

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

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

**1 JANUARY - 31 DECEMBER 2021  
CONSOLIDATED FINANCIAL STATEMENTS  
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT**



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

**INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş.

**A. Audit of the Consolidated Financial Statements**

**1. Opinion**

We have audited the accompanying consolidated financial statements of Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

**2. Basis for Opinion**

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b><i>Key audit matters</i></b>	<b><i>How our audit addressed the key audit matter</i></b>
<p><b><i>Valuation for the fair value of investment properties</i></b></p> <p>As stated in Notes 2 and 11, the Group recognises its investment properties at their fair values. As of 31 December 2021, investment properties constitute 28% of the Group's aggregate consolidated assets and have a total carrying value of TRY301.791.159.</p> <p>As of 31 December 2021, the fair values of investment properties determined by independent valuation experts ("Valuation Experts") have been evaluated by management, and these values were used as the fair values of the investment properties in the consolidated financial statements.</p> <p>The fair values were determined based on comparison of benchmark prices of comparable real estate closely located to the real estate subject to valuation. The valuation of fair values of real estates are important for our audit due to the significance of these real estates on the consolidated financial statements, the use of estimates and assumptions (nature of assets, intended use, location adjustment, etc.) and involvement of our valuation experts in our assessments of these estimates and assumptions involved in valuation.</p>	<p>The audit procedures performed were the examination of the accounting for such valuation, including the evaluations performed by the management, and the implementation of the audit procedures presented below.</p> <ul style="list-style-type: none"> <li>- Meeting with top management about the intended use of the assets, on whether such assets can be classified as investment property,</li> <li>- Testing the land registry records of relevant assets,</li> <li>- Gaining an understanding of the evaluation and inquiries conducted by the Group management regarding the valuation report prepared by the Valuation Experts assigned by the Group,</li> <li>- Evaluating the capability and licence of the Valuation Experts, as well as their independence, by considering the scope of the work conducted and the provisions of the agreement,</li> <li>- Evaluating, with the support of our valuation experts, the valuation method applied and the estimates and assumptions used on the valuation report prepared by the Group's Valuation Experts,</li> <li>- Testing the compliance and adequacy of the fair value of investment properties with regard to TFRS as disclosed in Notes 2 and 11.</li> </ul>



<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Provisions and contingent liabilities (Note 15)</b></p> <p>There are compensation claims regarding the legal cases to which the Group is a party. Important estimations are used regarding the probability on whether economical assets of the Group will be used to meet liabilities when provisions and contingent liabilities concerning the related litigation and compensation claims are assessed.</p> <p>As of 31 December 2021 there are compensation claims related to ongoing litigation against the Group, and we focused on this matter in our audit for the reasons below:</p> <ul style="list-style-type: none"> <li>- The possibility to have a significant effect on the Group's consolidated financial statement as of 31 December 2021,</li> <li>- Group management used significant estimations in the assessment,</li> <li>- Estimations used in provision and contingent liabilities might be affected by possible future changes in the legal process,</li> <li>- The Group management involves legal consultants in the evaluation of the impact of the legal cases on the consolidated financial statements.</li> </ul>	<p>We performed the following audit procedures in relation to provisions and contingent liabilities:</p> <ul style="list-style-type: none"> <li>- We understood the litigation and compensation claims process regarding legal cases and how they are assessed by the Group management,</li> <li>- Legal letters were obtained from the independent external legal counsel and Group internal legal counsel,</li> <li>- Meetings were held with Group management to evaluate their the estimations and the summary case reports prepared by the Group management,</li> <li>- Meetings were held with the Group internal legal counsel about the pending cases. Evaluations of Group management and Group internal legal counsels were also assessed by our legal counsels.</li> </ul>



#### **4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**B. Other Responsibilities Arising From Regulatory Requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 9 March 2022.

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

A handwritten signature in blue ink, appearing to read "Çağlar Sürücü", is written over a light blue horizontal line.

Çağlar Sürücü, SMMM  
Partner

İstanbul, 9 March 2022

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

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2021

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

		Current period Audited	Prior period Audited
	Notes	31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	11,970,420	48,223,219
Financial investments	5	28,809	-
Trade receivables	6	13,714,058	7,105,042
<i>Trade receivables from related parties</i>	23	7,039,685	3,232,714
<i>Trade receivables from third parties</i>		6,674,373	3,872,328
Other receivables	8	72,996,119	59,105,036
<i>Other receivables from related parties</i>	23	70,175,468	55,885,452
<i>Other receivables from third parties</i>		2,820,651	3,219,584
Inventories	9	6,497,763	2,457,836
Prepaid expenses	7	603,382	332,639
Current income tax assets		-	5,376,750
Other current assets	15	269,136	85,696
<b>Total current assets</b>		<b>106,079,687</b>	<b>122,686,218</b>
<b>Non-current assets</b>			
Financial investments	5	-	452,207
Other receivables	8	529,400,941	326,947,388
<i>Other receivables from related parties</i>	23	529,185,455	326,735,127
<i>Other receivables from third parties</i>		215,486	212,261
Investment properties	10	301,791,159	204,548,131
Property, plant and equipment	11	134,442,089	100,040,450
Intangible assets	12	17,300,609	18,208,844
Deferred tax assets	21	227,697	34,196
Other non current assets	15	16,133,965	11,087,004
<b>Total non-current assets</b>		<b>999,296,460</b>	<b>661,318,220</b>
<b>TOTAL ASSETS</b>		<b>1,105,376,147</b>	<b>784,004,438</b>

The consolidated financial statements for the period 1 January - 31 December 2021 have been approved by the Board of Directors on 9 March 2022 and management is authorized for issue.

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

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

**CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION AS OF 31 DECEMBER 2021**

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

	Notes	Current period Audited 31 December 2021	Prior period Audited 31 December 2020
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	6	8,663,285	5,021,317
<i>Trade payables to related parties</i>	23	304,004	474,981
<i>Trade payables to third parties</i>		8,359,281	4,546,336
Payables related to the employee benefits	13	629,196	471,963
Other payables	8	2,369,243	528,680
<i>Other payables to related parties</i>	23	3,266	6,038
<i>Other payables to third parties</i>		2,365,977	522,642
Deferred income	7	2,839,545	2,830,387
Current income tax liability	21	34,251,668	-
Short-term provisions	14	41,483,951	35,432,893
<i>Short-term provisions for employee benefits</i>		1,268,895	957,595
<i>Other provisions</i>		40,215,056	34,475,298
Other current liabilities	15	7,874,415	5,904,725
<b>Total current liabilities</b>		<b>98,111,303</b>	<b>50,189,965</b>
<b>Non-current liabilities</b>			
Other payables	8	3,276,665	3,020,942
<i>Other payables to third parties</i>		3,276,665	3,020,942
Long-term provisions	14	13,500,836	7,955,209
<i>Long-term provisions for employee benefits</i>		4,170,944	3,561,926
<i>Other provisions</i>		9,329,892	4,393,283
Deferred tax liabilities	21	30,218,019	16,132,111
Other long term liabilities	15	1,153,027	2,306,050
<b>Total non-current liabilities</b>		<b>48,148,547</b>	<b>29,414,312</b>
<b>Total liabilities</b>		<b>146,259,850</b>	<b>79,604,277</b>
<b>EQUITY</b>			
Paid in share capital	16	148,867,243	148,867,243
Effects of business combinations under common control		(322,280,157)	(322,280,157)
Adjustments to share capital		16,377,423	16,377,423
Share premium / (discounts)		6,307,642	6,307,642
Repurchased shares (-)		(1,596,612)	(1,573,261)
Other comprehensive income or expenses that will not be reclassified to profit or loss		90,564,070	91,696,732
<i>Gain on revaluation of property, plant and equipment</i>		99,545,680	100,248,746
<i>Gain on remeasurement of defined benefit plans</i>		648,183	648,183
<i>Gain/loss on financial assets measured at fair value through other comprehensive (loss)</i>		(9,629,793)	(9,200,197)
Restricted reserves appropriated from profit		304,843,889	303,430,035
Retained earnings		460,863,716	402,099,048
Net profit for the period		255,169,083	59,475,456
<b>Total equity</b>		<b>959,116,297</b>	<b>704,400,161</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,105,376,147</b>	<b>784,004,438</b>

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

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDING 31 DECEMBER 2021**

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

	Notes	Current period Audited 1 January - 31 December 2021	Prior period Audited 1 January - 31 December 2020
<b>Profit or Loss Section</b>			
Revenue	17	79,251,636	46,612,527
Cost of sales (-)	17	(42,773,249)	(34,318,927)
<b>Gross profit</b>		<b>36,478,387</b>	<b>12,293,600</b>
General administrative expenses (-)	18	(12,350,869)	(9,578,957)
Marketing expenses (-)		(291,510)	(713,607)
Income from other operating activities	18	3,168,268	1,173,433
Expenses from other operating activities (-)	18	(16,414,889)	(10,459,757)
<b>Operating (loss)/gain</b>		<b>10,589,387</b>	<b>(7,285,288)</b>
Income from investing activities	19	100,322,055	16,434,358
Loss on investing activities (-)	19	(2,969)	(1,199,366)
<b>Operating gain before financial (expense)/income</b>		<b>110,908,473</b>	<b>7,949,704</b>
Financial income	20	220,447,090	72,568,403
Financial expenses (-)	20	(1,924,206)	(2,204,799)
<b>Profit before tax from continued operations</b>		<b>329,431,357</b>	<b>78,313,308</b>
<b>Tax expense from continued operations</b>		<b>(74,262,274)</b>	<b>(18,837,852)</b>
Taxes on income	21	(60,347,257)	(16,099,866)
Deferred tax (expense)	21	(13,915,017)	(2,737,986)
<b>Net profit from continued operations</b>		<b>255,169,083</b>	<b>59,475,456</b>
<b>Earnings per share from continued operations</b>	<b>22</b>	<b>0,01714</b>	<b>0,00400</b>
<b>Other comprehensive income section</b>			
<b>Items not to be reclassified to profit or loss</b>		<b>(429,596)</b>	<b>(8,921,006)</b>
Tangible fixed assets revaluation increases		-	3,919,862
Fair value (losses) of financial assets reflected to other comprehensive income		(429,596)	(12,840,868)
<b>Other comprehensive (expense)</b>		<b>(429,596)</b>	<b>(8,921,006)</b>
<b>Total comprehensive income</b>		<b>254,739,487</b>	<b>50,554,450</b>

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

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

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

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

	Paid-in Share capital	Repurchased capital	Adjustments to share capital	Share premium	Other comprehensive income/(expense) not reclassified to profit or loss			Restricted reserves	Business combinations under common control	Retained earnings		Total equity
					Gain on revaluation of property plant and equipment	(loss) on financial assets measured at fair value through other comprehensive income	Gain on remeasurement of defined benefit plans			Retained earnings	Net income/(loss)	
<b>1 January 2020</b>	<b>148,867,243</b>	<b>(1,573,261)</b>	<b>16,377,423</b>	<b>6,307,642</b>	<b>96,328,884</b>	<b>3,640,671</b>	<b>648,183</b>	<b>303,430,035</b>	<b>(486,737,853)</b>	<b>398,043,573</b>	<b>4,055,475</b>	<b>489,388,015</b>
Transfers	-	-	-	-	-	-	-	-	-	4,055,475	(4,055,475)	-
Effect of business combinations under common control (Note 24)	-	-	-	-	-	-	-	-	164,457,696	-	-	164,457,696
Total comprehensive income	-	-	-	-	3,919,862	(12,840,868)	-	-	-	-	59,475,456	50,554,450
<b>31 December 2020</b>	<b>148,867,243</b>	<b>(1,573,261)</b>	<b>16,377,423</b>	<b>6,307,642</b>	<b>100,248,746</b>	<b>(9,200,197)</b>	<b>648,183</b>	<b>303,430,035</b>	<b>(322,280,157)</b>	<b>402,099,048</b>	<b>59,475,456</b>	<b>704,400,161</b>
<b>1 January 2021</b>	<b>148,867,243</b>	<b>(1,573,261)</b>	<b>16,377,423</b>	<b>6,307,642</b>	<b>100,248,746</b>	<b>(9,200,197)</b>	<b>648,183</b>	<b>303,430,035</b>	<b>(322,280,157)</b>	<b>402,099,048</b>	<b>59,475,456</b>	<b>704,400,161</b>
Transfers	-	-	-	-	(200,146)	-	-	1,413,854	-	58,261,748	(59,475,456)	-
Effect of business combinations under common control (Note 24)	-	(23,351)	-	-	-	-	-	-	-	-	-	(23,351)
Total comprehensive income	-	-	-	-	(502,920)	(429,596)	-	-	-	502,920	255,169,083	254,739,487
<b>31 December 2021</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>(9,629,793)</b>	<b>648,183</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>

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

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 DECEMBER 2021

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

STATEMENT OF CASH FLOWS	Notes	Current Period Audited 31 December 2021	Prior Period Audited 31 December 2020
<b>A. Cash flows from operating activities</b>		<b>14,379,473</b>	<b>(29,929,679)</b>
<b>Net profit for the period</b>		<b>255,169,083</b>	<b>59,475,456</b>
<b>Adjustments to reconcile profit / (loss) for the period</b>		<b>(203,478,122)</b>	<b>(33,326,456)</b>
Adjustments for (gains)/losses arised from sale of tangible and intangible assets		2,920	(382,919)
Adjustments for impairment			1,187,251
Adjustments for amortization and depreciation	11.12	28,119,064	23,194,987
Adjustments for fair value losses/(gains)	10	(97,089,514)	(15,366,490)
Adjustments for provisions related with employee benefits	14	1,305,908	899,627
Adjustments for lawsuit and/or penalty provisions	14	13,251,971	9,369,781
Adjustments for tax expense/	21	74,262,274	18,837,852
Adjustments for interest expense		(26,692,652)	(12,174,242)
Adjustments for unrealized currency translation differences		(192,192,714)	(58,491,618)
Adjustments for other items causing cash flows from investing and financing activities		(2,945,379)	(400,685)
Other adjustments to reconcile profit/loss		(1,500,000)	-
<b>Adjustments for working capital</b>		<b>(9,975,766)</b>	<b>(7,735,578)</b>
Adjustments for (increase) in inventories	9	(4,039,927)	(1,518,846)
Adjustments for (increase) in trade receivables		(5,211,775)	(1,507,433)
Adjustments for decrease/(increase) in other receivables		395,708	394,888
Adjustments for increase/(decrease) in trade payables		3,166,266	(6,816,041)
Adjustments for (decrease)/increase in other payables from operations		12,969	(133,616)
Adjustments for increase in payables related to the employee benefits	13	157,233	128,867
Adjustments for (increase) in prepaid expenses	7	(270,743)	(83,191)
Adjustments for (increase) in other current assets	16	(5,011,321)	(3,815,166)
Adjustments for increase in other liabilities from operations		816,665	2,890,272
Adjustments for increase in deferred income	7	9,159	2,724,688
<b>Cash generated from operations</b>		<b>41,715,195</b>	<b>18,413,422</b>
Payments made related to provisions for employee benefits	14	(437,319)	(768,747)
Payments made related to other provisions	14	(7,512,213)	(6,573,111)
Tax (payments)		(19,437,919)	(40,999,780)
Other cash outflows		51,729	(810)
<b>B. Cash flows from investing activities</b>		<b>(52,249,700)</b>	<b>71,674,873</b>
Cashflow used in acquisitions of shares or debt instruments of other businesses or funds		50,778	-
Cash outflows of acquisitions of tangible and intangible assets		(57,720,040)	(43,038,904)
Proceeds from sales of tangible and intangible assets		500,000	734,024
Cash inflows of proceeds from sales of investment properties	10	-	2,801,244
Cash inflows of repayments from advance and receivables from related parties		1,609,781	110,505,675
Other cash inflows		3,309,781	672,834
<b>C. Cash flows from financing activities</b>		<b>(348,286)</b>	<b>(272,283)</b>
Cash outflows from repurchase of own shares		(23,351)	-
Interest paid	20	(1,502)	(134)
Interest received		40,968	-
Other cash outflows		(364,401)	(272,149)
<b>Increase/(decrease) in cash and cash equivalents before foreign currency translations differences, net (A+B+C)</b>		<b>(38,218,513)</b>	<b>41,473,564</b>
<b>Foreign currency translation differences on cash and cash equivalents (D)</b>		<b>1,965,714</b>	<b>535,536</b>
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>		<b>(36,252,799)</b>	<b>42,009,100</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4</b>	<b>48,223,219</b>	<b>6,214,119</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>11,970,420</b>	<b>48,223,219</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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021**

(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 materials used in the industry and for this purpose, searching mine sites, acquiring operating licenses and operating privileges, operating or having them operated, processing, purifying, refining, and establishing cogeneration power plants to meet the need for electricity, energy and steam, establishing all kinds of facilities in order to 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 and processing plants for the electric energy production and also engages in the acquisition, performing leasing transactions and energy 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 following time, 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 activity and purchased 100% of the shares of Konya Ilgın Elektrik Üretim Sanayi ve Ticaret A.Ş. (“Konya Ilgın”) owned by the main shareholder of the company, Park Holding A.Ş. and Turgay Ciner. The purchase was approved at the General Assembly meeting held on 10 May 2017. This was followed by the subsequent transfer of shares.

The affiliate Konya Ilgın has the right to operate in related fields with the aim of production of lignite coal within the framework of its mining license and royalty contracts and has a license for a period of 49 years dated 27 February 2013 granted the by Energy Market Regulation Authority for electricity generation and its sale. It is planned to establish a thermal power plant in the Ilgın District of Konya with fluid bed boiler technology that will have an installed capacity of 500 MW. In the field under the royalty agreement, of which Konya Ilgın is a party, stripping works have started for the start of lignite coal production from the open pit as preparation for the period that power plant will operate and started coal production in the last quarter of 2019. The priority of the pre-mining planning that includes the June 2019-December 2025 period is to prepare 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 by the field in the scope of the main mining plan will be used to provide fuel for the thermal power plant. The Company will be named as the “Group”, collectively together with its subsidiary Konya Ilgın.

The Company has also signed a royalty contract for the purpose of operation at bauxite 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 income is calculated over the production amount and included in the consolidated financial statements.

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

As of 31 December 2021, the Company has 51 employees (31 December 2020: 49).

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

The Company’s shareholding structure is presented as below:

Shareholders	31 December 2021		31 December 2020	
	Shareholding Ratio	Amount	Shareholding Ratio	Amount
Park Holding A.Ş.	61.24	91,168,622	61.24	91,168,622
Turgay Ciner	6.76	10,065,983	6.76	10,065,983
Other	32.00	47,632,638	32.00	47,632,638
<b>Total</b>	<b>100</b>	<b>148,867,243</b>	<b>100</b>	<b>148,867,243</b>

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	Operations	Country
Konya Ilgın	Coal production and sale	Turkey

#### Approval of Financial Statements

These consolidated financial statements were approved by the Board of Directors on 9 March 2022 and authorized for issue. The Company’s General Assembly has the authority to alter consolidated financial statements.

### NOTE 2 - BASIS OF THE FINANCIAL STATEMENTS

#### 2.1 Basis of Presentation

#### Statement of Compliance

The consolidated accompanying financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 “Communiqué on the Principles of Financial Reporting In Capital Markets”

(the Communiqué) announced by the Capital Markets Board (“CMB”) on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the Communiqué, companies should apply Turkish Financial Reporting Standards (“TFRS”) and interpretations regarding these standards as published by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”). The consolidated financial statements are presented in accordance with announcement regarding with TFRS taxonomy which was published by POA and the format and mandatory information recommended by CMB.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

(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)

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

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

#### Functional Currency

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

#### Restatement of Financial Statements in Hyperinflationary Periods

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

#### 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 31 December 2021 comparatively with the statement of financial position as of 31 December 2020 and The Group has compiled the comprehensive income statement, the cash flow statement and the statement of changes in equity for the period ended 31 December 2021 comparatively with the financial statements for the period ended 31 December 2020.

#### Going concern

The consolidated financial statements have been prepared on the basis of the 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 is controlled, 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 direct 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 due.



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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.1 Basis of Presentation (Continued)

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

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

#### 2.2 New and Revised Turkish Accounting Standards

The Company has evaluated the effects of new and revised standards and interpretations on its operations and these will be implemented after its effective date.

##### a) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:

- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2023. These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

##### b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:

- **Amendment to TFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. This amendment does not have a significant effect on the financial position and performance of the Company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2021**

(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 Accounting Standards (Continued)**

- **Amendments to TAS 1, Presentation of financial statements’ on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability. This amendment is not expected to have a significant impact on the Company’s financial position and performance.
- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from Annual periods beginning on or after 1 January 2022. This amendment is not expected to have a significant impact on the Company’s financial position and performance.
  - **Amendments to TFRS 3,** ‘Business combinations’ update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to TAS 16,** ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to TAS 37,** ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.
- **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. This amendment is not expected to have a significant impact on the Company’s financial position and performance.
- **Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. This amendment is not expected to have a significant impact on the Company’s financial position and performance.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.3 Changes in accounting policies

Changes of accounting policies resulting from the first time implementation of the TAS are implemented retrospectively or prospectively in accordance with the transition provisions. Major accounting mistakes detected are applied retrospectively and the financial statements of previous period are revised. If the changes in accounting estimates only apply to one period, then they are applied in the current period when the change occurs; if the changes apply also to the future periods, they are applied in both the period of change and in the future period.

#### 2.4 Summary of Significant Accounting Policies

##### Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
  - (i) Has control or joint control over the reporting entity;
  - (ii) Has significant influence over the reporting entity; or
  - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Revenue

The Group adopted TFRS 15 “Revenue From Contracts with Customers” which proposes a five step model framework mentioned below for recognizing the revenue.

- Identify the contact with customers
- Identify separate performance obligations in the contract
- Determine the transaction price in contract
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue

The Group assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.

For each performance obligation identified, the entity determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over time.

The Group recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset or service.

The Group considers the following in the assessment of transfer of control of goods sold and services,

- a) The entity has a right to payment for the goods or service,
- b) The customer has legal title to the goods or service,
- c) The entity has transferred physical possession of the asset,
- d) The customer has the significant risks and rewards related to the ownership of the goods or services,
- e) The customer has accepted the goods or services.

The Company does not adjust the promised amount of consideration for the effects of a significant financing component since the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognised as income from operating activities in current period.

The Group’s revenue is mainly obtained from royalty income and coal sales, and the control of coal is transferred to the clients at the mine site and the transport of the coal is the client’s responsibility as per the relevant coal sales agreements. The royalty income is accrued on the basis of production during the relevant period and recorded as revenue.

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

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021**

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

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

#### **2.4 Summary of Significant Accounting Policies (Continued)**

##### **Dividend and interest income**

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

Dividend revenue from investments is recognized when shareholders have the right to receive such payment.

##### **Inventories**

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average out basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, inventory is written down to net realizable value and expense is included in statement of income/(loss) in the period in which the write-down or loss occurred. When circumstances that previously caused inventories discounted to net realizable value no longer exist or when there is clear evidence of an increase in net realizable value because of the changes in economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial write-down.

##### **Property, Plant and Equipment**

The machinery and equipment kept in use in the production or delivery of goods or services are re-valued, vehicles, fixtures and investments in progress are expressed in cost values. The revalued amount is determined by deducting the accumulated depreciation and the accumulated impairment in the periods after the fair value determined at the revaluation date. Revaluations are carried out at regular intervals in a way that does not significantly differ from the carrying value of the fair value to be determined on the date of the statement of financial position.

Any revaluation increase arising on the revaluation of such machinery and equipment is recognized in revaluation fund under equity. If there is a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such machinery and equipment is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value. Depreciation is calculated using the straight-line method over the estimated useful lives of property, plant and equipment.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line and declining depreciation method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expected useful lives for property, plant and equipment are as follows:

	<u>Useful life</u>
Machinery and equipment	5 - 25 years
Vehicles	5 - 7 years
Furniture and fixtures	4 - 15 years
Other property, plant and equipment	10 - 15 years

#### **Mine Assets**

##### Mine research and assessment expenses

Costs associated with mine preparation expenses (geophysical, topographical, geological etc.) are recognized as an expense as incurred, except where they are expected to contribute to sustainable capital growth in the future. In such cases, those expenses are capitalized and depreciated over the useful life of the mine (total reserve amount) when the mine reaches its trading production capacity. Research and preparation costs written off as expense prior to the development and construction period of a mine cannot be capitalized even though a mine reserve with trading nature is explored following the related period. Estimated useful life, residual value and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimates being accounted for on a prospective basis.

##### Mine preparation and development expenses

After the technical feasibility and commercial applicability of extracting ore from a mine resource is provable, the expenses are capitalised as mine preparation and development expenses. During the development of the mine, the stripping costs incurred both before and after production (removal of the covering layer, etc.) are part of the cost of the mine.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

The material removed during the stripping phase of mining consists of a mixture of coal and waste. Some of the stripping costs that occur when the ore waste rate is low and provides benefits such as facilitating access to the ore, which can be used in coal production, and to ease accessing more coal in the future. The Group accounts for the stripping assets under the intangible assets when it is likely to achieve future economic benefits related to the stripping process and when it is applicable to recognize the part of the coal that is easy to access and to reliably measure the relevant stripping costs. In this framework, should the actual stripping rate be higher than the estimated average stripping rate calculated considering the current mining period plan of the Group, a portion of the stripping costs incurred within the year is capitalised in the framework of the above-mentioned rates. The changes in the planned average stripping rate are recognised prospectively.

The mitigation, rehabilitation and closing costs of the mining fields, which are based on the current condition of the mining fields, and arise from open quarry mining field development activities and production carried out in the open quarry, reflect the provision for potential expenses during the closing and rehabilitation of the mines in the financial statements based on the reduced cost values as of the balance sheet date. The above-mentioned provisions are reduced using a discount rate that does not include the risk before tax related to the estimation of future cash flow, considering the risk related to the interest rate and the liability in the markets related to the value at the balance sheet date, and the calculations are reviewed in each balance sheet period. The changes caused by the changing method estimations used in the calculation of the mitigation, rehabilitation and closing of the mining fields are reflected in the mining field mitigation, rehabilitation and closing costs.

Mine preparation and development costs consist of the costs incurred for the development of the mine, especially the stripping, the rehabilitation cost of the mine site, the expropriation costs of the mine lands and dewatering costs of the mine site and are amortized proportionally to the production amount during the mine production.

#### Intangible Assets

##### Intangible assets acquired

Intangible fixed assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

##### Useful life

Rights

3 - 30 years

##### Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2021**

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

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

**2.4 Summary of Significant Accounting Policies (Continued)**

**Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible fixed asset and their fair value can be measured reliably. Cost of such intangible assets is the fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are carried at cost, less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets acquired separately.

**Impairment of Tangible and Intangible Assets Other Than Goodwill**

At the each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Financial Instruments

###### Financial Assets

###### Classification and measurement

Financial assets are classified by Group into the following specified categories; financial assets recognized at amortized costs, financial assets which change in fair value is reflected to other comprehensive income statement and financial assets which change in fair value is reflected to profit or loss. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group classifies the financial assets on purchase date.

###### Financial assets recognized at amortized costs

"Financial assets measured at amortized cost" are financial assets held for trading under a business model which aims to collect cash flows and includes cash flows of principal and interest generated from the principal balance with respect to specific dates of contractual terms, has no transaction in market and is non-derivative. Financial assets with maturities less than 12 months are classified as current assets and as non-current assets if more than 12 months. Financial assets of the Group that are recognized at amortized cost include "cash and cash equivalents", "trade receivables" and "other receivables". Related assets are initially recognized at fair value in the financial statements and measured at amortized cost using the effective interest rate method in next recognitions. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the consolidated income statement.

###### Impairment in trade receivables

The Group has chosen simplified approach for the calculation of impairment of trade receivables that do contain a significant financing component and accounted at amortised cost. In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason date. The Group uses a provision matrix in the calculation of expected credit losses. Since the change in expected credit loss provisions is not material, it is not accounted in consolidated income statement. For each reporting period, the recalculation is made and revaluated. Provision is recalculated and revised each reporting period if necessary.

###### *i) Financial assets which change in fair value is reflected to other comprehensive income statement*

The assets are classified as "assets recognized at fair value" once the management adopts the business model of collecting and / or selling contract cash flows. If management does not intend to derecognize the related assets within 12 months from the balance sheet date, assets are classified as non-current assets. is an the Group makes an irrevocable decision during initial recognition of equity based investments by recognizing fair value difference of the investment in other comprehensive income or profit or loss. Financial assets recongnized as other comprehensive income at fair value are presented as "financial investments" in the financial statements. The fair value difference of the assets recognized as other comprehensive income can be classified as retained earnings in case they are sold.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### ii) Financial assets which change in fair value is reflected to profit or loss

Financial assets which change in fair value is reflected to profit or loss are financial assets other than assets measured at amortized cost and assets which change in fair value is reflected as other comprehensive income. The resulting fair value gain and loss arised from the assets are recognized in the income statement.

##### Recognition and derecognition of financial assets

All purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase or to sell the asset. These purchases or sales are purchases or sales generally require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- The rights to receive cash flows from the asset have expired
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the consolidated financial statements.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

##### Financial Liabilities

When a financial liability is recognized initially, the Group measures it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest method.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Business Combinations and Goodwill

Business combinations that are not under common control are accounted for using the acquisition method. The cost of a business combination is allocated by recognising the acquiree’s identifiable assets, liabilities and contingent liabilities at the date of acquisition. Any excess of the acquirer’s interest over the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over the business combination cost is accounted for as goodwill. In business combinations, the acquirer recognizes identifiable assets, intangible assets (such as trademarks) and/or contingent liabilities which are not included in the acquiree’s financial statements and which can be separated from goodwill, at their fair values in the consolidated financial statements. Goodwill recognised in business combinations is tested for impairment annually or more often under when circumstances indicating impairment risk.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

The Group purchased 100% of Konya Ilgin from Park Holding A.Ş. and Turgay Ciner with the approval of purchase decision in General Assembly meeting dated 10 May 2017. This transaction was concluded to be as business combinations under common control. Within the scope of “Accounting of the business combinations under common control” promulgated in the Official Gazette dated 21 July 2013 the by the POA, it was stated that goodwill will not be included in consolidated financial statements prepared, that consolidated financial statements shall be adjusted as if the business combination took place at the beginning of the reporting period when the common control emerged and the financial statements shall be presented in comparison as of the beginning of that reporting period, and that “Impacts of the Business and entity combinations Under common Control” account will be used as a balancing account under shareholders equity to eliminate potential assets/ liabilities mismatch to arise as a result of business combinations under common control.

It would be appropriate to consider the accounting of business combinations under common control to consolidated financial statements considering the carrying values of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared. Therefore, on the date when and after the Company takes control of the companies under common control, the consolidated financial statements should be restated retrospectively to reflect the financial statement line items recognised at the time of Konya Ilgin’s acquisition by Park Holding A.Ş., which controls the Group.

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

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Effects of Change in Foreign Currency Rates

###### Foreign Currency Transactions and Balances

In preparing the financial statements transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

##### Earnings per Share

Earnings per share disclosed in the accompanying statement of income are determined by dividing net income by the weighted average number of shares circulating during the related period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders. In computing earnings per share, such bonus share distributions are treated as issued shares. Accordingly, the retrospective effect for such share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

##### Events after the Balance Sheet Date

Events after the balance sheet date comprise any events between the balance sheet date and the date of authorization of the financial statements for issue, even if any events after the balance sheet date occurred subsequent to the announcement of the Group's profit or the publicly disclosed financial information.

The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

##### Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Environmental liabilities

The Group is subject to extensive environmental controls and regulations in Turkey. The activities of the Group may result in negative impact for the land structure and surrounding plant and other living tissue as result of the various pollutant materials and substances spreaded around as waste.

The Group management is convinced to be fully complied with all laws and regulations related to the current environment in Turkey. However, environmental laws and regulations are changing over time and making continuous improvement. In this context, the Group cannot predict the time or extent of changes that may occur in the environmental legal framework. Such changes may require the Group to modernize its technology to comply with environmental standards that will become more stringent if they occur.

Group; within the scope of various mining licenses contracts, following the end of mining activities, mining the facilities and other assets that it has benefited from mining, it reinstates the environment. The Group management considers that its environmental obligations include the following:

- Rehabilitation of the land structure and other types of continuous rehabilitation,
- Taking out the assets used during mining activities, and the safety of the surrounding population and the environment, buildings and other making facilities a safeguard.

The extent of environmental obligations and the costs expected to be incurred in the future in terms of their structure are difficult to predict in terms of their structure, and are dependent on the scale of the activities undertaken and the timing and development of legal regulations. As of 31 December 2021, the necessary provisions on environmental liabilities have been capitalised in mine preparation development expenses and will be amortized proportionally with the production amount during the mine production.

##### **Reporting of Financial Information by Segments**

The information used by the Group Management to decide on performance evaluation and resource allocation is related to the "Mining" segment in Turkey, which operates in a single business.

##### **Investment Properties**

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under Property, Plant and Equipment up to the date of change in use.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Taxation and Deferred Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit or loss of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

##### Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Employee Benefits

###### Retirement Pay Provisions

Under the Turkish law and union agreements, severance payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as part of defined retirement benefit plans as per Turkey Accounting Standard 19 (Revised) “Employee Benefits” (“TAS 19”).

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and reflected in the financial statements. All actuarial gains and losses calculated are presented in the statement of comprehensive income.

##### Statement of Cash Flows

In statement of cash flow, cash flows are classified according to operating, investment and finance activities.

##### Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

#### 2.5 Significant Accounting Estimates and Assumptions

The Group has estimates and assumptions for the future. The estimates and assumptions that could cause significant adjustments in the carrying value of assets and liabilities in the upcoming financial reporting period are as follows:

###### Provisions for legal cases

As detailed and disclosed in Note 14, the Group is involved in a number of legal proceedings (both as a plaintiff and as a defendant) during the year arising in the ordinary course of business. All of these litigations are evaluated by the Group Management in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and disclosed or accounted in the consolidated financial statements.

Future results or outcome of these litigations might differ from Group Management’s expectations. As at the reporting date, the Group Management believes that appropriate recognition criteria and measurement basis are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to enable users to understand their nature, timing and amount by considering current conditions and circumstances.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

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

#### 2.5 Significant Accounting Estimates and Assumptions (Continued)

##### Environmental obligations

Estimated environmental obligations, comprising rehabilitation and mine closures are based on the Group's environmental management plans in compliance with current technological, environmental and local regulatory requirements. Estimated environmental obligations are also affected by the discount rates applied and amendments in the environmental management plans due to the changes in estimations of proven and probable reserves deviations from projected production plan, use of pattern and physical conditions. Key assumptions are reviewed regularly. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates

As of 31 December 2021, the provision for cost of mine rehabilitation for mine site in Konya Ilgın, was prepared by the management based on the estimates. The present value of the balance is determined by considering the long term inflation and bond rates accordingly. Related discount rate is used to discount the liabilities from 2055 which is the expected date of realization.

##### Useful lives for property, plant and equipment and intangible assets

Company evaluates the useful lives of its tangible and intangible fixed assets as of the end of each period. Company, concerning the purposes of use of its tangible and intangible fixed assets, related technological developments and management; takes into account the useful life and all other factors that reduce or extend the depreciation of fixed assets.

In the Group's current mining planning, an average stripping rate for the amortisation of the mining assets at the planning date is calculated considering the stripping rate expected during planning and the amount of coal expected to be accessed in return for this stripping rate. Changes in the planned estimated stripping rate are reviewed each reporting period and are recognised prospectively.

##### Income Taxes

Significant judgment is required to determine the Group provision for income taxes. The Group estimates its liabilities for tax obligations as well as the utilization of available loss carry forwards. When the final tax outcome is known, the actual positions may vary from these estimates and adjustments to deferred income tax positions may be required.

##### Fair values of investment properties and plants machinery and equipments

The assumptions used in the valuation reports used to determine the fair value of the properties classified as investment property in the consolidated financial statements are as follows:

##### Investment Properties

In 2021, the Group has undertaken revaluation studies to determine the fair value of investment property.

The basic method of expertise reports used to determine the fair value of the properties classified as investment property was determined as the market comparative approach in consolidated financial statements.



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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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### NOTE 3 - SEGMENT REPORTING

None (Note 2.3).

### NOTE 4 - CASH AND CASH EQUIVALENTS

	<b>31 December 2021</b>	<b>31 December 2020</b>
Cash on hand	330	330
Cash in banks	11,970,090	48,222,889
<i>Demand deposits</i>	<i>11,970,090</i>	<i>4,171,586</i>
<i>Term deposits with a maturity of less than three months</i>	<i>-</i>	<i>44,051,303</i>
	<b>11,970,420</b>	<b>48,223,219</b>

As of 31 December 2021, the Group has no blocked cash or cash equivalents (31 December 2020: None).

### NOTE 5 - FINANCIAL INVESTMENTS

#### a) Short-term financial investments

	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Short-term financial investments</b>		
Investment funds	28,809	-
	<b>28,809</b>	<b>-</b>

#### b) Long-term financial investments (cont'd)

As of 31 December 2021, the Group's long-term financial investments is as follows:

	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Long-term financial investments</b>		
Financial investments	-	452,207
	<b>-</b>	<b>452,207</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 5 - FINANCIAL INVESTMENTS (Continued)

	31 December 2021		31 December 2020	
	Shareholding Ratio (%)	Amount	Shareholding Ratio (%)	Amount
Ciner Enerji Madencilik San. ve Tic. A.Ş.	10	-	10	452,207
		-		<b>452,207</b>

The movements of fair value gains/losses of financial assets reflected to other comprehensive income as of 31 December 2021 and 2020 is as follows:

	2021	2020
<b>As of 1 January</b>	<b>452,207</b>	<b>13,842,856</b>
Change in fair value (*)	(452,207)	(13,390,649)
Additions	-	-
Disposals (-)	-	-
<b>As of 31 December</b>	<b>-</b>	<b>452,207</b>

(\*) Çayırhan Thermal Power Plant located in Ankara Çayırhan with a total capacity of 620 MW operated by Ciner Enerji Madencilik San. ve Tic. A.Ş., in which the Company has 10% share, had an operating concession period and this concession period has expired on 30 June 2020 and the power plant, other relevant movables and immovables, mine sites supplying coal to the power plant and supporting facilities were transferred in working order to Elektrik Üretim A.Ş.. In this respect, the fair value studies of the relevant financial investment are revisited and updated by considering estimated effects of the continuing transactions to be completed after the transfer and fair value differences were accounted in other comprehensive income.

### NOTE 6 - TRADE RECEIVABLES AND PAYABLES

#### Trade Receivables

	31 December 2021	31 December 2020
<b>Short-term trade receivables</b>		
Trade receivables	16,066,348	9,439,557
Trade receivables from related parties (Note 23)	7,039,685	3,232,714
Allowance for doubtful trade receivables (-)	(9,391,975)	(5,567,229)
	<b>13,714,058</b>	<b>7,105,042</b>

The average maturity for short-term trade receivables varies between 15 - 30 days (31 December 2020: 15 - 30 days ).

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

The movement of allowance for doubtful receivables is as follows:

	31 December 2021	31 December 2020
Within 1 - 5 years	-	-
5 years or more	9,391,975	5,567,229
	<b>9,391,975</b>	<b>5,567,229</b>

Allowance has been made for estimated irrecoverable amounts. Allowance is determined based on the 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 allowance doubtful receivable amount presented in the accompanying consolidated financial statements are appropriate.

The movement of allowance for doubtful receivables is as follows:

<b>Movement of allowance for doubtful trade receivables</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Opening balance	(5,567,229)	(4,617,115)
Foreign currency exchange differences	(3,824,746)	(950,114)
<b>Closing balance</b>	<b>(9,391,975)</b>	<b>(5,567,229)</b>

### Trade Payables

<b>Short-term trade payables</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Trade payables	8,359,281	4,546,160
Trade payables to related parties (Note 23)	304,004	474,981
Other trade payables	-	176
	<b>8,663,285</b>	<b>5,021,317</b>

The average maturity for short-term trade payables are 30 - 45 days (31 December 2020: 30 days).

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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### NOTE 7 - PREPAID EXPENSES, OTHER ASSETS, AND DEFERRED INCOME

<b>Prepaid expenses</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Prepaid expenses for next months	379,486	202,407
Advances given for purchases	223,896	130,232
	<b>603,382</b>	<b>332,639</b>

  

<b>Short-term deferred income</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Deferred income(*)	2,839,545	2,830,387
	<b>2,839,545</b>	<b>2,830,387</b>

(\*) TRY2.686.861 of the relevant amount consists of the state right cancellation amounts won by the Company but the judicial process has not yet been finalized.

### NOTE 8 - OTHER RECEIVABLES AND PAYABLES

<b>Other short-term receivables</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Due from related parties (Note 24)	70,175,468	55,885,452
Deposits and guarantees given	1,056,001	1,641,398
Receivables from state authority	1,764,650	1,578,186
Other receivables	609,483	609,483
Allowance for other doubtful receivables (-)	(609,483)	(609,483)
	<b>72,996,119</b>	<b>59,105,036</b>

  

<b>Other long-term receivables</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Due from related parties (Note 24)	529,185,455	326,735,127
Deposits and guarantees given	215,486	212,261
	<b>529,400,941</b>	<b>326,947,388</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)

	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Other short-term payables</b>		
Deposits and guarantees received (*)	2,364,619	522,615
Due to related parties (Note 24)	3,266	3,235
Dividend payables (Note 24)	-	2,803
Other payables	1,358	27
	<b>2,369,243</b>	<b>528,680</b>
<b>Other long-term payables</b>		
Deposits and guarantees received (*)	3,276,665	3,020,942
	<b>3,276,665</b>	<b>3,020,942</b>

(\*) The balances are composed of deposits and guarantees received from customer and suppliers as of 31 December 2021.

### NOTE 9- INVENTORIES

	<b>31 December 2021</b>	<b>31 December 2020</b>
Finished goods(*)	5,684,529	1,511,060
Raw materials	434,900	273,537
Other inventories	378,334	673,239
	<b>6,497,763</b>	<b>2,457,836</b>

(\*) Almost all finished goods consist of coal inventory (31 December 2020: Almost all of them).

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 10 - INVESTMENT PROPERTIES

#### Fair value

<b>Opening balance, 1 January 2021</b>	<b>204,548,131</b>
Increase in fair value of investment property	97,012,028
Costs incurred for investment properties	231,000
<b>Carrying value as of 31 December 2021</b>	<b>301,791,159</b>

#### Fair value

<b>Opening balance, 1 January 2020</b>	<b>191,995,000</b>
Increase in fair value of investment property	15,366,490
Disposals from investment properties	(2,813,359)
<b>Carrying value as of 31 December 2020</b>	<b>204,548,131</b>

As of 31 December 2021, there are no mortgages on the Group’s investments properties (31 December 2020: None).

As of 31 December 2021, 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 comparative approach.

Details of the Group’s investment properties and information about the fair value hierarchy as at 31 December 2021 and 2020 are as follows:

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2021**

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

**NOTE 10 - INVESTMENT PROPERTIES (Continued)**

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

	31 December 2020	Fair value as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
<b>Lands</b>	<b>62,938,131</b>	-	<b>62,938,131</b>	-
- Ceyhan	34,665,000	-	34,665,000	-
- Edirne	28,273,131	-	28,273,131	-
<b>Buildings</b>	<b>141,610,000</b>	-	<b>141,610,000</b>	-
- Ceyhan	26,420,000	-	26,420,000	-
- Edirne	10,645,000	-	10,645,000	-
- Şişhane	104,545,000	-	104,545,000	-

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 11 - 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 2021</b>	<b>2,490,787</b>	<b>105,562,756</b>	<b>16,802,357</b>	<b>220,009</b>	<b>611,803</b>	<b>54,775</b>	<b>2,857,205</b>	<b>128,599,692</b>
Additions (*)	-	55,088,105	942,882	130,000	218,346	-	1,592,606	57,971,939
Cost of mine rehabilitation provision	-	4,143,449	-	-	-	-	-	4,143,449
Tangible fixed asset value increase	-	-	-	-	-	-	-	-
Transfers	-	-	339,894	-	-	-	(339,894)	-
Disposals	-	-	(1,055,632)	-	-	-	-	(1,055,632)
<b>Closing balance, 31 December 2021</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>
<b>Accumulated depreciation</b>								
<b>Opening balance, 1 January 2021</b>	<b>65,101</b>	<b>23,345,318</b>	<b>4,459,558</b>	<b>127,205</b>	<b>551,798</b>	<b>10,262</b>	-	<b>28,559,242</b>
Charge for the period	98,853	26,379,735	669,567	44,248	13,955	4,471	-	27,210,829
Disposals	-	-	(552,712)	-	-	-	-	(552,712)
<b>Closing balance, 31 December 2021</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>
<b>Carrying value as of 1 January 2021</b>	<b>2,425,686</b>	<b>82,217,438</b>	<b>12,342,799</b>	<b>92,804</b>	<b>60,005</b>	<b>44,513</b>	<b>2,857,205</b>	<b>100,040,450</b>
<b>Carrying value as of 31 December 2021</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>

(\*) Mining assets increased due to the stripping works continued in 2021 at Konya Ilgın.

As of 31 December 2021, TRY27,099,526 (31 December 2020: TRY22,133,391) of the period depreciation is included in the cost of sales and TRY111,303 (31 December 2020: TRY153,362) in general administrative expenses.

As of 31 December 2021, 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 CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2021**

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

**NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

<b>Cost</b>	<b>Land Improvements</b>	<b>Mine assets</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Furniture and fixture</b>	<b>Other fixed assets</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Opening balance, 1 January 2020</b>	<b>7,500</b>	<b>68,875,017</b>	<b>8,438,815</b>	<b>221,431</b>	<b>604,532</b>	<b>54,775</b>	<b>3,373,759</b>	<b>81,575,829</b>
Additions (*)	-	35,798,077	91,391	98,990	7,271	-	7,808,828	43,804,557
Cost of mine rehabilitation provision	-	889,662	-	-	-	-	-	889,662
Tangible fixed asset value increase	-	-	4,847,875	-	-	-	-	4,847,875
Transfers	2,483,287	-	4,654,844	-	-	-	(7,138,131)	-
Disposals	-	-	(1,230,568)	(100,412)	-	-	(1,187,251)	(2,518,231)
<b>Closing balance, 31 December 2020</b>	<b>2,490,787</b>	<b>105,562,756</b>	<b>16,802,357</b>	<b>220,009</b>	<b>611,803</b>	<b>54,775</b>	<b>2,857,205</b>	<b>128,599,692</b>
<b>Accumulated depreciation</b>								
<b>Opening balance, 1 January 2020</b>	<b>541</b>	<b>1,668,602</b>	<b>4,899,820</b>	<b>199,864</b>	<b>541,813</b>	<b>5,790</b>	-	<b>7,316,430</b>
Charge for the period	64,560	21,676,716	521,239	9,781	9,985	4,472	-	22,286,753
Disposals	-	-	(961,501)	(82,440)	-	-	-	(1,043,941)
<b>Closing balance, 31 December 2020</b>	<b>65,101</b>	<b>23,345,318</b>	<b>4,459,558</b>	<b>127,205</b>	<b>551,798</b>	<b>10,262</b>	-	<b>28,559,242</b>
<b>Carrying value as of 1 January 2020</b>	<b>6,959</b>	<b>67,206,415</b>	<b>3,538,995</b>	<b>21,567</b>	<b>62,719</b>	<b>48,985</b>	<b>3,373,759</b>	<b>74,259,399</b>
<b>Carrying value as of 31 December 2020</b>	<b>2,425,686</b>	<b>82,217,438</b>	<b>12,342,799</b>	<b>92,804</b>	<b>60,005</b>	<b>44,513</b>	<b>2,857,205</b>	<b>100,040,450</b>

(\*) Mining assets increased due to the stripping works continued in 2020 at Konya Ilgın.

As of 31 December 2020, 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

As of 31 December 2021, information about the land and buildings owned by the Group and the fair value hierarchy of the said assets are shown in the table below:

	Fair value level as of reporting date			
	31 December 2021	1. Level	2. Level	3. Level
Machinery and equipment	12,453,088	-	12,453,088	-

### NOTE 12 - INTANGIBLE ASSETS

	Rights	Total
Opening balance, 1 January 2021	24,817,417	24,817,417
Additions	-	-
Closing balance, 31 December 2021	24,817,417	24,817,417
<b>Accumulated amortization</b>		
Opening balance, 1 January 2021	6,608,573	6,608,573
Charge for the period	908,235	908,235
Closing balance, 31 December 2021	7,516,808	7,516,808
Carrying value as of 1 January 2021	18,208,844	18,208,844
Carrying value as of 31 December 2021	17,300,609	17,300,609

As of 31 December 2021, TRY908,235 of the period depreciation is included in general administrative expenses. (31 December 2020: TRY908,234 of the period depreciation is in general administrative expenses).

	Rights	Total
Opening balance, 1 January 2020	24,817,417	24,817,417
Additions	-	-
Closing balance, 31 December 2020	24,817,417	24,817,417
<b>Accumulated amortization</b>		
Opening balance, 1 January 2020	5,700,339	5,700,339
Charge for the period	908,234	908,234
Closing balance, 31 December 2020	6,608,573	6,608,573
Carrying value as of 1 January 2020	19,117,078	19,117,078
Carrying value as of 31 December 2020	18,208,844	18,208,844

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 13 - EMPLOYEE BENEFITS

	31 December 2021	31 December 2020
Due to personnel	364,802	265,577
Social security premiums payables	93,086	125,391
Other sundry payables	171,308	80,995
	<b>629,196</b>	<b>471,963</b>

### NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

#### a) Short-term provisions

Short-term provisions for employee benefits	31 December 2021	31 December 2020
Unused vacation provisions	1,268,895	957,595
	<b>1,268,895</b>	<b>957,595</b>

The movement of provisions for unused vacation liability during the current period is presented as below:

	2021	2020
<b>Opening balance</b>	<b>957,595</b>	<b>731,496</b>
Charge for the period/(provisions no longer required), net	350,349	304,953
Payment during the period	(39,049)	(78,854)
<b>Closing balance</b>	<b>1,268,895</b>	<b>957,595</b>

Other short-term provisions	31 December 2021	31 December 2020
Provisions for litigation (*)	40,215,056	34,475,298
	<b>40,215,056</b>	<b>34,475,298</b>

(\*) During the period, the Group is involved in a number of legal proceedings (both as a plaintiff and as a defendant) during the year arising in the ordinary course of business. A significant portion of the Group's existing lawsuits are employee lawsuits related to the Madenköy operation in the Şirvan district of Siirt, which was closed in 2017, and the claims include the Company's staff and subcontractors and their legal successors (pecuniary and non-pecuniary indemnities due to death, receivables and reemployment). The Group has recognized a provision amounting to TRY40,215,056 (31 December 2020: TRY34,475,298) as a result of the evaluation of legal opinions related to prosecuted law, business, commercial and administrative lawsuits and current lawsuits which are similar and 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 occur 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.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The movement of provisions for litigation during the current period is presented as below:

	2021	2020
<b>Opening balance</b>	<b>34,475,298</b>	<b>35,137,704</b>
Charge for the period/(provisions no longer required), net	11,191,812	8,559,245
Payment during the period	(7,512,213)	(6,573,111)
Transfers to other debts and liabilities (Note 16)	-	(3,459,075)
Effect of foreign exchange	2,060,159	810,535
<b>Closing balance</b>	<b>40,215,056</b>	<b>34,475,298</b>

#### a) Long-term provisions

	31 December 2021	31 December 2020
Retirement pay provisions	4,170,944	3,561,926
	<b>4,170,944</b>	<b>3,561,926</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 TRY8,284.51 for each period of service at 31 December 2021 (31 December 2020: TRY 7,117.17).

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 31 December 2021, 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 3.45% real discount rate (31 December 2020: 3.96%) calculated by using 11.57% annual inflation rate and 15.41% interest rate. Voluntary leave rates are also taken into consideration as 5.16% for employees 0-15 years and 0% for employees 16 years and over.

Ceiling amount of TRY10,848.59 which is in effect since 1 January 2022 is used in the calculation of Group’s provision for retirement pay liability.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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### NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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

The movement of the employment termination benefits is as follows:

	2021	2020
<b>Opening balance</b>	<b>3,561,926</b>	<b>3,657,145</b>
Service cost	814,675	447,987
Interest cost	140,884	146,687
Actuarial loss/(gain)	51,729	-
Payment during the period (-)	(398,270)	(689,893)
<b>Closing balance</b>	<b>4,170,944</b>	<b>3,561,926</b>

	31 December 2021	31 December 2020
<b>Other long-term provisions</b>		
Provision for cost of mine rehabilitation	9,329,892	4,393,283
	<b>9,329,892</b>	<b>4,393,283</b>

The provision for cost of mine rehabilitation was prepared by the Management based on certain estimates. The critical assumptions used in the 2021 forecast are the timing of spendings by 2054.

#### a) Guarantees received and given

Guarantees received (TRY)	31 December 2021		31 December 2020	
	FC Balance	Equivalent of TRY	FC Balance	Equivalent of TRY
Letters of guarantees (USD)	100,000	1,297,750	100,000	734,050
Letters of guarantees (TRY)	2,400,000	2,400,000	-	-
Guarantee cheques (TRY)	200,000,000	200,000,000	200,000,000	200,000,000
Cash guarantees (TRY)	142,290	142,290	1,708,432	1,708,432
Cash guarantees (USD)	250,000	3,244,375	250,000	1,835,125
<b>Total</b>		<b>207,084,415</b>		<b>204,277,607</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The details of the Group’s Guarantees/Pledges/Mortgages (“GPMs”) position as of 31 December 2021 and 31 December 2020 is presented as follows:

<b>31 December 2021</b>	<b>TRY</b>	<b>TRY equivalent Total</b>
A. GPMs given on behalf of its own legal entity	79,341,645	79,341,645
<i>Guarantee Letters</i>	77,865,006	77,865,006
<i>Cash guarantees</i>	1,476,639	1,476,639
<i>Obligations granted on behalf of shareholders</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>79,341,645</b>	<b>79,341,645</b>

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

<b>31 December 2020</b>	<b>TRY</b>	<b>TRY equivalent Total</b>
B. GPMs given on behalf of its own legal entity	71,148,600	71,148,600
<i>Guarantee Letters</i>	69,328,041	69,328,041
<i>Cash guarantees</i>	1,820,559	1,820,559
<i>Obligations granted on behalf of shareholders</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>71,148,600</b>	<b>71,148,600</b>

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

### NOTE 15 - OTHER ASSETS AND LIABILITIES

	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Other current assets</b>		
Personnel advances	218,444	75,425
Business advances	50,692	10,271
	<b>269,136</b>	<b>85,696</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 15 - OTHER ASSETS AND LIABILITIES (Continued)

	31 December 2021	31 December 2020
<b>Other non-current assets</b>		
VAT deductible in future years	16,133,965	11,018,700
Other	-	68,304
	<b>16,133,965</b>	<b>11,087,004</b>
<b>Other short-term liabilities</b>		
Taxes and funds payables	5,430,635	4,751,700
Other liabilities payable	2,443,780	1,153,025
	<b>7,874,415</b>	<b>5,904,725</b>
<b>Other long-term liabilities</b>		
Other long-term liabilities	1,153,027	2,306,050
	<b>1,153,027</b>	<b>2,306,050</b>

### NOTE 16 - EQUITY

#### a) Share Capital

The Company’s share capital structure as of 31 December 2021 and 31 December 2020 is presented as follows:

Shareholders	31 December 2021		31 December 2020	
	Shareholding ratio (%)	Amount	Shareholding ratio (%)	Amount
Park Holding A.Ş.	61.24	91,168,622	61.24	91,168,622
Other	32.00	47,632,638	32.00	47,632,638
Turgay Ciner	6.76	10,065,983	6.76	10,065,983
<b>Total</b>	<b>100.00</b>	<b>148,867,243</b>	<b>100.00</b>	<b>148,867,243</b>

#### Information Regarding to Equity Shares

Group	Type	Nominal Value (TRY)	Share Participation (%)	Rights
A	In the name	18,290,866	%12.29	Right to nominate 6 members of the Board of Directors
B	In the name	130,576,377	%87.71	Right to nominate 3 members of the Board of Directors
		<b>148,867,243</b>	<b>%100.00</b>	

The paid in capital amount of the Company is TRY148,867,243 and authorised share capital ceiling is TRY300,000,000.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 16 - EQUITY (Continued)

#### b) Restricted reserves appropriated from profit

50% of the profits arising from the sales of the immovables included in the assets of the institutions for at least two full years in accordance with the first paragraph of the 5th article of the Tax Law No,5520 (e) by themselves (the effective date of the Article 89 of the Law No. 7061 dated 05.12,2017 the 75% portion of the sales made before the date of the sale) is exempt from the corporation tax and the exceptional amount is exempted from the corporation tax and the exempted portion 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 2 June 2021 for 2020, the Company has decided to allocate a general legal reserve amounting to TRY 1,390,503 calculated in accordance with the relevant legislation, over the profit for the period in the consolidated financial statements of 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 TRY 1,390,503. In this context, the related amounts in the Group's financial statements are reported as "Restricted Reserves Allocated from Profit".

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

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

### NOT 17 - REVENUE AND COST OF SALES

<b>Revenue</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Revenue from sale of coal (Note 1)	41,495,414	28,273,515
Revenue from royalty contracts (Note 1)	36,646,978	18,573,059
Other	1,111,730	219,444
Sales returns	(2,486)	(453,491)
	<b>79,251,636</b>	<b>46,612,527</b>
<b>Cost of sales</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Amortisation expenses (Note 11)	26,381,385	21,676,716
General production overheads	15,197,512	10,957,131
Personnel expenses	3,656,644	2,175,174
Depreciation expenses	718,141	456,675
Raw materials expenses	702,145	488,923
Cost of other sales	290,891	75,368
Change in finished product inventory	(4,173,469)	(1,511,060)
	<b>42,773,249</b>	<b>34,318,927</b>



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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, INCOME/(EXPENSES) FROM OTHER OPERATING ACTIVITIES

<b>General administrative expenses</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Personnel expenses	5,170,409	5,014,880
Taxes and other legal expenses	2,459,104	395,668
Consultancy and expense shares	1,171,038	822,110
Amortization expenses	1,019,538	1,061,596
Outsourced services	747,675	640,314
Rent expenses	632,032	611,243
Other	1,151,073	1,033,146
	<b>12,350,869</b>	<b>9,578,957</b>

<b>Income from other operating activities</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Exemption and discounts	1,500,000	398,671
Foreign exchange gain	1,128,601	411,433
Interest income	497,058	167,572
Provisions no longer required	-	6,208
Other	42,609	189,549
	<b>3,168,268</b>	<b>1,173,433</b>

<b>Expenses from other operating activities</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Provision expense	13,251,971	9,369,781
Foreign exchange loss	1,617,890	657,144
Other	1,545,028	432,832
	<b>16,414,889</b>	<b>10,459,757</b>

#### Fees for Services Obtained from Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	<b>2021</b>	<b>2020</b>
Audit and assurance fee	182,500	154,000
	<b>182,500</b>	<b>154,000</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2021**

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

**NOTE 19 – INCOME/(EXPENSES) FROM INVESTING ACTIVITIES**

<b>Income from investing activities</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Increase in value of investment properties	97,012,028	15,366,490
Rent income	3,309,781	672,834
Gain on sale of marketable securities	246	-
Income from sale of fixed assets	-	395,034
	<b>100,322,055</b>	<b>16,434,358</b>
<b>Loss on investing activities</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Investment properties sales loss	2,920	12,115
Commission on sale of marketable securities	49	-
License revocation	-	1,187,251
	<b>2,969</b>	<b>1,199,366</b>

**NOTE 20 - FINANCIAL INCOME/(EXPENSE)**

<b>Financial Income</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Foreign exchange income	192,770,861	60,456,632
Interest income	27,676,229	12,111,771
	<b>220,447,090</b>	<b>72,568,403</b>
<b>Financial Expenses</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Interest expenses	1,469,914	30,011
Foreign exchange losses	88,857	1,719,303
Other financial expenses	365,435	455,485
	<b>1,924,206</b>	<b>2,204,799</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 21 - TAX ASSETS AND LIABILITIES

Corporate tax	31 December 2021	31 December 2020
Current period corporate tax liability	60,347,257	32,753,061
Prepaid corporate tax	(26,095,589)	(38,129,811)
<b>Corporate tax liability/(assets)</b>	<b>34,251,668</b>	<b>(5,376,750)</b>

Taxation on income in statement of profit or loss as of 31 December 2021 and 2020 is as follows:

	31 December 2021	31 December 2020
Current period tax expense	(60,347,257)	(16,099,866)
Deferred tax (expense)	(13,915,017)	(2,737,986)
	<b>(74,262,274)</b>	<b>(18,837,852)</b>

### Deferred tax assets and liabilities

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

The breakdown of deferred income tax assets/(liabilities) provided using enacted tax rates at 31 December 2021 and 2020 are as follows:

Deferred tax assets/(liabilities)	31 December 2021	31 December 2020
Revaluation differences of investment properties	(34,425,411)	(20,126,657)
Useful life and valuation differences on property, plant, and equipment and intangible assets	(3,663,843)	(4,384,517)
Provision for reteriment pay and unused vacation	1,126,036	903,904
Evaluation differences on financial investments	360,500	337,890
Discount on receivable and payables	(2,198)	54,773
Provisions of liability and accruals	6,540,408	6,989,373
Other	74,186	127,319
	<b>(29,990,322)</b>	<b>(16,097,915)</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 21 - TAX ASSETS AND LIABILITIES (Continued)

#### Tax reconciliation

	1 January - 31 December 2021	1 January - 31 December 2020
Profit before tax	329,431,357	78,313,308
Applicable tax rate	%25	%22
Calculated tax expense	(82,357,840)	(17,228,928)
Disallowable expenses and differences	(3,090,313)	(1,745,405)
Deductions and exceptions	1,737,152	-
Tax loss not carried forward	-	(437,200)
Non-taxable adjustments	3,610,650	-
Tax rate differences	6,148,305	580,397
Other	66,494	(6,716)
<b>Total tax expense</b>	<b>(74,262,274)</b>	<b>(18,837,852)</b>

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

Based on the law was published in the Official Gazette on 22 April 2021, the corporate tax rate is 25% for 2021 (31 December 2020: 22%). Therefore, as of 31 December 2021, deferred tax assets and liabilities for the periods 2022 shall be measured in accordance with materiality at the tax rate of 23%, for the periods 2023 and after, the reversals of temporary differences will be measured by 20%.

Institutions 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 discount 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 discount 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 15% stopage, profit distribution is not considered.

Corporations are required to declare a temporary tax of 25% (for 2021) on their quarterly financial income until the 14th day of the second month following that period and pay until the evening of 17th day. The temporary tax paid during the year belongs to that year and is deducted from the corporation tax that will be calculated on the tax declaration of the institutions to be given in the following year. If the temporary tax amount paid remains in spite of the indictment, this amount can be refunded or any other financial debt to the state can be deducted.

There is no practice to reconcile with the tax authority on the taxes payable in Turkey. The corporation tax returns are given to the tax attached until the evening of the 25th day of the fourth month following the month of the accounting period.

Authorities of the tax examination may examine their accounting records over a period of five years, and if incorrect operation is detected, the amount of tax may change due to tax assessment to be made.

According to Turkish tax legislation, tax losses shown on the tax return can be deducted from the period corporate income for not more than 5 years. However, tax losses can not be deducted from retained earnings.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 22 - EARNINGS PER SHARE

<b>Earnings per share</b>	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Average number of shares in circulation during the period (in full)	14,886,724,300	14,886,724,300
Net profit attributable to equity holders of the Group	255,169,083	59,475,456
<b>Basic and diluted earnings per share</b>	<b>0.01714</b>	<b>0.00400</b>

### NOTE 23 - RELATED PARTY DISCLOSURES

#### Due from Related Parties

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

  

<b>Related party</b>	<b>Type of Relationship</b>	<b>31 December 2020</b>		
		<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Total</b>
Park Holding A.Ş. (*)	Shareholder	-	382,613,962	382,613,962
Ciner Enerji Madencilik San. ve Tic. A.Ş. (**)	Associate	-	2,201	2,201
Silopi Elektrik Üretim A.Ş.	Group Company	58,503	4,416	62,919
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.	Related Party	3,174,211	-	3,174,211
<b>Total</b>		<b>3,232,714</b>	<b>382,620,579</b>	<b>385,853,293</b>

(\*) The consideration amount of USD150 million for Konya Ilgın subsidiary acquisition conducted in 2017 has been revised by the relevant parties as USD126.2 million and the difference with corresponding interest charges has been reflected to the current accounts of Park Holding A.Ş. as a receivable. This transaction is accounted as a business combination under common control and all differences together with their current tax effects (TRY16,653,195) have been presented in equity under “Effects of business combinations under common control” account.

(\*\*) Park Termik Elektrik San. ve Tic. A.Ş.’s title was registered and changed as Ciner Enerji Madencilik San. ve Tic. A.Ş. on 19 August 2020.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 23 - RELATED PARTY DISCLOSURES (Continued)

The quarterly interest rates used by the Group for trade and financial transactions in TRY and USD during 2021 and 2020 are as follows:

	2021		2020	
	TRY	USD	TRY	USD
January - March	18.80%	2.52%	10.93%	2.94%
April - June	20.09%	2.41%	9.51%	2.10%
July - September	20.07%	2.04%	11.12%	2.59%
October - December	18.84%	2.26%	15.48%	2.95%

### Due to related parties

Related party	Type of Relationship	31 December 2021		
		Trade Payables	Other Payables	Total
Park Sig. Ara. Hiz. A.Ş.	Group Company	27,053	-	27,053
Park Holding A.Ş.	Shareholder	249,008	-	249,008
Silopi Elektrik Üretim A.Ş.	Group Company	16,375	-	16,375
Ciner Turizm Tic. İnş. Servis Hizmetleri A.Ş.	Group Company	11,568	-	11,568
Park Teknik Elekt. Maden Turizm San. Tic. A.Ş.	Group Company	-	463	463
Dividends payables to other affiliates	Shareholder	-	2,803	2,803
<b>Total</b>		<b>304,004</b>	<b>3,266</b>	<b>307,270</b>

Related party	Type of Relationship	31 December 2020		
		Trade Payables	Other Payables	Total
Park Sig. Ara. Hiz. A.Ş.	Group Company	224,906	-	224,906
Park Holding A.Ş.	Shareholder	163,812	-	163,812
Silopi Elektrik Üretim A.Ş.	Group Company	19,066	-	19,066
Havaş Turizm Seyahat ve Kargo Taşımacılığı A.Ş.	Group Company	62,345	-	62,345
Park Teknik Elekt. Maden Turizm San. Tic. A.Ş.	Group Company	4,852	3,235	8,087
Dividends payables to other affiliates	Shareholder	-	2,803	2,803
<b>Total</b>		<b>474,981</b>	<b>6,038</b>	<b>481,019</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 23 - RELATED PARTY DISCLOSURES (Continued)

#### Goods and Services Purchased from Related Parties

31 December 2021								
Related party	Type of Relationship	Goods	Service	Fixed Assets	Financial Expenses	Rent	Other	Total
Park Teknik Madencilik Turizm San.ve Tic. A.Ş.	Group Company	58,932	131,183	850,000	75,646	144,000	615,336	1,875,097
Park Holding A.Ş.	Shareholder	-	481,691	-	-	570,888	1,297,033	2,349,612
Ciner Enerji Madencilik San. ve Tic. A.Ş. (*)	Associate	-	-	-	19,226	-	-	19,226
Silopi Elektrik Üretim A.Ş.	Group Company	146,762	-	-	16	87,833	52,670	287,281
We İç ve Dış Ticaret A.Ş. (**)	Group Company	-	-	-	9,432	64,740	1,719	75,891
Park Sigorta Aracılık Hiz. A.Ş.	Group Company	-	235,686	-	-	-	-	235,686
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Related Party	-	-	200,000	-	-	-	200,000
Ciner Turizm Tic.İnş.Servis Hizm. A.Ş.	Group Company	-	-	-	129	9,983	447	10,559
<b>Total</b>		<b>205,694</b>	<b>848,560</b>	<b>1,050,000</b>	<b>104,449</b>	<b>877,444</b>	<b>1,967,205</b>	<b>5,053,352</b>

31 December 2020								
Related party	Type of Relationship	Goods	Service	Fixed Assets	Financial Expenses	Rent	Other	Total
Park Teknik Madencilik Turizm San.ve Tic. A.Ş.	Group Company	89,094	43,527	4,099,990	40,281	147,150	17,466	4,437,508
Park Holding A.Ş.	Shareholder	-	315,941	-	-	562,200	969,875	1,848,016
Ciner Enerji Madencilik San. ve Tic. A.Ş. (*)	Associate	72,410	455,634	-	59,442	-	92,104	679,590
Silopi Elektrik Üretim A.Ş.	Group Company	202,395	-	-	41	-	-	202,436
Havaş Turizm Sey.ve Kargo Taş. A.Ş.	Group Company	-	-	-	1,886	130,296	445	132,627
Park Sigorta Aracılık Hiz. A.Ş.	Group Company	-	136,400	-	12,572	-	-	148,972
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Related Party	11,498	-	-	-	-	-	11,498
<b>Total</b>		<b>375,397</b>	<b>951,502</b>	<b>4,099,990</b>	<b>114,222</b>	<b>839,646</b>	<b>1,079,890</b>	<b>7,460,647</b>

(\*) Park Termik Elektrik San. ve Tic. A.Ş.’s title was registered and changed as Ciner Enerji Madencilik San. ve Tic. A.Ş. on 19 August 2020.

(\*\*) Havaş Sey.ve Kargo Taş. A.Ş.’s title was registered and changed as We İç ve Dış Ticaret A.Ş.on 10 November 2021.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 23 - RELATED PARTY DISCLOSURES (Continued)

#### Goods and Services Sold to Related Parties

31 December 2021								
Related party	Type of Relationship	Goods	Service	Fixed Assets	Financial Income	Rent	Other	Total
Park Holding A.Ş.	Shareholder	-	-	-	217,757,605	-	-	217,757,605
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Related Party	41,492,928	-	-	495,416	-	-	41,988,344
Silopi Elektrik Üretim A.Ş.	Group Company	-	-	-	4,474	70,341	208,966	283,781
We İç ve Dış Ticaret A.Ş. (***)	Group Company	-	-	-	54	-	2,635	2,689
Ciner Enerji Madencilik San. ve Tic. A.Ş. (**)	Associate	-	-	500,000	-	-	-	500,000
Park Teknik Madencilik Tur. San. ve Tic. A.Ş.	Group Company	8,000	-	-	2	-	-	8,002
Kazan Soda Maden Enerji Nak. San. Tic. A.Ş.	Group Company	649,047	-	-	-	-	-	649,047
<b>Total</b>		<b>42,149,975</b>	<b>-</b>	<b>500,000</b>	<b>218,257,551</b>	<b>70,341</b>	<b>211,601</b>	<b>261,189,468</b>

31 December 2020								
Related party	Type of Relationship	Goods	Service	Fixed Assets	Financial Income	Rent	Other	Total
Park Holding A.Ş.	Shareholder	-	-	-	70,297,945	-	-	70,297,945
Havaş Turizm Sey. ve Kargo Taş. A.Ş.	Group Company	185,523	-	-	3,560	36,500	-	225,583
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Related Party	23,268,774	-	-	143,122	-	-	23,411,896
Silopi Elektrik Üretim A.Ş.	Group Company	-	-	-	3,743	457,173	-	460,916
Ciner Enerji Madencilik San. ve Tic. A.Ş. (**)	Associate	-	13,736	-	495	-	-	14,231
<b>Total</b>		<b>23,454,297</b>	<b>13,736</b>	<b>-</b>	<b>70,448,865</b>	<b>493,673</b>	<b>-</b>	<b>94,410,571</b>

Benefits provided to directors and executive personnel (*)	1 January -	1 January -
	31 December	31 December
	2021	2020
Wages, premiums and other similar benefits	264,776	197,865
Benefits related with retirement pay and unused vacation	-	-

(\*) Senior management consists of the members of the Board of Directors of the Company and its subsidiaries and people working as General Manager, Assistant General Managers and with titles above manager level. 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 other members due to their duties in the Board of Directors.

(\*\*) Park Termik Elektrik San. ve Tic. A.Ş.’s title was registered and changed as Ciner Enerji Madencilik San. ve Tic. A.Ş. on 19 August 2020.

(\*\*\*) Havaş Sey. ve Kargo Taş. A.Ş.’s title was registered and changed as We İç ve Dış Ticaret A.Ş. on 10 November 2021.



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

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021**

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

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### **NOTE 23 - RELATED PARTY DISCLOSURES (Continued)**

#### **Park Holding A.Ş.**

The Group provides a portion of the generated cash surplus as financial debt to its main shareholder, Park Holding A.Ş. The Group obtains interest income at the interest rates stated above for the financial receivables.

As discussed above, the Group applies interest for all financial and commercial transactions with related parties. Group earned finance income amounting to TRY217,757,605 in 2021 from Park Holding A.Ş. (31 December 2020: TRY70,297,945).

The Group's total non-commercial receivables from Park Holding A.Ş. as of 31 December 2021 is TRY599,355,663 TRY. As of December 31, 2021, the current non-trade receivables balance consists of both foreign currency and Turkish lira balances, with a foreign currency balance of USD27,487,171. The relevant foreign currency balance was at the level of USD47,814,475 at the end of 2020.

The Company's 2017 Konya İlgin subsidiary purchase amount of 150 million USD was revised to 126.2 million USD by the relevant parties in 2020, and the difference was transferred to the current accounts, with interest, as receivables from Park Holding A.Ş. Provided the receivable balance arising from this transaction is excluded, the remaining amount Company provided to Park Holding A.Ş. as fund surplus which is 27,367,700 USD (TRY242,020,786) as of 30 September 2021, effective as of 1 October 2021 started to be tracked in Turkish lira as per recent foreign exchange and tax legislation regulations and interest is calculated using the above-mentioned Turkish lira currency rates in the last quarter of the year.

The main shareholder of the Company, Park Holding A.Ş. provides the group companies with the management services needed to carry out their activities properly. These services include but not limited to; the fulfillment of procurement functions, the realization of information processing investments, the provision of technical information and support for human resources processes, financial reporting, audit and 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 Group Companies**

The Group received supplies and labour force from Park Teknik Madencilik Turizm Sanayi ve Ticaret A.Ş. and Ciner Enerji Madencilik Sanayi ve Ticaret A.Ş.

The Group purchases electricity energy from Silopi Elektrik Üretim A.Ş. to be used in investment properties.

The Group leases cars from Havaş Turizm Seyahat ve Kargo Taşımacılığı A.Ş.

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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

### NOTE 24 - 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 debts including the borrowings and other debts disclosed in Notes 6 and 7, cash and cash equivalents disclosed in Note 4 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 17.

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 the 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 liability amount (comprises of financial liabilities, leasing and trade payables as presented in the balance sheet) less cash and cash equivalents.

As of 31 December 2021 and 31 December 2020 the Group’s net debt / total equity ratio is detailed as follows:

	<b>31 December 2021</b>	<b>31 December 2020</b>
Financial liabilities	-	-
Less: Cash and cash equivalents and short-term financial investments	(11,999,229)	(48,223,219)
Net debt	(11,999,229)	(48,223,219)
Total equity	959,116,297	704,400,161
<b>Net debt/Total equity ratio (%)</b>	<b>(1.25)</b>	<b>(6.86)</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 various financial risks, 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 centrally in accordance with the Group’s risk policies through the Financial Transactions Department. 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 the Risk Management Department which is independent from steering, 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 6).

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**NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

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

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

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**NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

Credit risks exposed through types of financial instruments	31 December 2020				
	Trade Receivables		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>3,232,714</b>	<b>3,872,328</b>	<b>382,620,579</b>	<b>3,431,845</b>	<b>48,222,889</b>
- Maximum risk portion covered by guarantees, collaterals, etc.	-	(734,050)	(200,000,000)	-	-
A. Net book value of financial assets neither overdue nor impaired	3,232,714	3,872,328	382,620,579	3,419,956	48,222,889
- Portion covered by guarantees, collaterals etc.	-	(734,050)	(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	-	-	-	11,889	-
- Portion covered by guarantees, collaterals etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	5,567,229	-	609,483	-
Impairment (-)	-	(5,567,229)	-	(609,483)	-
- Net value portion covered by guarantees, collaterals, etc. (-)	-	-	-	-	-
Not due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value portion covered by guarantees, collaterals, etc. (-)	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

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

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### NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Past due but not impaired assets are presented as below:

	<u>31 December 2021</u>	
	<u>Trade Receivables</u>	<u>Other Receivables</u>
Due within 1-30 days	-	-
Due within 1-3 months	-	98,393
Due within 3-12 months	-	-
Due within 1-5 years	-	-
<b>Total overdue receivables</b>	<b>-</b>	<b>98,393</b>

	<u>31 December 2020</u>	
	<u>Trade Receivables</u>	<u>Other Receivables</u>
Due within 1-30 days	-	11,889
Due within 1-3 months	-	-
Due within 3-12 months	-	-
Due within 1-5 years	-	-
<b>Total overdue receivables</b>	<b>-</b>	<b>11,889</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.

The following table details show the Group’s financial liabilities and their maturities. The tables below have been drawn up based on the undiscounted liabilities and earliest payment dates of financial liabilities. Interest to be paid over those liabilities are included and summarized in the below table:

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

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### NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Contractual maturities	31 December 2020				
	Carrying value	Total cash Outflows in accordance with contracts (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 year months (III)
<b>Non-derivate financial liabilities</b>	<b>16,781,714</b>	<b>16,789,740</b>	<b>8,457,920</b>	<b>3,004,828</b>	<b>5,326,992</b>
Trade payables	5,021,317	5,029,343	3,702,958	1,326,385	-
Other payables	3,549,622	3,549,622	3,262	525,418	3,020,942
Other short term and long term liabilities	8,210,775	8,210,775	4,751,700	1,153,025	2,306,050

#### (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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**NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

	<b>31 December 2021</b>			
	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>GBP</b>
1. Trade Receivable	3,136,091	241,656	-	-
2a. Monetary Financial Assets	472,700	222	31,999	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
<b>4. CURRENT ASSETS</b>	<b>3,608,791</b>	<b>241,878</b>	<b>31,999</b>	-
5. Trade Receivable	-	-	-	-
6a. Monetary Financial Assets	356,714,762	27,487,171	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. NON-CURRENT ASSETS</b>	<b>356,714,762</b>	<b>27,487,171</b>	-	-
<b>9. TOTAL ASSETS</b>	<b>360,323,552</b>	<b>27,729,049</b>	<b>31,999</b>	-
10. Trade Payables	127,070	9,339	400	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-monetary Liabilities	5,314,963	-	361,998	-
<b>13. CURRENT LIABILITIES</b>	<b>5,442,033</b>	<b>9,339</b>	<b>362,398</b>	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	3,244,375	250,000	-	-
16b. Other Non-monetary Liabilities	-	-	-	-
<b>17. NON-CURRENT LIABILITIES</b>	<b>3,244,375</b>	<b>250,000</b>	-	-
<b>18. TOTAL LIABILITIES</b>	<b>8,686,408</b>	<b>259,339</b>	<b>362,398</b>	-
<b>19. Net assets/(liability) position of off balance sheet derivates items (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>351,637,145</b>	<b>27,469,710</b>	<b>(330,399)</b>	<b>-</b>
<b>21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>363,694,998</b>	<b>27,469,710</b>	<b>(330,399)</b>	<b>-</b>
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Total amount of assets hedged	-	-	-	-
24. Total amount of liabilities hedged	-	-	-	-

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### NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2020			
	TRY Equivalent	USD	Euro	GBP
1. Trade Receivable	2,529,911	344,651	-	-
2a. Monetary Financial Assets	68,587,613	9,304,548	31,924	1
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	71,117,524	9,649,199	31,924	1
5. Trade Receivable	-	-	-	-
6a. Monetary Financial Assets	326,735,124	44,511,290	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	326,735,124	44,511,290	-	-
<b>9. TOTAL ASSETS</b>	<b>397,852,648</b>	<b>54,160,489</b>	<b>31,924</b>	<b>1</b>
10. Trade Payables	214,674	801	23,179	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-monetary Liabilities	3,211,181	-	356,485	-
13. CURRENT LIABILITIES	3,425,855	801	379,664	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	1,835,125	250,000	-	-
16b. Other Non-monetary Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	1,835,125	250,000	-	-
<b>18. TOTAL LIABILITIES</b>	<b>5,260,980</b>	<b>250,801</b>	<b>379,664</b>	<b>-</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>392,591,668</b>	<b>53,909,688</b>	<b>(347,741)</b>	<b>1</b>
<b>21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>395,802,849</b>	<b>53,909,688</b>	<b>8,745</b>	<b>1</b>
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Total amount of assets hedged	-	-	-	-
24. Total amount of liabilities hedged	-	-	-	-



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### NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The Group is mainly exposed to USD 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 31 December 2021 (31 December 2021: USD 1 = TRY12,9775, Euro 1 = TRY14,6823 and GBP 1 = TRY17,4530, 31 December 2020: USD 1 = TRY 7.3405, Euro 1 = TRY 9.0079 and GBP 1 = TRY 9.9438).

The table below presents the Group’s sensitivity to a 10% (31 December 2020: 10%) deviation in foreign exchange rates (especially USD and EUR). 10% 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 10% 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

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

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**NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

	<b>31 December 2020</b>	
	<b>Profit/(Loss)</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
When 10% appreciation of USD against TRY	39,572,406	(39,572,406)
<b>USD net asset/(liability)</b>	<b>39,572,406</b>	<b>(39,572,406)</b>
When 10% appreciation of EUR against TRY	(313,242)	313,242
<b>EUR net asset/(liability)</b>	<b>(313,242)</b>	<b>313,242</b>
When 10% appreciation of other foreign currency against TRY	1	(1)
<b>Other foreign currency net asset/(liability)</b>	<b>1</b>	<b>(1)</b>
<b>Total</b>	<b>39,259,165</b>	<b>(39,259,165)</b>

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

**Financial Instruments Categories**

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

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### NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2020	Financial liabilities at amortized cost	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Carrying value	Note
<b>Financial assets</b>	-	<b>441,380,685</b>	<b>452,207</b>	<b>441,832,892</b>	
Cash and cash equivalents	-	48,223,219	-	48,223,219	4
Trade receivables	-	3,872,328	-	3,872,328	6
Due from related parties	-	385,853,293	-	385,853,293	23
Other receivables	-	3,431,845	-	3,431,845	8
Financial investments	-	-	452,207	452,207	5
<b>Financial liabilities</b>	<b>16,781,714</b>	-	-	<b>16,781,714</b>	
Trade payables	4,546,336	-	-	4,546,336	6
Due to related parties	481,019	-	-	481,019	23
Other payables	3,543,584	-	-	3,543,584	8
Other short term and long term liabilities	8,210,775	-	-	8,210,775	

### NOTE 25 - SUBSEQUENT EVENTS

The shares of Ciner Enerji Madencilik San. ve Tic. A.Ş., of which the Company holds 10%, were sold to Park Holding A.Ş. on 10 January 2022 for 721 TRY in accordance with the valuation study performed.

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