risk

Foreign currency risk

As of 31 December 2023, the Group's foreign currency position arises from foreign currency-based assets and liabilities presented in the table below. Since the reporting currency is TL, the currency risk table shows the foreign currency position of companies whose functional 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.

FOREIGN CURRENCY POSITION						
	31 December 2023					
	TL Equivalent	US Dollar	EURO	GBP	CHF	Other
1. Trade receivables	17,582,435,906	445,551,917	137,109,213	-	220	-
2a. Monetary financial assets (cash, including bank accounts)	886,518,486	241,833	26,956,646	3,854	79	189,069
2b. Non-monetary financial assets	843,786	1,000	25,000	-	-	-
3. Other	578,772,654	18,163,542	1,352,945	-	-	-
4. Current assets (1+2+3)	19,048,570,832	463,958,292	165,443,804	3,854	299	189,069
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-	-
9. Total assets (4+8)	19,048,570,832	463,958,292	165,443,804	3,854	299	189,069
10. Trade payables	8,780,430,033	285,006,760	11,254,329	-	679,124	-
11. Financial liabilities	4,607,368,055	149,477,900	6,355,018	-	-	-
12a. Other monetary liabilities	-	-	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12)	13,387,798,088	434,484,660	17,609,347	-	679,124	-
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	1,886,189,888	38,458,703	23,148,438	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	1,886,189,888	38,458,703	23,148,438	-	-	-
18. Total liabilities (13+17)	15,273,987,976	472,943,363	40,757,785	-	679,124	-
19. Net asset/ (liability) position of off-statement derivative instruments (19a-19b)	1,115,492,740	37,892,695	-	-	-	-
20. Net foreign currency asset/ (liability) position (9-18+19)	4,890,075,596	28,907,624	124,686,019	3,854	(678,825)	189,069
21. Monetary items net foreign currency asset / (liability) position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	3,194,966,416	(27,149,613)	123,308,074	3,854	(678,825)	189,069

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

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

Market risk (continued)

Foreign currency risk (continued)

As of 31 December 2022, the Group's foreign currency position arises from foreign currency-based assets and liabilities presented in the table below. Since the reporting currency is TL, the currency risk table shows the foreign currency position of companies whose functional 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.

FOREIGN CURRENCY POSITION					
31 December 2022					
	TL Equivalent	US Dollar	EURO	GBP	CHF
1. Trade receivables	12,361,433,024	333,947,396	63,102,554	1,937	-
2a. Monetary financial assets (cash, including bank accounts)	732,718,885	15,402,707	7,856,817	2,719	73
2b. Non-monetary financial assets	851,978	1,648	25,000	-	-
3. Other	65,533,637	736,653	1,304,177	-	-
4. Current assets (1+2+3)	13,160,537,524	350,088,404	72,288,548	4,656	73
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-
9. Total assets (4+8)	13,160,537,524	350,088,404	72,288,548	4,656	73
10. Trade payables	7,491,764,336	226,354,135	14,667,035	118,139	956,392
11. Financial liabilities	2,365,947,323	76,793,561	-	-	-
12a. Other monetary liabilities	-	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	9,857,711,659	303,147,696	14,667,035	118,139	956,392
14. Trade payables	-	-	-	-	-
15. Financial liabilities	1,850,956,062	60,078,052	-	-	-
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
17. Non-current liabilities (14+15+16)	1,850,956,062	60,078,052	-	-	-
18. Total liabilities (13+17)	11,708,667,721	363,225,748	14,667,035	118,139	956,392
19. Net asset/ (liability) position of off-statement derivative instruments (19a-19b)	1,945,834,522	63,157,603	-	-	-
20. Net foreign currency asset/ (liability) position (9-18+19)	3,397,704,325	50,020,259	57,621,513	(113,483)	(956,319)
21. Monetary items net foreign currency asset / (liability) position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	1,385,484,188	(13,875,645)	56,292,336	(113,483)	(956,319)

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

30

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

Market risk (continued)

Foreign currency risk (continued)

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 revenue it generates. For short-term loans, borrowings are made in TL, EUR and USD balanced under the pool/portfolio model.

Sensitivity analysis				
31 December 2023				
	Profit/Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
20% appreciation/depreciation of TL against the USD				
1 - USD net asset / liability	(159,847,152)	159,847,152	(159,847,152)	159,847,152
2- Portion secured from USD risk (-)	223,098,548	(223,098,548)	223,098,548	(223,098,548)
3- USD net effect (1 +2)	63,251,396	(63,251,396)	63,251,396	(63,251,396)
20% appreciation/depreciation of EUR against TL				
4 - EUR net asset / liability	803,324,978	(803,324,978)	803,324,978	(803,324,978)
5 - Portion secured from EUR risk (-)	-	-	-	-
6- USD net effect (4 +5)	803,324,978	(803,324,978)	803,324,978	(803,324,978)
%20 appreciation / depreciation of TL against other currency				
7- Other currency net asset / liability	(4,484,543)	4,484,543	(4,484,543)	4,484,543
8- Portion secured from other currency risk (-)	-	-	-	-
9- Other currency net effect (7+8)	(4,484,543)	4,484,543	(4,484,543)	4,484,543
Total (3+6+9)	862,091,831	(862,091,831)	862,091,831	(862,091,831)

Sensitivity analysis				
31 December 2022				
	Profit/Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
20% appreciation/depreciation of TL against the USD				
1 - USD net asset / liability	(85,499,473)	85,499,473	(85,499,473)	85,499,473
2- Portion secured from USD risk (-)	389,166,904	(389,166,904)	389,166,904	(389,166,904)
3- USD net effect (1 +2)	303,667,431	(303,667,431)	303,667,431	(303,667,431)
20% appreciation/depreciation of EUR against TL				
4 - EUR net asset / liability	369,803,880	(369,803,880)	369,803,880	(369,803,880)
5 - Portion secured from EUR risk (-)	-	-	-	-
6- USD net effect (4 +5)	369,803,880	(369,803,880)	369,803,880	(369,803,880)
%20 appreciation / depreciation of TL against other currency				
7- Other currency net asset / liability	(7,207,570)	7,207,570	(7,207,570)	7,207,570
8- Portion secured from other currency risk (-)	-	-	-	-
9- Other currency net effect (7+8)	(7,207,570)	7,207,570	(7,207,570)	7,207,570
Total (3+6+9)	666,263,741	(666,263,741)	666,263,741	(666,263,741)

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

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

Market risk (continued)

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		
	31 December 2023	31 December 2022
Fixed rate instruments		
Financial assets	934,312,062	1,016,086,655
Financial liabilities (Note 8)	8,837,181,302	10,704,854,267
Financial lease (Note 8)	191,412,222	146,943,594
Floating rate instruments		
Financial liabilities (Note 8)	4,411,505,290	3,332,379,465

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 31 December 2023 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 31 December 2022.

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
31 December 2023				
Floating rate instruments	(75,361,240)	22,673,908	(75,361,240)	22,673,908
Cash flow sensitivity (net)	(52,687,332)		(52,687,332)	
31 December 2022				
Floating rate instruments	(57,597,858)	46,829,344	(57,597,858)	46,829,344
Cash flow sensitivity (net)	(10,768,514)		(10,768,514)	

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

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

Market risk (continued)

Interest rate risk (continued)

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 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Total financial liabilities	13,440,098,814	14,184,177,326
Cash and banks	(1,671,172,797)	(2,049,339,495)
Net financial debt	11,768,926,017	12,134,837,831
Equity	34,635,641,057	32,414,209,621
Net financial debt / equity ratio	34%	37%

31 Financial instruments (fair value disclosures and explanation on hedge accounting)

Fair value

Carrying values and fair values of assets and liabilities as of 31 December 2023 and 31 December 2022 are shown in the table below:

		31 December 2023		31 December 2022	
	Note	Book value	Amortized value (*)	Book value	Amortized value (*)
Financial assets					
Cash and cash equivalents	6	794,882,334	794,882,334	1,544,463,434	1,544,463,434
Financial investments	7	879,385,933	879,385,933	507,973,706	507,973,706
Trade receivables	5	13,530,095,407	13,530,095,407	15,187,558,873	15,187,558,873
Other receivables	9	55,167,644	55,167,644	94,871,019	94,871,019
Derivative instruments	7	25,969,464	25,969,464	37,203,362	37,203,362
Financial liabilities					
Financial liabilities	8	13,248,686,592	13,248,686,592	14,037,233,732	14,037,233,732
Financial leases	8	191,412,222	191,412,222	146,943,594	146,943,594
Trade payables	5	3,340,362,189	3,340,362,189	3,511,099,702	3,511,099,702
Other liabilities	9	1,479,827,213	1,479,827,213	1,493,115,933	1,493,115,933

(*) The Group management believes that the book values of financial instruments reflect their fair values. Derivative instruments are shown at fair value.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

31 Financial instruments (fair value disclosures and explanation on hedge accounting) (continued)

Fair value (continued)

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 floating rate loans are updated taking into account the changing market conditions, it is considered that the fair values of the loans represent their carrying value. Due to the short-term nature of trade payables, it is estimated 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

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.

31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held for risk management and trading	-	25,969,464	-	25,969,464
	-	25,969,464	-	25,969,464
Financial liabilities				
Derivative assets held for risk management and trading	-	-	-	-
	-	-	-	-

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

31 Financial instruments (fair value disclosures and explanation on hedge accounting) (continued)

Fair value (continued)

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative assets held for risk management and trading	-	37,203,362	-	37,203,362
Financial investments	-	504,878,236	-	504,878,236
	-	542,081,598	-	542,081,598
Financial liabilities				
Derivative assets held for risk management and trading	-	-	-	-
	-	-	-	-

32 Notes on the statement of cash flows

Changes in the Group's liabilities resulting from financing activities between 1 January – 31 December 2023 and 1 January – 31 December 2022 are as follows:

	1 January 2023	Cash inflows	Cash outflows	Other non-cash movements	Inflation effect and foreign exchange translation difference	31 December 2023
Financial borrowings	14,184,177,326	8,037,022,133	(7,345,094,401)	667,140,694	(2,103,146,938)	13,440,098,814
Total financial liabilities	14,184,177,326	8,037,022,133	(7,345,094,401)	667,140,694	(2,103,146,938)	13,440,098,814

	1 January 2022	Cash inflows	Cash outflows	Other non-cash movements	Inflation effect and foreign exchange translation difference	31 December 2022
Financial borrowings	15,327,165,021	9,225,859,015	(4,323,696,945)	649,811,041	(6,694,960,806)	14,184,177,326
Total financial liabilities	15,327,165,021	9,225,859,015	(4,323,696,945)	649,811,041	(6,694,960,806)	14,184,177,326

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.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023

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

33 Events after the reporting period

Aksa Enerji Üretim A.Ş.'s subsidiary Aksa Global Investments B.V.'s affiliated company NDAR Energies SA will initiate investments for the financing, establishment, operation, and ownership of a natural gas combined cycle power plant with an installed capacity of 255 MW in Saint Louis City, Senegal. The power plant is planned to commence commercial operation within the year 2026.

As part of the procurement of equipment necessary for the installation of a 430 MW natural gas combined cycle power plant in Talimercan, Uzbekistan, it has been decided to utilize our existing portfolio, the Şanlıurfa Natural Gas Combined Cycle Power Plant with an installed capacity of 147 MW, in the Talimercan investment. In this context, the license cancellation application submitted to the EPDK and TEİAŞ has been approved by the EPDK board as of February 25, 2024, and the production license numbered EÜ/3210-3/1940 has expired.