

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

Akenerji Elektrik Üretim A.Ş.

Condensed consolidated financial statements for the interim period ended 1 January - 30 June 2024



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of Akenerji Elektrik Üretim A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Akenerji Elektrik Üretim A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2024 and the related condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

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

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Çağlar Sürücü, SMMM
Independent Auditor

Istanbul, 18 September 2024

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

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AKENERJİ ELEKTRİK ÜRETİM A.Ş.**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2024 AND 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 30 June 2024 unless otherwise indicated.)

		Current period	Prior period
		Limited reviewed	Audited
	Notes	30 June 2024	31 December 2023
ASSETS			
Current assets			
Cash and cash equivalents		992.003.344	1.459.880.446
Financial investments		3.660.815	162.280.233
Derivative instruments	7	-	4.317.961
Trade receivables			
- Due from related parties	15	11.045.429	156.516.936
- Due from third parties		974.417.318	861.983.455
Other receivables			
- Due from third parties		139.900.251	19.130.369
Inventories		109.725.809	161.376.215
Prepaid expenses		89.477.839	189.455.547
Current income tax assets	9	3.405.435	4.026.159
Other current assets		138.424.896	133.085.962
Total current assets		2.462.061.136	3.152.053.283
Non - current assets			
Other receivables			
- Due from third parties		25.759.688	29.820.710
Financial investments		936.063	936.063
Inventories		40.108.599	50.739.314
Property, plant and equipment	4	34.454.213.147	35.228.151.901
Right of use assets		300.254.892	265.043.566
Intangible assets	5	502.316.187	514.860.803
Prepaid expenses		1.805.649	314.771.597
Deferred tax assets	9	-	13.179.094
Other non-current assests		305.129.753	282.728.688
Total non - current assets		35.630.523.978	36.700.231.736
TOTAL ASSETS		38.092.585.114	39.852.285.019

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

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024 AND 31 DECEMBER 2023

(Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 30 June 2024 unless otherwise indicated.)

		Current Period	Prior Period
		Limited reviewed	Audited
	Notes	30 June 2024	31 December 2023
LIABILITIES			
Current liabilities			
Short term borrowings	3	136.460.178	-
Short term portion of long-term borrowings			
- Bank loans	3	7.266.291.177	8.421.890.021
- Lease payables	3	56.414.369	63.480.977
Trade payables			
- Due to related parties	15	53.815.235	222.963.236
- Due to third parties		1.142.591.688	1.029.573.176
Employee benefit obligations		14.196.537	14.720.059
Other payables			
- Other payables to third parties		179.982.106	313.472.880
Derivative instruments	7	56.973.094	47.347.314
Current income tax liabilities	9	28.217	899.207
Deferred income		18.706.998	71.364
Short term provisions			
- Provisions for employee benefits		22.899.324	37.153.536
- Other short-term provisions	6	79.269.369	105.968.916
Total current liabilities		9.027.628.292	10.257.540.686
Non-current liabilities			
Long term borrowings			
- Bank loans	3	9.450.384.873	10.903.254.961
- Lease payables	3	275.481.312	303.283.314
Other payables			
- Due to third parties		636.409.682	666.197.552
Long term provisions			
- Provisions for employee benefits		52.048.253	42.513.771
Deferred tax liabilities	9	818.466.956	489.549.237
Total non-current liabilities		11.232.791.076	12.404.798.835
EQUITY			
Share capital	8	729.164.000	729.164.000
Adjustments to share capital	8	10.528.557.820	10.528.557.820
Share premiums		1.012.226.391	1.012.226.391
Other comprehensive income/(expense) not to be reclassified to profit/loss			
Gains/losses on revaluation and remeasurement			
- Increase on revaluation of property, plant and equipment		2.607.998.896	2.669.596.271
- Losses on re-measurement of defined benefit plans		(46.819.287)	(40.396.618)
Restricted reserves			
- Legal reserves	8	219.068.000	219.068.000
- Other reserves		(14.591.454)	(14.591.454)
Accumulated income/(losses)		2.147.918.463	(4.200.125.543)
Net income/(losses) for the period		648.642.917	6.286.446.631
Total equity		17.832.165.746	17.189.945.498
TOTAL LIABILITIES AND EQUITY		38.092.585.114	39.852.285.019

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

AKENERJİ ELEKTRİK ÜRETİM A.Ş.**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE INTERIM PERIODS BETWEEN 1 JANUARY - 30 JUNE 2024 AND 2023**

(Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 30 June 2024 unless otherwise indicated.)

	Notes	Current period	Prior period	1 April - 30 June 2024	1 April - 30 June 2023
		Limited reviewed 1 January - 30 June 2024	Limited reviewed 1 January - 30 June 2023		
Revenue	10	10.033.357.727	16.644.395.365	4.550.865.678	5.896.166.599
Cost of sales (-)	10	(10.045.790.944)	(15.554.752.977)	(4.556.348.375)	(5.258.600.717)
Gross profit/(loss)		(12.433.217)	1.089.642.388	(5.482.697)	637.565.882
General administrative expenses (-)		(286.323.589)	(255.615.654)	(147.147.998)	(153.433.959)
Other operating income	12	200.951.028	486.785.118	101.442.670	348.359.900
Other operating expenses (-)	12	(158.887.523)	(283.403.406)	(69.153.070)	(243.359.961)
Operating profit/(loss)		(256.693.301)	1.037.408.446	(120.341.095)	589.131.862
Income from investment activities	13	3.001.821	14.550.315	(10.087.790)	3.472.398
Expenses from investment activities	13	(57)	(1.592.087)	-	(956.674)
Operating profit/(loss) before financial income/(expense)		(253.691.537)	1.050.366.674	(130.428.885)	591.647.586
Financial income	14	248.779.171	700.701.774	55.229.911	599.008.710
Financial expense (-)	14	(2.546.061.882)	(6.599.871.190)	(748.407.395)	(5.705.277.244)
Monetary gain/ (loss)		3.543.876.708	3.287.329.161	1.345.718.465	1.213.590.267
Profit/loss before tax		992.902.460	(1.561.473.581)	522.112.096	(3.301.030.681)
Tax income/(expense)					
Current income tax expense (-)	9	(21.840)	(29.281.907)	-	(15.184.502)
Deferred tax income/(expense)	9	(344.237.703)	75.529.676	(59.160.318)	328.919.397
Net income/(loss) for the period		648.642.917	(1.515.225.812)	462.951.778	(2.987.295.786)
Distribution of income/(loss) for the period:					
Equity holders of the parent		648.642.917	(1.515.225.812)	462.951.778	(2.987.295.786)
		648.642.917	(1.515.225.812)	462.951.778	(2.987.295.786)
Earnings profit/(loss) per share (1.000 shares)		0,890	(2,078)	0,635	(4,097)

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

AKENERJİ ELEKTRİK ÜRETİM A.Ş.**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIODS BETWEEN 1 JANUARY - 30 JUNE 2024 AND 2023**

(Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 30 June 2024 unless otherwise indicated.)

	Current period	Prior period		
	Limited	Limited		
	reviewed	reviewed		
	1 January -	1 January -	1 April -	1 April -
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Net income/(loss) for the period	648.642.917	(1.515.225.812)	462.951.778	(2.987.295.786)
Other comprehensive income/ (expense)				
To be reclassified to profit or loss				
Gains on cash flow hedge accounting	-	3.303.552	-	1.459.248
Deferred tax expense	-	(528.407)	-	(248.736)
Not to be reclassified to profit or loss				
Actuarial gain/(loss) arising from defined benefit plans	(8.563.559)	(19.986.315)	(7.920.039)	(3.075.571)
Deferred tax effect	2.140.890	3.997.263	1.994.140	615.114
Other comprehensive expense	(6.422.669)	(13.213.907)	(5.925.899)	(1.249.945)
Total comprehensive expense	642.220.248	(1.528.439.719)	457.025.879	(2.988.545.731)

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

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS BETWEEN 1 JANUARY - 30 JUNE 2024 AND 2023**

(Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 30 June 2024 unless otherwise indicated.)

				Other comprehensive income /(expenses) not to be reclassified to profit or loss		Other comprehensive income/ (expense) to be reclassified to profit or loss	Restricted reserves				
	Share capital	Adjustments to share capital	Share premiums	Increase on revaluation of property, plant and equipment(*)	Losses on re- measurement of defined benefit plans	Gains / (losses) on cash flow hedging	Other reserves	Legal reserves	Retained earnings / (accumulated losses)	Net profit/ (loss) for the period	Total equity
1 January 2023	729.164.000	10.528.557.820	1.012.226.391	4.285.720.890	(38.118.024)	(4.007.192)	(14.591.454)	219.068.000	(6.947.012.916)	2.626.187.891	12.397.195.406
Transfers	-	-	-	-	-	-	-	-	2.626.187.891	(2.626.187.891)	-
Total comprehensive income/(expense)	-	-	-	-	(15.989.052)	2.775.145	-	-	-	(1.515.225.812)	(1.528.439.719)
Other adjustments (*)	-	-	-	(96.411.994)	-	-	-	-	96.411.994	-	-
30 June 2023	729.164.000	10.528.557.820	1.012.226.391	4.189.308.896	(54.107.076)	(1.232.047)	(14.591.454)	219.068.000	(4.224.413.031)	(1.515.225.812)	10.868.755.687
1 January 2024	729.164.000	10.528.557.820	1.012.226.391	2.669.596.271	(40.396.618)	-	(14.591.454)	219.068.000	(4.200.125.543)	6.286.446.631	17.189.945.498
Transfers	-	-	-	-	-	-	-	-	6.286.446.631	(6.286.446.631)	-
Total comprehensive income /(expense)	-	-	-	-	(6.422.669)	-	-	-	-	648.642.917	642.220.248
Other adjustments (*)	-	-	-	(61.597.375)	-	-	-	-	61.597.375	-	-
30 June 2024	729.164.000	10.528.557.820	1.012.226.391	2.607.998.896	(46.819.287)	-	(14.591.454)	219.068.000	2.147.918.463	648.642.917	17.832.165.746

(*) As of 30 June 2024, the depreciation difference between the acquisition cost and the carrying values of the assets subject to revaluation method amounting to TL 61.597.375 (30 June 2023: TL 96.411.994), were reclassified to accumulated losses from revaluation fund of property, plant and equipment.

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

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIODS BETWEEN 1 JANUARY - 30 JUNE 2024 AND 2023

Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 30 June 2024 unless otherwise indicated.)

		Current Period	Prior Period
		Limited reviewed	Limited reviewed
	Notes	1 January - 30 June 2024	1 January - 30 June 2023
A. Cash flows from operating activities		576.347.989	1.843.096.788
Net income/ (loss) for the period		648.642.917	(1.515.225.812)
Adjustments to reconcile net income/(loss) for the period		101.888.705	3.562.194.478
Adjustments for depreciation and amortisation expenses	11	907.355.730	923.280.445
Adjustments for provisions			
-Adjustments for provisions for employee benefits		35.510.910	43.313.181
-Adjustments for litigation provisions	6	(4.886.507)	778.156
-Adjustments for other provisions	6	(10.018.053)	1.846.206
Adjustments for interest income		(129.352.946)	(210.590.158)
Adjustments for interest expense		906.463.768	1.255.136.245
Adjustments for financial investments		(1.155.508)	(13.625.518)
Adjustments for (gain)/ loss on sale of property, plant and equipment		(30.654)	(15.959)
Adjustments for unrealized foreign currency translation differences		1.518.782.065	5.829.607.408
Fair value adjustments			
-Adjustments for fair value of derivative financial instruments		(4.372.328)	(76.991.755)
Adjustments for tax (income) / expense	9	(344.259.543)	46.247.769
Monetary loss		(2.772.148.229)	(4.236.791.542)
Changes in working capital		(141.096.504)	(120.424.084)
Adjustments for (increase)/ decrease in trade receivables from related parties		125.645.252	873.587.701
Adjustments for (increase)/ decrease in trade receivables from third parties		(306.236.721)	1.992.977.412
Adjustments for (increase)/ decrease in other receivables from third parties		(138.800.202)	(37.846.929)
Adjustments for (increase)/ decrease in inventories		14.081.260	(73.086.122)
Adjustments for (increase)/ decrease in prepaid expenses		107.997.822	351.426.609
Adjustments for (increase)/ decrease in other assets		(120.990.425)	(37.498.738)
Adjustments for increase/ (decrease) in trade payables to related parties		(137.174.271)	(323.073.842)
Adjustments for increase/ (decrease) in trade payables to third parties		348.253.491	(2.932.765.680)
Adjustments for increase/ (decrease) in derivative financial instruments		29.478.953	6.946.146
Adjustments for increase/ (decrease) in deferred income		20.476.831	11.522.165
Adjustments for increase/ (decrease) in employee benefit obligations		2.630.104	7.154.086
Adjustments for increase/ (decrease) in other payables		(86.458.598)	40.233.108
Cash flows from operating activities		609.435.118	1.926.544.582
Provisions related to provisions for employee benefits		(32.109.757)	(66.154.661)
Tax receipts/(payments)		(977.372)	(17.293.133)
B. Cash flows from investing activities		(41.143.918)	(277.655.009)
Cash inflows due to sale of property, plant and equipment		1.780.674	997.352
Cash outflows due to purchase of property, plant and equipment	4	(131.234.909)	(217.107.208)
Cash outflows due to purchase of intangible assets	5	(51.784.794)	(52.707.919)
Other cash inflows/(outflows)		140.095.111	(8.837.234)
C. Cash flows from investing activities		(705.139.714)	(1.227.577.290)
Cash inflows from financial liabilities		192.144.061	-
Cash outflows from financial liabilities		(460.411.755)	(758.431.417)
Cash outflows from payments of rent agreements		(43.273.020)	(40.928.096)
Interest paid		(532.230.249)	(549.316.447)
Interest received		129.352.946	95.446.786
Other cash inflows/ (outflows) (*)		9.278.303	25.651.884
Net increase/ (decrease) in cash and cash equivalents		(169.935.643)	337.864.489
Inflation effect on cash and cash equivalents		(282.983.351)	(386.704.559)
Cash and cash equivalents at the beginning of the period (*)		1.427.062.811	2.439.831.586
Cash and cash equivalents at the end of the period (*)		974.143.817	2.390.991.516

(*) Cash and cash equivalents at the beginning of the period and at the end of the period does not include interest accruals and restricted deposits, and the changes in restricted deposits are provided in "Other cash inflows / (outflows)".

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

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2024

Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 30 June 2024 unless otherwise indicated.)

NOTE 1 - ORGANISATION OF GROUP AND NATURE OF OPERATIONS

Akenerji Elektrik Üretim A.Ş. ("the Company" or "Akenerji") is engaged in establishing, renting and operating facilities of electrical energy production plant, producing electricity and trading electricity to the customers. The Company was established by Akkök Sanayi Yatırım ve Geliştirme A.Ş. in 1989 (Akkök Sanayi Yatırım ve Geliştirme A.Ş. is registered as Akkök Holding A.Ş. on 13 May 2014). On 14 May 2009, the Company has become a joint venture between Akkök Holding A.Ş. and CEZ a.s.

The Company is registered in Turkey and its registered address is as follows;

Miralay Şefik Bey Sokak No: 15 Akhan Kat: 3-4 Gümüşsuyu / İstanbul - Turkey

The Company is registered to the Capital Markets Board ("CMB"), and its shares are publicly traded in Istanbul Stock Exchange ("ISE"). As of 30 June 2024, the Company's free float is 25,28% (31 December 2023: 25,28%).

As of 30 June 2024, the number of employees employed by Akenerji and its subsidiaries (Akenerji and its subsidiaries will be referred called as the "Group") is 316 (31 December 2023: 319).

The condensed consolidated financial statements for the interim period 1 January - 30 June 2024 were approved by the Board of Directors on 18 September 2024.

The nature of business and registered addresses of the entities included in the consolidation ("Subsidiaries") are provided below:

Subsidiaries	Nature of business	Registered address
Akenerji Elektrik Enerjisi İthalat-İhracat ve Toptan Ticaret A.Ş. ("Akenerji Toptan")	Electricity trading	Gümüşsuyu/İstanbul
Akel Kemah Elektrik Üretim A.Ş. ("Akel Kemah")	Electricity generation and trading	Gümüşsuyu/İstanbul
Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret A.Ş. ("Akenerji Doğalgaz")	Natural gas trading	Gümüşsuyu/İstanbul
Akel Sungurlu Elektrik Üretim A.Ş. ("Akel Sungurlu")	Electricity generation	Gümüşsuyu/İstanbul
5ER Enerji Tarım Hayvancılık A.Ş. ("5ER Enerji")	Electricity generation	Gümüşsuyu/İstanbul
Akenerji Company For Electric Energy Import And Export and Wholesale Trading/Contribution Branch ("Akenerji Toptan Khabat")	Electricity trading	Erbil/Iraq
Aken Europe B.V. ("Aken B.V.")	Electricity trading	Amsterdam/Netherlands

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2024**

Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 30 June 2024 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Principles of Preparation of Interim Condensed Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") announced by the Capital Market Board ("CMB") of Turkey published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements have been prepared in accordance with the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS"/"TFRS") issued by Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA").

The interim condensed consolidated financial statements have been presented in accordance with the formats specified in the "Announcement on TMS/TFRS Taxonomy" published by the POA on July 3, 2024, and the Financial Statement Examples and User Guide issued by the CMB.

In accordance with the TAS 34 "Interim Financial Reporting", entities are allowed to prepare a complete or condensed set of interim financial statements. Within this framework, the Group has adopted to prepare condensed consolidated financial statements for the interim periods. Accordingly, these interim condensed consolidated financial statements do not include all the required disclosures and notes, and therefore, should be read in conjunction with the Group's financial statements as of 31 December 2023.

The Group and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the principles and requirements published by the CMB, the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The interim condensed consolidated financial statements have been prepared on a historical cost basis, and necessary adjustments and reclassifications have been reflected in the statutory records to ensure proper presentation in accordance with TAS/TFRS.

Adjustment of consolidated financial statements in hyperinflation periods

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

According to the standard, financial statements prepared using the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in terms of the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 30 June 2023 and 31 December 2023, on the purchasing power basis as of 30 June 2024.

According to the decision numbered 81/1820 dated 28 December 2023, by the Capital Markets Board (CMB), issuers and capital market institutions subject to the Turkish Accounting/Financial Reporting Standards are required to apply the provisions of TAS 29 starting from the annual financial reports for the accounting periods ending as of 31 December 2023, in order to implement inflation accounting.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2024**

Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 30 June 2024 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of June 30, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Adjustment correlation	3 year cumulative inflation ratios
30 June 2024	2.319,29	1,00000	%324
31 December 2023	1.859,38	1,24735	%268
30 June 2023	1.351,59	1,71597	%190

The main components of the Group's adjustments for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in Turkish Lira (TL) are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed according to the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power on the balance sheet date. If the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities, as well as equity items that are not expressed in terms of the current purchasing power at the balance sheet date, have been adjusted using the relevant correction coefficients.
- All income statement accounts, excluding income statement accounts that are counterparty to non-monetary accounts of balance sheet, are restated based on the price correlations of the date they were initially reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(losses) account in the consolidated profit or loss statement.

2.2 Basis of consolidation

- The consolidated financial statements include the accounts of the parent company, Akenerji, and its Subsidiaries on the basis set out in sections (b) to (c) below. The financial statements of the companies within the consolidation scope have been prepared in accordance with TAS/IFRS, taking into account necessary adjustments and classifications as of the date of the consolidated financial statements, and in adherence to consistent accounting principles and practices. The operating results of the subsidiaries have been included or excluded based on the effective dates of acquisitions or disposals.
- Subsidiaries refer to companies in which Akenerji has the authority and power to control the financial and operating policies in accordance with Akenerji's interests, through the ability to exercise more than 50% of the voting rights in the companies as a result of its direct and/or indirect ownership of shares.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The table below shows the effective ownership percentages of subsidiaries and associates as of 30 June 2024 and 31 December 2023, along with the voting rights percentages held directly or indirectly by the Group.

Subsidiaries	Effective ownership interest (%)		Voting rights (%)	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Akenerji Toptan	100,00	100,00	100,00	100,00
Ak-el Kemah	100,00	100,00	100,00	100,00
Akenerji Doğalgaz	100,00	100,00	100,00	100,00
Akel Sungurlu (*)	-	-	100,00	100,00
5ER Enerji (*)	-	-	100,00	100,00
Akenerji Toptan Khabat (**)	-	-	100,00	100,00
Aken B.V.	100,00	100,00	100,00	100,00

(*) Akenerji Toptan has a free purchase options of Akel Sungurlu and 5ER Enerji's shares at any time and Akenerji Toptan has the controlling power within the scope of the capacity lease agreement and usufruct right agreement, so Akel Sungurlu and 5ER Enerji have been consolidated in the financial statements using the full consolidation method.

(**) The subsidiary's branch, which operates in a different country, is separately presented.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date that the control ceases. If necessary, accounting policies applied to subsidiaries are adjusted to ensure consistency with the accounting policies adopted by the Group.

Carrying values of the Subsidiaries' shares held by the Company are eliminated against the related equity of subsidiaries. Intercompany transactions and balances between Akenerji and its subsidiaries are eliminated on consolidation. Dividends arising from shares held by the Company in its subsidiaries are eliminated from income for the period and equity, respectively.

2.3 The new standards, amendments and interpretations

The accounting policies applied in the preparation of the interim condensed consolidated financial statements as of 30 June 2024, have been consistently applied with those used in the previous year, except for the new and amended TAS/IFRS and TFRIC interpretations effective as of 1 January 2024. The effects of these standards and interpretations on the Group's financial position and performance are explained in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of 30 June 2024 are as follows:

- Amendment to IAS 1, Non-current liabilities with covenants;
- Amendment to IFRS 16 ,Leases on sale and leaseback;
- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;
- IFRS S1, "General requirements for disclosure of sustainability-related financial information";
- IFRS 2, "Climate-related disclosures";

These standards do not have a significant impact on the financial position and performance of the Group.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

ii) Standards, amendments and improvements issued but not yet effective and not early adopted as of 30 June 2024

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

- IFRS 17, 'Insurance Contracts';
- Amendments to IAS 21, Lack of Exchangeability;
- Amendment to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments;
- IFRS 18, Presentation and Disclosure in Financial Statements;
- IFRS 19, Subsidiaries without Public Accountability: Disclosures;

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

2.4 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes that do not include transition provisions, significant voluntary changes in accounting policies, or identified accounting errors are applied retrospectively, and prior period financial statements are restated. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.5 Comparatives and restatement of prior year financial statements

The Group prepares comparative consolidated financial statements, to enable readers to determine financial position and performance trends. When there are changes in the presentation or classification of the consolidated financial statements, the prior period consolidated financial statements are reclassified accordingly to the ensure comparability.

2.6 Critical accounting estimates and judgments

The preparation of interim condensed consolidated financial statements requires the use of estimates and assumptions that could affect the reported amounts of assets and liabilities as of the balance sheet date, as well as the disclosure of contingent assets and liabilities and the amounts of reported income and expenses for the period. Although these estimates and assumptions are based on the best information available to the Group's management regarding current events and transactions, actual results may differ from these assumptions.

The estimates and assumptions that are material to the carrying values of assets and liabilities as well as the results of operations are outlined below:

Deferred tax assets for the carry forward tax losses:

Deferred tax assets are accounted for only where it is likely that related temporary differences and accumulated losses will be recovered through expected future profits or will be offsetted from the deferred tax liabilities incurred on the temporary differences will be recovered at the same date.

As a result of the studies performed, the Group recognized no deferred tax assets on carry forward tax losses (31 December 2023: None) as of 30 June 2024.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Carry forward tax losses amounting to TL 3.282.561.431 (31 December 2023: TL 3.300.536.755) (Note 9). As of 30 June 2024, the deferred tax asset has not been calculated by the Group considering its expected future profits and the related deferred tax liabilities for the relevant periods.

Explanations for revaluation method and fair value measurement

The Group has chosen revaluation method instead of historical cost model as an accounting policy among application methods mentioned under TAS 16 for lands, land improvements, buildings, machinery and equipment belong to its power plants commencing from 30 September 2015.

In the valuation work conducted, the use of significant forward-looking estimates and assumptions (such as expected future electricity prices, spark spreads, electricity production volumes, capacity utilization rates and discount rates) requires an independent valuation firm due to the impact of sectoral and economic changes, as well as the complexity of inputs and calculations. As of 31 December 2023, the valuations of lands, land improvements, buildings, machinery and equipment were based on fair values determined by an independent valuation company licensed by the CMB.

Income Approach, discounted cash flow analysis (Level 3) is used by the valuation company for valuation reports of 31 December 2023 aims to determine fair value of lands, land improvements, buildings, machinery and equipment of Uluabat hydroelectric power plant (HPP), Ayyıldız wind farm power plant (WFPP), Burç HPP, Feka I HPP, Feka II HPP, Bulam HPP, Gökkaya HPP, Sungurlu biomass power plant (BPP), Himmetli HPP and Erzin Natural Gas Combined Cycle Power Plant (NGCCPP) which are belong to Akenerji assets.

Since long term electricity prices and spark spreads are the most important inputs of "Income Approach - discounted cash flow analysis", an independent consultancy and technology firm, which operates in energy market, has been hired. In determining long-term electricity prices and spark spreads, the most important inputs to the model included in the following factors: the future trends in demand, the commissioning of new plants and decommissioning of old ones, developments in renewable energy capacity and capacity factors, expectations related to the carbon market, natural gas and coal prices, developments in electricity export and import, and the efficiency improvements of thermal power plants.

Changes in forward-looking spark spreads used in the model affect the generation of the Erzin natural gas combined cycle power plant. The generation forecasts for the hydro plants, Sungurlu and Ayyıldız are based on historical production data and feasibility reports covering a 50-year period. The discount rate used in valuation model prepared on the basis of USD has been determined as reel 10,31% which is in line with the current macroeconomic market conditions. An increase in the discount rate has a reducing effect on the fair value of the plants.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Going concern

The Group considers it is appropriate to prepare its consolidated financial statements on a going concern basis in a foreseeable future.

20% increase in natural gas tariffs as of October 2023, while maintaining electricity market ceiling prices intact, has put pressure on natural gas power plants' generation and profit margins. This impact continued into the second quarter of 2024, as it did in the first quarter. On the other hand, temperatures exceeding seasonal norms in June led to an increase in electricity demand, which positively impacted both the production and profitability of the Erzin combined cycle natural gas power plant. Meanwhile, the Group has continued its overseas physical electricity exports and financial electricity product transactions during the first half of 2024. As a result of these developments and the Group's balanced portfolio, the Group's Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") reached TL 650.6 million (30 June 2023: TL 1,960.7 million) as of 30 June 2024.

Natural gas purchases have an important role within the production costs due to the operational activities of the Group's Erzin combined-cycle natural gas power plant. Natural gas supply has continued to be provided by Botaş in 2024. Despite fluctuations in global natural gas prices, Botaş tariffs remained unchanged after the increase in October 2023. Additionally, the increased natural gas transmission service/capacity fees at the beginning of 2024, and the decline in power plant consumption due to electricity market conditions along with import costs are closely monitored, with ongoing efforts to explore opportunities for reducing natural gas costs on a monthly basis.

As part of the "Financial Restructuring" agreement signed with Yapı ve Kredi Bankası A.Ş. on November 11, 2019, the Group's total loan amount of USD 859 million, consisting of both TL and USD loans, was reduced to USD 440 million (excluding accrued interest) through debt service payments and early principal repayments made prior to maturity as of 30 June 2024. The repayment schedule for third and fourth portions of the loan which was restructured in 2019, was arranged through installments until 2032 according to the estimated cash generating capacity of the Group. This has been a factor that reduced the pressure on the Group's cash flow, thereby positively impacting its financial sustainability and competitive strength. Additionally, as part of the restructuring, the proportion of USD-denominated liabilities was reduced from 87% to 55%. Derivative and spot transactions were utilized for short-term foreign currency debt service, significantly reducing the Group's exposure to exchange rate risk.

As of 30 June 2024, the Group's current liabilities exceed its current assets by TL 6,6 billion. The primary reason behind this excess is the Group's short-term loans amounting to TL 7,3 billion (Note 3). The Group expects to cover a portion of these loans with cash generated from operations, alongside its existing cash. For the remaining liabilities, the Group has evaluated every opportunity to benefit itself and provides a positive effect on cash flow continuously with finance institutions. Negotiations with Yapı ve Kredi Bankası A.Ş. have commenced regarding the extension of the maturity date for the total obligation of USD 64 million and TL 3,9 billion related to loans granted by Yapı ve Kredi Bankası A.Ş. in 2019, which will be due on December 3, 2024, and the Bank's proposal has been received by our Company.

As a result of actions taken in order to increase both operating profit and cash flows from operating activities, the Group prepares its consolidated financial statements on a going concern basis for the foreseeable future.

2.8 Seasonality of Group's operations

Due to the nature of the industry in which the Group operates, its business volume exhibits seasonal fluctuations. Business volume tends to be higher in the second quarter for hydroelectric power plants and in the first quarter for wind power plants. Seasonality does not have a significant impact on the business volume of the Group's remaining segments.

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NOTE 3 - BORROWINGS

The details of borrowings of the Group as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Short term borrowings		
- Bank loans	136.460.178	-
Total short term borrowings	136.460.178	-
Short-term portion of long term borrowings		
- Bank loans	7.266.291.177	8.421.890.021
- Lease liabilities	56.414.369	63.480.977
Total short-term portion of long term borrowings	7.322.705.546	8.485.370.998
Long term borrowings		
- Bank loans	9.450.384.873	10.903.254.961
- Lease liabilities	275.481.312	303.283.314
Total long term borrowings	9.725.866.185	11.206.538.275
Total short term and long term borrowings	17.185.031.909	19.691.909.273

Letters of guarantee given, pledges and mortgages related to financial liabilities are disclosed in Note 6.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - BORROWINGS (Continued)

As of 30 June 2024 and 31 December 2023, the original currencies and weighted average interest rates for short and long-term financial liabilities are as follows:

				30 June 2024
	Currency	Effective Interest rate %	Original Amount	Amount in TL
Short term borrowings	TL	26,93	136.460.178	136.460.178
Total short term borrowings			136.460.178	136.460.178
Short term portion of long-term bank loans	USD	7,75	105.393.461	3.459.666.829
Short term portion of long-term bank loans	TL	12,28	3.806.624.348	3.806.624.348
Short term portion of long-term lease liabilities	EUR	7,08	1.587.133	55.753.440
Interest cost of short-term portion of long-term lease liabilities (-)	EUR	7,08	(308.856)	(10.849.632)
Short term portion of long-term lease liabilities	TL	21,21	11.510.561	11.510.561
Total short term portion of long term borrowings				7.322.705.546
Long term bank loans	USD	7,75	287.891.528	9.450.384.873
Long term lease liabilities	EUR	7,25	5.787.729	203.313.655
Interest cost of long term lease liabilities (-)	EUR	7,25	(1.428.413)	(50.177.870)
Long term lease liabilities	TL	21,21	122.345.527	122.345.527
Total long term borrowings				9.725.866.185
				31 December 2023
	Currency	Effective Interest rate %	Original Amount	Amount in TL
Short term portion of long-term bank loans	USD	7,75	107.306.258	3.940.244.796
Short term portion of long-term bank loans	TL	12,28	3.592.945.039	4.481.645.225
Short term portion of long-term lease liabilities	EUR	5,56	1.602.697	65.119.035
Interest cost of short-term portion of long-term lease liabilities (-)	EUR	5,56	(332.529)	(13.510.950)
Short term portion of long-term lease liabilities	TL	18,76	9.518.524	11.872.892
Total short term portion of long term borrowings				8.485.370.998
Long term bank loans	USD	7,75	296.932.692	10.903.254.961
Long term lease liabilities	EUR	5,56	6.530.108	265.324.291
Interest cost of long term lease liabilities (-)	EUR	5,56	(1.599.486)	(64.988.597)
Long term lease liabilities	TL	18,76	82.533.338	102.947.620
Total long term borrowings				11.206.538.275

AKENERJİ ELEKTRİK ÜRETİM A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - BORROWINGS (Continued)

As of 30 June 2024, all of the Euro finance lease liabilities of the Group are subject to floating interest rate of Euribor + 3,4% (31 December 2023: All of the Euro finance lease liabilities of the Group are subject to floating interest rate of Euribor + 3,4%).

The details of redemption schedule of the long term bank borrowings as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Up to 1 - 2 years	1.428.433.186	1.466.965.758
Up to 2 - 3 years	1.521.524.383	1.593.335.789
Up to 3 - 4 years	1.455.625.240	1.668.796.842
Up to 4 - 5 years	1.275.103.005	1.458.572.171
More than 5 years	3.769.699.059	4.715.584.401
	9.450.384.873	10.903.254.961

The principal repayment schedule of the Group's long-term finance lease obligations as of 30 June 2024 and 31 December 2023 is as follows:

	30 June 2024	31 December 2023
Up to 1-2 years	49.080.583	51.123.653
Up to 2-3 years	45.486.871	50.991.108
Up to 3-4 years	44.995.751	48.557.352
Up to 4-5 years	26.529.191	52.579.532
Up to 5-6 years	45.432	4.171.459
Up to 6-7 years	1.179.743	2.692.350
Up to 7-8 years	1.327.765	965.111
Up to 8-9 years	1.232.834	1.085.802
Up to 9-10 years	1.436.005	1.012.164
More than 10 years	104.167.137	90.104.783
	275.481.312	303.283.314

As of 30 June 2024 and 2023, the movements of borrowings are as follows:

	2024	2023
1 January	19.691.909.273	24.026.155.966
Foreign exchange differences	1.518.782.066	5.829.607.410
Current year interest expense	802.427.935	967.583.684
Changes in lease liabilities	57.499.986	94.636.356
Cash flow impact	(843.770.963)	(1.348.675.960)
Monetary loss	(4.041.816.388)	(4.372.393.619)
30 June	17.185.031.909	25.196.913.837

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NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Transfers	Disposals	30 June 2024
Cost					
Lands	2.443.090	-	-	-	2.443.090
Land improvements (*)	20.966.971.349	16.539.101	-	-	20.983.510.450
Buildings	4.769.221.470	3.276.970	-	-	4.772.498.440
Machinery and equipment (**)	18.285.002.800	11.111.389	164.587.517	-	18.460.701.706
Motor vehicles	26.384.888	1.715.756	-	-	28.100.644
Furnitures and fixtures	193.816.787	4.727.894	-	(4.420.402)	194.124.279
Special costs	127.197.067	-	-	(40.255.908)	86.941.159
Construction in progress	384.564.526	93.863.799	(164.587.517)	-	313.840.808
	44.755.601.977	131.234.909	-	(44.676.310)	44.842.160.576
Accumulated depreciation					
Land improvements	(3.624.991.378)	(339.279.133)	-	-	(3.964.270.511)
Buildings	(677.775.435)	(68.633.537)	-	-	(746.408.972)
Machinery and equipment	(5.044.158.152)	(441.173.117)	-	-	(5.485.331.269)
Motor vehicles	(17.486.344)	(2.014.812)	-	-	(19.501.156)
Furnitures and fixtures	(143.430.720)	(12.241.735)	-	3.683.670	(151.988.785)
Special costs	(19.608.047)	(1.763.549)	-	924.860	(20.446.736)
	(9.527.450.076)	(865.105.883)		4.608.530	(10.387.947.429)
Net book value	35.228.151.901				34.454.213.147

(*) Within the capacity increase project of Ayyıldız wind power plant, the cost of land improvement acquired through finance lease on 27 January 2017 is amounting to TL 3.833.897. As of 30 June 2024, the total amount of accumulated depreciation of related land improvement is TL 756.690.

(**) Within the capacity increase project of Ayyıldız wind power plant, the cost of machinery and equipment acquired through finance lease on 27 January 2017 is amounting to TL 380.847.121. As of 30 June 2024, the total amount of accumulated depreciation of the related machinery and equipment is TL 285.635.341.

Current period depreciation expense amounting to TL 863.093.680 has been included in cost of sales and TL 2.012.203 has been included in general administrative expenses.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2023	Additions	Disposals	30 June 2023
Cost				
Lands	2.129.026	-	-	2.129.026
Land improvements (*)	23.605.137.317	1.680.155	-	23.606.817.472
Buildings	4.497.536.717	469.553	-	4.498.006.270
Machinery and equipment (**)	16.676.774.303	34.036.068	-	16.710.810.371
Motor vehicles	22.575.997	67.687	-	22.643.684
Furnitures and fixtures	171.992.685	4.293.584	(530.291)	175.755.978
Special costs	46.691.980	31.398.805	-	78.090.785
Construction in progress	748.590.684	145.161.356	-	893.752.040
	45.771.428.709	217.107.208	(530.291)	45.988.005.626
Accumulated depreciation				
Land improvements	(2.854.563.047)	(384.882.890)	-	(3.239.445.937)
Buildings	(547.228.159)	(64.133.184)	-	(611.361.343)
Machinery and equipment	(4.223.643.682)	(406.710.963)	-	(4.630.354.645)
Motor vehicles	(13.900.921)	(1.739.719)	-	(15.640.640)
Furnitures and fixtures	(133.679.769)	(13.242.889)	252.388	(146.670.270)
Special costs	(16.133.746)	(918.889)	-	(17.052.635)
	(7.789.149.324)	(871.628.534)	252.388	(8.660.525.470)
Net book value	37.982.279.385			37.327.480.156

(*) Within the capacity increase project of Ayyıldız wind power plant, the cost of land improvement acquired through finance lease on 27 January 2017 is amounting to TL 3.833.897. As of 30 June 2023, the total amount of accumulated depreciation of related land improvement is TL 655.798.

(**) Within the capacity increase project of Ayyıldız wind power plant, the cost of machinery and equipment acquired through finance lease on 27 January 2017 is amounting to TL 380.847.121. As of 30 June 2023, the total amount of accumulated depreciation of the related machinery and equipment is TL 247.550.629.

Current period depreciation expense amounting to TL 869.551.268 has been included in cost of sales and TL 2.077.266 has been included in general administrative expenses.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (Continued)

There are no borrowing costs capitalized in the cost of construction in progress for the period ended 30 June 2024 (30 June 2023: None).

Details of the guarantees, pledges and mortgages on property, plant and equipment as of 30 June 2024 and 31 December 2023 are disclosed in Note 6.

NOTE 5 - INTANGIBLE ASSETS

	1 January 2024	Additions	Transfers	Disposals	30 June 2024
Costs					
Rights	7.180.916	51.784.794	31.445.277	-	90.410.987
Licenses	932.489.225	-	(31.445.277)	(57.522.710)	843.521.238
	939.670.141	51.784.794	-	(57.522.710)	933.932.225
Accumulated amortization					
Rights	(6.868.679)	(5.455.861)	(70.468.803)	11.190	(82.782.153)
Licenses	(417.940.659)	(12.005.549)	70.468.803	10.643.520	(348.833.885)
	(424.809.338)	(17.461.410)	-	10.654.710	(431.616.038)
Net book value	514.860.803				502.316.187
	1 January 2023	Additions	Transfers	Disposals	30 June 2023
Costs					
Rights	7.113.225	1.850.029	85.649.172	(6.663.577)	87.948.849
Licenses	897.012.489	50.857.890	(85.649.172)	-	862.221.207
	904.125.714	52.707.919	-	(6.663.577)	950.170.056
Accumulated amortization					
Rights	(6.848.880)	(2.040.034)	(74.151.095)	2.951.544	(80.088.465)
Licenses	(392.096.016)	(33.910.587)	74.151.095	-	(351.855.508)
	(398.944.896)	(35.950.621)	-	2.951.544	(431.943.973)
Net book value	505.180.818				518.226.083

Current period amortisation expense amounting to TL10.898.802 (30 June 2023: TL4.717.346) has been included in cost of sales and remaining TL 6.562.608 (30 June 2023: TL 31.233.275) has been included in general administrative expenses.

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NOTE 6 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES**a) Other short - term provisions**

As of 30 June 2024, there are various lawsuits against or in favor of the Group. These lawsuits are mainly action of debt and business cases. The Group management estimates the outcomes of these lawsuits and the financial effects thereof, and the required provisions are accounted for based on these estimates. The amount of provisions for the lawsuits as of 30 June 2024 is TL 44.998.409 (31 December 2023: TL 61.679.903).

	30 June 2024	31 December 2023
Litigation provision	44.998.409	61.679.903
Periodical maintenance provisions	34.270.960	44.289.013
	79.269.369	105.968.916

The movements of litigation provision are as follows:

	2024	2023
1 January	61.679.903	99.792.273
Current period charges	4.187.915	1.113.874
Interest charges of litigation provision	-	148.758
Released provisions	(9.074.422)	(484.476)
Monetary gain	(11.794.987)	(16.532.117)
30 June	44.998.409	84.038.312

b) Contingent liabilities**- Guarantees given**

The commitments and contingent liabilities of the Group that are not expected to be resulted in a significant loss or liability to the Group are summarized below:

			30 June 2024	31 December 2023	
	Original currency	Original Amount	TL equivalent	Original Amount	TL Equivalent
Letters of guarantees given	TL	524.198.930	524.198.930	192.031.068	192.031.068
	USD	1.871.200	61.424.385	2.693.232	98.894.449
	EUR	421.583	14.809.536	4.343.122	176.465.052
			600.432.851	467.390.569	

The guarantees provided generally consist of letters of guarantee issued to various institutions and organizations related to the Group's operations (such as the Energy Market Regulatory Authority (EMRA), suppliers from whom goods and services are procured, state institutions responsible for electricity transmission and distribution, tax offices for VAT refunds), and various judicial authorities for ongoing legal cases.

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NOTE 6 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees, pledges, mortgages ("GPM") given by the Group as of 30 June 2024 and 31 December 2023 are as follows:

		30 June 2024		31 December 2023	
	Currency	Original currency	TL equivalent	Original currency	TL equivalent
GPMs given by the Group					
A. GPMs given					
for companies' own legal entity	TL	6.942.659.773	6.942.659.773	8.198.071.817	8.198.071.817
	USD	919.386.800	30.179.974.974	920.208.832	33.789.716.574
	EUR	421.583	14.809.536	4.343.122	176.465.052
B.Total amount of GPM given for the subsidiaries and associates in the scope of consolidation					
		-	-	-	-
C.Total amount of GPM given for the purpose of maintaining operating activities					
		-	-	-	-
D.Total other GPMs given					
i) Total amount of CPMB's given on behalf of the majority shareholder		-	-	-	-
ii) Total amount of CPMB's given to on behalf of other which are not in scope of B and C.		-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C.		-	-	-	-
			37.137.444.283	42.164.253.443	

Details of the guarantees given by Akenerji for its own legal entity as of 30 June 2024 are as follows:

As of 11 November 2019, within the scope of financial restructuring between our company Akenerji ("Borrower") and Yapı ve Kredi Bankası A.Ş. ("Bank"), a total of USD 859 million refinancing loan agreement for the maturity of 13 years has been concluded, in order to provide refinancing and maturity extension of all existing debts of our company. In addition to the related loan agreement, Akenerji signed agreements for the Transfer of Receivables, Transfer of Epiaş Receivables, Real Estate and Supreme Rights to constitute the collateral of the refinancing loans amounting to USD 465 million and TL 2.271.037.258. In accordance with the Movable Pledge Agreements signed between Akenerji and the Bank, a movable pledge with a total value of TL 6.418.460.843 and a second order of USD 917.515.600 has been established, creating an upper limit for Akenerji. In addition, Yapı ve Kredi Bankası A.Ş. has been determined as a pledge creditor in the insurance policies of power plants as a crew.

As of 30 June 2024, GPMs given by the Group to equity ratio is 206% (31 December 2023: 245%).

- Sales and purchase commitments*Electricity sales and purchase commitments:*

Within the scope of electricity energy sales agreements made with energy companies, the Group has committed to sell 508.424 MWh of energy physically in 2024, and within the scope of the related commitment, 508.424 MWh of energy has been sold as of 30 June 2024.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

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NOTE 6 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The Group has committed to purchase 153.580 MWh of physical electricity energy within the scope of electricity energy purchase agreements with energy companies in 2024 and as of 30 June 2024, 118.252 MWh of energy has been purchased under this commitment.

As of 30 June 2024, the Group has no purchase or sales agreements committed for execution in 2024 or in subsequent periods.

Natural gas purchase commitments

In the first half year period of 2024, approximately 42% of the commitment amount has been completed. In the light of current market conditions, water levels and general consumption estimations, it is foreseen that the take-or-pay obligations for 2024 will be completed.

Other matters

The Kemah Hydroelectric Power Plant project stands out as one of Turkey's leading hydroelectric projects with a high installed capacity of 198 MW, reservoir capacity, and strategic location. The State Hydraulic Works Final Project approval process of the project, which is planned to be established in Erzincan and expected to generate an average of 560 GWh of electricity per year, was completed in 2017, the license was modified in 2020 and the pre - construction period was extended. As one of the most significant investments of Akenerji Elektrik Üretim A.Ş., the project continues to undergo economic analyses focusing on conventional energy production alternatives, opportunities to benefit from YEKDEM incentives, and pumped storage systems as of 30 June 2024. The existing railway line passes through the reservoir area of the Kemah HPP, and after the project is completed, a portion of this line will be under water (inundated). The repositioning of this line is planned to be included in the upcoming period's investment plan as a public investment by the state, in coordination with Turkey Republic State Railways and the Ministry of Transport. Once the relocation plan is realized, the Group plans to proceed with the other necessary works for the investment. Due to the aforementioned economic analysis and alternative assessments and ongoing relocation plans, construction of Kemah project has not begun as of 30 June 2024, thus the project is not presented in financial statements.

c) Contingent assets

Guarantees received

		30 June 2024		31 December 2023	
	Currency	Original Currency	TL Equivalent	Original currency	TL Equivalent
Letters of guarantees received	TL	252.957.931	252.957.931	467.062.795	467.062.795
	EURO	324.735	11.407.425	318.532	12.942.253
	USD	2.149.000	70.543.504	1.729.000	63.488.219
Notes of guarantees received	TL	16.958.725	16.958.725	21.153.396	21.153.396
	USD	745.824	24.482.568	745.824	27.386.372
	EURO	33.800	1.187.340	33.800	1.373.325
	GBP	5.675	235.152	5.675	265.039
Cheques of guarantees received	TL	106.000	106.000	132.219	132.219
	USD	16.650	546.556	16.650	611.382
Mortgages received	TL	3.242.000	3.242.000	4.043.895	4.043.895
			381.667.201		598.458.895

Letters of guarantees received, in general, comprised of the letters of guarantees received from the customers in relation to the Group's electricity sales operations.

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NOTE 7 - DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2024		31 December 2023	
	Contract amount	Fair value	Contract amount	Fair value
Forward contracts				
- Short - term	-	-	20.197.144	4.317.961
Derivative financial assets	-	-	20.197.144	4.317.961
Forward contracts				
- Short - term	672.937.100	56.973.094	1.781.011.100	47.347.314
Derivative financial liabilities	672.937.100	56.973.094	1.781.011.100	47.347.314

Movement of derivative instruments during the period is as follows:

	2024	2023
1 January	(43.029.353)	(45.971.686)
To be reclassified to profit or loss		
- Financial (income)/expense	(24.678.286)	76.127.339
- Monetary (loss)/gain	10.734.545	2.016.461
30 June	(56.973.094)	32.172.114

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NOTE 8 - EQUITY**Share capital**

Akenerji adopted the registered capital system applicable to the companies registered on the CMB and defined a limit to its registered capital for shares. Akenerji's registered capital ceiling and paid-in capital as of 30 June 2024 and 31 December 2023 are shown below:

	30 June 2024	31 December 2023
Limit on registered share capital (historical)	1.500.000.000	1.500.000.000
Issued capital	729.164.000	729.164.000

The Company's shareholders and shareholding structure as of 30 June 2024 and 31 December 2023 are as follows:

		30 June 2024		31 December 2023
	Share (%)	Amount	Share (%)	Amount
CEZ a.s.	37,36	272.425.943	37,36	272.425.943
Akkök Holding A.Ş.	20,43	148.989.090	20,43	148.989.090
Akarsu Enerji Yatırımları San. ve Ticaret A.Ş. ("Akarsu")	16,93	123.436.852	16,93	123.436.852
Publicly held	25,28	184.312.115	25,28	184.312.115
		729.164.000		729.164.000
Adjustment to share capital		10.528.557.820		10.528.557.820
Total paid-in capital		11.257.721.820		11.257.721.820

The share capital of the Company consists of 72.916.400.000 shares with a nominal value of 1 (one) Kr for each where no privilege rights are provided for any kind of shares.

Hyperinflation adjustments made on equity according to TAS 29, published by CMB on 7 March 2024, are presented below:

Equity	PPE indexed accounting entries	CPE indexed accounting entries	Differences classified in retained earnings
Adjustments to share capital	12.578.232.510	10.528.557.820	(2.049.674.690)
Share premiums	1.445.204.106	1.012.226.391	(432.977.715)
Restricted reserves	315.659.874	219.068.000	(96.591.874)

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

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NOTE 8 – EQUITY (Continued)

Retained Earnings

Hyperinflation adjustments made on retained earnings according to TAS 29, published by CMB on 7 March 2024, are presented below:

Retained Earnings	Balances before hyperinflation accounting	Balances after hyperinflation accounting
30 June 2023	(7.752.263.992)	(4.224.413.031)
1 January 2023	(6.473.542.581)	(6.947.012.916)

Share premiums

Share premiums presented in the consolidated financial statements represent the proceeds from the excess of the amount of shares compared to their nominal values.

Reserves

	30 June 2024	31 December 2023
Legal reserves	219.068.000	219.068.000
	219.068.000	219.068.000

Turkish Commercial Code stipulates that the legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders. Under the TCC, legal reserves can only be used for compensating losses, continuing operations in severe conditions or preventing unemployment and taking actions for relieving its effects in case general legal reserves does not exceed half of paid-in capital or issued capital.

NOTE 9 - TAX ASSETS AND LIABILITIES

	30 June 2024	31 December 2023
Current income tax expenses	21.840	21.230.544
Prepaid taxes	(3.399.058)	(24.357.496)
Current income tax liabilities/ (Current income tax assets), net	(3.377.218)	(3.126.952)

Corporation tax

The Group is subject to corporate tax in Turkey. Necessary provisions have been made in the financial statements for the estimated tax liabilities of the Group related to the current period activity results.

The corporate tax rate in Turkey is 25% (31 December 2023: 25%). The corporate tax rate is applied to the net corporate income to be found as a result of adding the non-deductible expenses to the commercial earnings of the companies, and deducting the exemptions and deductions stated in the tax laws. Losses can be carried forward for offset against future taxable income for up to 5 years. However, the resulting losses cannot be deducted retrospectively from the profits of previous years.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

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NOTE 9 - TAX ASSETS AND LIABILITIES (Continued)

In Turkey, there is no practice to reconcile with the tax authority on taxes payable. The corporate tax return is submitted until the evening of the 30th day of the fourth month following the end of the accounting period and is paid until the end of the month.

Companies in Turkey calculate temporary tax at the rate of 25% over their quarterly financial profits (31 December 2023: 25%) and declared until the 17th day of the second month following that period and pay it by the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. Despite the deduction, if there is an amount of advance tax paid, this amount can be refunded or deducted in cash.

Income tax withholding

Limited tax payers, who earn income through a permanent establishment or representative and pay it to companies (dividends) resident in Turkey, not subject to withholding tax. Dividend payments made to persons other than these are subject to 10% withholding tax. The profit included to the capital is not a profit distribution.

The details of tax income / expense for the period ended 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Current income tax expense (-)	(21.840)	(29.281.907)	-	(15.184.502)
Deferred tax (expense)/income	(344.237.703)	75.529.676	(59.160.318)	328.919.397
	(344.259.543)	46.247.769	(59.160.318)	313.734.895

Deferred taxes

	30 June 2024	31 December 2023
Deferred tax assets	-	13.179.094
Deferred tax liabilities	(818.466.956)	(489.549.237)
Deferred tax assets, net	(818.466.956)	(476.370.143)

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising from its financial statements prepared in compliance with TAS and its statutory tax financial statements. The temporary differences usually result from the recognition of revenue and expenses in different reporting periods according to TAS and Tax Laws.

The tax rate used in the calculation of deferred tax assets and liabilities is 25% (31 December 2023: 25%)

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NOTE 9 - TAX ASSETS AND LIABILITIES (Continued)

The breakdown of cumulative temporary differences and the resulting deferred tax assets/liabilities provided using principal tax rates is as follows:

	Total temporary differences		Deferred tax assets/(liabilities)	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Investment incentives (*)	(868.436.507)	(906.553.442)	217.109.127	226.638.361
Derivative financial instruments	(56.973.094)	(43.029.354)	14.243.273	10.757.339
Provisions for lawsuits	(44.998.409)	(61.679.903)	11.249.602	15.419.976
Provision for employment termination benefit	(38.273.407)	(33.682.611)	9.568.352	8.420.652
Provision for unused vacation rights	(13.430.595)	(8.831.160)	3.357.649	2.207.791
Adjustments to property, plant and equipment	4.380.623.304	2.954.900.125	(1.095.155.826)	(738.725.031)
Adjustments to borrowings	159.431.274	263.089.843	(39.857.819)	(65.772.461)
Adjustments to financial assets	3.007.243	-	(751.810)	-
Other	(247.081.980)	(258.732.934)	61.770.496	64.683.230
Deferred tax assets/(liabilities), net			(818.466.956)	(476.370.143)

(*) Within the scope of former Article 19 of Income Taxation Law, the related amount of investment incentive is mainly due to investment expenditures of Uluabat HEPP.

In accordance with the Group's assessments as of 30 June 2024, details of tax losses on which deferred taxes are not recognized, along with the year it is incurred and the maximum year it can be utilized, are provided below:

Year incurred	Year can be used	30 June 2024	31 December 2023
2019	2024	21.968.533	133.261.859
2020	2025	262.766.427	262.766.427
2021	2026	1.181.821.985	1.181.821.985
2022	2027	220.741.281	220.741.281
2023	2028	1.504.823.182	1.501.945.203
2024	2029	90.440.023	-
		3.282.561.431	3.300.536.755

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NOTE 10 - REVENUE AND COST OF SALES**a) Revenue**

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Revenue on sharing of imbalance savings	4.949.204.444	5.776.932.240	2.240.648.756	2.288.747.256
Electricity sales revenue	3.966.653.586	8.452.130.623	1.717.370.452	2.673.077.035
Revenue on seconder frequency control	467.865.321	506.488.244	242.743.482	199.074.608
Revenue on loading orders	168.504.467	1.393.376.626	75.569.177	476.514.615
Revenue on capacity mechanism	123.570.729	145.175.510	102.311.264	70.650.118
Other revenues	357.559.180	370.292.122	172.222.547	188.102.967
	10.033.357.727	16.644.395.365	4.550.865.678	5.896.166.599

b) Cost of sales

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Direct raw materials consumed and cost of electricity purchased (*)	8.454.788.655	13.858.770.278	3.782.397.346	4.436.732.451
Depreciation and amortization expenses	879.913.186	877.574.007	436.328.004	439.858.035
Personnel expenses	283.201.711	273.864.023	136.573.764	168.079.595
Maintenance and repair expenses	177.447.882	214.586.168	75.179.812	114.191.043
Insurance expenses	75.638.968	80.916.563	35.655.347	39.614.953
Other materials and spare parts consumed	84.231.166	71.155.448	48.025.045	54.044.435
Other	90.569.376	177.886.490	42.189.057	6.080.205
	10.045.790.944	15.554.752.977	4.556.348.375	5.258.600.717

(*) Direct raw materials consumed comprised of cost of natural gas purchased, cost of energy purchased, imbalance sharing costs, system usage costs, and etc.

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NOTE 11- EXPENSES BY NATURE

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Direct raw materials consumed and cost of electricity purchased	8.454.788.655	13.858.770.278	3.782.397.346	4.436.732.451
Depreciation and amortization expenses (*)	907.355.730	923.280.445	459.474.739	455.041.306
Personnel expenses (**)	428.415.100	397.344.265	203.752.350	229.495.205
Maintenance and repair expenses	177.447.882	214.586.168	75.179.812	114.191.043
Other materials and spare parts consumed	84.231.166	71.155.448	48.025.045	54.044.435
Insurance expenses (***)	77.334.782	82.038.856	36.534.506	40.203.623
Consultancy expenses	23.745.265	15.682.297	11.930.456	8.408.056
IT expenses	17.299.572	17.551.002	9.746.003	11.260.662
Taxes and duties	14.262.989	17.257.136	5.942.018	8.215.260
Office expenses	10.003.138	8.593.045	5.106.230	4.234.000
Vehicle expenses	9.826.760	6.345.258	5.228.817	4.701.794
Rent expenses	9.474.467	1.153.890	9.474.467	1.153.890
Travel expenses	5.570.393	6.989.422	2.537.435	5.900.026
Advertising and sponsorship expenses	1.215.876	930.316	907.158	480.413
Other expenses	111.142.758	188.690.805	47.259.991	37.972.512
	10.332.114.533	15.810.368.631	4.703.496.373	5.412.034.676

(*) Depreciation and amortization expenses amounting to TL 879.913.186 (30 June 2023: TL 877.574.007) is classified in cost of sales, TL 27.442.544 (30 June 2023: TL 45.706.438) of amortization and depreciation expenses is classified in general administrative expenses.

(**) Personnel expenses amounting to TL 283.201.711 (30 June 2023: TL 273.864.023) is classified in cost of sales, TL 145.213.389 (30 June 202: TL 123.480.242 is classified in general and administrative expenses.

(***) Insurance expenses amounting to TL 75.638.968 (30 June 2023: TL 80.916.563) is classified in cost of sales, TL 1.695.814 (30 June 2023: TL 1.122.293) is classified in general and administrative expenses.

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NOTE 12 - OTHER OPERATING INCOME AND EXPENSE**a) Other operating income**

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Gains of futures and options market	69.080.231	101.380.298	41.339.732	95.991.351
Delay interests received	51.954.186	114.441.555	28.998.523	28.536.896
Revenues from risk sharing agreements	24.679.697	-	24.679.697	-
Foreign exchange gains from trading activities	19.201.876	76.605.791	1.591.979	62.321.087
Provisions no longer required (*)	18.055.858	471.249	5.071.618	217.562
Other income	17.979.180	193.886.225	(238.879)	161.293.004
	200.951.028	486.785.118	101.442.670	348.359.900

(*) As of 30 June 2024, TL 9.079.351 (30 June 2023: TL 471.249) of the provisions no longer required from litigation provisions, TL 4.089.547 from premium provisions (30 June 2023: None) and TL 4.886.960 from other no longer required provisions (30 June 2023: None)

b) Other operating expense

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Losses on futures and options market	71.514.962	195.299.610	43.465.531	185.527.575
Foreign exchange losses from trading activities	24.891.547	64.934.016	455.733	53.603.396
Delay interests charged	14.996.724	15.378.851	-	2.330.402
Provisions for litigations	3.965.625	1.110.448	2.543.529	17.836
Other expenses	43.518.665	6.680.481	22.688.277	1.880.752
	158.887.523	283.403.406	69.153.070	243.359.961

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NOTE 13 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES**a) Income from investing activities**

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Fair value difference gain on exchange rate protected deposit accounts	2.221.600	14.532.997	(10.291.189)	3.462.085
Profit on sale of property, plant and equipment	227.057	17.318	203.399	10.313
Other income	553.164	-	-	-
	3.001.821	14.550.315	(10.087.790)	3.472.398

b) Expenses from investing activities

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Loss on sale of property, plant and equipment	57	906.364	-	906.364
Fair value difference losses on exchange rate protected deposit accounts	-	685.723	-	50.310
	57	1.592.087	-	956.674

NOTE 14 - FINANCIAL INCOME AND EXPENSES**a) Financial income**

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange gain	146.296.167	522.428.905	20.723.593	473.011.430
Interest income	77.398.760	96.148.603	42.278.099	52.533.092
Gain on derivative financial instruments	25.084.244	82.124.266	(7.771.781)	73.464.188
	248.779.171	700.701.774	55.229.911	599.008.710

b) Financial expenses

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange losses	1.496.607.737	5.338.259.561	221.054.991	4.962.142.781
Interest and commission expenses	906.463.768	1.239.757.394	406.776.732	732.240.659
Losses on derivative financial instruments	134.529.118	12.206.559	116.660.162	6.893.521
Other financial expenses	8.461.259	9.647.676	3.915.510	4.000.283
	2.546.061.882	6.599.871.190	748.407.395	5.705.277.244

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NOTE 15 - RELATED PARTY DISCLOSURES**a) Transaction with related parties***- Purchases from related parties*

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Sakarya Elektrik Perakende Satış A.Ş. ("Sepaş") ^{(1) (****)}	215.958.682	596.700.377	73.715.474	245.994.237
Aktek Bilgi İlet. Tekn. San. ve Tic. A.Ş. ("Aktek") ^{(2) (**)}	27.112.035	16.847.646	16.849.253	10.449.409
Aksa Akrilik Kimya Sanayi A.Ş. ("Aksa") ^{(3) (**)}	16.341.121	30.215.213	8.805.991	16.659.485
Ak-Han Bak.Yön.Serv.Hiz.Güv.Mal. A.Ş. ("Ak-Han") ^{(4) (**)}	13.952.393	12.731.609	6.631.190	6.272.329
Cez a.s. ^{(5) (*)}	7.601.242	25.073.890	3.835.247	8.379.999
Dinkal Sigorta Acenteliği A.Ş. ("Dinkal") ^{(6) (**)}	7.126.794	17.099.077	(617.714)	445.111
Akgirişim Müteahhitlik Müşavirlik Ve Çevre Teknolojileri San. Ve Tic. A.Ş. ⁽⁷⁾	1.095.619	-	1.095.619	-
Akiş Gayrimenkul Yatırım A.Ş. ^{(8) ("Akiş") (**)}	569.458	-	521.539	-
Akkök Holding A.Ş. ("Akkök") ^{(9) (*)}	256.891	5.512.916	29.939	2.016.501
Other	57.622	1.428.779	(2.976)	1.428.779
	290.071.857	705.609.507	110.863.562	291.645.850

(1) Comprised of purchase of electricity and sharing of instability savings.

(2) Comprised of IT services received.

(3) Comprised of sharing of instability savings.

(4) Comprised of building maintenance and other services received.

(5) Comprised of purchase of electricity.

(6) Comprised of insurances purchased from insurance companies by the intermediary of Dinkal.

(7) Comprised of service procurements related to the installation of solar power plant.

(8) Comprised of building maintenance and other services received.

(9) Comprised of rent service received.

- Sales to related parties

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Sepaş ^{(1) (****)}	229.712.231	5.272.634.996	65.557.003	1.806.837.998
Cez a.s ^{(2) (*)}	140.423.085	33.882.413	94.219.172	5.826.354
Aksa ^{(3) (**)}	15.509.187	37.394.138	5.515.353	15.806.039
Akiş ^{(4) (**)}	2.511.955	-	2.085.799	-
Other	39.004	862.337	(2.014)	801.394
	388.195.462	5.344.773.884	167.375.313	1.829.271.785

(1) Comprised of sales of electricity and sharing of instability.

(2) Comprised of sales of electricity

(3) Comprised of sharing of instability.

(4) Comprised of service procurements related to the installation of solar power plant.

(*) Shareholder.

(**) Akkök Holding group company.

(***) Cez a.s. group company.

(****) Akkök Holding and Cez a.s. group company.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

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NOTE 15 - RELATED PARTY DISCLOSURES (Continued)

b) Balances with related parties

- Short-term trade receivables from related parties

	30 June 2024	31 December 2023
CEZ a.s. ^{(1) (*)}	8.332.129	2.526.246
Aksa ^{(2) (**)}	1.758.923	4.227.925
Akiş ^{(3) (**)}	948.844	-
Sepaş ^{(4) (****)}	5.533	149.725.436
Other	-	37.329
	11.045.429	156.516.936

(1) Comprised of receivables from sales of electricity.

(2) Comprised of receivables from sharing of instability.

(3) Comprised of service procurements related to the installation of solar power plant.

(4) Comprised of receivables from sales of electricity and sharing of instability.

The average maturity days of trade receivables from related parties is 20 days.

- Short-term trade payables to related parties

	30 June 2024	31 December 2023
Dinkal ^{(1) (**)}	33.015.346	173.843.681
Aktek ^{(2) (**)}	7.376.837	7.565.880
CEZ a.s. Turkey Daimi Tem. ^{(3) (***)}	5.310.895	6.142.794
Aksa ^{(4) (**)}	2.841.763	3.201.064
Akkök ^{(5) (*)}	2.263.275	2.881.085
Ak-Han ^{(6) (**)}	2.109.806	2.925.889
CEZ a.s. ^{(7) (*)}	851.623	7.861.828
Sepaş ^{(8) (****)}	41.165	17.999.465
Other	4.525	541.550
	53.815.235	222.963.236

(1) Comprised of payables to Dinkal for the insurances purchased from insurance companies by the intermediary of Dinkal.

(2) Comprised of the payables related to IT services and equipment purchased.

(3) Comprised of the payables related to consultancy.

(4) Comprised of the payables related to sharing of instability.

(5) Comprised of the payables related to consultancy and rent services received.

(6) Comprised of the payables related to office maintenance and management services received.

(7) Comprised of the payables related to electricity purchases.

(8) Comprised of the payables related to electricity and sharing of instability.

(*) Shareholder.

(**) Akkök Holding group company.

(***) Cez a.s. group company.

(****) Akkök Holding and Cez a.s. group company.

The average maturity days of trade payables from related parties is 30 days.

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NOTE 15 - RELATED PARTY DISCLOSURES (Continued)**c) Key management compensation**

For the purpose of these consolidated financial statements, key management compensation consists of the payments made to Group shareholders and top management (General Manager and Vice General Managers and directors).

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Salaries and benefits	17.615.060	18.481.264	8.783.864	7.757.267
Bonus payment	8.912.647	14.964.971	(460.358)	(548.252)
Attendance fee	2.000.924	1.736.505	1.219.634	1.080.325
	28.528.631	35.182.740	9.543.140	8.289.340

NOTE 16 - FINANCIAL RISK MANAGEMENT**- Foreign exchange risk**

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated assets and liabilities to local currency. Foreign exchange risk arises from future obligations as well as foreign currency denominated assets and liabilities. These risks are monitored and limited by the monitoring of the foreign currency position. In order to manage this risk, foreign exchange purchases are made from spot markets and derivative instruments are used. The management limits the foreign currency position of the Group through analyzing it. The Group has reduced its exposure to currency risk by converting a significant portion of its USD denominated loans into TL with the refinancing it has made within the scope of Financial Restructuring on 11 November 2019.

The details of the foreign currency assets and liabilities as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Assets	781.986.285	1.593.006.623
Liabilities	(13.342.636.692)	(15.588.381.938)
Net financial position	(12.560.650.407)	(13.995.375.315)
Net position of derivative instruments	(672.937.100)	(2.196.344.059)
Foreign currency position (net)	(13.233.587.507)	(16.191.719.374)

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

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NOTE 16 - FINANCIAL RISK MANAGEMENT (Continued)

As of 30 June 2024 and 31 December 2023, assets and liabilities denominated in foreign currency and their TL equivalent held by the Group are as follows:

	30 June 2024				31 December 2023			
	TL Equivalent	USD	Euro	Other	TL Equivalent	USD	Euro	Other
Trade receivables	157.595.122	4.521.731	260.868	-	173.919.025	4.232.250	455.624	-
Monetary financial assets	598.918.331	13.211.175	4.703.651	336	1.389.624.696	34.884.922	2.674.325	73
Current assets	756.513.453	17.732.906	4.964.519	336	1.563.543.721	39.117.172	3.129.949	73
Monetary financial assets	25.472.832	-	725.135	-	29.462.902	-	725.135	-
Non-current assets	25.472.832	-	725.135	-	29.462.902	-	725.135	-
Total assets	781.986.285	17.732.906	5.689.654	336	1.593.006.623	39.117.172	3.855.084	73
Trade payables	134.730.381	3.748.706	332.341	-	371.885.389	9.430.298	630.270	-
Financial liabilities	3.504.570.597	105.393.460	1.278.277	-	3.991.852.881	107.306.258	1.270.168	-
Other monetary liabilities	23.953.705	729.713	-	-	39.991.520	1.089.105	-	-
Short-term liabilities	3.663.254.683	109.871.879	1.610.618	-	4.403.729.790	117.825.661	1.900.438	-
Financial liabilities	9.603.520.661	287.891.528	4.359.316	-	11.103.590.654	296.932.692	4.930.622	-
Other monetary liabilities	75.861.348	2.311.000	-	-	81.061.494	2.207.580	-	-
Long-term liabilities	9.679.382.009	290.202.528	4.359.316	-	11.184.652.148	299.140.272	4.930.622	-
Total liabilities	13.342.636.692	400.074.407	5.969.934	-	15.588.381.938	416.965.933	6.831.060	-
Net Asset(Liability) Position of Statement of Financial Position Derivative Instruments	(672.937.100)	(20.500.000)	-	-	(2.196.344.059)	(59.813.914)	-	-
Off statement of financial position foreign currency derivative assets	-	-	-	-	25.192.816	686.086	-	-
Off statement of financial position foreign currency derivative liabilities	672.937.100	20.500.000	-	-	2.221.536.875	60.500.000	-	-
Net foreign currency asset(liability) position	(13.233.587.507)	(402.841.501)	(280.280)	336	(16.191.719.374)	(437.662.675)	(2.975.976)	73
Net foreign currency asset/(liability) position of monetary items	(12.560.650.407)	(382.341.501)	(280.280)	336	(13.995.375.315)	(377.848.761)	(2.975.976)	73
Total fair value of financial instruments used for foreign currency hedging	56.973.094	1.735.598	-	-	34.496.730	1.171.836	-	-
Export	433.996.249	9.604.269	3.745.748	-	1.310.124.185	17.029.604	24.833.311	-
Import	332.378.283	9.755.464	716.836	600	835.809.815	20.783.882	7.592.492	7.228

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NOTE 16 - FINANCIAL RISK MANAGEMENT (Continued)

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and EURO. As of 30 June 2024 and 31 December 2023, the following table details of Group's sensitivity to a 10% increase and decrease in the TL against relevant foreign currencies, all other variables held constant. The sensitivity analysis includes only monetary items in open foreign currency at the end of the year.

				30 June 2024
		Profit /Loss		Equity
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
+/- 10% fluctuation of USD rate				
1- USD net asset/liability	(1.255.081.858)	1.255.081.858	(1.255.081.858)	1.255.081.858
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(1.255.081.858)	1.255.081.858	(1.255.081.858)	1.255.081.858
+/- 10% fluctuation of EUR rate				
4- EUR net asset/liability	(984.579)	984.579	(984.579)	984.579
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(984.579)	984.579	(984.579)	984.579
+/- 10% fluctuation of other currencies rate against to TL				
7- Other currencies net asset/liability	1.392	(1.392)	1.392	(1.392)
8- Part of hedged from other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7+8)	1.392	(1.392)	1.392	(1.392)
Total (3+6+9)	(1.256.065.045)	1.256.065.045	(1.256.065.045)	1.256.065.045
				31 December 2023
		Profit /Loss		Equity
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
+/- 10% fluctuation of USD rate				
1- USD net asset/liability	(1.387.446.208)	1.387.446.208	(1.387.446.208)	1.387.446.208
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(1.387.446.208)	1.387.446.208	(1.387.446.208)	1.387.446.208
+/- 10% fluctuation of EUR rate				
4- EUR net asset/liability	(12.091.664)	12.091.664	(12.091.664)	12.091.664
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(12.091.664)	12.091.664	(12.091.664)	12.091.664
7- Other currencies net asset/liability	341	(341)	341	(341)
8- Part of hedged from other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7+8)	341	(341)	341	(341)
Total (3+6+9)	(1.399.537.531)	1.399.537.531	(1.399.537.531)	1.399.537.531

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NOTE 17 - FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

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

The following methods and assumptions have been used in estimating the fair value of financial instruments:

Financial assets

It is anticipated that the carrying values of financial assets, including cash and cash equivalents, measured at cost, are equal to their fair values due to their short-term nature.

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

Financial liabilities

The fair values of short-term bank borrowings and other monetary liabilities are considered to approximate to their respective carrying values. The carrying values of the long-term bank loans of the Group reflect their fair values due to the repricing of the loans within the scope of the Financial Restructuring made on 11 November 2019.

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques include direct or indirect observable inputs

Level 3: Valuation techniques do not contain observable market inputs

As of 30 June 2024, the Group has short-term liabilities of TL 56.973.094 (31 December 2023: TL 47.347.314) related to derivative financial instruments classified as level 2. As of 30 June 2024, the Group does not have long-term liabilities related to derivative financial instruments (31 December 2023: None). As of 30 June 2024, there is no short-term derivative financial asset (31 December 2023: TL 4.317.961).

Fair value of the lands, land improvements, buildings, machinery and equipment of the Group's power plants were measured by a professional independent valuation company on 31 December 2023 through other valuation techniques involving direct and indirect observable inputs (Level 3) (Note 2.6).

NOTE 18 - SUBSEQUENT EVENTS

None.