

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

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

	Audited 31 December 2021	Audited 31 December 2020
ASSETS		
Current assets:		
Cash and cash equivalents	1.171.070	728.314
Financial investments	298.976	258.578
Trade receivables	2.846.527	1.423.992
- Trade receivables from related parties	182.302	59.737
- Trade receivables from third parties	2.664.225	1.364.255
Other receivables	944.050	983.066
- Other receivables from related parties	911.429	933.287
- Other receivables from third parties	32.621	49.779
Receivables from service concession arrangements	694.125	349.605
Derivative financial assets	57.115	3.749
Inventories	239.030	131.166
Prepaid expenses	46.319	41.243
- Prepaid expenses to third parties	46.319	41.243
Current tax assets	9.532	37
Other current assets	164.562	127.844
- Other current assets from third parties	164.562	127.844
Total current assets	6.471.306	4.047.594
Non-current assets:		
Financial investments	246	246
- Other financial investments	246	246
Trade receivables	51.481	43.287
- Trade receivables from third parties	51.481	43.287
Other receivables	3.227.990	1.360.233
- Other receivables from related parties	3.074.954	1.257.704
- Other receivables from third parties	153.036	102.529
Contract assets	19.377	79.639
- Other contract assets	19.377	79.639
Receivables from service concession arrangements	3.331.766	2.534.191
Equity accounted investees	1.181.148	681.368
Property, plant and equipment	18.787.818	10.610.791
Right of use assets	162.309	36.003
Intangible assets	1.501.186	1.506.887
Prepaid expenses	8.975	204
- Prepaid expenses to third parties	8.975	204
Deferred tax assets	671.747	488.843
Other non-current assets	11.069	13.283
- Other non-current assets from third parties	11.069	13.283
Total non-current assets	28.955.112	17.354.975
Total assets	35.426.418	21.402.569

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	Audited 31 December 2021	Audited 31 December 2020
LIABILITIES		
Current liabilities:		
Short-term borrowings	1.270.673	1.594.684
Short-term borrowings from related parties	35.551	41.886
- <i>Other short-term borrowings</i>	35.551	41.886
Short-term borrowings from third parties	1.235.122	1.552.798
- <i>Bank borrowings</i>	905.107	1.020.878
- <i>Issued debt instruments</i>	164.037	412.147
- <i>Other short-term borrowings</i>	165.978	119.773
Short-term portion of long-term borrowings	4.334.885	2.895.393
Short-term portion of long-term borrowings from third parties	4.334.885	2.895.393
- <i>Bank borrowings</i>	3.277.643	2.661.172
- <i>Issued debt instruments</i>	1.006.354	214.299
- <i>Lease liabilities</i>	50.888	19.922
Trade payables	2.189.914	1.814.581
- <i>Trade payables to related parties</i>	80.775	54.024
- <i>Trade payables to third parties</i>	2.109.139	1.760.557
Payables related to employee benefits	18.272	17.415
Other payables	1.235.798	1.334.410
- <i>Other payables to related parties</i>	7.769	367.998
- <i>Other payables to third parties</i>	1.228.029	966.412
Derivative financial liabilities	109.531	83.856
Deferred revenue	144.220	91.548
- <i>Deferred revenue from third parties</i>	144.220	91.548
Current tax liabilities	5.758	56.489
Short-term provisions	15.540	13.817
- <i>Other short-term provisions</i>	15.540	13.817
Other current liabilities	177.170	125.657
- <i>Other current liabilities to third parties</i>	177.170	125.657
Total current liabilities	9.501.761	8.027.850
Long-term borrowings	18.174.197	10.053.106
Long-term borrowings from third parties	18.174.197	10.053.106
- <i>Bank borrowings</i>	14.337.735	9.969.103
- <i>Lease liabilities</i>	155.841	35.161
- <i>Issued debt instruments</i>	3.680.621	48.842
Other payables	6.365	-
- <i>Other payables to related parties</i>	6.365	-
Derivative financial liabilities	162.574	243.452
Long-term provisions	68.296	44.000
- <i>Long-term provisions for employee benefits</i>	68.296	44.000
Deferred tax liabilities	1.331.332	736.941
Total non-current liabilities	19.742.764	11.077.499
Total liabilities	29.244.525	19.105.349

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	Audited 31 December 2021	Audited 31 December 2020
EQUITY		
Equity attributable to owners of the Company	6.310.459	2.445.149
Paid-in capital	2.500.000	2.000.000
Adjustment to share capital	102.575	102.575
Share premium	1.448	916
Effects of business combinations under common control	(391.175)	(391.175)
Other comprehensive income (loss) not to be reclassified in profit or loss	10.976.242	4.888.945
- Gains (losses) on revaluation and remeasurement	10.976.242	4.888.945
<i>Increases on revaluation of property, plant and equipment</i>	<i>10.994.165</i>	<i>4.900.479</i>
<i>Actuarial gains/ (losses)</i>	<i>(17.923)</i>	<i>(11.534)</i>
Other comprehensive income (loss) to be reclassified in profit or loss	(6.176.094)	(3.268.007)
- <i>Currency translation adjustment</i>	<i>1.374.130</i>	<i>590.369</i>
- <i>Losses on hedging transactions</i>	<i>(7.550.224)</i>	<i>(3.858.376)</i>
<i>Losses on cash flow hedges</i>	<i>(7.550.224)</i>	<i>(3.858.376)</i>
Restricted reserves appropriated from profits	7.931	7.931
- <i>Legal reserves</i>	<i>7.931</i>	<i>7.931</i>
Accumulated losses	(624.021)	(969.887)
Current year profit or loss	(86.447)	73.851
Non-controlling interests	(128.566)	(147.929)
Total equity	6.181.893	2.297.220
Total liabilities and equity	35.426.418	21.402.569

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
31 DECEMBER 2021****Convenience Translation of Consolidated Financial Statements Originally Issued in
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Audited 1 January - 31 December 2021	Audited 1 January - 31 December 2020
PROFIT (LOSS)		
Revenue	11.634.808	8.579.113
Cost of sales (-)	(9.771.696)	(7.062.390)
Gross profit	1.863.112	1.516.723
GROSS PROFIT	1.863.112	1.516.723
General and administrative expenses (-)	(362.228)	(265.958)
Marketing expenses (-)	(37.713)	(37.021)
Other income from operating activities	1.836.121	787.212
Other expenses from operating activities (-)	(560.901)	(301.662)
Profit from operating activities	2.738.391	1.699.294
Income from investment activities	2.098	71.884
Share of gain on equity accounted investees	29.491	50.679
PROFIT BEFORE FINANCE INCOME (EXPENSE)	2.769.980	1.821.857
Finance income	2.516.698	981.728
Finance expense (-)	(5.481.750)	(2.658.892)
PROFIT / (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX	(195.072)	144.693
Tax (expense) income from continuing operations	35.638	(106.486)
- Current year tax expense	(93.751)	(117.810)
- Deferred tax income	129.389	11.324
PROFIT / (LOSS) FROM CONTINUING OPERATIONS	(159.434)	38.207
PROFIT (LOSS) FOR THE YEAR	(159.434)	38.207
Profit / (loss) attributable to:		
Non-controlling interests	(72.987)	(35.644)
Equity holders of the parent	(86.447)	73.851
Income/ (loss) per share (TL)		
- Income (loss) per share from continuing operations	(0,040)	0,037

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

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

	Audited 1 January - 31 December 2021	Audited 1 January - 31 December 2020
OTHER COMPREHENSIVE INCOME (LOSS)		
CURRENT PERIOD NET PROFIT (LOSS)	(159.434)	38.207
Other comprehensive income not to be reclassified to profit or loss	6.338.966	1.817.440
-Gains (losses) on revaluation of property, plant and equipment	7.805.116	2.280.514
-Actuarial losses	(7.399)	(2.950)
Taxes relating to components of other comprehensive income not to be reclassified to profit or loss	(1.458.751)	(460.124)
- Taxes relating to gains (losses) on revaluation of property, plant and equipment	(1.460.231)	(460.714)
- Taxes relating to actuarial losses	1.480	590
Other comprehensive income to be reclassified to profit or loss	(2.887.741)	(1.012.322)
- Currency translation adjustment	783.761	218.071
Gains (losses) on currency translation adjustment	783.761	218.071
- Other comprehensive income (loss) relating to cash flow hedges	(4.589.377)	(1.537.991)
Taxes relating to components of other comprehensive income to be reclassified to profit or loss	917.875	307.598
-Taxes relating to cash flow hedges	917.875	307.598
OTHER COMPREHENSIVE INCOME (LOSS)	3.451.225	805.118
TOTAL COMPREHENSIVE INCOME (LOSS)	3.291.791	843.325
Total comprehensive income attributable to		
Non-controlling interests	(72.987)	(35.644)
Equity holders of the Parent	3.364.778	878.969

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

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

Previous year	Items not to be reclassified to profit or loss				Items to be reclassified to profit or loss				Effect of Business Combinations under Common Control	Net Profit or Loss	Equity Holders of the Parent	Non-Controlling Interest	Equity	
	Paid-in Capital	Adjustment to Share Capital	Share Premium	Revaluation of Property, Plant and Equipment	Actuarial Gains/ (Losses)	Currency Translation Adjustment	Hedge Reserves	Legal Reserves						Accumulated Losses
1 January – 31 December 2020														
Opening Balance	2.000.000	102.575	916	3.528.754	(9.169)	372.298	(2.635.595)	7.897	(1.280.262)	(196.875)	(138.715)	1.751.824	(112.285)	1.639.539
Effect of corrections	-	-	-	-	-	-	-	-	4.450	4.200	20.070	28.720	-	28.720
Balances after corrections	2.000.000	102.575	916	3.528.754	(9.169)	372.298	(2.635.595)	7.897	(1.275.812)	(192.675)	(118.645)	1.780.544	(112.285)	1.668.259
Effects of business combinations under common control	-	-	-	-	-	-	-	-	(14.188)	(198.500)	-	(212.688)	-	(212.688)
Transfers	-	-	-	(246.697)	-	-	-	34	128.018	-	118.645	-	-	-
Total comprehensive income (loss)	-	-	-	1.819.800	(2.360)	218.071	(1.230.393)	-	-	-	73.851	878.969	(35.644)	843.325
- Profit (loss) of the year	-	-	-	-	-	-	-	-	-	-	73.851	73.851	(35.644)	38.207
- Other comprehensive income (loss)	-	-	-	1.819.800	(2.360)	218.071	(1.230.393)	-	-	-	-	805.118	-	805.118
Acquisition or disposal of a subsidiary	-	-	-	(201.378)	(5)	-	7.612	-	192.095	-	-	(1.676)	-	(1.676)
Ending 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
Current Year														
1 January – 31 December 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
Share capital increase	500.000	-	532	-	-	-	-	-	-	-	-	500.532	-	500.532
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	92.350	92.350
Transfers	-	-	-	(251.199)	(470)	-	(20.346)	-	345.866	-	(73.851)	-	-	-
Total comprehensive income (loss)	-	-	-	6.344.885	(5.919)	783.761	(3.671.502)	-	-	-	(86.447)	3.364.778	(72.987)	3.291.791
- Profit (loss) of the year	-	-	-	-	-	-	-	-	-	-	(86.447)	(86.447)	(72.987)	(159.434)
- Other comprehensive income (loss)	-	-	-	6.344.885	(5.919)	783.761	(3.671.502)	-	-	-	-	3.451.225	-	3.451.225
Ending 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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Audited 1 January- 31 December 2021	Audited 1 January- 31 December 2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	2.001.211	1.933.705
Profit (loss)	(159.434)	38.207
- Profit (loss) from continuing operations	(159.434)	38.207
Adjustments to reconcile profit (loss)	2.968.941	1.872.685
Adjustments for depreciation and amortisation expense	690.598	603.293
Adjustments for provisions	21.593	12.673
- Adjustments for provisions relating with employee benefits	19.870	9.997
- Adjustments for (reversal of) other provisions	1.723	2.676
Adjustments for interest (income) expenses	1.679.446	1.267.647
- Adjustments for interest income	(349.141)	(285.435)
- Adjustments for interest expense	2.028.587	1.553.082
Adjustments for unrealised foreign exchange losses	1.762.727	288.208
Adjustments for fair value losses (gains)	(43.555)	36.595
- Adjustments for fair value (gains) losses on derivative financial instruments	(43.555)	36.595
Adjustments for undistributed profits of investments accounted for using equity method	(29.491)	(50.679)
- Adjustments for undistributed profits of associates	(29.491)	(50.679)
Adjustments for tax (income) expenses	(35.638)	106.486
Adjustments for losses (gains) on disposal of non-current assets	(2.098)	(31.724)
- Adjustments for losses (gains) on disposal of tangible assets	(2.098)	(31.724)
Other adjustments relating with non-cash items	-	(31.449)
Adjustments for losses (gains) on disposal of subsidiaries or joint operations	-	(40.160)
Other adjustments to reconcile profit (loss)	(1.074.641)	(288.205)
Changes in working capital	(651.346)	107.905
Adjustments for decrease (increase) in trade receivable	(1.319.463)	(365.598)
- Decrease (increase) in trade receivables from related parties	(104.272)	(46.945)
- Decrease (increase) in trade receivables from third parties	(1.215.191)	(318.653)
Adjustments for decrease (increase) in other receivables related with operations	152.118	837.518
- Decrease (increase) in other related party receivables relating with operations	117.118	806.096
- Decrease (increase) in other third party receivables relating with operations	35.000	31.422
Decrease (increase) in receivable from service concession agreements	169.122	(158.593)
Adjustments for decrease (increase) in inventories	(96.733)	36.633
Adjustments for increase (decrease) in trade payables	220.506	(342.001)
- Increase (decrease) in trade payables to related parties	26.386	19.265
- Increase (decrease) in trade payables to third parties	194.120	(361.266)
Adjustments for increase (decrease) in other payables	106.151	79.171
- Increase (decrease) in other payables to third parties	106.151	79.171
Other adjustments for other increase (decrease) in working capital	56.691	64.364
- Decrease (increase) in other assets relating with operations	(48.351)	(2.039)
- Increase (decrease) in other liabilities relating with operations	105.042	66.403
Adjustments for decrease (increase) in contract assets	60.262	(43.589)
- Decrease (increase) in other contract assets	60.262	(43.589)

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	Audited 1 January- 31 December 2021	Audited 1 January- 31 December 2020
Cash flows from operations	2.158.161	2.018.797
Payments relating with provisions for employee benefits	(2.973)	(1.536)
Taxes paid	(153.977)	(83.556)
CASH FLOWS USED IN INVESTING ACTIVITIES	(269.582)	(47.243)
Cash inflows from losing control of subsidiaries	-	249.157
Cash outflows used in obtaining control of subsidiaries	-	(177.051)
Proceeds from sales of property, plant, equipment and intangible assets	4.795	67.343
- <i>Proceeds from sale of property, plant and equipment</i>	4.795	67.037
- <i>Proceeds from sale of intangible assets</i>	-	306
Purchase of property, plant, equipment and intangible assets	(340.157)	(255.493)
- <i>Purchase of property, plant and equipment</i>	(327.213)	(253.120)
- <i>Purchase of intangible assets</i>	(12.944)	(2.373)
Cash inflows from sale of assets held for sale	-	17.574
Dividends received	65.780	51.227
CASH FLOWS USED IN FINANCING ACTIVITIES	(1.162.564)	(1.869.388)
Proceeds from issuing shares or other equity instruments	194.096	-
- <i>Proceeds from capital increase</i>	194.096	-
Proceeds from borrowings	5.548.136	2.767.824
- <i>Proceeds from borrowings</i>	1.729.274	1.779.144
- <i>Proceeds from issuance of debt instruments</i>	3.818.862	988.680
Repayments of borrowings	(5.000.287)	(3.237.085)
- <i>Borrowing repayments</i>	(4.118.492)	(2.417.705)
- <i>Payments of issued debt instruments</i>	(881.795)	(819.380)
Decrease in other payables to related parties	(72.468)	-
Increase in other payables to related parties	-	318.529
Payments of lease liabilities	(40.027)	(28.245)
Interest paid	(1.795.838)	(1.470.695)
Interest received	183.984	129.737
Other cash outflows	(180.160)	(349.453)
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES	569.065	17.074
Effect of exchange rate changes on cash and cash equivalents	(117.330)	(130.286)
Net increase (decrease) in cash and cash equivalents	451.735	(113.212)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	709.909	823.121
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1.161.644	709.909