

**CONVENIENCE TRANSLATION OF
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**PARK ELEKTRİK ÜRETİM
MADENCİLİK SANAYİ VE TİCARET A.Ş.**

**1 JANUARY - 30 JUNE 2022
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS TOGETHER WITH
INDEPENDENT AUDITOR'S REVIEW REPORT**



**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 Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiary (collectively referred as the “Group”) as at 30 June 2022 and the related condensed consolidated statements of profit or loss and 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 of Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. is not prepared, in all material respects, in accordance with TAS 34.



Additional explanation for convenience translation into English

Turkish Financial Reporting Standards differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 30 June 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

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

A handwritten signature in blue ink, appearing to read "U. Uslu", is positioned below the company name.

Cenk Uslu, SMMM
Partner

Istanbul, 17 August 2022

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**1 JANUARY - 30 JUNE 2022 CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

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PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

		Current Period Reviewed 30 June 2022	Prior Period Audited 31 December 2021
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents	3	1,680,406	11,970,420
Financial assets		120,150	28,809
Trade receivables	4	17,931,777	13,714,058
<i>Trade receivables from related parties</i>	21	6,076,747	7,039,685
<i>Trade receivables from third parties</i>		11,855,030	6,674,373
Other receivables	5	102,953,565	72,996,119
<i>Other receivables from related parties</i>	21	100,412,516	70,175,468
<i>Other receivables from third parties</i>		2,541,049	2,820,651
Inventories	6	4,475,083	6,497,763
Prepaid expenses	12	669,119	603,382
Other current assets	11	129,951	269,136
Total current assets		127,960,051	106,079,687
Non-current assets			
Other receivables	5	616,724,733	529,400,941
<i>Other receivables from related parties</i>	21	616,441,828	529,185,455
<i>Other receivables from third parties</i>		282,905	215,486
Investment properties	7	468,876,874	301,791,159
Property, plant and equipment	8	153,311,318	134,442,089
Intangible assets	9	16,847,317	17,300,609
Prepaid expenses	12	4,730,967	-
Deferred tax assets	19	132,143	227,697
Other non-current assets	11	16,392,992	16,133,965
Total non-current assets		1,277,016,344	999,296,460
TOTAL ASSETS		1,404,976,395	1,105,376,147

The condensed interim consolidated financial statements for the period 1 January - 30 June 2022 have been approved and authorized for issue by the Board of Directors on 17 August 2022.

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

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Current Period Reviewed 30 June 2022	Prior Period Audited 31 December 2021
LIABILITIES			
Current liabilities			
Trade payables	4	28,267,826	8,663,285
<i>Trade payables to related parties</i>	21	519,895	304,004
<i>Trade payables to third parties</i>		27,747,931	8,359,281
Payables related to the employee benefits		1,360,992	629,196
Other payables	5	3,926,858	2,369,243
<i>Other payables to related parties</i>	21	157,546	3,266
<i>Other payables to third parties</i>		3,769,312	2,365,977
Deferred income	12	2,780,001	2,839,545
Current income tax liability	19	21,475,337	34,251,668
Short-term provisions	10	53,571,824	41,483,951
<i>Provisions for employee benefits</i>		1,631,080	1,268,895
<i>Other short-term provisions</i>		51,940,744	40,215,056
Other current liabilities	11	3,803,656	7,874,415
Total current liabilities		115,186,494	98,111,303
Non-current liabilities			
Other payables	5	4,199,540	3,276,665
<i>Other payables to third parties</i>		4,199,540	3,276,665
Long-term provisions	10	20,420,952	13,500,836
<i>Provisions for employee benefits</i>		5,340,794	4,170,944
<i>Other long-term provisions</i>		15,080,158	9,329,892
Deferred tax liabilities	19	49,000,080	30,218,019
Other non-current liabilities	11	768,684	1,153,027
Total non-current liabilities		74,389,256	48,148,547
Total liabilities		189,575,750	146,259,850
EQUITY			
Paid in share capital	13	148,867,243	148,867,243
Effects of business combinations under common control		(322,280,157)	(322,280,157)
Adjustment to share capital		16,377,423	16,377,423
Share premium		132,368	6,307,642
Treasury shares (-)		(4,667,821)	(1,596,612)
Other comprehensive income or expenses that will not be reclassified to profit or loss		98,067,545	90,564,070
- <i>Gains on revaluation of property, plant and equipment</i>		97,419,362	99,545,680
- <i>Gains on remeasurements of defined benefit plans</i>		648,183	648,183
- <i>Losses on financial assets measured at fair value through other comprehensive income/(loss)</i>		-	(9,629,793)
Restricted reserves		307,915,098	304,843,889
Prior years' income		711,342,590	460,863,716
Net profit for the period		259,646,356	255,169,083
Total equity		1,215,400,645	959,116,297
TOTAL LIABILITIES AND EQUITY		1,404,976,395	1,105,376,147

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

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Current Period Reviewed 1 January - 30 June 2022	Current Period Unreviewed 1 April - 30 June 2022	Prior Period Reviewed 1 January - 30 June 2021	Prior Period Unreviewed 1 April - 30 June 2021
Profit or Loss Section					
Revenue	14	81,095,502	51,350,628	31,860,224	18,575,193
Cost of sales (-)	14	(44,804,507)	(27,563,843)	(17,661,054)	(8,985,123)
Gross Profit		36,290,995	23,786,785	14,199,170	9,590,070
General administrative expenses (-)	15	(7,898,726)	(4,178,694)	(7,194,131)	(4,623,522)
Other operating income	16	1,280,132	692,525	1,693,120	165,881
Other operating expenses (-)	16	(16,291,765)	(12,304,228)	(4,674,396)	(3,139,772)
Operating profit		13,380,636	7,996,388	4,023,763	1,992,657
Gains from investment activities	17	170,870,910	168,608,156	646,272	535,046
Losses from investment activities (-)	17	-	-	(2,920)	-
Operating profit before financial income/(expense)		184,251,546	176,604,544	4,667,115	2,527,703
Financial income	18	131,524,102	71,362,957	82,005,394	24,782,448
Financial expenses (-)	18	(413,865)	(221,505)	(283,930)	(187,214)
Profit before tax from continued operations		315,361,783	247,745,996	86,388,579	27,122,937
Tax expense from continued operations		(55,715,427)	(40,296,166)	(20,440,129)	(8,699,209)
Current income tax (expense)	19	(36,765,112)	(21,463,780)	(21,541,534)	(10,175,165)
Deferred tax income/(expense)	19	(18,950,315)	(18,832,386)	1,101,405	1,475,956
Net profit from continued operations		259,646,356	207,449,830	65,948,450	18,423,728
Net profit		259,646,356	207,449,830	65,948,450	18,423,728
Earnings per share from continued operations	20	0.0175	0.0139	0.0044	0.0012
Other Comprehensive Income Section					
Items not to be reclassified to profit or loss					
Losses on financial assets measured at fair value through other comprehensive income/(loss)		-	-	(429,596)	-
Decreases on revaluation of property plant and equipment		(290,799)	-	-	-
Other comprehensive (expense)		(290,799)	-	(429,596)	-
Total comprehensive income		259,355,557	207,449,830	65,518,854	18,423,728

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

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

					Other comprehensive income/(expense) not reclassified to profit or loss							
	Paid-in Share capital	Treasury Shares	Adjustment to share capital	Share premium	Gains on revaluation of property plant and equipment	Gains on remeasurement of defined benefit plans	(Losses) on financial assets measured at fair value through other comprehensive income	Restricted reserves	Business combinations under common control	Retained earnings		Total equity
										Prior years' income	Net profit for the period	
1 January 2021	148,867,243	(1,573,261)	16,377,423	6,307,642	100,248,746	648,183	(9,200,197)	303,430,035	(322,280,157)	402,099,048	59,475,456	704,400,161
Transfers	-	-	-	-	(118,457)	-	-	1,390,503	-	58,203,410	(59,475,456)	-
Total comprehensive (expense)/income	-	-	-	-	(502,920)	-	(429,596)	-	-	502,920	65,948,450	65,518,854
30 June 2021	148,867,243	(1,573,261)	16,377,423	6,307,642	99,627,369	648,183	(9,629,793)	304,820,538	(322,280,157)	460,805,378	65,948,450	769,919,015
1 January 2022	148,867,243	(1,596,612)	16,377,423	6,307,642	99,545,680	648,183	(9,629,793)	304,843,889	(322,280,157)	460,863,716	255,169,083	959,116,297
Transfers	-	-	-	(6,175,274)	(1,835,519)	-	9,629,793	-	-	253,550,083	(255,169,083)	-
Increase/(decrease) related to treasury share transactions (*)	-	(3,071,209)	-	-	-	-	-	3,071,209	-	(3,071,209)	-	(3,071,209)
Total comprehensive (expense)/income	-	-	-	-	(290,799)	-	-	-	-	-	259,646,356	259,355,557
30 June 2022	148,867,243	(4,667,821)	16,377,423	132,368	97,419,362	648,183	-	307,915,098	(322,280,157)	711,342,590	259,646,356	1,215,400,645

(*) Within the scope of Share Buy-Back Program in place, considering matching orders as of 30 June 2022, shares with TRY500,000 of nominal value, equivalent to 0.34% of the Company's capital, were repurchased. In addition, shares with TRY750,000 of nominal value were repurchased in line with capital market regulations, not within the scope of Share Buy-Back Program but through withdrawal right granted to shareholders in 2017.

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

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

STATEMENT OF CASH FLOWS	Notes	Current Period Reviewed 1 January 30 June 2022	Prior Period Reviewed 1 January 30 June 2021
A. Cash flows from operating activities		(6,676,683)	18,523
Net profit for the period		259,646,356	65,948,450
Adjustments to reconcile profit / (loss) for the period		(208,735,438)	(45,840,888)
Adjustments for losses/(gains) arising from sale of tangible and intangible assets		(1,106,834)	2,920
Adjustments for amortization and depreciation	8, 9	21,028,325	12,684,061
Adjustments for provisions related with employee benefits	10	2,005,703	581,013
Adjustments for lawsuit and/or penalty provisions	10	14,730,927	4,003,511
Adjustments for tax expense	19	55,715,427	20,440,129
Adjustments for interest (income)		(30,222,384)	(8,329,797)
Adjustments for unrealized currency translation differences		(101,387,852)	(73,263,325)
Adjustments for other items that resulting to cash flows from investing or financing activities		(2,413,035)	(459,400)
Adjustments related to gains on fair values of investment properties		(167,085,715)	-
Other adjustments to the profit/loss reconciliation		-	(1,500,000)
Adjustments for working capital		(4,494,551)	(10,081,355)
Adjustments for decrease/(increase) in inventories		2,022,680	(2,888,190)
Adjustments for (increase) in trade receivables		(3,194,421)	(2,096,604)
Adjustments for increase/(decrease) in trade payables		3,705,178	(520,711)
Adjustments for increase in payables related to the employee benefits		731,796	46,625
Adjustments for (increase) in prepaid expenses		(4,796,704)	(658,038)
Adjustments for decrease/(increase) in other receivables from operations		211,461	(80,419)
Adjustments for increase in other payables from operations		1,459,946	244,886
Adjustments for (increase) in other current assets from operations		(119,842)	(1,948,059)
Adjustments for (decrease) in other current liabilities from operations		(4,455,101)	(2,104,798)
Adjustments for (decrease) in deferred income		(59,544)	(76,047)
Cash generated from operations		46,416,367	10,026,207
Payments made related to provisions for employee benefits	10	(473,668)	(236,830)
Payments made related to other provisions	10	(3,005,239)	(5,062,156)
Income taxes paid		(49,614,143)	(4,708,698)
B. Cash flows from investing activities		(331,014)	(45,663,918)
Cash outflows from purchases of property, plant and equipment and intangible assets		(20,457,699)	(14,417,219)
Cash inflows from sale of property, plant and equipment and intangible assets		3,619,064	500,000
Cashflows used in acquisition of shares or debt instruments of other businesses or funds		(90,251)	-
Cash (outflows) due to cash advances and funds given / repayments from cash advances and receivables from related parties		13,926,327	(32,388,363)
Interest received		-	40,968
Cash inflows from sale of shares or debt instruments of other businesses or funds		721	-
Other cash inflows		2,670,824	600,696
C. Cash flows from financing activities		(3,328,998)	(186,954)
Cash outflows from purchase of treasury shares		(3,071,209)	-
Interest paid		-	(81)
Other cash outflows		(257,789)	(186,873)
D. Foreign currency translation differences on cash and cash equivalents		46,681	763,357
Net (decrease) in cash and cash equivalents (A+B+C+D)		(10,290,014)	(45,068,992)
Cash and cash equivalents at the beginning of the period	3	11,970,420	48,223,219
Cash and cash equivalents at the end of the period	3	1,680,406	3,154,227

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

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE COMPANY

Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. ("Park Elektrik" or the "Company") was established in 1994 and the field of activity of the Company is to search, extract, process and operate all kinds of minerals, ore and their derivatives, to produce all kinds of industrial materials by using those and for this purpose, searching mine sites, acquiring operating licenses and operating privileges, operating or having them operated, processing, purifying, refining all kinds of minerals or materials produced from minerals either produced by itself or acquired, establishing cogeneration power plants to meet the need for electricity, energy and steam, operate them, to sell surplus of the energy produced, to produce all kinds of fiber from glass mines and mineral derivatives and to produce all kinds of products from these fibers, establishing power plants for electric energy production, operate them or having them operated or sell those facilities and also establishing any kind of facilities for electric energy production, engages in the acquisition, leasing or renting of those facilities and sale of electric energy produced to companies with wholesale and retail licenses as well as regular customers through bilateral agreements.

On 17 November 2016, a landslide happened in the Madenköy copper mine field of the company located in Siirt, Şirvan and production ceased. Assets related to the concentrated copper production were sold on 17 March 2017. With this transaction, copper production operations of the Company is ceased.

The Company changed its operations following the sale of the copper production business and purchased 100% of the shares of Konya Ilgın Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Konya Ilgın") from Park Holding A.Ş. and Turgay Ciner, the main shareholder's of the Company. The purchase was approved at the General Assembly meeting held on 10 May 2017 of the Company. This was followed by the subsequent transfer of shares.

The subsidiary Konya Ilgın, has the right to operate with the aim of production of lignite coal in related fields within the framework of its mining license and royalty agreement and has a license dated 27 February 2013 granted by Energy Market Regulation Authority of Turkey for electricity generation and its sale. It is planned to establish a thermal power plant in the Ilgın District of Konya with fluid bed boiler technology that will have an installed capacity of 500 MW. In the field subject to royalty agreement, of which Konya Ilgın is a party, stripping works initiated in 2019 for lignite coal production from the open pit as a part of pre-mining planning developed for the period that power plant will be operational and coal production started in the last quarter of 2019. The priority of the pre-mining planning that covers the June 2019 - December 2025 period is to get prepared for the main mining plan with high coal production capacity which is to be carried out when the power plant is operational, and the coal produced within the scope of the main mining plan will be used to provide fuel for the thermal power plant.

The Company will be named as the "Group", collectively together with its subsidiary Konya Ilgın.

The Company has also signed a royalty agreement for the purpose of operating bauxite mine site in Islahiye district of Gaziantep, which it has an operating license, and started to earn royalty income as of the third quarter of 2019. Related royalty income is calculated based on the production amount and reported in the consolidated financial statements.

The Company's legal headquarter is located at Sultantepe Mahallesi Paşalimanı Caddesi No: 41 Üsküdar / İstanbul.

As of 30 June 2022, the Company has 50 employees (31 December 2021: 43).

Shares of the Company is listed on Borsa Istanbul since 1997.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE COMPANY (Continued)

The Company's shareholding structure is presented as below:

Shareholders	30 June 2022		31 December 2021	
	Shareholding Ratio	Amount	Shareholding Ratio	Amount
Park Holding A.Ş.	61.24	91,168,622	61.24	91,168,622
Turgay Ciner	6.76	10,065,983	6.76	10,065,983
Other (*)	32.00	47,632,638	32.00	47,632,638
Total	100	148,867,243	100	148,867,243

(*) Considering matching orders as of 30 June 2022, includes treasury shares with TRY1,250,000 of nominal value.

The Company's main shareholder Park Holding A.Ş. and it is ultimately controlled by Turgay Ciner.

The company included in consolidation:

Subsidiaries:

The Group has included the following subsidiary in the accompanying consolidated financial statements in accordance with the principles of consolidation.

Company title	Current Operations	Country
Konya Ilgın	Coal generation and sale	Turkey

Approval of Financial Statements

These condensed consolidated financial statements were approved by the Board of Directors on 17 August 2022 and authorized for issue. The Company's General Assembly has the authority to alter consolidated financial statements.

NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance

The accompanying interim consolidated financial statements and disclosures have been prepared in accordance with the requirements of the Capital Markets Board ("CMB") communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" (the Communiqué) which was published in the Official Gazette numbered 28676 on 13 June 2013. In accordance with article 5th of the Communiqué, the accompanying financial statements are prepared based on Turkish Financial Reporting Standards ("TFRS") and their interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA"). The consolidated financial statements are also presented in accordance with formats and mandatory information recommended by CMB and TFRS taxonomy which was made available by Merkezi Kayıt Kurululu A.Ş.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of Presentation (Continued)

The Group prepared its interim financial statements as of 30 June 2022 in accordance with TAS 34 “Interim Financial Reporting”. The condensed interim consolidated financial statements do not include all information required to be included in the annual financial statements and should be read in conjunction with the annual financial statements of the Group as of 31 December 2021.

The Group maintain their books of account in accordance with rules and principles defined by Turkish Commercial Code (“TCC”) and tax legislation.

The consolidated financial statements are prepared in Turkish Lira (“TRY”) based on the historical cost except for (if any) land, building, machinery and equipment, investment properties and financial assets and liabilities which are presented in fair values.

Functional Currency

Consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency) TRY. For the purpose of the financial statements, the results and financial position are expressed in Turkish Lira (“TRY”), which is the functional and presentation currency of the Group.

Restatement of Financial Statements in Hyperinflationary Periods

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with Turkish Financial Reporting Standards, the application of inflation accounting is no longer required. Accordingly, TAS 29, “Financial Reporting in Hyperinflationary Economies”, has not been applied in the financial statements for the accounting periods starting 1 January 2005.

POA made an announcement on January 20, 2022 in order to eliminate the hesitations whether the entities which apply Turkish Financial Reporting Standards (“TFRS”) will apply TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) or not for the year ended 31 December 2021. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies. Afterwards, no new statement was made by the POA about the TAS 29 application. As of the preparation date of the consolidated financial statements, POA did not make an additional announcement and no adjustment was made to this consolidated financial statements in accordance with TAS 29.

Comparative Information and Correction to Previous Year Financial Statements

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of the financial position and performance trends. The Group has prepared the consolidated statement of financial position as of 30 June 2022 comparatively with the statement of financial position as of 31 December 2021 and The Group has compiled the comprehensive income statement, the cash flow statement and the statement of changes in equity for the period ended 30 June 2022 comparatively with the financial statements for the period ended 30 June 2021.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

In the current period, in case of a necessity, prior period financial statements are reclassified in order to comply with the presentation of its current period financial statements and significant changes are explained.

Going concern

The consolidated financial statements have been prepared on the basis of the going concern assuming that the Group will benefit from its assets and fulfill its obligations within the next year during the natural course of its activities.

Basis for consolidation

Subsidiaries

Subsidiaries are companies in which the Group has control, including structured entities. Control of the Group is ensured by the exposure to variable returns in these companies, the right to be entitled to these assets and the ability to influence them. Subsidiaries are consolidated by using the full consolidation method from the date of transition. They are excluded from the scope of consolidation as of the date on which the control is lost.

The assets, liabilities, equity items, income and expense accounts of the subsidiaries and cash flow movements are included in the consolidated financial statements by full consolidation method. The carrying values of the shares of Park Elektrik and subsidiaries are eliminated against the related equity.

Subsidiaries	Current Operations	Ownership ratio (%)
Konya Ilgın	Coal production and sale	100.00

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.2 Basis of Presentation (Continued)

New and Revised Turkish Financial Reporting Standards

a) Standards, amendments and interpretations applicable as at 30 June 2022

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective since 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform
- **Amendments to IFRS 4, 'Insurance contracts', deferral of IFRS 9 (effective since 1 January 2021);** These amendments change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial Instrument until 1 January 2023.
- **Amendments to IFRS 16 - 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective since 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

b) Standards, amendments and interpretations that are issued but not effective as at 30 June 2022:

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
- **Amendments to IFRS 3, 'Business combinations';** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to IAS 16, 'Property, plant and equipment';** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets';** specify which costs a company includes when assessing whether a contract will be loss-making.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.2 New and Revised Turkish Financial Reporting Standards (Continued)

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, 'Insurance Contracts', as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

2.3 Changes in Accounting Policies and Estimates and Errors

In case changes and errors in accounting policies and estimates exist, significant changes in accounting estimates and major accounting errors detected are applied retrospectively and prior period financial statements are restated. The effect of change in accounting estimate shall be recognized prospectively, if the change affects that period only; or period of the change and future periods, if the change affects both. The accounting policies used in the preparation of the consolidated financial statements for the six month period ended 30 June 2022 are consistent with the accounting policies used in the preparation of the consolidated financial statements for the year ended 31 December 2021.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Critical accounting estimates, assumptions and judgements

While preparing its consolidated financial statements, the Group uses estimates and assumptions that may cause significant adjustments in the book value of assets and liabilities. Although these estimates and assumptions are based on the best knowledge of the Group Management regarding current events and transactions, actual results may differ from the assumptions. These estimates and assumptions are regularly reviewed, necessary corrections are made and reflected in the operating results of the relevant period. Estimates and assumptions that may cause significant adjustments in the book value of assets and liabilities are provisions for legal cases, environmental obligations, useful lives of property, plant and equipment and intangible assets, income taxes and determination of fair values of investment properties and property, plant and equipment.

NOTE 3 - CASH AND CASH EQUIVALENTS

	30 June 2022	31 December 2021
Cash on hand	14,012	330
Cash in banks	1,666,394	11,970,090
<i>Demand deposits</i>	<i>1,666,394</i>	<i>11,970,090</i>
	1,680,406	11,970,420

As of 30 June 2022, the Group has no blocked cash or cash equivalents (31 December 2021: None)

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 4 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Short-term trade receivables	30 June 2022	31 December 2021
Trade receivables	23,751,715	16,066,348
Trade receivables from related parties (Note 23)	6,076,747	7,039,685
Allowance for doubtful trade receivables	(11,896,685)	(9,391,975)
	17,931,777	13,714,058

The average maturity for short-term trade receivables varies between 15 - 30 days (31 December 2021: 15 - 30 days).

The maturity analysis of the receivables is provided in Note 22.

The maturity analysis for doubtful receivables is as follows:

	30 June 2022	31 December 2021
5 years or more	11,896,685	9,391,975
	11,896,685	9,391,975

Allowance has been set for estimated irrecoverable amounts. Allowance is determined based on Group's past experience. While the Group makes estimations on the collectability of its receivables, it assesses whether there are any changes to the loan quality of these receivables as of balance sheet date. Therefore, the Group's Management believes that amount of allowance for doubtful trade receivables presented in the accompanying consolidated financial statements are appropriate.

The movement of allowance for doubtful receivables is as follows:

Movement of allowance for doubtful trade receivables	1 January - 30 June 2022	1 January - 30 June 2021
Opening balance	(9,391,975)	(5,567,229)
Foreign currency exchange differences	(2,504,710)	(3,824,746)
Closing balance	(11,896,685)	(9,391,975)

Trade payables

Short-term trade payables	30 June 2022	31 December 2021
Trade payables	27,747,931	8,359,281
Trade payables to related parties (Note 23)	519,895	304,004
	28,267,826	8,663,285

The average maturity for short-term trade payables varies between 30-45 days (31 December 2021: 30-45 days).

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 5 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables	30 June 2022	31 December 2021
Due from related parties (Note 21)	100,412,516	70,175,468
Receivables from state authority	1,565,411	1,565,411
Deposits and guarantees given	912,628	1,056,001
Other miscellaneous receivables	838,514	808,722
Allowance for other miscellaneous doubtful receivables (-)	(775,504)	(609,483)
	102,953,565	72,996,119

Other long-term receivables	30 June 2022	31 December 2021
Due from related parties (Note 21)	616,441,828	529,185,455
Deposits and guarantees given	282,905	215,486
	616,724,733	529,400,941

Other short-term payables	30 June 2022	31 December 2021
Deposits and guarantees received	3,364,744	2,364,619
Due to related parties (Note 21)	157,546	3,266
Other	404,568	1,358
	3,926,858	2,369,243

Other long-term payables	30 June 2022	31 December 2021
Deposits and guarantees received	4,199,540	3,276,665
	4,199,540	3,276,665

NOTE 6 - INVENTORIES

	30 June 2022	31 December 2021
Finished goods (*)	2,790,093	5,684,529
Raw materials	1,307,892	434,900
Other inventories	377,098	378,334
	4,475,083	6,497,763

(*) Finished goods consist of coal inventory.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 7 - INVESTMENT PROPERTIES

	2022	2021
Opening balance, 1 January 2022	301,791,159	204,548,131
Fair value increase	167,085,715	-
Expenses related to investment properties	-	231,000
Carrying value as of 30 June	468,876,874	204,779,131

As of 30 June 2022, there are no mortgages or pledges on the Group's investments properties (31 December 2021: None).

As of 30 June 2022, the fair values of the investment properties of the Group are determined by real estate valuation companies authorized by Capital Market Board ("CMB") and providing real estate valuation services in accordance with the capital market legislation. The fair value of investment properties is determined by the marker comparative approach and cost approaches.

Details of the Group's investment properties and information about the fair value hierarchy as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	Fair value as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Lands	221,564,753	-	221,564,753	-
- Ceyhan	163,489,753	-	163,489,753	-
- Edirne	52,241,874	-	52,241,874	-
Buildings	253,145,247	-	253,145,247	-
- Ceyhan	48,820,247	-	48,820,247	-
- Edirne	21,375,000	-	21,375,000	-
- Şişhane	182,950,000	-	182,950,000	-

There has been no transition between levels in the current period.

	31 December 2021	Fair value as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Lands	104,711,159	-	104,711,159	-
- Ceyhan	66,300,000	-	66,300,000	-
- Edirne	38,411,159	-	38,411,159	-
Buildings	197,080,000	-	197,080,000	-
- Ceyhan	37,720,000	-	37,720,000	-
- Edirne	17,790,000	-	17,790,000	-
- Şişhane	141,570,000	-	141,570,000	-

There has been no transition between levels in the current period.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

Cost	Land Improvements	Mine assets	Machinery and equipment	Vehicles	Furniture and fixture	Other fixed assets	Construction in progress	Total
Opening balance, 1 January 2022	2,490,787	164,794,310	17,029,501	350,009	830,149	54,775	4,109,917	189,659,448
Additions	-	32,271,371	2,214,018	130,000	-	-	1,881,636	36,497,025
Cost of mine rehabilitation provision	-	5,750,267	-	-	-	-	-	5,750,267
Transfers	437,567	-	-	-	-	510,051	(947,618)	-
Disposal	-	-	(4,461,158)	(130,000)	(20,000)	-	-	(3,128,000)
Closing balance, 30 June 2022	2,928,354	202,815,948	14,782,361	350,009	810,149	564,826	5,043,935	228,778,740
Accumulated depreciation								
Opening balance, 1 January 2022	163,954	49,725,053	4,576,413	171,453	565,753	14,733	-	55,217,359
Charge for the period	56,719	20,076,888	391,112	27,541	16,287	6,486	-	20,575,033
Disposals	-	-	(1,757,795)	(30,333)	(20,000)	-	-	(324,970)
Closing balance, 30 June 2022	220,673	69,801,941	3,209,790	168,661	562,040	21,219	-	75,467,422
Carrying value as of 1 January 2022	2,326,833	115,069,257	12,453,088	178,556	264,396	40,042	4,109,917	134,442,089
Carrying value as of 30 June 2022	2,707,681	133,014,007	11,572,631	181,348	248,109	543,607	5,043,935	153,311,318

As of 30 June 2022, there are no mortgages or pledges on the Group's property, plant and equipment.

During the period of 1 January - 30 June 2022, accumulated depreciation balance is allocated to the cost of sales amounting to TRY20,487,627 (30 June 2021: TRY12,165,010) and general administrative expenses amounting to TRY87,406 (30 June 2021: TRY64,934).

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIMCONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost	Land Improvements	Mine assets	Machinery and equipment	Vehicles	Furniture and fixture	Other fixed assets	Construction in progress	Total
Opening balance, 1 January 2021	2,490,787	105,562,756	16,802,357	220,009	611,803	54,775	2,857,205	128,599,692
Additions	-	20,971,612	738,645	130,000	18,346	-	556,358	22,414,961
Transfers	-	-	(1,055,632)	-	-	-	-	(1,055,632)
Closing balance, 30 June 2021	2,490,787	126,534,368	16,485,370	350,009	630,149	54,775	3,413,563	149,959,021
Accumulated depreciation								
Opening balance, 1 January 2021	65,101	23,345,318	4,459,558	127,205	551,798	10,262	-	28,559,242
Charge for the period	49,427	11,818,493	334,962	18,874	5,952	2,236	-	12,229,944
Disposals	-	-	(552,712)	-	-	-	-	(552,712)
Closing balance, 30 June 2021	114,528	35,163,811	4,241,808	146,079	557,750	12,498	-	40,236,474
Carrying value as of 1 January 2021	2,425,686	82,217,438	12,342,799	92,804	60,005	44,513	2,857,205	100,040,450
Carrying value as of 30 January 2021	2,376,259	91,370,557	12,243,562	203,930	72,399	42,277	3,413,563	109,722,547

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIMCONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 9- INTANGIBLE ASSETS

	Rights	Total
Cost		
Opening balance, 1 January 2022	24,817,417	24,817,417
Additions	-	-
Closing balance, 30 June 2022	24,817,417	24,817,417
Accumulated amortization		
Opening balance, 1 January 2022	7,516,808	7,516,808
Charge for the period	453,292	453,292
Closing balance, 30 June 2022	7,970,100	7,970,100
Carrying value, 1 January 2022	17,300,609	17,300,609
Carrying value as of 30 June 2022	16,847,317	16,847,317
	Rights	Total
Cost		
Opening balance, 1 January 2021	24,817,417	24,817,417
Additions	-	-
Closing balance, 30 June 2021	24,817,417	24,817,417
Accumulated amortization		
Opening balance, 1 January 2021	6,608,573	6,608,573
Charge for the period	454,117	454,117
Closing balance, 30 June 2021	7,062,690	7,062,690
Carrying value as of 1 January 2021	18,208,844	18,208,844
Carrying value as of 30 June 2021	17,754,727	17,754,727

As of 30 June 2022 and 2021, the period amortization is included in general administrative expenses.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIMCONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term provisions

Short-term provisions for employee benefits	30 June 2022	31 December 2021
Unused vacation provisions	1,631,080	1,268,895
	1,631,080	1,268,895

The movement of provisions for unused vacation liability is presented as below:

	1 January - 30 June 2022	1 January- 30 June 2021
Opening balance	1,268,895	957,595
Charge for the period / (provisions no longer required), net	594,623	311,540
Payment during the period	(232,438)	(36,603)
Closing balance	1,631,080	1,232,532

Other short-term provisions	30 June 2022	31 December 2021
Provisions for litigation (*)	51,940,744	40,215,056
	51,940,744	40,215,056

(*) During the period, the Group is involved in a number of legal proceedings (both as a plaintiff and as a defendant) during the year arising in the ordinary course of business. An important part of the Group's existing lawsuits are employee lawsuits related to the Madenköy operation in the Şirvan district of Siirt, which was closed in 2017, and the claims include the Company's staff and subcontractors and their legal successors (pecuniary and non-pecuniary indemnities due to death, receivables and reemployment). The Group has recognized a provision amounting to TRY51,940,744 (31 December 2021: TRY40,215,056) as a result of the evaluation of legal opinions related to prosecuted law, business, commercial and administrative lawsuits, current progress of lawsuits and similar lawsuits that were concluded in the past. The provision amount is updated in every reporting period by considering the risks and uncertainties regarding the liabilities and the developments occurring in ongoing cases. In this context, the Group Management believes that there are no undisclosed litigation or legal proceedings in the footnotes of consolidated financial statements or that the required provisions are not considered which might have a negative impact on the financial position or operating results of the Group.

The movement of provisions for litigation is presented as below:

	1 January - 30 June 2022	1 January- 30 June 2021
Opening balance	40,215,056	34,475,298
Charge for the period/(provisions no longer required), net	13,700,488	3,519,186
Payment during the period	(3,005,239)	(5,062,156)
Effect of foreign currency exchange differences	1,030,439	484,325
Closing balance	51,940,744	33,416,653

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Long-term provisions

	30 June 2022	31 December 2021
Retirement pay provisions	5,340,794	4,170,944
	5,340,794	4,170,944

Retirement Pay Provisions

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed 25 years of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TRY10,848.59 for each period of service at 30 June 2022 (31 December 2021: TRY8,284.51).

The liability is not funded, as there is no funding requirement.

Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Revised TFRS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 June 2022, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 3,45% real discount rate (31 December 2021: 3,45%) calculated by using 11,57% annual inflation rate and 15,41% discount rate. Voluntary leave rates are also taken into consideration as 5% for employees between 0 - 15 years and 0% for employees 16 years and over.

Ceiling amount of TRY15,371,40 which is in effect since 1 July 2022 is used in the calculation of Group's provision for retirement pay liability (31 December 2021: 1 January 2022 TRY10,848,59).

The significant assumptions used in the calculation of retirement pay liability are discount rate and anticipated turnover rate.

The movement of the retirement pay provisions is as follows:

	1 January - 30 June 2022	1 January- 30 June 2021
Opening balance	4,170,944	3,561,926
Service cost	1,339,886	199,610
Interest cost	71,194	69,863
Payment during the period (-)	(241,230)	(200,227)
Closing balance	5,340,794	3,631,172

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 June 2022	31 December 2021
Other long-term provisions		
Provision for cost of mine rehabilitation	15,080,158	9,329,892
	15,080,158	9,329,892

The provision for cost of mine rehabilitation was prepared by the management based on the estimates. The critical assumptions used in the forecast are the timing of spendings that will be incurred until 2055. The present value of the balance is determined with the assumption 3.45% real discount rate calculated by using 11.57% annual inflation rate and 15.41% interest rate by considering the long term inflation and bond rates accordingly.

c) Guarantees received and given

Guarantees received (TRY)	30 June 2022		31 December 2021	
	FC Balance	Equivalent of TRY	FC Balance	Equivalent of TRY
Letters of guarantees (USD)	100,000	1,666,900	100,000	1,297,750
Letters of guarantees (TRY)	2,400,000	2,400,000	2,400,000	2,400,000
Guarantee cheques (TRY)	200,000,000	200,000,000	200,000,000	200,000,000
Cash guarantees (TRY)	142,290	142,290	142,290	142,290
Cash guarantees (USD)	250,000	4,167,250	250,000	3,244,375
Total		208,376,440		207,084,415

The details of the Group's Guarantees/Pledges/Mortgages ("GPMs") position as of 30 June 2022 and 31 December 2021 is presented as follows:

30 June 2022	TRY	TRY equivalent Total
A. GPMs given on behalf of its own legal entity	90,465,736	90,465,736
<i>Letter of Guarantees</i>	89,373,947	89,373,947
<i>Cash Guarantees</i>	1,091,789	1,091,789
<i>Pledges</i>	-	-
B. GPMs given on behalf of consolidated subsidiaries	-	-
C. GPMs given on behalf of third parties within ordinary business activities	-	-
D. GPMs given for other purposes	-	-
Total (*)	90,465,736	90,465,736

(*) All guarantees, pledges and mortgages included in the above table are denominated in TRY.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

31 December 2021	TRY	TRY equivalent Total
A. GPMs given on behalf of its own legal entity	79,341,645	79,341,645
<i>Letter of Guarantees</i>	77,865,006	77,865,006
<i>Cash Guarantees</i>	1,476,639	1,476,639
<i>Pledges</i>	-	-
B. GPMs given on behalf of consolidated subsidiaries	-	-
C. GPMs given on behalf of third parties within ordinary business activities	-	-
D. GPMs given for other purposes	-	-
Total (*)	79,341,645	79,341,645

(*) All guarantees, pledges and mortgages included in the above table are denominated in TRY.

NOTE 11 - OTHER ASSETS AND LIABILITIES

	30 June 2022	31 December 2021
Other current assets		
Personnel advances	106,526	218,444
Business advances	23,425	50,692
	129,951	269,136
Other non-current assets		
VAT deductible in future years	15,582,187	16,133,965
Spare parts	810,805	-
	16,392,992	16,133,965

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - OTHER ASSETS AND LIABILITIES (Continued)

	30 June 2022	31 December 2021
Other current liabilities		
Taxes and funds payables	2,520,113	5,430,635
Other miscellaneous liabilities payable	1,283,543	2,443,780
	3,803,656	7,874,415

	30 June 2022	31 December 2021
Other non-current liabilities		
Other miscellaneous liabilities payable	768,684	1,153,027
	768,684	1,153,027

NOTE 12 - DEFERRED INCOME AND PREPAID EXPENSES

	30 June 2022	31 December 2021
Current prepaid expenses		
Advances given for purchases	980	223,896
Prepaid expenses for next months	668,139	379,486
	669,119	603,382

	30 June 2022	31 December 2021
Non-current prepaid expenses		
Advances given for purchases of tangible assets	4,730,967	-
	4,730,967	-

	30 June 2022	31 December 2021
Current deferred income		
Deferred income (*)	2,780,001	2,839,545
	2,780,001	2,839,545

(*) TRY2.686.861 (31 December 2021: TRY2.686.861) of the relevant amount consists of mining state share tax amounts collected back by the Company but the legal process has not yet been finalized.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 13 - EQUITY

a) Share Capital

The Company's share capital structure as of 30 June 2022 and 31 December 2021 is presented as follows:

Shareholders	30 June 2022		31 December 2021	
	Shareholding ratio (%)	Amount	Shareholding ratio (%)	Amount
Park Holding A.Ş.	61,24	91,168,622	61,24	91,168,622
Turgay Ciner	6,76	10,065,983	6,76	10,065,983
Other	32,00	47,632,638	32,00	47,632,638
Total	100,00	148,867,243	100,00	148.867.243

Information Regarding to Equity Shares				
Group	Type	Nominal Value (TRY)	Ratio to Paid-in-Capital (%)	Rights
A	Registered	18,290,866	12.29%	Right to Nominate 6 members of the Board of Directors
B	Registered	130,576,377	87.71%	Right to Nominate 3 members of the Board of Directors
		148,867,243	100.00%	

The paid in capital amount of the Company is TRY 148,867,243 and authorised share capital upper limit is TRY 300,000,000.

b) Treasury shares

Under the Share Buy-back Program approved on 2 June 2021 in the ordinary general assembly related to 2020, the Company had acquired its shares with TRY 500,000 of nominal value considering matching orders as of 30 June 2022. Considering matching orders as of 30 June 2022, the ratio of treasury shares to capital in the scope of the relevant program reached 0.34%. In the first half of 2022, TRY 3,071,209 was spent to acquire shares, including transaction costs (31 December 2021: TRY 23,351).

In 2017, Company also acquired its shares with TRY 750,000 of nominal value through withdrawal right granted to shareholders under capital market regulations. The relevant shares are exempt in calculation of maximum number of shares that can be purchased, which is set as 10%, per capital markets regulation.

c) Restricted reserves appropriated from profit

50% of the profits arising from the sale of the immovables included in the assets of the institutions for at least two full years in accordance with the sub-paragraph (e) of the first paragraph of the 5th article of the Corporate Tax Law numbered 5520 (75% for the sales performed before the effective date of the Article 89 of the Law No. 7061 which is 05.12.2017) is exempt from the corporation tax by applying related exemption amount in the same period of when sale takes place and the exempted amount of the sales profit must be held in a special fund account until the end of the fifth year following the sale.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 13 - EQUITY (Continued)

c) Restricted reserves appropriated from profit (Continued)

In the ordinary General Assembly meeting of the Company held on 2 June 2021 for 2020 financial year, the Company has decided to allocate a general legal reserve amounting to TRY1,390,503 calculated in accordance with the relevant legislation and allocate 50% of the profits derived from the sale of assets under equity as a special reserve to benefit from the tax exemption in accordance with the sub-paragraph (e) of the first paragraph of Article 5 of the Corporate Tax Law numbered 5520. In this context, the related amounts in the Group's financial statements are reported as "Restricted Reserves Allocated from Profit".

As per TCC and CMB regulations, a legal reserve equivalent to acquisition value is allocated for treasury shares. Accordingly, under the restricted reserves appropriated from profit item in the consolidated financial statements as of 30 June 2022, a legal reserve in the amount of TRY4,667,821 including transaction costs (31 December 2021: TRY1,596,612) was allocated for treasury shares.

d) Increase/(decrease) in revaluation of property, plant and equipment

The revaluation fund is the difference between the fair values of lands and buildings and net book value of them on a cost basis after the deferred tax effect is deducted.

NOTE 14 - REVENUE AND COST OF SALES

Revenue	1 January - 30 June 2022	1 April- 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Revenue from sale of coal (Note 1)	55,451,196	34,256,292	16,835,221	8,980,669
Revenue from royalty contract (Note 1)	25,045,181	16,307,797	15,027,489	9,594,524
Other	893,516	846,560	-	-
Sales returns	(294,391)	(60,021)	(2,486)	-
	81,095,502	51,350,628	31,860,224	18,575,193
Cost of sales	1 January - 30 June 2022	1 April- 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Amortisation expenses	20,487,627	12,881,948	12,165,010	7,358,208
General production overheads	16,825,719	9,921,267	6,634,335	3,804,431
Personnel expenses	2,969,361	1,656,854	1,541,004	713,806
Change in finished goods inventory	2,894,436	1,843,872	(2,862,639)	(3,048,114)
Raw materials expenses	1,626,129	1,259,902	183,344	156,792
Cost of other sales	1,235	-	-	-
	44,804,507	27,563,843	17,661,054	8,985,123

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONDENSED INTERIMCONSOLIDATED
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(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 15 - GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses	1 January - 30 June 2022	1 April- 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Personnel expenses	4,867,732	2,388,400	2,693,630	1,398,376
Management service expenses and cost distributions	644,610	424,037	514,212	279,443
Outsourced services	575,597	333,859	352,648	177,557
Depreciation and amortization charges	540,698	280,983	519,051	259,628
Rent expenses	375,739	187,910	313,989	158,036
Taxes, duties and charges	268,663	244,914	2,236,111	2,128,709
Litigation expenses	2,848	2,013	39,554	18,217
Other	622,839	316,578	524,936	203,556
	7,898,726	4,178,694	7,194,131	4,623,522

NOTE 16 - OTHER OPERATING INCOME / (EXPENSES)

Other operating income	1 January - 30 June 2022	1 April- 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Foreign exchange gains	824,355	556,515	-	-
Due date interest income	226,452	121	166,176	148,611
Exemption and discounts	-	-	1,500,000	-
Other	229,325	135,889	26,944	17,270
	1,280,132	692,525	1,693,120	165,881

Other operating expenses	1 January - 30 June 2022	1 April- 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Provision expense	14,869,949	11,769,902	4,003,511	2,776,682
Foreign exchange losses	952,076	508,399	473,118	222,634
Due date interest expense	2,287	1,428	7,807	5,719
Other	440,453	24,499	189,960	134,737
	16,291,765	12,304,228	4,674,396	3,139,772

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONDENSED INTERIMCONSOLIDATED
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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 17 - GAINS / (LOSSES) FROM INVESTING ACTIVITIES

	1 January - 30 June 2022	1 April- 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Gains from investing activities				
Fair value gains from investment properties	167,085,715	167,085,715	-	-
Gain on sale of financial assets	721	-	-	-
Gain on sale of property, plant and equipment	1,106,834	106,836	-	-
Rent income	2,670,824	1,408,789	646,272	535,046
Other	6,816	6,816	-	-
	170,870,910	168,608,156	646,272	535,046
Losses from investing activities				
Loss on sale of property, plant and equipment	-	-	2,920	-
	-	-	2,920	-

NOTE 18 - FINANCIAL INCOME / (EXPENSE)

	1 January - 30 June 2022	1 April- 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Financial income				
Foreign exchange gains	101,572,361	55,663,224	73,736,577	20,626,623
Interest income	29,951,741	15,699,733	8,268,817	4,155,825
	131,524,102	71,362,957	82,005,394	24,782,448
Financial expenses				
Interest expenses	97,669	75,986	96,920	95,004
Foreign exchange losses	56,788	9,698	134	134
Other financial expenses	259,408	135,821	186,876	92,076
	413,865	221,505	283,930	187,214

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIMCONSOLIDATED
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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 19 - TAX ASSETS AND LIABILITIES

Corporate tax

	30 June 2022	31 December 2021
Current period corporate tax liability	36,765,112	60,347,257
Prepaid corporate tax	(15,289,775)	(26,095,589)
Corporate tax liability / (assets)	21,475,337	34,251,668

Taxation on income in the statement of profit or loss as of 30 June 2022 and 2021 is as follows:

	30 June 2022	30 December 2021
Current period tax expense	36,765,112	21,541,534
Deferred tax expense / (income)	18,950,315	(1,101,405)
	55,715,427	(20,440,129)

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS and tax purposes.

The breakdown of deferred income tax assets / (liabilities) calculated using the accumulated temporary differences and the applicable tax rates at 30 June 2022 and 31 December 2021 are as follows:

Deferred tax assets / (liabilities)	30 June 2022	31 December 2021
Revaluation differences of investment properties	(55,756,511)	(34,425,411)
Adjustments related with tangible and intangible assets	(3,229,601)	(3,663,843)
Provisions for liability and accruals	8,716,013	6,540,408
Provisions for reteriment pay and unused vacation	1,435,944	1,126,036
Other	(35,353)	432,488
	(48,867,937)	(29,990,322)

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

Tax reconciliation

	1 January - 30 June 2022	1 January - 30 June 2021
Profit before tax	315,361,783	86,388,579
Applicable tax rate	23%	25%
Tax calculated at applicable tax rate	(72,533,210)	(21,597,145)
Disallowable expenses and differences	(1,547,056)	(776,771)
Deductions and exceptions	551,255	1,232,937
Tax rate differences / changes	17,874,645	(44,360)
Tax losses not carried forward	292,682	-
Carry forward tax loss	-	484,033
Other	(353,743)	261,177
Total tax expense	(55,715,427)	(20,440,129)

Turkish tax legislation does not permit a parent company, to file a tax return based on its financial statements consolidating its subsidiaries and joint ventures. For this reason, the tax provisions reflected in the consolidated financial statements are calculated separately for all companies that are included in consolidation.

With the amendment published in the Official Gazette No: 31462 and dated 22 April 2021, the corporate tax rate for 30 June 2022 is 23%. (2021: 25%). In line with current regulation, deferred tax assets and liabilities as of 30 June 2022 are calculated with 23%-22% tax rates for the temporary differences which will be realized in 2022, and with 20%-19% tax rates for those which will be realized after 2022.

As per Individual Pension Savings and Investment System Law No. 7351 promulgated in the Official Gazette on 22 January 2022, Article 15 of the Law Amending Decree Law no. 375 and the amendments to Article 32 of Corporate Tax Law No. 5520, the export earnings of exporters and the earnings of companies with an industry registry certificate and that de facto manufacture gain from manufacturing are subject to a one percent discount on corporate income tax.

Corporate tax rate is applied to the tax base that will be deducted from the income of the corporations for commercial income according to the tax law, deduction of the deductible expenses, exemption in tax laws (exemption of participation gains, investment incentive exception etc.) and deductions (such as R&D deduction). No further tax is payable unless the profit is distributed (except for the withholding tax at the rate of 19,8% calculated and paid on the exemption amount utilized in case of the exemption of investment incentive utilized in accordance with Article 61 of the Income Tax Law).

No deductions from dividends paid to non-resident corporations that earn income through a business office or permanent representative in Turkey and dividends paid to resident corporations in Turkey. Dividend payments made to persons and institutions other than these are subject to 10% withholding tax. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

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NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

Corporations are required to calculate a temporary corporate tax of 25% on their quarterly corporate income and declare it until the 14th day of the second month following that period and pay it until the evening of 17th day. The temporary tax paid during the year belongs to that year and is deducted from the corporation tax that will be calculated on the tax declaration of the institutions to be given in the following year. If any temporary tax amount paid in advance remains in spite of the deduction, this amount can be refunded or used to set off against other liabilities to the government.

In Turkey, there is no there is no procedure for a final and definitive agreement on tax assessments with the tax authority. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings.

According to Turkish tax legislation, tax losses shown on the tax return can be carried forward to be deducted from the period corporate income for not more than 5 years. However, tax losses can not be carried back to offset profits from previous periods.

NOTE 20 - EARNINGS PER SHARE

Earnings per share	1 January - 30 June 2022	1 January - 30 June 2021
Weighted average number of shares		
with nominal value of Kr 1 each (*)	14,877,698,057	14,886,724,300
Net profit attributable to equity holders of the Group	259,646,356	65,948,450
Basic and diluted earnings per share	0.0175	0.0044

(*) Calculated by adjusting the treasury shares.

NOTE 21 - RELATED PARTY DISCLOSURES

Due from Related Parties

Related party	Type of Relationship	30 June 2022		Total
		Trade Receivables	Other Receivables	
Park Holding A.Ş. (*)	Shareholder	-	716,851,037	716,851,037
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.	Related Party	6,015,799	-	6,015,799
Park Sigorta Aracılık Hizmetleri A.Ş.	Related Party	60,817	-	60,817
Silopi Elektrik Üretim A.Ş.	Related Party	131	3,200	3,331
Ciner Enerji Madencilik San. ve Tic. A.Ş.	Related Party	-	107	107
Total		6,076,747	716,854,344	722,931,091

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 21 - RELATED PARTY DISCLOSURES (Continued)

Related party	Type of Relationship	31 December 2021		Total
		Trade Receivables	Other Receivables	
Park Holding A.Ş. (*)	Shareholder	-	599,355,663	599,355,663
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.	Related Party	7,021,823	-	7,021,823
Silopi Elektrik Üretim A.Ş.	Related Party	17,862	5,260	23,122
Total		7,039,685	599,360,923	606,400,608

(*) The consideration amount of USD 150 million for Konya Ilgın subsidiary acquisition conducted in 2017 has been revised by the relevant parties as USD 126.2 million and the difference together with corresponding interest charges has been reflected to the current accounts of Park Holding A.Ş. as a receivable.

The Group's interest rates applied for commercial and financial transactions denominated in TRY during January - March: 20.14% and April - June: 20.21% (2021: January - March: 18.80%, April - June: 20.09%). For USD denominated transactions, January - March: 2.72% and April - June: 3.78% (2021: January - March: 2.52%, April - June: 2.41%).

Due to Related Parties

Related party	Type of Relationship	30 June 2022		Total
		Trade Payables	Other Payables	
Park Holding A.Ş.	Shareholder	415,579	-	415,579
Silopi Elektrik Üretim A.Ş.	Related Party	33,311	-	33,311
Ciner Turizm Tic. İnş. Servis Hizmetleri A.Ş.	Related Party	26,067	-	26,067
Ciner Enerji Madencilik San. ve Tic. A.Ş.	Related Party	24,297	255	24,552
Park Teknik Elekt. Maden. Turizm San. Tic. A.Ş.	Related Party	20,641	-	20,641
Other	Shareholder	-	157,291	157,291
Total		519,895	157,546	677,441

Related party	Type of Relationship	31 December 2021		Total
		Trade Payables	Other Payables	
Park Holding A.Ş.	Shareholder	249,008	-	249,008
Park Sigorta Aracılık Hizmetleri A.Ş.	Related Party	27,053	-	27,053
Silopi Elektrik Üretim A.Ş.	Related Party	16,375	-	16,375
Ciner Turizm Tic. İnş. Servis Hizmetleri A.Ş.	Associate	11,568	-	11,568
Park Teknik Elekt. Maden. Turizm San. Tic. A.Ş.	Related Party	-	463	463
Other	Shareholder	-	2,803	2,803
Total		304,004	3,266	307,270

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

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NOTE 21 - RELATED PARTY DISCLOSURES (Continued)

Goods and Services Purchased from Related Parties

		30 June 2022						
Related party	Type of Relationship	Goods	Services	Fixed Assets	Finance expense	Rent	Other	Total
Park Holding A.Ş.	Shareholder	-	299,049	-	85,645	341,700	912,540	1,638,934
Silopi Elektrik Üretim A.Ş.	Related Party	115,895	-	1,400,000	349	93,171	22,932	1,632,347
Park Teknik Madencilik Turizm San. ve Tic. A.Ş.	Related Party	40,000	-	630,000	10,882	20,000	-	700,882
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Related Party	-	-	-	-	-	209,863	209,863
Ciner Turizm Tic, İnş, Servis Hizm, A.Ş.	Related Party	-	-	-	99	67,800	2,059	69,958
Park Sigorta Aracılık Hiz. A.Ş.	Related Party	-	4,742	-	-	-	-	4,742
Ciner Enerji Madencilik San. ve Tic. A.Ş.	Related Party	-	-	-	2,982	-	-	2,982
Total		155,895	303,791	2,030,000	99,957	522,671	1,147,394	4,259,708

		30 June 2021						
Related party	Type of Relationship	Goods	Services	Fixed Assets	Finance expense	Rent	Other	Total
Park Holding A.Ş.	Shareholder	-	202,319	-	-	285,444	649,429	1,137,192
Park Teknik Madencilik Turizm San. ve Tic. A.Ş.	Related Party	72,000	12,572	850,000	4,433	-	4,619	943,624
Park Sigorta Aracılık Hiz. A.Ş.	Related Party	-	188,571	-	1,154	-	-	189,725
Silopi Elektrik Üretim A.Ş.	Related Party	93,182	-	-	-	48,749	27,394	169,325
Havaş Turizm Sey. ve Kargo Taş. A.Ş.	Related Party	-	-	-	5,616	47,340	1,248	54,204
Ciner Enerji Madencilik San. ve Tic. A.Ş.	Associate	-	-	-	9,224	-	-	9,224
Total		165,182	403,462	850,000	20,427	381,533	682,690	2,503,294

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

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NOTE 21 - RELATED PARTY DISCLOSURES (Continued)

Goods and Services Sold to Related Parties

30 June 2022							
Related party	Type of Relationship	Goods	Financial Income	Rent	Fixed Assets	Other	Total
Park Holding A.Ş.	Shareholder	-	131,416,136	-	-	351,021	131,767,157
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Related Party	43,851,247	226,331	-	-	-	44,077,578
Silopi Elektrik Üretim A.Ş.	Related Party	-	3,321	13,960	1,707,000	-	1,724,281
Park Cam San. ve Tic. A.Ş.	Related Party	-	-	-	-	100,086	100,086
Ciner Enerji Madencilik San. ve Tic. A.Ş.	Related Party	-	107	-	-	5,600	5,707
Ciner Turizm Tic. İnş. Servis Hizm. A.Ş.	Related Party	-	101	-	-	-	101
Total		43,851,247	131,645,996	13,960	1,707,000	456,707	177,674,910

30 June 2021							
Related party	Type of Relationship	Goods	Financial Income	Rent	Fixed Assets	Other	Total
Park Holding A.Ş.	Shareholder	-	81,197,245	-	-	-	81,197,245
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Related Party	16,832,735	165,766	-	-	-	16,998,501
Ciner Enerji Madencilik San. ve Tic. A.Ş.	Associate	-	333	-	500,000	-	500,333
Silopi Elektrik Üretim A.Ş.	Related Party	-	3,680	53,421	-	567	57,668
Havaş Turizm Sey. ve Kargo Taş. A.Ş.	Related Party	-	56	-	-	-	56
Total		16,832,735	81,367,080	53,421	500,000	567	98,753,803

Benefits provided to key management personnel (*)	1 January - 30 June 2022	1 January - 30 June 2021
Wages, bonuses and other similar benefits	137,162	103,641

(*) Key management consists of members of the Board of Directors of the Company and its subsidiary, General Manager, Vice General Managers and management personnel with titles above manager in hierarchy. Among key management personnel, only the independent members of the Board of Directors are paid in line with the decision taken at the Ordinary General Assembly meeting, and no payment is made to the Board members due to their duties in the Board of Directors.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 21 - RELATED PARTY DISCLOSURES (Continued)

Park Holding A.Ş.

In line with the cash management policy of Park Holding A.Ş., the controlling shareholder of the Group, Park Holding A.Ş. may fund entities controlled by itself and if needed use available excess funds from them. The Group obtains interest income at the interest rates stated above for the financial receivables

As discussed above, the Group charges interest for all financial and commercial transactions with related parties. Group earned finance income amounting to TRY131,416,136 as of June 2022 (30 June 2021: TRY81,197,245).

The Group's total non-commercial receivables from Park Holding A.Ş. as of 30 June 2022 is TRY716,851,037. As of June 30, 2022, this balance consists of both foreign currency and Turkish lira balances, with a foreign currency balance of USD27,834,371. The relevant foreign currency balance was at the level of USD27,487,171 at the end of 2021.

The main shareholder of the Company, Park Holding A.Ş. provides group companies with the management services needed to carry out their activities properly. These services include but not limited to; fulfillment of procurement functions, fulfillment of information processing investments, supply of technical information and support for human resources processes, financial reporting, audit, tax planning and legal consultancy processes. Park Holding A.Ş. allocates the costs incurred in order to provide the indicated services to companies based on the level of utilization of these services.

The Company also uses the allocated area of the real estate owned by Park Holding A.Ş. as the headquarter and bears the rent and similar usage and operating expenses.

Other Related Companies

The Group purchased equipment and procured labour force from Park Teknik Madencilik Turizm Sanayi ve Ticaret A.Ş.

The Group purchases electricity energy from Silopi Elektrik Üretim A.Ş. to be used in investment properties and purchase/sell fixed assets.

The Group leases cars from Ciner Turizm Ticaret İnşaat Servis Hizmetleri A.Ş. ve Havaş Turizm Seyahat ve Kargo Taşımacılığı A.Ş..

The Group purchases insurance policy from Park Sigorta Aracılık Hizmetleri A.Ş.

The Group sales coal to Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

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NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a) Capital Risk Management

The Group manages its capital to ensure that it will maintain its status as a going concern while maximizing the return of stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt including the short term borrowings, cash and cash equivalents disclosed in Note 3 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 13.

The Management of the Group considers the cost of capital and risks associated with each class of capital. The Management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or redemption of existing debt.

The Group controls its capital using the net debt / total equity ratio. This ratio is calculated as net debt divided by the total equity amount. Net debt is calculated as total debt amount (comprises of financial liabilities and leasing payables as presented in the balance sheet) less cash and cash equivalents.

As of 30 June 2022 and 31 December 2021 the Group's net debt / total equity ratio is detailed as follows:

	30 June 2022	31 December 2021
Financial liabilities	-	-
Less: Cash and cash equivalents and short-term financial assets	(1,560,256)	(11,999,229)
Net debt	(1,560,256)	(11,999,229)
Total equity	1,215,400,645	959,116,299
Net Debt / Total Equity ratio (%)	(0.128)	(1.25)

The Group has not made any changes to its overall capital risk management policy in the current period.

b) Financial Risk Factors

The Group's activities expose it to market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects over the Group's financial performance.

The Group manages its financial instruments in line with the Group's risk policies. The Group's cash inflows and outflows are monitored by using the reports prepared on a daily, weekly and monthly basis and the related data is compared to the monthly and yearly cash flow budgets.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

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NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors

Risk management is carried out by a central Risk Management Department under the policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

(b.1) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's Management mitigates such risk by putting limitations on the contracts with counterparties and obtaining sufficient collaterals, where appropriate. Trade receivables are evaluated based on the Group's policies and procedures and presented net of doubtful provision in the financial statements accordingly (Note 4).

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

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NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors

(b.1) Credit Risk Management

	30 June 2022				
Credit risks exposed through types of financial instruments	Receivables				Bank Deposits
	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Maximum credit risk exposed as of the balance sheet date (*)					
(A +B+C+D+E)	6,076,747	11,855,030	716,854,344	2,823,954	1,666,394
- Maximum risk portion covered by guarantees, collaterals, etc,	-	(1,666,900)	(200,000,000)	-	-
A, Net book value of financial assets neither overdue nor impaired	6,076,747	10,714,689	716,854,344	-	1,666,394
- Portion covered by guarantees, collaterals etc,		(1,666,900)	(200,000,000)	-	-
B, Net book value of financial assets that are renegotiated or otherwise					
will be accepted as overdue or impaired	-	-	-	-	-
- Portion covered by guarantees, collaterals etc,	-	-	-	-	-
C, Net book value of assets over due but not impaired	-	1,140,341	-	-	-
- Portion covered by guarantees, collaterals etc,	-	-	-	-	-
D, Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	11,896,685	-	775,504	-
- Impairment (-)	-	(11,896,685)	-	(775,504)	-
- Net value portion covered by guarantees, collaterals, etc, (-)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value portion covered by guarantees, collaterals, etc, (-)	-	-	-	-	-
E, Off-balance sheet items with credit risk	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not taken into consideration in the calculation.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2022

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NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors

(b.1) Credit Risk Management

	31 December 2021				
Credit risks exposed through types of financial instruments	Receivables				Bank Deposits
	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Maximum credit risk exposed as of the balance sheet date (*) (A+B+C+D+E)	7,039,685	6,674,373	599,360,923	3,036,137	11,970,090
- Maximum risk portion covered by guarantees, collaterals, etc,	-	(1,297,750)	(200,000,000)		
A, Net book value of financial assets neither overdue nor impaired	7,039,685	6,674,373	599,360,923	2,937,744	11,970,090
- Portion covered by guarantees, collaterals etc	-	(1,297,750)	(200,000,000)	-	-
B, Net book value of financial assets that are renegotiated or otherwise will be accepted as overdue or impaired	-	-	-	-	-
- Portion covered by guarantees, collaterals etc	-	-	-	-	-
C, Net book value of assets over due	-	-	-	98,393	-
But not impaired	-	-	-	-	-
- Portion covered by guarantees, collaterals etc,	-	-	-	-	-
D, Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	9,391,975	-	609,483	-
- Impairment (-)	-	(9,391,975)	-	(609,483)	-
- Net value portion covered by guarantees, collaterals, etc,	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value portion covered by guarantees, collaterals, etc, (-)	-	-	-	-	-
E, Off-balance sheet items with credit risk	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not taken into consideration in the calculation.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

b) Financial Risk Factors

(b.1) Credit Risk Management

Past due but not impaired assets are presented as below:

	30 June 2022	
	Trade Receivables	Other Receivables
Past due 1-30 days	65,914	-
Past due 1-3 months	1,074,427	-
Past due 3-12 months	-	-
Past due 1-5 years	-	-
Total overdue receivables	1,140,341	-

	31 December 2021	
	Trade Receivables	Other Receivables
Past due 1-30 days	-	-
Past due 1-3 months	-	98,393
Past due 3-12 months	-	-
Past due 1-5 years	-	-
Total overdue receivables	-	98,393

(b.2) Liquidity Risk Management

The Group manages its liquidity through a systematic monitoring of its cash flows and matching the maturities of its assets and liabilities to maintain adequate funds and loan reserves.

Liquidity risk tables

Conservative liquidity risk management requires maintaining adequate reserves, having the ability to utilize adequate level of credit lines and funds, and closing market positions.

Funding risk attributable to current and future potential borrowing needs is managed by providing ongoing access to adequate number of creditors with high quality.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

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NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors

(b.2) Liquidity Risk Management

The following table shows the Group's financial liabilities and their maturities. The tables below have been drawn up based on the undiscounted contractual cash flows and earliest payment dates of financial liabilities. Interest to be paid over those liabilities are included and summarized in the below table.

30 June 2022					
Contractual maturities	Carrying value	Total cash Outflows in accordance with contracts (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 year (III)
Non-derivate financial liabilities	40,966,564	41,127,669	33,157,274	3,002,171	4,968,224
Trade payables	28,267,826	28,428,931	26,308,247	2,120,684	-
Other payables	8,126,398	8,126,398	3,814,055	112,803	4,199,540
Other short term and long term liabilities	4,572,340	4,572,340	3,034,972	768,684	768,684

31 December 2021					
Contractual maturities	Carrying value	Total cash Outflows in accordance with contracts (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 year (III)
Non-derivate financial liabilities	23,336,633	23,347,482	13,526,921	5,390,871	4,429,690
Trade payables	8,663,285	8,674,134	5,324,983	3,349,151	-
Other payables	5,645,908	5,645,908	2,256,440	112,803	3,276,665
Other short term and long term liabilities	9,027,440	9,027,440	5,945,498	1,928,917	1,153,025

(b.3) Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. At a Group level, market risk exposures are measured by sensitivity analysis. When compared to prior periods, there has been no change in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

(b.3.1) Foreign currency risk management

Foreign currency risk is the risk of volatility in the foreign currency denominated monetary assets, monetary liabilities and off-balance sheet liabilities due to changes in currency exchange rates. The breakdown of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of the balance sheet date are as follow:

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONDENSED INTERIMCONSOLIDATED
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**NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

		30 June 2022			
		TRY Equivalent	USD	Euro	GBP
1.	Trade Receivable	8,398,659	503,849	-	-
2a.	Monetary Financial Assets	570,896	600	32,011	-
2b.	Non-monetary Financial Assets	-	-	-	-
3.	Other	-	-	-	-
4.	CURRENT ASSETS	8,969,555	504,449	32,011	-
5.	Trade Receivable	-	-	-	-
6a.	Monetary Financial Assets	463,971,130	27,834,371	-	-
6b.	Non-monetary Financial Assets	-	-	-	-
7.	Other	4,730,967	-	270,000	-
8.	NON-CURRENT ASSETS	468,702,097	27,834,371	270,000	-
9.	TOTAL ASSETS	477,671,652	28,338,820	302,101	
10.	Trade Payables	-	-	-	-
11.	Financial Liabilities	-	-	-	-
12a.	Other Monetary Liabilities	6,389,416	-	364,649	-
12b.	Other Non-monetary Liabilities	-	-	-	-
13.	CURRENT LIABILITIES	6,389,416	-	364,649	-
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities	-	-	-	-
16a.	Other Monetary Liabilities	4,167,250	250,000	-	-
16b.	Other Non-monetary Liabilities	-	-	-	-
17.	NON-CURRENT LIABILITIES	4,167,250	250,000	-	-
18.	TOTAL LIABILITIES	10,556,666	250,000	364,649	-
19.	Net assets/(liability) position of off balance sheet derivates items (19a-19b)				
19a.	Amount of Derivative Products with Active Charged Off Balance Sheet Foreign Currency	-	-	-	-
19b.	Amount of Derivative Products with Passive Charged Off Balance Sheet Foreign Currency	-	-	-	-
20.	Net foreign currency assets/(liability) position	467,114,986	28,088,820	(62,638)	-
21.	Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	467,114,986	28,088,820	396,660	-
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Total amount of assets hedged	-	-	-	-
24.	Total amount of liabilities hedged	-	-	-	-

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
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**NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

	31 December 2021			
	TRY Equivalent	USD	Euro	GBP
1. Trade Receivable	3,136,091	241,656	-	-
2a. Monetary Financial Assets	472,700	222	31,999	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	3,608,791	241,878	31,999	-
5. Trade Receivable	-	-	-	-
6a. Monetary Financial Assets	356,714,762	27,487,171	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	356,714,762	27,487,171	-	-
9. TOTAL ASSETS	360,323,552	27,729,049	31,999	-
10. Trade Payables	127,070	9,339	400	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	5,314,963	-	361,998	-
12b. Other Non-monetary Liabilities	-	-	-	-
13. CURRENT LIABILITIES	5,442,033	9,339	362,398	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	3,244,375	250,000	-	-
16b. Other Non-monetary Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	3,244,375	250,000	-	-
18. TOTAL LIABILITIES	8,686,408	259,339	362,398	-
19. Net assets/(liability) position of off balance sheet derivates items (19a-19b)	-	-	-	-
19a. Amount of Derivative Products with Active Charged Off Balance Sheet Foreign Currency	-	-	-	-
19b. Amount of Derivative Products with Passive Charged Off Balance Sheet Foreign Currency	-	-	-	-
20. Net foreign currency assets/(liability) position	351,637,145	27,469,710	(330,399)	-
21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	351,637,145	27,469,710	(330,399)	-
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Total amount of assets hedged	-	-	-	-
24. Total amount of liabilities hedged	-	-	-	-

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

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NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The Group is mainly exposed to USD currency risks. Effects of other currencies are immaterial.

Assets and liabilities denominated in foreign currencies are translated at the exchange rates announced by the Turkish Central Bank as of 30 June 2022 (30 June 2022: 1 USD = TRY16.6690, 1 EUR = TRY17.5221 and 1 GBP = 20.2527; 31 December 2021: 1 USD = TRY12.9775, 1 Avro = TRY14.6823 and 1 GBP = 17.4530).

The table below presents the Group's sensitivity to a 20% (31 December 2021: 10%) deviation in foreign exchange rates. 20% is the rate used by the Group when generating its report on exchange rate risk; the related rate stands for the presumed possible change in the foreign currency rates by the Group's Management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit/loss or equity.

Foreign currency sensitivity

	30 June 2022	
	Appreciation of foreign currency	Depreciation of foreign currency
When 20% appreciation of USD against TRY	93,642,508	(93,642,508)
USD net asset/(liability)	93,642,508	(93,642,508)
When 20% appreciation of EUR against TRY	(219,511)	219,511
EUR net asset/(liability)	(219,511)	219,511
When 20% appreciation of other foreign currency against TRY	-	-
Other foreign currency net asset/(liability)	-	-
Total	93,422,997	(93,422,997)

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

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**NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

	31 December 2021	
	Profit/(Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
When 10% appreciation of USD against TRY	35,648,816	(35,648,816)
USD net asset/(liability)	35,648,816	(35,648,816)
When 10% appreciation of EUR against TRY	(485,102)	485,102
EUR net asset/(liability)	(485,102)	485,102
When 10% appreciation of other foreign currency against TRY	-	-
Other foreign currency net asset/(liability)	-	-
Total	35,163,714	(35,163,714)

The Group's financial assets and liabilities do not expose interest rate risk.

Financial Instruments Categories

		Financial liabilities at amortized cost	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Carrying value
30 June 2022	Notes				
Financial assets		-	739,290,481	-	739,290,481
Cash and cash equivalents	3	-	1,680,406	-	1,680,406
Trade receivables	4	-	11,855,030	-	11,855,030
Due from related parties	21	-	722,931,091	-	722,931,091
Other receivables	21	-	2,823,954	-	2,823,954
Financial liabilities		36,394,224	-	-	36,394,224
Trade payables	4	27,747,931	-	-	27,747,931
Due to related parties	21	677,441	-	-	677,441
Other payables	21	7,968,852	-	-	7,968,852

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

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**NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

31 December 2021	Notes	Financial liabilities at amortized cost	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Carrying value
Financial assets		-	628,081,538	28,809	628,110,347
Cash and cash equivalents	4	-	11,970,420	-	11,970,420
Trade receivables	6	-	6,674,373	-	6,674,373
Due from related parties	23	-	606,400,608	-	606,400,608
Other receivables	8	-	3,036,137	-	3,036,137
Financial assets	5	-	-	28,809	28,809
Financial liabilities		14,309,193	-	-	14,309,193
Trade payables	6	8,359,281	-	-	8,359,281
Due to related parties	23	307,270	-	-	307,270
Other payables	8	5,642,642	-	-	5,642,642

NOTE 23 - SUBSEQUENT EVENTS

Under the Share Buy-back Program approved on 2 June 2021 in the Ordinary General Assembly related to 2020, considering matching orders as of the date of the report, shares representing 0.03% of the Company's paid in capital having TRY50,000 of nominal value were repurchased for TRY335,691 including transaction costs.

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