

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

ASSETS	Reviewed 30 June 2022	Audited 31 December 2021
Current assets:		
Cash and cash equivalents	2.220.058	1.171.070
Financial investments	379.910	298.976
Trade receivables	4.206.715	2.846.527
- <i>Trade receivables from related parties</i>	321.445	182.302
- <i>Trade receivables from third parties</i>	3.885.270	2.664.225
Other receivables	2.938.342	944.050
- <i>Other receivables from related parties</i>	2.824.807	911.429
- <i>Other receivables from third parties</i>	113.535	32.621
Receivables from service concession arrangements	899.719	694.125
Derivative financial assets	25.811	57.115
Inventories	645.982	239.030
Prepaid expenses	75.329	46.319
- <i>Prepaid expenses to third parties</i>	75.329	46.319
Current tax assets	208	9.532
Other current assets	280.169	164.562
- <i>Other current assets from third parties</i>	280.169	164.562
Total current assets	11.672.243	6.471.306
Non-current assets:		
Financial investments	246	246
- <i>Other financial investments</i>	246	246
Trade receivables	66.129	51.481
- <i>Trade receivables from third parties</i>	66.129	51.481
Other receivables	4.731.380	3.227.990
- <i>Other receivables from related parties</i>	4.592.923	3.074.954
- <i>Other receivables from third parties</i>	138.457	153.036
Contract assets	156.432	19.377
- <i>Other contract assets</i>	156.432	19.377
Receivables from service concession arrangements	4.406.406	3.331.766
Equity accounted investees	1.370.460	1.181.148
Tangible assets	25.229.812	18.787.818
Right of use assets	145.735	162.309
Intangible assets	1.461.958	1.501.186
Derivative financial assets	138.839	-
Prepaid expenses	8.444	8.975
- <i>Prepaid expenses to third parties</i>	8.444	8.975
Deferred tax assets	770.319	671.747
Other non-current assets	25.739	11.069
- <i>Other non-current assets to third parties</i>	25.739	11.069
Total non-current assets	38.511.899	28.955.112
Total assets	50.184.142	35.426.418

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LIABILITIES	Reviewed 30 June 2022	Audited 31 December 2021
Current liabilities:		
Short-term borrowings	2.758.578	1.270.673
Short-term borrowings from related parties	-	35.551
- <i>Other short-term borrowings</i>	-	35.551
Short-term borrowings from third parties	2.758.578	1.235.122
- <i>Bank borrowings</i>	2.172.959	905.107
- <i>Issued debt instruments</i>	395.513	164.037
- <i>Other short-term borrowings</i>	190.106	165.978
Short-term portion of long-term borrowings	6.396.186	4.334.885
Short-term portion of long-term borrowings from third parties	6.396.186	4.334.885
- <i>Bank borrowings</i>	5.194.200	3.277.643
- <i>Issued debt instruments</i>	1.144.046	1.006.354
- <i>Lease liabilities</i>	57.940	50.888
Trade payables	4.267.014	2.189.914
- <i>Trade payables to related parties</i>	220.859	80.775
- <i>Trade payables to third parties</i>	4.046.155	2.109.139
Payables related to employee benefits	41.028	18.272
Other payables	1.928.316	1.235.798
- <i>Other payables to related parties</i>	11.236	7.769
- <i>Other payables to third parties</i>	1.917.080	1.228.029
Derivative financial liabilities	4.330	109.531
Deferred income	86.581	144.220
- <i>Deferred income from third parties</i>	86.581	144.220
Current tax liabilities	63.169	5.758
Short-term provisions	23.155	15.540
- <i>Other short-term provisions</i>	23.155	15.540
Other current liabilities	326.861	177.170
- <i>Other current liabilities to third parties</i>	326.861	177.170
Total current liabilities	15.895.218	9.501.761
Long-term borrowings	21.683.372	18.174.197
Long-term borrowings from third parties	21.683.372	18.174.197
- <i>Bank borrowings</i>	17.053.522	14.337.735
- <i>Lease liabilities</i>	131.417	155.841
- <i>Issued debt instruments</i>	4.498.433	3.680.621
Other payables	7.278	6.365
- <i>Other payables to related parties</i>	7.278	6.365
Derivative financial liabilities	-	162.574
Long-term provisions	95.202	68.296
- <i>Long-term provisions for employee benefits</i>	95.202	68.296
Deferred tax liabilities	2.418.910	1.331.332
Total non-current liabilities	24.204.762	19.742.764
Total liabilities	40.099.980	29.244.525

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	Reviewed 30 June 2022	Audited 31 December 2021
EQUITY		
Equity attributable to owners of the Company	10,251,179	6,310,459
Paid-in capital	2,500,000	2,500,000
Adjustments to share capital	102,575	102,575
Share premium	1,448	1,448
Effects of business combinations under common control	(391,175)	(391,175)
Other comprehensive income (loss) not to be reclassified in profit or loss	15,858,028	10,976,242
- Gains (losses) on revaluation and remeasurement	15,858,028	10,976,242
<i>Increases on revaluation of property, plant and equipment</i>	<i>15,888,219</i>	<i>10,994,165</i>
<i>Actuarial gains (losses)</i>	<i>(30,191)</i>	<i>(17,923)</i>
Other comprehensive income (loss) to be reclassified in profit or loss	(7,507,776)	(6,176,094)
- <i>Currency translation adjustment</i>	<i>1,548,932</i>	<i>1,374,130</i>
- <i>Losses on hedging transactions</i>	<i>(9,056,708)</i>	<i>(7,550,224)</i>
<i>Losses on cash flow hedges</i>	<i>(9,056,708)</i>	<i>(7,550,224)</i>
Restricted reserves appropriated from profits	7,931	7,931
- <i>Legal reserves</i>	<i>7,931</i>	<i>7,931</i>
Accumulated losses	(360,909)	(624,021)
Current year profit or loss	41,057	(86,447)
Non-controlling interests	(167,017)	(128,566)
Total equity	10,084,162	6,181,893
Total liabilities and equity	50,184,142	35,426,418

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Not Reviewed 1 January- 30 June 2022	Not Reviewed 1 April- 30 June 2022	Not Reviewed 1 January- 30 June 2021	Not Reviewed 1 April- 30 June 2021
PROFIT (LOSS)				
Revenue	12.157.379	6.195.789	4.662.081	2.254.934
Cost of sales (-)	(10.381.929)	(5.353.857)	(3.782.307)	(1.753.984)
GROSS PROFIT	1.775.450	841.932	879.774	500.950
General administrative expenses (-)	(266.855)	(142.374)	(163.503)	(83.944)
Marketing expenses (-)	(36.206)	(17.790)	(18.147)	(8.264)
Other income from operating activities	2.179.543	1.047.305	548.856	294.716
Other expenses from operating activities (-)	(875.094)	(395.995)	(218.952)	(106.115)
Profit from operating activities	2.776.838	1.333.078	1.028.028	597.343
Income from investment activities	1.973	1.973	989	13
Share of gain (loss) on equity accounted investees	(9.382)	(36.679)	(6.694)	(29.124)
PROFIT BEFORE FINANCE INCOME (EXPENSE)				
FINANCE INCOME (EXPENSE)	2.769.429	1.298.372	1.022.323	568.232
Finance income	2.379.125	1.214.602	724.199	251.207
Finance expense (-)	(4.952.911)	(2.517.950)	(1.805.912)	(837.789)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX				
OPERATIONS, BEFORE TAX	195.643	(4.976)	(59.390)	(18.350)
Tax (expense) income from continuing operations	(193.037)	(65.594)	15.565	8.960
- Current year tax expense	(96.865)	(55.378)	(65.390)	(51.394)
- Deferred tax (expense) income	(96.172)	(10.216)	80.955	60.354
PROFIT (LOSS) FROM CONTINUING OPERATIONS				
OPERATIONS	2.606	(70.570)	(43.825)	(9.390)
PROFIT (LOSS) FOR THE YEAR				
PROFIT (LOSS) FOR THE YEAR	2.606	(70.570)	(43.825)	(9.390)
Profit (loss) attributable to:				
Non-controlling interests	(38.451)	(25.237)	(20.107)	(7.094)
Equity holders of the parent	41.057	(45.333)	(23.718)	(2.296)
Income (loss) per share (TL)				
- Income (loss) per share from continuing operations	0,016	(0,018)	(0,012)	(0,001)

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Not Reviewed	Not Reviewed	Not Reviewed	Not Reviewed
	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
OTHER COMPREHENSIVE INCOME (LOSS)				
CURRENT PERIOD NET PROFIT (LOSS)	2.606	(70.570)	(43.825)	(9.390)
Other comprehensive income not to be reclassified to profit or loss	5,231,345	5,242,494	(5,720)	(4,047)
- <i>Gains (losses) on revaluation of property, plant and equipment</i>	6,516,135	6,516,135	-	-
- <i>Actuarial losses</i>	(15,335)	(1,399)	(7,150)	(5,059)
Taxes relating to components of other comprehensive income not to be reclassified to profit or loss	(1,269,455)	(1,272,242)	1,430	1,012
- <i>Taxes relating to gains (losses) on revaluation of property, plant and equipment</i>	(1,272,522)	(1,272,522)	-	-
- <i>Taxes relating to actuarial losses</i>	3,067	280	1,430	1,012
Other comprehensive income to be reclassified to profit or loss	(1,331,682)	(927,789)	(579,754)	(130,946)
- <i>Currency translation adjustment</i>	174,802	(43,742)	219,614	55,909
<i>Gains (losses) on currency translation adjustment</i>	174,802	(43,742)	219,614	55,909
- <i>Other comprehensive income (loss) relating to cash flow hedges</i>	(1,883,105)	(1,105,059)	(999,210)	(233,569)
Taxes relating to components of other comprehensive income to be reclassified to profit or loss	376,621	221,012	199,842	46,714
- <i>Taxes relating to cash flow hedges</i>	376,621	221,012	199,842	46,714
OTHER COMPREHENSIVE INCOME (LOSS)	3,899,663	4,314,705	(585,474)	(134,993)
TOTAL COMPREHENSIVE INCOME (LOSS)	3,902,269	4,244,135	(629,299)	(144,383)
Total comprehensive income (expense) attributable to				
Non-controlling interests	(38,451)	(25,237)	(20,107)	(7,094)
Equity holders of the parent	3,940,720	4,269,372	(609,192)	(137,289)

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2022**

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

	Paid-in Capital	Adjustment to Share Capital	Share Premium	Revaluation of Property, Plant and Equipment	Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss		Legal Reserves	Accumulated Losses	Combinations under Common Control	Net Profit or Loss	Equity Holders of the Parent	Non-Controlling Interest	Effect of Business Combinations under Common Control
					Actuarial Gains/ (Losses)	Currency Translation Adjustement	Hedge Reserves								
Previous period															
1 January-30 June 2021															
Opening balances	2,000,000	102,575	916	4,900,479	(11,534)	590,369	(3,858,376)	7,931	(969,887)	(391,175)	73,851	2,445,149	(147,929)	2,297,220	
Effects of business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-	36,750	36,750	
Transfers	-	-	-	(107,366)	(418)	-	(20,346)	-	201,981	-	(73,851)	-	-	-	
Total comprehensive income (loss)	-	-	-	-	(5,720)	219,614	(799,368)	-	-	-	(23,718)	(609,192)	(20,107)	(629,299)	
- Profit (loss) of the period	-	-	-	-	(5,720)	219,614	(799,368)	-	-	-	(23,718)	(23,718)	(20,107)	(43,825)	
- Other comprehensive loss	-	-	-	-	-	-	-	-	-	-	(585,474)	-	-	(585,474)	
Ending balances	2,000,000	102,575	916	4,793,113	(17,672)	809,983	(4,678,090)	7,931	(767,906)	(391,175)	(23,718)	1,835,957	(131,286)	1,704,671	
Current period															
1 January – 30 June 2022															
Opening balances	2,500,000	102,575	1,448	10,994,165	(17,923)	1,374,130	(7,550,224)	7,931	(624,021)	(391,175)	(86,447)	6,310,459	(128,566)	6,181,893	
Transfers	-	-	-	(349,559)	-	-	-	-	263,112	-	86,447	-	-	-	
Total comprehensive income (loss)	-	-	-	5,243,613	(12,268)	174,802	(1,506,484)	-	-	-	41,057	3,940,720	(38,451)	3,902,269	
- Profit (loss) of the period	-	-	-	-	-	-	-	-	-	-	41,057	41,057	(38,451)	2,606	
- Other comprehensive income	-	-	-	5,243,613	(12,268)	174,802	(1,506,484)	-	-	-	-	3,899,663	-	3,899,663	
Ending balances	2,500,000	102,575	1,448	15,888,219	(30,191)	1,548,932	(9,056,708)	7,931	(360,909)	(391,175)	41,057	10,251,179	(167,017)	10,084,162	

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Reviewed 1 January- 30 June 2022	Reviewed 1 January- 30 June 2021
CASH FLOWS FROM OPERATING ACTIVITIES	1.614.429	876.450
Profit (loss)	2.606	(43.825)
- <i>Profit (loss) from continuing operations</i>	2.606	(43.825)
Adjustments for profit (loss) for the period	2.792.807	1.353.448
Adjustments for depreciation and amortisation expense	629.919	340.452
Adjustments for provisions	13.619	6.542
- <i>Adjustments for provisions relating with employee benefits</i>	6.004	7.640
- <i>Adjustments for (reversal of) other provisions</i>	7.615	(1.098)
Adjustments for interest (income) expenses	1.279.337	725.867
- <i>Adjustments for interest income</i>	(343.877)	(176.608)
- <i>Adjustments for interest expense</i>	1.623.214	902.475
Adjustments for unrealised foreign exchange losses	1.886.378	437.412
Adjustments for fair value losses (gains)	(162.394)	(16.303)
- <i>Adjustments for fair value (gains) losses on derivative financial instruments</i>	(162.394)	(16.303)
Adjustments for undistributed profits of investments accounted for using equity method	9.382	6.694
- <i>Adjustments for undistributed profits of associates</i>	9.382	6.694
Adjustments for tax (income) expenses	193.037	(15.565)
Adjustments for gains on disposal of non-current assets	(1.973)	(989)
- <i>Adjustments for gains on disposal of tangible assets</i>	(1.973)	(989)
Other adjustments to reconcile profit (loss)	(1.054.498)	(130.662)
Changes in working capital	(1.141.107)	(360.917)
Adjustments for decrease (increase) in trade receivables	(1.321.295)	(415.831)
- <i>Decrease (increase) in trade receivables from related parties</i>	(125.346)	(18.364)
- <i>Decrease (increase) in trade receivables from third parties</i>	(1.195.949)	(397.467)
Adjustments for decrease (increase) in other receivables related with operations	(1.715.572)	296.755
- <i>Decrease (increase) in other related party receivables relating with operations</i>	(1.695.217)	326.182
- <i>Decrease (increase) in other third party receivables relating with operations</i>	(20.355)	(29.427)
Decrease (increase) in receivable from service concession agreements	424.889	194.912
Adjustments for decrease (increase) in inventories	(406.952)	904
Adjustments for increase (decrease) in trade payables	1.971.161	(499.088)
- <i>Increase (decrease) in trade payables to related parties</i>	139.467	(36.235)
- <i>Increase (decrease) in trade payables to third parties</i>	1.831.694	(462.853)
Adjustments for increase (decrease) in other payables	80.117	35.823
- <i>Increase (decrease) in other payables to third parties</i>	80.117	35.823
Other adjustments for other increase (decrease) in working capital	(36.400)	38.694
- <i>Increase in other assets relating with operations</i>	(151.208)	(32.787)
- <i>Increase in other liabilities relating with operations</i>	114.808	71.481
Adjustments for decrease (increase) in contract assets	(137.055)	(13.086)
- <i>Increase in other contract assets</i>	(137.055)	(13.086)

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR
THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

**Convenience Translation of Consolidated Financial Statements Originally Issued in
Turkish**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

	Reviewed 1 January- 30 June 2022	Reviewed 1 January- 30 June 2021
Cash flows from operations	1.654.306	948.706
Payments relating with provisions for employee benefits	(2.199)	(1.215)
Taxes paid	(37.678)	(71.041)
CASH FLOWS FROM INVESTING ACTIVITIES	(212.997)	(96.559)
Proceeds from sales of property, plant, equipment and intangible assets	4.939	3.364
- <i>Proceeds from sale of property, plant and equipment</i>	4.939	3.364
Purchase of property, plant, equipment and intangible assets	(217.936)	(165.703)
- <i>Purchase of property, plant and equipment</i>	(217.777)	(156.076)
- <i>Purchase of intangible assets</i>	(159)	(9.627)
Dividends received	-	65.780
CASH FLOWS FROM FINANCING ACTIVITIES	(264.215)	847.640
Proceeds from borrowings	4.196.331	3.480.957
- <i>Proceeds from borrowings</i>	3.344.304	357.069
- <i>Proceeds from issuance of debt instruments</i>	852.027	3.123.888
Repayments of borrowings	(2.874.775)	(1.874.008)
- <i>Borrowing repayments</i>	(2.152.835)	(1.399.738)
- <i>Payments of issued debt instruments</i>	(721.940)	(474.270)
Increase (decrease) in other payables to related parties	3.017	(38.920)
Payments of lease liabilities	(31.282)	(11.661)
Interest paid	(1.358.115)	(713.097)
Interest received	159.675	80.076
Other cash outflows	(359.066)	(75.707)
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES	1.137.217	1.627.531
Effect of exchange rate changes on cash and cash equivalents	(138.424)	(129.085)
Net increase in cash and cash equivalents	998.793	1.498.446
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1.161.644	709.909
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2.160.437	2.208.355