

**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 2023  
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 subsidiaries (collectively referred as the “Group”) as at 30 June 2023 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 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 as of 30 June 2023. 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.

Çağlar Sürücü, SMMM  
Partner

Istanbul, 16 August 2023

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

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023

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

	Notes	Current Period Reviewed 30 June 2023	Prior Period Audited 31 December 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	37,575,150	159,479,948
Financial investments	4	15,656,464	720,699
Trade receivables	5	58,247,509	31,308,249
<i>Trade receivables due from related parties</i>	22	<i>16,901,553</i>	<i>11,657,418</i>
<i>Trade receivables due from third parties</i>		<i>41,345,956</i>	<i>19,650,831</i>
Other receivables	6	277,837,393	5,021,377
<i>Other receivables due from related parties</i>	22	<i>276,441,953</i>	<i>3,106,641</i>
<i>Other receivables due from third parties</i>		<i>1,395,440</i>	<i>1,914,736</i>
Inventories	7	23,655,907	14,062,895
Prepayments	13	4,987,736	532,823
Current tax assets		-	123,528
Other current assets	12	78,630	114,467
<b>Total current assets</b>		<b>418,038,789</b>	<b>211,363,986</b>
<b>Non-current assets</b>			
Other receivables	6	589,581,332	561,402,162
<i>Other receivables due from related parties</i>	22	<i>589,044,175</i>	<i>561,081,402</i>
<i>Other receivables due from third parties</i>		<i>537,157</i>	<i>320,760</i>
Inventories	7	134,476	153,207
Investment property	8	879,398,500	541,794,160
Property, plant and equipment	9	295,083,929	263,542,804
Intangible assets	10	16,030,350	16,394,025
Prepayments	13	436,000	-
Other non-current assets	12	31,693,189	26,155,541
<b>Total non-current assets</b>		<b>1,812,357,776</b>	<b>1,409,441,899</b>
<b>Total assets</b>		<b>2,230,396,565</b>	<b>1,620,805,885</b>

The condensed interim consolidated financial statements for the period 1 January - 30 June 2023 have been approved and authorized for issue by the Board of Directors on 16 August 2023.

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 2023**

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

	Notes	Current Period Reviewed 30 June 2023	Prior Period Audited 31 December 2022
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	5	62,641,007	36,675,042
<i>Trade payables to related parties</i>	22	464,754	703,289
<i>Trade payables to third parties</i>		62,176,253	35,971,753
Employee benefit obligations		1,816,734	1,388,462
Other payables	6	174,245,872	6,548,183
<i>Other payables to related parties</i>	22	170,002,932	2,803
<i>Other payables to third parties</i>		4,242,940	6,545,380
Deferred income	13	2,888,667	2,755,411
Current tax liability	20	46,211,536	9,756,767
Current provisions	11	64,688,758	61,262,736
<i>Current provisions for employee benefits</i>		3,149,255	2,123,995
<i>Other current provisions</i>		61,539,503	59,138,741
Other current liabilities	12	16,040,219	4,796,941
<b>Total current liabilities</b>		<b>368,532,793</b>	<b>123,183,542</b>
<b>Non-current liabilities</b>			
Other payables	6	6,488,065	4,706,865
<i>Other payables to third parties</i>		6,488,065	4,706,865
Non-current provisions	11	44,362,113	41,392,440
<i>Non-current provisions for employee benefits</i>		9,242,289	7,179,220
<i>Other non-current provisions</i>		35,119,824	34,213,220
Deferred tax liabilities	20	99,148,378	59,454,623
Other non-current liabilities	12	-	192,172
<b>Total non-current liabilities</b>		<b>149,998,556</b>	<b>105,746,100</b>
<b>Total liabilities</b>		<b>518,531,349</b>	<b>228,929,642</b>
<b>EQUITY</b>			
Issued capital	14	148,867,243	148,867,243
Adjustments on capital		16,377,423	16,377,423
Treasury shares (-)		(5,003,561)	(5,003,561)
Effects of business combinations under common control		(322,280,157)	(322,280,157)
Share premium		132,368	132,368
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss			
Gains (losses) on revaluation and remeasurement		107,782,366	107,906,240
- <i>Gains on revaluation of property, plant and equipment</i>		107,394,806	107,518,680
- <i>Gains on remeasurement of defined             benefit plans</i>		387,560	387,560
Restricted reserves appropriated from profits		325,317,979	308,250,838
Prior years' profits		950,682,582	711,194,032
Current period net profit		489,988,973	426,431,817
<b>Total equity</b>		<b>1,711,865,216</b>	<b>1,391,876,243</b>
<b>Total liabilities and equity</b>		<b>2,230,396,565</b>	<b>1,620,805,885</b>

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 2023**

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

	Notes	Current Period Reviewed 1 January - 30 June 2023	Current Period Unreviewed 1 April - 30 June 2023	Prior Period Reviewed 1 January - 30 June 2022	Prior Period Unreviewed 1 April - 30 June 2022
<b>Profit or loss section:</b>					
Revenue	15	105,740,545	63,433,143	81,095,502	51,350,628
Cost of sales (-)	15	(59,894,357)	(31,577,592)	(44,804,507)	(27,563,843)
<b>Gross Profit</b>		<b>45,846,188</b>	<b>31,855,551</b>	<b>36,290,995</b>	<b>23,786,785</b>
General administrative expenses (-)	16	(14,852,731)	(6,677,378)	(7,898,726)	(4,178,694)
Marketing expenses (-)		(215,189)	(215,189)	-	-
Other income from operating activities	17	6,421,914	2,479,633	1,280,132	692,525
Other expenses from operating activities (-)	17	(23,825,845)	(19,604,301)	(16,291,765)	(12,304,228)
<b>Profit from operating activities</b>		<b>13,374,337</b>	<b>7,838,316</b>	<b>13,380,636</b>	<b>7,996,388</b>
Investment activity income	18	342,062,652	340,174,752	170,870,910	168,608,156
Investment activity expenses (-)		(12,591)	(108)	-	-
<b>Profit before financing income/(expense)</b>		<b>355,424,398</b>	<b>348,012,960</b>	<b>184,251,546</b>	<b>176,604,544</b>
Finance income	19	237,534,394	210,557,673	131,524,102	71,362,957
Finance costs (-)	19	(764,568)	(440,401)	(413,865)	(221,505)
<b>Profit from continuing operations, before tax</b>		<b>592,194,224</b>	<b>558,130,232</b>	<b>315,361,783</b>	<b>247,745,996</b>
<b>Tax expense, continuing operations</b>		<b>(102,205,251)</b>	<b>(99,045,671)</b>	<b>(55,715,427)</b>	<b>(40,296,166)</b>
Current period tax (expense)	20	(62,490,218)	(54,760,368)	(36,765,112)	(21,463,780)
Deferred tax (expense)	20	(39,715,033)	(44,285,303)	(18,950,315)	(18,832,386)
<b>Profit from continuing operations</b>		<b>489,988,973</b>	<b>459,084,561</b>	<b>259,646,356</b>	<b>207,449,830</b>
<b>Profit</b>		<b>489,988,973</b>	<b>459,084,561</b>	<b>259,646,356</b>	<b>207,449,830</b>
<b>Earnings per share from continuing operations</b>	<b>21</b>	<b>0.0330</b>	<b>0.0310</b>	<b>0.0175</b>	<b>0.0139</b>
<b>Other comprehensive income section:</b>					
<b>Other comprehensive income/(loss)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>489,988,973</b>	<b>459,084,561</b>	<b>259,646,356</b>	<b>207,449,830</b>

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 2023

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

	Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss										Retained earnings		
	Issued capital	Treasury shares	Adjustments on 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 appropriated from profits	Effects of business combinations under common control	Prior years’ profits	Net profit	Total equity	
<b>1 January 2022</b>	<b>148,867,243</b>	<b>(1,596,612)</b>	<b>16,377,423</b>	<b>6,307,642</b>	<b>99,545,680</b>	<b>648,183</b>	<b>(9,629,793)</b>	<b>304,843,889</b>	<b>(322,280,157)</b>	<b>460,863,716</b>	<b>255,169,083</b>	<b>959,116,297</b>	
Transfers	-	-	-	(6,175,274)	(2,126,318)	-	9,629,793	-	-	253,840,882	(255,169,083)	-	
Increase/(decrease) through treasury share transactions (*)	-	(3,071,209)	-	-	-	-	-	3,071,209	-	(3,071,209)	-	(3,071,209)	
Total comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	259,646,356	259,646,356	
<b>30 June 2023</b>	<b>148,867,243</b>	<b>(4,667,821)</b>	<b>16,377,423</b>	<b>132,368</b>	<b>97,419,362</b>	<b>648,183</b>	<b>-</b>	<b>307,915,098</b>	<b>(322,280,157)</b>	<b>711,633,389</b>	<b>259,646,356</b>	<b>1,215,691,444</b>	
<b>1 January 2023</b>	<b>148,867,243</b>	<b>(5,003,561)</b>	<b>16,377,423</b>	<b>132,368</b>	<b>107,518,680</b>	<b>387,560</b>	<b>-</b>	<b>308,250,838</b>	<b>(322,280,157)</b>	<b>711,194,032</b>	<b>426,431,817</b>	<b>1,391,876,243</b>	
Transfers	-	-	-	-	(123,874)	-	-	17,067,141	-	409,488,550	(426,431,817)	-	
Dividends	-	-	-	-	-	-	-	-	-	(170,000,000)	-	(170,000,000)	
Total comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	489,988,973	489,988,973	
<b>30 June 2023</b>	<b>148,867,243</b>	<b>(5,003,561)</b>	<b>16,377,423</b>	<b>132,368</b>	<b>107,394,806</b>	<b>387,560</b>	<b>-</b>	<b>325,317,979</b>	<b>(322,280,157)</b>	<b>950,682,582</b>	<b>489,988,973</b>	<b>1,711,865,216</b>	

(\*) Within the scope of Share Buy-Back Programs, considering matching orders as of 30 June 2023, shares with TRY550,000 of nominal value, equivalent to 0.37% 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 2023

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

STATEMENT OF CASH FLOWS	Notes	Current Period Reviewed 1 January 30 June 2023	Prior Period Reviewed 1 January 30 June 2022
<b>A. Cash flows from operating activities</b>		<b>(796,884)</b>	<b>(6,676,683)</b>
<b>Profit</b>		<b>489,988,973</b>	<b>259,646,356</b>
<b>Adjustments to reconcile profit</b>		<b>(414,220,391)</b>	<b>(208,735,438)</b>
Adjustments for (gains) on disposal of property, plant and equipment		(93,976)	(1,106,834)
Adjustments for depreciation and amortization expense	9,10	39,007,775	21,028,325
Adjustments for provisions related with employee benefits	11	3,481,728	2,005,703
Adjustments for lawsuit and/or penalty provisions	11	19,743,215	14,730,927
Adjustments for tax expense	20	102,205,251	55,715,427
Adjustments for interest income		(32,649,989)	(30,222,384)
Adjustments for unrealized foreign exchange translation differences		(204,402,250)	(101,387,852)
Adjustments for fair value gains			
Adjustments for fair value gains of investment property		(336,044,045)	(167,085,715)
Adjustments for fair value gains of financial assets		(2,022,100)	(-)
Other adjustments for which cash effects are investing or financing cash flow		(3,446,000)	(2,413,035)
<b>Changes in working capital</b>		<b>(41,466,525)</b>	<b>(4,494,551)</b>
Adjustments for decrease/(increase) in inventories		(9,574,281)	2,022,680
Adjustments for (increase) in trade receivables		(24,036,185)	(3,194,421)
Adjustments for (increase) in prepaid expenses		(4,890,913)	(4,796,704)
Adjustments for decrease/(increase) in other receivables related with operations		302,899	211,461
Adjustments for increase in trade payables		1,493,553	3,705,178
Adjustments for (increase) in other current assets related with operations		(5,523,090)	(119,842)
Adjustments for increase in payables related to the employee benefits		428,271	731,796
Adjustments for increase/(decrease) in other payables related with operations		(2,302,309)	1,459,946
Adjustments for increase/(decrease) in other current liabilities related with operations		2,502,274	(4,455,101)
Adjustments for increase/(decrease) in deferred income		133,256	(59,544)
<b>Cash flows from operations</b>		<b>34,302,057</b>	<b>46,416,367</b>
Payments related with provisions for employee benefits	11	(393,399)	(473,668)
Payments related with other provisions	11	(17,342,453)	(3,005,239)
Income taxes paid		(17,363,089)	(49,614,143)
<b>B. Cash flows from investing activities</b>		<b>(122,661,717)</b>	<b>(331,014)</b>
Cash outflows from purchases of property, plant and equipment and intangible assets		(46,448,116)	(20,457,699)
Cash inflows from sale of property, plant and equipment and intangible assets		145,762	3,619,064
Cash outflows from acquisition of investment property		(1,560,295)	-
Cash payments to acquire equity or debt instruments of other businesses or funds		-	(90,251)
Cash receipts from sales of equity or debt instruments of other businesses or funds		-	721
Cash receipts from repayment of advances and loans made to related parties		-	13,926,327
Cash advances and loans made to related parties		(65,775,675)	-
Other inflows (outflows) of cash		(9,023,393)	2,670,824
<b>C. Cash flows from financing activities</b>		<b>(407,767)</b>	<b>(3,328,998)</b>
Payments to acquire treasury shares		-	(3,071,209)
Other (outflows) of cash		(407,767)	(257,789)
<b>D. Foreign currency translation differences on cash and cash equivalents</b>		<b>1,961,570</b>	<b>46,681</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C+D)</b>		<b>(121,904,798)</b>	<b>(10,290,014)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3</b>	<b>159,479,948</b>	<b>11,970,420</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3</b>	<b>37,575,150</b>	<b>1,680,406</b>

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 2023**

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

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### **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 licenses and royalty agreement. 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 2026 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.

Konya Ilgın's electricity generation license dated 27 February 2013 with a term of 49 years has been cancelled by the Board Decision of Energy Market Regulation Authority of Turkey (“EMRA”) dated 27.10.2022 and numbered 11321-10 as a result of the application made for the amendment of the license to extend the completion period of the facility. In accordance with Article 11 of the Administrative Procedure Law No. 2577 an objection has been filed to EMRA against the said decision. Konya Ilgın’s requests within the scope of the related appeal were rejected by EMRA’s Board Decision dated 22.12.2022 and numbered 11471-3 and notified to Konya Ilgın. On January 3, 2023, Konya Ilgın filed a lawsuit for the suspension of execution and cancellation of the related decision of EMRA before Ankara 21st Administrative Court with the file number 2023/11 and the lawsuit process is ongoing. Ankara 21st Administrative Court, with its decision dated March 8, 2023; decided to reject the request for suspension of execution. As a result of the objection made by Konya Ilgın against the court decision regarding the rejection of the request for suspension of execution, the 8th Administrative Case Division of the Ankara Regional Administrative Court decided to reject the objection request with its decision dated 13 April 2023. The investigation on the merits of the case is ongoing and no decision has been made yet on the merits of the case.

# 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 2023

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

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

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 2023, the Company has 47 employees (31 December 2022: 50 employees).

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

The Company’s shareholding structure is presented as below:

Shareholders	30 June 2023		31 December 2022	
	Shareholding Ratio	Amount	Shareholding Ratio	Amount
Park Holding A.Ş.	61.24	91,170,622	61.24	91,170,622
Turgay Ciner	6.76	10,065,983	6.76	10,065,983
Other (*)	32.00	47,630,638	32.00	47,630,638
<b>Total</b>	<b>100</b>	<b>148,867,243</b>	<b>100</b>	<b>148,867,243</b>

(\*) Considering matching orders as of 30 June 2023, includes treasury shares with TRY1,300,000 of nominal value.

The Company’s main shareholder Park Holding A.Ş. 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 16 August 2023 and authorized for issue. The Company’s General Assembly has the authority to alter 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 2023

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

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### 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”) communique numbered II-14.1 “Communique on the Principles of Financial Reporting In Capital Markets” (the Communique) which was published in the Official Gazette numbered 28676 on 13 June 2013. In accordance with article 5th of the Communique, 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. (“MKK”), central securities depository of Turkish capital markets.

The Group prepared its interim financial statements as of 30 June 2023 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 2022.

The Group maintain its 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 Group 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, standard numbered 29, “Financial Reporting in Hyperinflationary Economies” (“TAS 29”), has not been applied in the financial statements for the accounting periods starting 1 January 2005.

On January 20, 2022, POA made a statement to clarify the doubts about whether entities applying TFRS will apply TAS 29 for the 2021 financial reporting period. Accordingly, it has been stated that entities applying TFRS do not need to make any adjustments within the scope of TAS 29 and no new statement has been made by POA on the application of TAS 29. As of the date of these consolidated financial statements, no inflation adjustment has been made in accordance with TAS 29 in the preparation of the consolidated financial statements as of 30 June 2023.

# 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 2023

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

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### NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of Presentation (Continued)

##### 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 2023 comparatively with the statement of financial position as of 31 December 2022 and the Group has compiled the comprehensive statement of income or loss and other comprehensive income, the cash flow statement and the statement of changes in equity for the period ended 30 June 2023 comparatively with the financial statements for the period ended 30 June 2022.

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 going concern assumption 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.

<u>Subsidiaries</u>	<u>Current Operations</u>	<u>Ownership ratio (%)</u>
Konya Ilgın	Coal production and sale	100.00

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023**

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

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**NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 New and Revised Turkish Financial Reporting Standards**

**a) Standards, amendments and interpretations applicable as at 30 June 2023**

- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 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 TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective 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.
- **TFRS 17, ‘Insurance Contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **Amendment to TAS 12 - International tax reform - pillar two model rules;** The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development’s (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

These amendments do not have a significant effect on the financial position and performance of the Group.

**b) Standards, amendments and interpretations that are issued but not effective as at 30 June 2023:**

- **Amendment to TAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **Amendment to TFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to TAS 7 and TFRS 7 on supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.

# 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 2023

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

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### NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS (Continued)

#### 2.2 New and Revised Turkish Financial Reporting Standards (Continued)

- **TFRS S1, ‘General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain.
- **TFRS S2, ‘Climate-related disclosures’;** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

#### 2.3 Changes in Accounting Policies and Estimates and Errors

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. Major changes in accounting policies are applied retrospectively and prior period financial statements are restated. The accounting policies used in the preparation of the consolidated financial statements for the six month period ended 30 June 2023 are consistent with the accounting policies used in the preparation of the consolidated financial statements for the year ended 31 December 2022.

#### 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, impairment of property, plant and equipment and intangible assets, income taxes and determination of fair values of investment properties and property, plant and equipment.

Due to the cancellation of Konya Ilgın’s electricity generation license by EMRA, the Group has assessed whether there is any impairment on its tangible and intangible assets related to the power plant investment and coal mining activities carried out within Konya Ilgın. Even if the license cancellation decision is subject to judicial review and there is no finalized decision yet, by taking into account the fact that, in case power plant investment cannot be realized, it does not prevent the Group from continuing coal production activity in related mine sites, so it has been concluded that the carrying values of the assets do not exceed their recoverable values and no impairment has been recognized. The relevant assessment will be performed at each reporting date according to the developments in the judicial process and no decision has been made yet on the merits of the case.

# 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 2023

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

### NOTE 3 - CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Cash on hand	25,345	3,344
Cash in banks	37,549,805	159,476,604
<i>Demand deposits</i>	37,549,805	159,476,604
	<b>37,575,150</b>	<b>159,479,948</b>

As of 30 June 2023, the Group has no restricted cash or cash equivalents (31 December 2022: None)

### NOTE 4 – FINANCIAL INVESTMENTS

#### Short-term Financial Investments

	30 June 2023	31 December 2022
Currency protected time deposits	14,870,283	-
Investment funds	786,181	720,699
	<b>15,656,464</b>	<b>720,699</b>

Currency protected time deposit account is a deposit product that offers foreign exchange rate protection in case the Euro (“EUR”) exchange rate increases more than the interest rate at maturity. Currency protected time deposit accounts and investment funds are accounted for as financial assets at fair value through profit or loss.

As of 30 June 2023, the nominal amount and fair value of the currency protected deposits are as follows:

Currency	Nominal amount	Fair value (TL equivalent)	Term
TRY	12,877,150	14,870,283	September 2023

### NOTE 5 - TRADE RECEIVABLES AND PAYABLES

#### Trade Receivables

Short-term trade receivables	30 June 2023	31 December 2022
Trade receivables	59,453,766	32,924,412
Trade receivables from related parties (Note 22)	16,901,553	11,657,418
Allowance for doubtful trade receivables	(18,107,810)	(13,273,581)
	<b>58,247,509</b>	<b>31,308,249</b>

The average maturity for short-term trade receivables varies between 15 - 30 days (31 December 2022: 15 - 30 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 2023

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

### NOTE 5 - TRADE RECEIVABLES AND PAYABLES /Continued)

The maturity analysis of the receivables is provided in Note 23.

The maturity analysis for doubtful receivables is as follows:

	30 June 2023	31 December 2022
1-5 years	-	-
5 years or more	18,107,810	13,273,581
	<b>18,107,810</b>	<b>13,273,581</b>

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:

	1 January - 30 June 2023	1 January - 30 June 2022
<b>Movement of allowance for doubtful trade receivables</b>		
Opening balance	(13,273,581)	(9,391,975)
Foreign currency exchange differences	(4,834,229)	(2,504,710)
<b>Closing balance</b>	<b>(18,107,810)</b>	<b>(11,896,685)</b>

### Trade payables

	30 June 2023	31 December 2022
<b>Short-term trade payables</b>		
Trade payables	62,176,253	35,971,753
Trade payables to related parties (Note 22)	464,754	703,289
	<b>62,641,007</b>	<b>36,675,042</b>

The average maturity for short-term trade payables varies between 30-45 days (31 December 2022: 30-45 days).

### NOTE 6 - OTHER RECEIVABLES AND PAYABLES

	30 June 2023	31 December 2022
<b>Other short-term receivables</b>		
Due from related parties (Note 22)	276,441,953	3,106,641
Receivables from state authority	628,747	1,339,291
Deposits and guarantees given	561,652	575,445
Other miscellaneous receivables	1,055,559	853,876
Allowance for other miscellaneous doubtful receivables (-)	(850,518)	(853,876)
	<b>277,837,393</b>	<b>5,021,377</b>

# 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 2023

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

### NOTE 6 - OTHER RECEIVABLES AND PAYABLES (Continued)

<b>Other long-term receivables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Due from related parties (Note 22)	589,044,175	561,081,402
Deposits and guarantees given	537,157	320,760
	<b>589,581,332</b>	<b>561,402,162</b>

<b>Other short-term payables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Due to related parties (Note 22)	170,002,934	2,803
Deposits and guarantees received (*)	4,242,477	6,544,917
Other	463	463
	<b>174,245,874</b>	<b>6,548,183</b>

<b>Other long-term payables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Deposits and guarantees received	6,488,065	4,706,865
	<b>6,488,065</b>	<b>4,706,865</b>

(\*) The balances are composed of deposits and guarantees received from customers and suppliers as of 30 June 2023.

### NOTE 7 - INVENTORIES

<b>Short-term inventories</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Finished goods (*)	20,056,708	12,750,065
Raw materials	3,463,519	1,168,497
Other inventories	135,680	144,333
	<b>23,655,907</b>	<b>14,062,895</b>

(\*) Finished goods consist of coal inventory.

<b>Long-term inventories</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Spare parts	134,476	153,207
	<b>134,476</b>	<b>153,207</b>

# 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 2023

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

### NOTE 8 - INVESTMENT PROPERTY

	2023	2022
Opening balance, 1 January 2022	541,794,160	301,791,159
Fair value increase	336,044,045	167,085,715
Additions to investment property	1,560,295	-
<b>Carrying value as of 30 June</b>	<b>879,398,500</b>	<b>468,876,874</b>

As of 30 June 2023, there are no mortgages or pledges on the Group’s investments properties (31 December 2022: None).

As of 30 June 2023, 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 market approach and cost approaches.

Details of the Group’s investment properties and information about the fair value hierarchy as at 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	Fair value as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
<b>Lands</b>	<b>465,075,304</b>	-	<b>465,075,304</b>	-
- Ceyhan	341,635,000	-	341,635,000	-
- Edirne	122,920,205	-	122,920,205	-
- Siirt	520,099	-	520,099	-
<b>Buildings</b>	<b>414,323,196</b>	-	<b>414,323,196</b>	-
- Ceyhan	104,953,000	-	104,953,000	-
- Edirne	32,450,000	-	32,450,000	-
- Şiřhane	275,880,000	-	275,880,000	-
- Siirt	1,040,196	-	1,040,196	-

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

	31 December 2022	Fair value as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
<b>Land</b>	<b>265,454,111</b>	-	<b>265,454,111</b>	-
- Ceyhan	207,679,951	-	207,679,951	-
- Edirne	57,774,160	-	57,774,160	-
<b>Buildings</b>	<b>276,340,049</b>	-	<b>276,340,049</b>	-
- Ceyhan	56,155,049	-	56,155,049	-
- Edirne	24,165,000	-	24,165,000	-
- Şiřhane	196,020,000	-	196,020,000	-

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 2023

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

#### NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

Cost	Land Improvements	Mine assets	Machinery and equipment	Vehicles	Furniture and fixture	Other fixed assets	Construction in progress	Total
<b>Opening balance, 1 January 2023</b>	<b>3,178,073</b>	<b>328,084,906</b>	<b>31,072,318</b>	<b>350,009</b>	<b>972,910</b>	<b>651,917</b>	<b>5,593,427</b>	<b>369,903,560</b>
Additions (*)	-	67,339,263	158,453	-	60,608	55,477	1,871,550	<b>69,485,351</b>
Cost of mine rehabilitation provision	-	644,119	-	-	-	-	-	<b>644,119</b>
Transfers	-	-	335,782	-	-	-	(335,782)	-
Disposal	-	-	-	(98,990)	(14,493)	(8,000)	-	<b>(121,483)</b>
<b>Closing balance, 30 June 2023</b>	<b>3,178,073</b>	<b>396,068,288</b>	<b>31,566,553</b>	<b>251,019</b>	<b>1,019,025</b>	<b>699,394</b>	<b>7,129,195</b>	<b>439,911,547</b>
<b>Accumulated depreciation</b>								
<b>Opening balance, 1 January 2023</b>	<b>251,551</b>	<b>101,625,130</b>	<b>3,652,725</b>	<b>194,034</b>	<b>583,278</b>	<b>54,038</b>	-	<b>106,360,756</b>
Charge for the period	62,001	37,431,580	954,042	19,188	36,622	33,126	-	<b>38,536,559</b>
Disposals	-	-	-	(61,869)	(4,361)	(3,467)	-	<b>(69,697)</b>
<b>Closing balance, 30 June 2023</b>	<b>313,552</b>	<b>139,056,710</b>	<b>4,606,767</b>	<b>151,353</b>	<b>615,539</b>	<b>83,697</b>	-	<b>144,827,618</b>
<b>Carrying value as of 1 January 2023</b>	<b>2,926,522</b>	<b>226,459,776</b>	<b>27,419,593</b>	<b>155,975</b>	<b>389,632</b>	<b>597,879</b>	<b>5,593,427</b>	<b>263,542,804</b>
<b>Carrying value as of 30 June 2023</b>	<b>2,864,521</b>	<b>257,011,578</b>	<b>26,959,786</b>	<b>99,666</b>	<b>403,486</b>	<b>615,697</b>	<b>7,129,195</b>	<b>295,083,929</b>

(\*) The increase in mining assets is mainly due to the ongoing mine stripping activity in Konya Ilgm lignite field.

As of 30 June 2023, there are no mortgages or pledges on the Group’s property, plant and equipment.

During the period of 1 January - 30 June 2023, accumulated depreciation balance is allocated to the cost of sales amounting to TRY38,520,389 (30 June 2022: TRY20,487,627) and general administrative expenses amounting to TRY16,170 (30 June 2022: TRY87,406).

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

### NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

#### NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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

(\*) The increase in mining assets is mainly due to the ongoing mine stripping activity in Konya Ilgın lignite field.

As of 30 June 2023, there are no mortgages or pledges on the Group’s property, plant and equipment.

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

## NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

### NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

As of 30 June 2023 and 31 December 2022, the information on the machinery and equipment owned by the Group and the fair value hierarchy of the related assets are shown in the table below:

	Fair value as of reporting date			Level 3
	30 June 2023	Level 1	Level 2	
Machinery and equipment	26,959,786	-	26,959,786	-

	Fair value as of reporting date			Level 3
	31 December 2022	Level 1	Level 2	
Machinery and equipment	27,419,593	-	27,419,593	-

### NOTE 10- INTANGIBLE ASSETS

Cost	Rights	Total
Opening balance, 1 January 2023	24,817,417	24,817,417
Additions	107,541	107,541
<b>Closing balance, 30 June 2023</b>	<b>24,924,958</b>	<b>24,924,958</b>
<b>Accumulated amortization</b>		
Opening balance, 1 January 2023	8,423,392	8,423,392
Charge for the period	471,216	471,216
<b>Closing balance, 30 June 2023</b>	<b>8,894,608</b>	<b>8,894,608</b>
<b>Carrying value, 1 January 2023</b>	<b>16,394,025</b>	<b>16,394,025</b>
<b>Carrying value as of 30 June 2023</b>	<b>16,030,350</b>	<b>16,030,350</b>
Cost	Rights	Total
Opening balance, 1 January 2022	24,817,417	24,817,417
Additions	-	-
<b>Closing balance, 30 June 2022</b>	<b>24,817,417</b>	<b>24,817,417</b>
<b>Accumulated amortization</b>		
Opening balance, 1 January 2022	7,516,808	7,516,808
Charge for the period	453,292	453,292
<b>Closing balance, 30 June 2022</b>	<b>7,970,100</b>	<b>7,970,100</b>
<b>Carrying value, 1 January 2022</b>	<b>17,300,609</b>	<b>17,300,609</b>
<b>Carrying value as of 30 June 2022</b>	<b>16,847,317</b>	<b>16,847,317</b>

As of 30 June 2023 and 2022, the period amortization is included in general administrative expenses.

# 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 2023

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

### NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

#### a) Current provisions

Current provisions for employee benefits	30 June 2023	31 December 2022
Unused vacation provisions	3,149,255	2,123,995
	<b>3,149,255</b>	<b>2,123,995</b>

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

	1 January - 30 June 2023	1 January- 30 June 2022
Opening balance	2,123,995	1,268,895
Charge for the period / (provisions no longer required), net	1,240,253	594,623
Payment during the period	(214,993)	(232,438)
<b>Closing balance</b>	<b>3,149,255</b>	<b>1,631,080</b>

Other current provisions	30 June 2023	31 December 2022
Provisions for litigation (*)	61,539,503	59,138,741
	<b>61,539,503</b>	<b>59,138,741</b>

(\*) The Group is involved in a number of legal proceedings (both as a plaintiff and as a defendant) 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 and subcontractors's personnel and their legal successors (pecuniary and non-pecuniary indemnities due to death, receivables and re-employment). The Group has recognized a provision amounting to TRY61,539,503 (31 December 2022: TRY59,138,741) 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 2023	1 January- 30 June 2022
<b>Opening balance</b>	<b>59,138,741</b>	<b>40,215,056</b>
Charge for the period / (provisions no longer required), net	16,656,724	13,700,488
Payment during the period	(17,342,453)	(3,005,239)
Effect of foreign currency exchange differences	3,086,491	1,030,439
<b>Closing balance</b>	<b>61,539,503</b>	<b>51,940,744</b>

# 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 2023

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

### NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

#### b) Non-current provisions

	30 June 2023	31 December 2022
Retirement pay provisions	9,242,289	7,179,220
	<b>9,242,289</b>	<b>7,179,220</b>

#### 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 TRY19,982.83 for each period of service at 30 June 2023 (31 December 2022: TRY15,371.40).

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 2023, 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 1.55% real discount rate (31 December 2022: 1.55%) calculated by using 12.03% annual inflation rate and 13.77% 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 23,489.83 which is in effect since 1 July 2023 is used in the calculation of Group’s provision for retirement pay liability (31 December 2022: 1 January 2023 TRY19,982.83).

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 2023	1 January - 30 June 2022
<b>Opening balance</b>	<b>7,179,220</b>	<b>4,170,944</b>
Service cost	2,186,181	1,339,886
Interest cost	55,294	71,194
Payment during the period (-)	(178,406)	(241,230)
<b>Closing balance</b>	<b>9,242,289</b>	<b>5,340,794</b>



# 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 2023

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

### NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 June 2023	31 December 2022
<b>Other non-current provisions</b>		
Provision for cost of mine rehabilitation	35,119,824	34,213,220
	<b>35,119,824</b>	<b>34,213,220</b>

The provision for cost of mine rehabilitation was calculated by the Management based on certain estimates. The critical assumptions used in the 30 June 2023 forecast are the timing of spendings by 2056. In determining the present value of the balance, a real discount rate of approximately 1.55% has been used, based on the assumptions of a 12.03% inflation rate and a 13.77% interest rate, taking into account long-term bond rates and long-term inflation rates.

#### c) Guarantees received and given

Guarantees received (TRY)	30 June 2023		31 December 2022	
	FC Balance	Equivalent of TRY	FC Balance	Equivalent of TRY
Letters of guarantees (USD)	100,000	2,582,310	100,000	1,869,830
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)	4,274,768	4,274,768	132,290	132,290
Cash guarantees (USD)	250,000	6,455,775	250,000	4,674,575
<b>Total</b>		<b>215,712,853</b>		<b>209,076,695</b>

The details of the Group’s Guarantees/Pledges/Mortgages (“GPMs”) position as of 30 June 2023 and 31 December 2022 is presented as follows:

30 June 2023	TRY	TRY equivalent Total
A. GPMs given on behalf of its own legal entity	115,914,466	115,914,466
Letter of Guarantees (*)	115,173,653	115,173,653
Cash Guarantees	740,813	740,813
Pledges	-	-
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	-	-
<b>Total (**)</b>	<b>115,914,466</b>	<b>115,914,466</b>

(\*) The Company has become a guarantor for the letter of guarantee amounting to TRY75,117,449 given by its subsidiary Konya Iğın, which is reported among the letters of guarantee given on behalf of the Group’s own legal entity under item A of the table.

(\*\*) All letters of guarantee and cash guarantees subject to the Group’s CPM position are in Turkish Lira.

# 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 2023

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

### NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

<b>31 December 2022</b>	<b>TRY</b>	<b>TRY equivalent Total</b>
A. GPMs given on behalf of its own legal entity	111,818,383	111,818,383
<i>Letter of Guarantees (*)</i>	<i>111,063,777</i>	<i>111,063,777</i>
<i>Cash Guarantees</i>	<i>754,606</i>	<i>754,606</i>
<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	-	-
<b>Total (**)</b>	<b>111,818,383</b>	<b>111,818,383</b>

(\*) The Company has become a guarantor for the letter of guarantee amounting to TRY75,117,449 given by its subsidiary Konya İlgin, which is reported among the letters of guarantee given on behalf of the Group's own legal entity under item A of the table.

(\*\*) All letters of guarantee and cash guarantees subject to the Group's CPM position are in Turkish Lira.

### NOTE 12 - OTHER ASSETS AND LIABILITIES

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Other current assets</b>		
Business advances	54,880	18,931
Personnel advances	500	95,536
Other miscellaneous current assets	23,250	-
	<b>78,630</b>	<b>114,467</b>
	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Other non-current assets</b>		
Value added tax deductible	31,693,189	26,155,541
	<b>31,693,189</b>	<b>26,155,541</b>

## 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 2023

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

#### NOTE 12 - OTHER ASSETS AND LIABILITIES (Continued)

	30 June 2023	31 December 2022
<b>Other current liabilities</b>		
Taxes and funds payables (*)	16,040,219	3,836,087
Other miscellaneous liabilities payable	-	960,854
	<b>16,040,219</b>	<b>4,796,941</b>

(\*) The Group has benefited from the provisions of the tax base increase regulated in the Law No. 7440 “Restructuring of Certain Receivables and the Amendment of Certain Laws”, and within this scope, the amount to be paid within one year is TRY8,548,830.

	30 June 2023	31 December 2022
<b>Other non-current liabilities</b>		
Other miscellaneous liabilities payable	-	192,172
	-	<b>192,172</b>

#### NOTE 13 - DEFERRED INCOME AND PREPAID EXPENSES

	30 June 2023	31 December 2022
<b>Current prepaid expenses</b>		
Prepaid expenses for next months	4,955,236	368,260
Advances given for purchases	32,500	164,563
	<b>4,987,736</b>	<b>532,823</b>

	30 June 2023	31 December 2022
<b>Non-current prepaid expenses</b>		
Advances given for purchases of tangible assets	436,000	-
	<b>436,000</b>	-

	30 June 2023	31 December 2022
<b>Current deferred income</b>		
Deferred income (*)	2,888,667	2,755,411
	<b>2,888,667</b>	<b>2,755,411</b>

(\*) TRY2,686,861 (31 December 2022: 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 INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

### NOTE 14 - EQUITY

#### a) Issued Capital

The Company’s share capital structure as of 30 June 2023 and 31 December 2022 is presented as follows:

Shareholders	30 June 2023		31 December 2022	
	Shareholding ratio (%)	Amount	Shareholding ratio (%)	Amount
Park Holding A.Ş.	61.24	91,170,622	61.24	91,170,622
Turgay Ciner	6.76	10,065,983	6.76	10,065,983
Other	32.00	47,630,638	32.00	47,630,638
<b>Total</b>	<b>100.00</b>	<b>148,867,243</b>	<b>100.00</b>	<b>148,867,243</b>
<b>Adjustments to issued capital</b>		<b>16,377,423</b>		<b>16,377,423</b>
<b>Total</b>		<b>165,244,666</b>		<b>165,244,666</b>

#### Information Regarding Group of Shares

Group	Type	Nominal Value (TRY)	Ratio to Issued 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

The issued capital amount of the Company is TRY148,867,243 and authorised share capital upper limit is TRY300,000,000.

#### 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 a total nominal value of TRY550,000. Relevant program ended as of 2 June 2023 and the ratio of the treasury shares to issued capital reached to 0.37%. No buy-back has been performed in the first half of 2023. In the ordinary general assembly held on 19 June 2023 related to 2022, a new Share Buy-back Program with a period of 3 years approved. In 2017, Company also acquired its shares with a nominal value of TRY750,000 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%.

# 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 2023

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

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### NOTE 14 - EQUITY (Continued)

#### 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.

In the ordinary General Assembly meeting of the Company held on 12 June 2018 for the year of 2017, the Company has decided to allocate the restricted reserves appropriated from profit amounting to TRY243,523,090 which constitutes 75% of the gains obtained from the sale of immovable properties related to the Company’s concentrated copper production activities, in accordance with the tax legislation to a special fund account under equity as a special reserve to benefit from tax exemption under the first paragraph of the 5th article of the Corporate Tax Law numbered 5520.

In the ordinary General Assembly meeting of the Company held on 2 June 2021 for the year of 2020, the Company has decided to allocate the restricted reserves appropriated from profit amounting to TRY1,390,503 calculated in accordance with the relevant legislation, over the profit for the year in the consolidated financial statements for the year ending 31 December 2020 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 first paragraph (e) of the fifth paragraph of Article 5 of the Corporate Tax Law numbered 5520, which is TRY1,390,503.

In this context, the related amounts in the Group's financial statements are reported as “Restricted Reserves Appropriated from Profit”.

At the Ordinary General Assembly Meeting of the year 2022 held on 19 June 2023, a total of 170,000,000 TL gross dividend, to be covered from the net distributable profit of the 2022 annual accounting period, was decided to be distributed in cash, and pursuant to subparagraph (c) of the second paragraph of article 519 of TCC, TRY16,255,664 was set aside as general legal reserve.

As per TCC and CMB regulations, a general legal reserve equivalent to acquisition value should be allocated for treasury shares. Accordingly, under the restricted reserves appropriated from profit item in the consolidated financial statements as of 30 June 2023, a legal reserve in the amount of TRY5,003,561 (31 December 2022: TRY5,003,561), including transaction costs 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.

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

## NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

### NOTE 15 - REVENUE AND COST OF SALES

Revenue	1 January - 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Revenue from sale of coal (Note 1)	65,903,478	35,881,393	55,451,196	34,256,292
Revenue from royalty contract (Note 1)	39,744,323	27,549,842	25,045,181	16,307,797
Sales returns (-)	(44,701)	-	(294,391)	(60,021)
Other	137,445	1,908	893,516	846,560
	<b>105,740,545</b>	<b>63,433,143</b>	<b>81,095,502</b>	<b>51,350,628</b>

Cost of sales	1 January - 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Amortisation expenses (Note 9)	38,520,389	21,711,344	20,487,627	12,881,948
General production overheads	20,845,896	10,735,989	16,825,719	9,921,267
Personnel expenses	6,366,444	3,068,997	2,969,361	1,656,854
Raw materials expenses	1,459,618	693,309	1,626,129	1,259,902
Change in finished goods inventory	(7,306,643)	(4,632,047)	2,894,436	1,843,872
Cost of other sales	8,653	-	1,235	-
	<b>59,894,357</b>	<b>31,577,592</b>	<b>44,804,507</b>	<b>27,563,843</b>

### NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses	1 January - 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Personnel expenses	7,650,738	3,345,998	4,867,732	2,388,400
Management service expenses and cost distributions	2,116,292	787,099	644,610	424,037
Rent expenses	1,866,197	938,504	375,739	187,910
Outsourced services	770,528	339,816	575,597	333,859
Depreciation and amortization charges	487,386	207,420	540,698	280,983
Taxes, duties and charges	212,156	169,782	268,663	244,914
Aid and donations	278,012	-	-	-
Litigation and notary expenses	125,867	42,652	2,848	2,013
Other	1,345,555	846,107	622,839	316,578
	<b>14,852,731</b>	<b>6,677,378</b>	<b>7,898,726</b>	<b>4,178,694</b>

### NOTE 17 - OTHER INCOME / (EXPENSES) FROM OPERATING ACTIVITIES

Other operating income	1 January - 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Exemption and discounts	3,502,720	-	-	-
Foreign exchange gains	2,084,025	1,852,786	824,355	556,515
Discount interest income	603,690	553,945	150,777	130,929
Interest income	224,233	72,902	226,452	121
Other	7,246	-	78,548	4,960
	<b>6,421,914</b>	<b>2,479,633</b>	<b>1,280,132</b>	<b>692,525</b>

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

## NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

### NOTE 17 - OTHER OPERATING INCOME / (EXPENSES) (Continued)

<b>Other operating expenses</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>
Provision expense	19,743,215	17,842,029	14,869,949	11,769,902
Foreign exchange losses	2,402,811	2,290,884	952,076	508,399
Interest expense	23,481	9,535	2,287	1,428
Discount interest expense	651,060	(207,257)	6,630	5,371
Mining state rights, fees for licences and permissions	975,549	(327,103)	295,362	-
Other	29,729	(3,787)	138,461	19,128
	<b>23,825,845</b>	<b>19,604,301</b>	<b>16,291,765</b>	<b>12,304,228</b>

### NOTE 18 - GAINS / (LOSSES) FROM INVESTING ACTIVITIES

<b>Gains from investing activities</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January - 30 June 2023</b>	<b>1 April - 30 June 2023</b>
Increase in fair value of investment properties	336,044,045	336,044,045	167,085,715	167,085,715
Rent income	3,853,768	2,118,461	2,670,824	1,408,789
Increase in fair value of financial investments	2,058,615	2,031,935	-	-
Gain/(loss) on sale of property, plant and equipment	106,224	(19,689)	1,106,834	106,836
Gain on sale of financial investments	-	-	721	-
Other	-	-	6,816	6,816
	<b>342,062,652</b>	<b>340,174,752</b>	<b>170,870,910</b>	<b>168,608,156</b>

### NOTE 19 - FINANCING INCOME / (EXPENSE)

<b>Finance income</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>
Foreign exchange gains	204,771,450	191,543,552	101,572,361	55,663,224
Interest income	32,762,944	19,014,121	29,951,741	15,699,733
	<b>237,534,394</b>	<b>210,557,673</b>	<b>131,524,102</b>	<b>71,362,957</b>
<b>Finance cost</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>
Interest expenses	302,851	172,575	97,669	75,986
Foreign exchange losses	50,414	50,414	56,788	9,698
Other financial expenses	411,303	217,412	259,408	135,821
	<b>764,568</b>	<b>440,401</b>	<b>413,865</b>	<b>221,505</b>

# 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 2023

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

### NOTE 20 - TAX ASSETS AND LIABILITIES

#### Corporate tax

	30 June 2023	31 December 2022
Current period corporate tax liability	53,941,388	70,020,917
Prepaid corporate tax	(7,729,852)	(60,264,150)
<b>Corporate tax liability</b>	<b>46,211,536</b>	<b>9,756,767</b>

Taxation on income in the statement of profit or loss as of 30 June 2023 and 2022 is as follows:

	30 June 2023	30 June 2022
Current period tax expense (*)	62,490,218	36,765,112
Deferred tax expense / (income)	39,715,033	18,950,315
	<b>102,205,251</b>	<b>55,715,427</b>

(\*) Current period tax expense includes tax cost of TRY8,548,830 arising due to Group benefiting from the provisions of the tax base increase regulated in the Law No. 7440 “Restructuring of Certain Receivables and the Amendment of Certain Laws”.

#### 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 TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS 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 2023 and 31 December 2022 are as follows:

Deferred tax assets / (liabilities)	30 June 2023	31 December 2022
Revaluation differences of investment properties	(107,266,205)	(64,747,112)
Adjustments related with tangible and intangible assets	(3,385,311)	(4,965,126)
Provisions for liability and accruals	7,782,396	8,454,692
Provisions for retirement pay and unused vacation	2,462,670	1,828,441
Prior year losses that will be deducted from tax	1,664,316	-
Discount on trade receivables and payables	(16,353)	(25,518)
Other	(389,891)	-
	<b>(99,148,378)</b>	<b>(59,454,623)</b>



# 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 2023

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

### NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

#### Tax reconciliation

	1 January - 30 June 2023	1 January - 30 June 2022
Profit before tax	592,194,224	315,361,783
Applicable tax rate	20%	23%
<b>Tax calculated at applicable tax rate</b>	<b>(118,438,845)</b>	<b>(72,533,210)</b>
Tax base increase expense	(8,548,830)	-
Disallowable expenses and differences	(5,492,158)	(1,547,056)
Deductions and exceptions	3,866,046	551,255
Tax rate differences / changes	26,271,033	17,874,645
Non-taxable adjustments	199,660	-
Tax losses not carried forward	-	292,682
Other	(62,157)	(353,743)
<b>Total tax expense</b>	<b>(102,205,251)</b>	<b>(55,715,427)</b>

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 2023 is 20%. (2021: 23%). In line with current regulation, deferred tax assets and liabilities as of 30 June 2023 are calculated with 20%-19% tax rates for the temporary differences. 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.

Corporations are required to calculate a temporary corporate tax on their quarterly corporate income except for the last quarter of the year and pay it in advance. 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.

# 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 2023

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

### NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

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 21 - EARNINGS PER SHARE

Earnings per share	1 January - 30 June 2023	1 January - 30 June 2022
Weighted average number of shares with nominal value of Kr 1 each (*)	14,831,724,300	14,877,698,057
Net profit attributable to equity holders of the Group	489,988,973	259,646,356
<b>Basic and diluted earnings per share</b>	<b>0.0330</b>	<b>0.0175</b>

(\*) Calculated by adjusting the treasury shares.

### NOTE 22 - RELATED PARTY DISCLOSURES

#### Due from Related Parties

Related party	Type of Relationship	30 June 2023			Total
		Trade Receivables	Other Current Receivables	Other Non-current Receivables	
Park Holding A.Ş.	Shareholder	-	276,441,953	589,044,175	865,486,128
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.	Related Party	16,901,553	-	-	16,901,553
<b>Total</b>		<b>16,901,553</b>	<b>276,441,953</b>	<b>589,044,175</b>	<b>882,387,681</b>

  

Related party	Type of Relationship	31 December 2022			Total
		Trade Receivables	Other Current Receivables	Other Non-current Receivables	
Park Holding A.Ş.	Shareholder	-	3,106,641	561,081,402	564,188,043
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.	Related Party	11,657,418	-	-	11,657,418
<b>Total</b>		<b>11,657,418</b>	<b>3,106,641</b>	<b>561,081,402</b>	<b>575,845,461</b>

# 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 2023

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

### NOTE 22 - RELATED PARTY DISCLOSURES (Continued)

#### Due to Related Parties

Related party	Type of Relationship	30 June 2023		Total
		Trade Payables	Other Payables	
Park Holding A.Ş.(*)	Shareholder	351,593	104,108,000	104,459,593
Silopi Elektrik Üretim A.Ş.	Related Party	92,903	-	92,903
Ciner Turizm Tic. İnş. Servis Hizmetleri A.Ş.	Related Party	20,258	-	20,258
Park Teknik Elekt. Maden. Turizm San. Tic A.Ş.	Related Party	-	129	129
Other	Shareholder	-	65,894,803	65,894,803
<b>Total</b>		<b>464,754</b>	<b>170,002,932</b>	<b>170,467,686</b>

(\*) At the 2022 Ordinary General Assembly meeting held on 19 June 2023, it was decided to distribute a total of TRY170,000,000 gross dividend in cash and the dividend distribution date determined as Tuesday, 3 October 2023.

Related party	Type of Relationship	31 December 2022		Total
		Trade Payables	Other Payables	
Park Sigorta Aracılık Hizmetleri A.Ş.	Related Party	208,008	-	208,008
Park Holding A.Ş.	Shareholder	456,006	-	456,006
Ciner Enerji Madencilik San. ve Tic. A.Ş.	Related Party	13,165	-	13,165
Ciner Turizm Tic. İnş. Servis Hizmetleri A.Ş.	Related Party	26,110	-	26,110
Diğer İlişkili Taraflara Temettü Borçları	Shareholder	-	2,803	2,803
<b>Toplam</b>		<b>703,289</b>	<b>2,803</b>	<b>706,092</b>

The monthly interest rates are as follows:

	2023		2022	
	TRY	USD	TRY	USD
January - March	20.33%	5.31%	20.14%	2.72%
April - June	24.44%	5.64%	20.21%	3.78%

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

## NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

### NOTE 22 - RELATED PARTY DISCLOSURES (Continued)

#### Goods and Services Purchased from Related Parties

		30 June 2023						
Related party	Type of Relationship	Goods	Services	Fixed Assets	Finance expense	Rent	Other	Total
Park Holding A.Ş.	Shareholder	-	634,663	-	23,350	1,672,200	1,325,746	3,655,959
Silopi Elektrik Üretim A.Ş.	Related Party	-	-	-	-	-	136,846	136,846
Park Teknik Madencilik Turizm San. ve Tic. A.Ş.	Related Party	-	-	-	131	-	-	131
Ciner Turizm Tic, İnş, Servis Hizm, A.Ş.	Related Party	-	-	-	-	112,365	5,854	118,219
Park Sigorta Aracılık Hiz. A.Ş.	Related Party	-	1,676	-	-	-	-	1,676
<b>Total</b>		-	<b>636,339</b>	-	<b>23,481</b>	<b>1,784,565</b>	<b>1,468,446</b>	<b>3,912,831</b>

		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
<b>Total</b>		<b>155,895</b>	<b>303,791</b>	<b>2,030,000</b>	<b>99,957</b>	<b>522,671</b>	<b>1,147,394</b>	<b>4,259,708</b>

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

## NOTES TO THE CONDENSED INTERIMCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

### NOTE 22 - RELATED PARTY DISCLOSURES (Continued)

#### Goods and Services Sold to Related Parties

30 June 2023							
Related party	Type of Relationship	Goods	Financial Income	Rent	Fixed Assets	Other	Total
Park Holding A.Ş.	Shareholder	-	235,522,410	-	-	-	235,522,410
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Related Party	65,858,777	224,233	-	-	-	66,083,010
Silopi Elektrik Üretim A.Ş.	Related Party	39,784	-	-	-	-	39,784
<b>Total</b>		<b>65,898,561</b>	<b>235,746,643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301,645,204</b>

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
<b>Total</b>		<b>43,851,247</b>	<b>131,645,996</b>	<b>13,960</b>	<b>1,707,000</b>	<b>456,707</b>	<b>177,674,910</b>

Benefits provided to key management personnel (*)	1 January - 30 June 2023	1 January - 30 June 2022
Wages, bonuses and other similar benefits	233,353	137,162

(\*) 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 2023**

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

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### **NOTE 22 - RELATED PARTY DISCLOSURES (Continued)**

#### **Park Holding A.Ş.**

Group, in line with its cash management policy, may fund Park Holding A.Ş., the controlling shareholder of the Group, or obtain funds from Park Holding A.Ş. if needed. The Group charges or charged interest related with financial receivables and payables at the interest rates stated above.

As discussed above, the Group charges interest for all financial and commercial transactions with related parties. Group earned finance income amounting to TRY235,522,410 from Park Holding A.Ş. as of June 2023 (30 June 2022: TRY131,416,136).

The Group’s other receivables from Park Holding A.Ş. as of 30 June 2023 is TRY865,486,128. As of June 30, 2023, this balance consists of both foreign currency and Turkish lira balances, with a foreign currency balance of USD29,068,918. The relevant foreign currency balance was at the level of USD28,458,268 at the end of 2022.

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 fixed assets and procured supplies from Park Teknik Madencilik Turizm Sanayi ve Ticaret A.Ş.

The Group purchased electricity energy and fixed assets from Silopi Elektrik Üretim A.Ş. and sold fixed assets and supplies. Also engaged in renting of machinery and equipment.

The Group leases cars from Ciner Turizm Ticaret İnşaat Servis Hizmetleri A.Ş.

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

The Group performs coal sales 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

### NOTE 23 - 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 14.

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 2023, and 31 December 2022 the Group's net debt / total equity ratio is detailed as follows:

	30 June 2023	31 December 2022
Financial liabilities	-	-
Less: Cash and cash equivalents and short-term financial assets	(53,231,614)	(160,200,647)
Net debt	(53,231,614)	(160,200,647)
Total equity	1,711,865,216	1,391,876,243
<b>Net Debt / Total Equity ratio (%)</b>	<b>(3.11)</b>	<b>(11.51)</b>

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.

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 5).

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

**NOTES TO THE CONDENSED INTERIMCONSOLIDATED  
FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023**

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

**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

**b) Financial Risk Factors**

Credit risks exposed through types of financial instruments	30 June 2023				
	Receivables				Bank Deposits
	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
<b>Maximum credit risk exposed as of the balance sheet date (*)</b> <b>(A +B+C+D+E)</b>	<b>16,901,553</b>	<b>41,345,956</b>	<b>865,505,013</b>	<b>1,932,597</b>	<b>37,549,805</b>
- Maximum risk portion covered by guarantees, collaterals, etc,	-	(2,582,310)	(200,000,000)	-	-
A, Net book value of financial assets neither overdue nor impaired	16,901,553	41,153,290	865,505,013	1,727,556	37,549,805
- Portion covered by guarantees, collaterals etc,	-	(2,582,310)	(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	-	192,666	-	205,041	-
- Portion covered by guarantees, collaterals etc,	-	-	-	-	-
D, Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	18,107,810	-	850,518	-
- Impairment (-)	-	(18,107,810)	-	(850,518)	-
- 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 2023**

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

**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

Credit risks exposed through types of financial instruments	31 December 2022				
	Trade Receivables		Other Receivables		Bank Deposits
	Related Parties	Third Parties	Related Parties	Third Parties	
<b>Maximum credit risk exposed as of the balance sheet date (*)</b>					
(A+B+C+D+E)	<b>11,657,418</b>	<b>19,650,831</b>	<b>564,188,043</b>	<b>2,235,496</b>	<b>159,476,604</b>
- Maximum risk portion covered by guarantees, collaterals, etc.	-	(1,869,830)	(200,000,000)	-	-
A. Net book value of financial assets neither overdue nor impaired	11,480,541	19,650,831	564,188,043	2,219,031	159,476,604
- Portion covered by guarantees, collaterals etc.	-	(1,869,830)	(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	-	-	-	-	-
- Portion covered by guarantees, collaterals etc.	176,877	-	-	16,465	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	13,273,581	-	853,876	-
- Impairment (-)	-	(13,273,581)	-	(853,876)	-
- 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.

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### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

#### NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Past due but not impaired assets are presented as below:

	<b>30 June 2023</b>	
	<b>Trade Receivables</b>	<b>Other Receivables</b>
Past due 1-30 days	192,666	195,002
Past due 1-3 months	-	1,702
Past due 3-12 months	-	897
Past due 1-5 years	-	7,440
<b>Total overdue receivables</b>	<b>192,666</b>	<b>205,041</b>

  

	<b>31 December 2022</b>	
	<b>Trade Receivables</b>	<b>Other Receivables</b>
Past due 1-30 days	176,877	-
Past due 1-3 months	-	1,994
Past due 3-12 months	-	14,471
Past due 1-5 years	-	-
<b>Total overdue receivables</b>	<b>176,877</b>	<b>16,465</b>

#### (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.

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### NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

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.

Contractual maturities	30 June 2023				
	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)
<b>Non-derivate financial liabilities</b>	<b>259,415,165</b>	<b>262,795,221</b>	<b>628,800,528</b>	<b>193,506,628</b>	<b>6,488,065</b>
Trade payables	62,641,007	65,952,587	49,315,476	16,637,111	-
Other payables	180,733,939	180,733,940	4,143,072	170,102,803	6,488,065
Other short term and long term liabilities	16,040,219	16,108,694	9,341,980	6,766,714	-

  

Contractual maturities	31 December 2022				
	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)
<b>Non-derivate financial liabilities</b>	<b>52,919,203</b>	<b>54,812,086</b>	<b>38,431,419</b>	<b>11,481,630</b>	<b>4,899,037</b>
Trade payables	36,675,042	38,567,925	27,957,782	10,610,143	-
Other payables	11,255,048	11,255,048	6,445,380	102,803	4,706,865
Other short term and long term liabilities	4,989,113	4,989,113	4,028,257	768,684	192,172

### (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:

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

**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

	<b>30 June 2023</b>			
	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>GBP</b>
1. Trade Receivable	12,486,321	483,533	-	-
2a. Monetary Financial Assets	184,183,091	6,808,673	297,011	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
<b>4. CURRENT ASSETS</b>	<b>196,669,412</b>	<b>7,292,206</b>	<b>297,011</b>	-
5. Trade Receivable	-	-	-	-
6a. Monetary Financial Assets	589,044,175	22,810,746	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. NON-CURRENT ASSETS</b>	<b>589,044,175</b>	<b>22,810,746</b>	-	-
<b>9. TOTAL ASSETS</b>	<b>785,713,587</b>	<b>30,102,952</b>	<b>297,011</b>	-
10. Trade Payables	2,852,817	-	101,329	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	10,686,892	-	379,587	-
12b. Other Non-monetary Liabilities	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>13,539,709</b>	-	<b>480,916</b>	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	6,455,775	250,000	-	-
16b. Other Non-monetary Liabilities	-	-	-	-
<b>17. NON-CURRENT LIABILITIES</b>	<b>6,455,775</b>	<b>250,000</b>	-	-
<b>18. TOTAL LIABILITIES</b>	<b>19,995,484</b>	<b>250,000</b>	<b>480,916</b>	-
<b>19. Net assets/(liability) position of off balance sheet derivates items (19a-19b)</b>	-	-	-	-
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	-	-	-	-
<b>20. Net foreign currency assets/(liability) position</b>	<b>765,718,100</b>	<b>29,852,952</b>	<b>(183,905)</b>	-
<b>21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>765,718,100</b>	<b>29,852,952</b>	<b>(183,905)</b>	-
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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(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

	<b>31 December 2022</b>			
	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>GBP</b>
1. Trade Receivable	10,020,064	535,881	-	-
2a. Monetary Financial Assets	24,207,343	1,260,500	32,011	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
<b>4. CURRENT ASSETS</b>	<b>34,227,407</b>	<b>1,796,381</b>	<b>32,011</b>	-
5. Trade Receivable	-	-	-	-
6a. Monetary Financial Assets	532,121,233	28,458,268	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. NON-CURRENT ASSETS</b>	<b>532,121,233</b>	<b>28,458,268</b>	-	-
<b>9. TOTAL ASSETS</b>	<b>566,348,640</b>	<b>30,254,649</b>	<b>32,011</b>	-
10. Trade Payables	-	-	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	7,447,459	-	373,589	-
12b. Other Non-monetary Liabilities	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>7,447,459</b>	-	<b>373,589</b>	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	4,674,575	250,000	-	-
16b. Other Non-monetary Liabilities	-	-	-	-
<b>17. NON-CURRENT LIABILITIES</b>	<b>4,674,575</b>	<b>250,000</b>	-	-
<b>18. TOTAL LIABILITIES</b>	<b>12,122,034</b>	<b>250,000</b>	<b>373,589</b>	-
<b>19. Net assets/(liability) position of off balance sheet derivates items (19a-19b)</b>	-	-	-	-
19a. Amount of Derivative Products with Active Charged Off Balance Sheet Foreign Currency	-	-	-	-
19b. Amount of Derivative Products with a Passive Foreign Exchange Currency	-	-	-	-
<b>20. Net foreign currency assets/(liability) position</b>	<b>554,226,606</b>	<b>30,004,649</b>	<b>(341,578)</b>	-
<b>21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>554,226,606</b>	<b>30,004,649</b>	<b>(341,578)</b>	-
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 FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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

### NOTE 23 - 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 2023 (30 June 2023: 1 USD = TRY25.8231, 1 EUR = TRY28.1540 and 1 GBP = 32.8076; 31 December 2022: 1 USD = TRY18.6983, 1 Avro = TRY19.9349 and 1 GBP = 22.4892).

The table below presents the Group's sensitivity to a 20% (31 December 2022: 20%) 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 2023	
	Profit/(Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
In a case 20% deviation of USD against TRY	154,179,153	(154,179,153)
<b>USD net asset/(liability)</b>	<b>154,179,153</b>	<b>(154,179,153)</b>
In a case 20% deviation of EUR against TRY	(1,035,533)	1,035,533
<b>EUR net asset/(liability)</b>	<b>(1,035,533)</b>	<b>1,035,533</b>
<b>Total</b>	<b>153,143,620</b>	<b>(153,143,620)</b>

  

	31 December 2022	
	Profit/(Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
In a case of 20% deviation of USD against TRY	112,207,186	(112,207,186)
<b>USD net asset/(liability)</b>	<b>112,207,186</b>	<b>(112,207,186)</b>
In a case of 20% deviation of EUR against TRY	(1,361,865)	1,361,865
<b>EUR net asset/(liability)</b>	<b>(1,361,865)</b>	<b>1,361,865</b>
<b>Total</b>	<b>110,845,321</b>	<b>(110,845,321)</b>

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 30 JUNE 2023

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### NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

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

#### Financial Instruments Categories

30 June 2023	Note	Financial liabilities at amortized cost	Financial assets at amortized cost	Financial assets at fair value through profit/loss	Carrying value
<b>Financial assets</b>		-	<b>963,260,269</b>	<b>15,656,464</b>	<b>978,916,733</b>
Cash and cash equivalents	3	-	37,575,150	-	37,575,150
Trade receivables	5	-	41,345,956	-	41,345,956
Due from related parties	22	-	882,406,566	-	882,406,566
Other receivables	6	-	1,932,597	-	1,932,597
Financial investments	4	-	-	15,656,464	15,656,464
<b>Financial liabilities</b>		<b>243,393,830</b>	-	-	<b>243,393,830</b>
Trade payables	5	62,195,137	-	-	62,195,137
Due to related parties	22	170,467,688	-	-	170,467,688
Other payables	6	10,731,005	-	-	10,731,005

31 December 2022	Financial liabilities at amortized cost	Financial assets at amortized cost	Financial assets at fair value through profit/loss	Carrying value	Note
<b>Financial assets</b>	-	<b>757,211,736</b>	<b>720,699</b>	<b>757,932,435</b>	
Cash and cash equivalents	-	159,479,948	-	159,479,948	3
Trade receivables	-	19,650,831	-	19,650,831	5
Due from related parties	-	575,845,461	-	575,845,461	22
Other receivables	-	2,235,496	-	2,235,496	6
Financial investments	-	-	720,699	720,699	4
<b>Financial liabilities</b>	<b>47,930,090</b>	-	-	<b>47,930,090</b>	
Trade payables	35,971,753	-	-	35,971,753	5
Due to related parties	706,092	-	-	706,092	22
Other payables	11,252,245	-	-	11,252,245	6

# **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 2023**

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### **NOTE 24 - SUBSEQUENT EVENTS**

With the Law on Amending Additional Motor Vehicle Tax Application, on Certain Laws and on Provision No. 375 to Compensate for Economic Losses Arising From Earthquakes on 6 February 2023, promulgated in the Official Gazette on 15 July 2023, the corporate income tax rate was raised from 20% to 25% (from 25% to 30% for financial institutions) and the new rate is applicable to tax returns to be submitted as of 1 October 2023.

As per Presidential Decree No. 7346 issued in the Official Gazette dated 7 July 2023, the general VAT rate of 18% applied to general transactions subject to tax was raised to 20% and the VAT rate of 8% applied to other deliveries and services was raised to 10%, applicable as of 10 July 2023.

Additionally, for organisations that export, the 1-point corporate income tax rate discount applied exclusively to earnings from exports was changed to 5-points. Also, with this change, as of 15 July 2023, 50% the tax exemption for immovable sale earnings laid out in Law No. 5520 was removed. However, a 25% exemption will apply for sales of immovables in corporate assets as of 15 July 2023.

The above-mentioned matters are considered incidents that do not require correction in the scope of TMS 10 Incidents After the Reporting Period.

As of the date of publication of these financial statements, the Group is continuing to assess the potential impact of these amendments on current and deferred taxes.

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