

**ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ**  
**AND ITS SUBSIDIARIES**

Condensed Consolidated Interim Financial Statements  
As at and For the Six-month Period Ended  
30 June 2021  
With Independent Auditor's Report on Review of  
Condensed Consolidated Interim  
Financial Statements

4 October 2021

This report includes 2 pages of Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Statements and 44 pages of condensed consolidated interim financial statements together with their explanatory notes.

## **ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ**

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## **Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Statements**

To the Board of Directors of Zorlu Enerji Elektrik Üretim Anonim Şirketi

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Zorlu Enerji Elektrik Üretim Anonim Şirketi ("the Company") and its subsidiaries (the "Group") as at 30 June 2021, condensed consolidated statement of profit or loss and condensed consolidated statement other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the condensed consolidated interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

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

Şirin Soysal, SMMM  
Partner  
4 October 2021  
Istanbul, Turkey

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

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

	Notes	Reviewed 30 June 2021	Audited 31 December 2020
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	4	2,235,097	728,314
Financial assets		265,797	258,578
Trade receivables		1,886,807	1,423,992
- Trade receivables from third parties		1,808,706	1,364,255
- Trade receivables from related parties	17	78,101	59,737
Other receivables		975,883	983,066
- Other receivables from third parties		76,100	46,713
- Other receivables from related parties	17	899,783	936,353
Receivables from service concession arrangements	5	489,293	349,605
Derivative financial instruments	12	--	3,749
Inventories		152,112	153,016
Other current assets	8	181,716	147,274
<b>Total current assets</b>		<b>6,186,705</b>	<b>4,047,594</b>
<b>Non-current assets:</b>			
Trade receivables		35,434	43,287
- Trade receivables from third parties		35,434	43,287
Financial assets		246	246
Other receivables		1,638,104	1,360,233
- Other receivables from third parties		174	134
- Other receivables from related parties	17	1,637,930	1,360,099
Receivables from service concession arrangements	5	2,443,349	2,534,191
Contract assets		92,725	79,639
- Other contract assets	10	92,725	79,639
Equity accounted investees		729,130	681,368
Property, plant and equipment	9	10,618,718	10,515,674
Intangible assets		2,807,474	2,872,163
Right of use assets		95,876	36,003
Deferred tax assets		554,864	494,245
Other non-current assets	8	14,710	13,487
<b>Total non-current assets</b>		<b>19,030,630</b>	<b>18,630,536</b>
<b>Total assets</b>		<b>25,217,335</b>	<b>22,678,130</b>

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

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

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

	Notes	Reviewed 30 June 2021	Audited 31 December 2020
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Financial liabilities	6	5,831,628	4,490,077
Trade payables		1,342,651	1,814,581
- Trade payables due to third parties		1,324,862	1,760,557
- Trade payables due to related parties	17	17,789	54,024
Other payables		1,412,486	1,334,410
- Other payables due to third parties	7	1,073,447	966,412
- Other payables due to related parties	7,17	339,039	367,998
Derivative financial instruments	12	85,188	83,856
Current tax liabilities		53,716	56,489
Other provisions		12,719	13,817
Other current liabilities	8	306,101	234,620
<b>Total current liabilities</b>		<b>9,044,489</b>	<b>8,027,850</b>
<b>Non-current liabilities:</b>			
Financial liabilities	6	12,479,187	10,053,106
Derivative financial instruments	12	178,222	243,452
Deferred tax liabilities		710,417	939,565
Provisions for employment benefits		57,575	44,000
<b>Total non-current liabilities</b>		<b>13,425,401</b>	<b>11,280,123</b>
<b>Total liabilities</b>		<b>22,469,890</b>	<b>19,307,973</b>
<b>EQUITY</b>			
Share capital	13	2,110,948	2,110,948
Other comprehensive income/ (expenses) not to be reclassified to profit or (loss)		4,457,172	4,570,676
- Revaluation of property, plant and equipment		4,476,249	4,583,615
- Actuarial losses		(19,077)	(12,939)
Share premium		916	916
Legal reserves	13	7,931	7,931
Other comprehensive income that are or may be reclassified to profit or (loss)		(4,678,090)	(3,858,376)
- Hedge reserves		(4,678,090)	(3,858,376)
Currency translation adjustment		809,983	590,369
Retained earnings		80,734	6,485
<b>Equity attributable to owners of the Company</b>		<b>2,789,594</b>	<b>3,428,949</b>
<b>Non-controlling interests</b>		<b>(42,149)</b>	<b>(58,792)</b>
<b>Total equity</b>		<b>2,747,445</b>	<b>3,370,157</b>
<b>Total liabilities and equity</b>		<b>25,217,335</b>	<b>22,678,130</b>

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

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

	Notes	Reviewed 1 January - 30 June 2021	Reviewed 1 January - 30 June 2020
Revenue		4,662,081	3,946,480
Cost of sales (-)	14	(3,782,307)	(3,272,960)
<b>Gross profit</b>		<b>879,774</b>	<b>673,520</b>
General and administrative expenses (-)	14	(163,503)	(123,724)
Marketing and selling expenses (-)	14	(18,147)	(19,785)
Other income	15	549,845	404,037
Other expense (-)	15	(256,655)	(151,236)
<b>Operating income</b>		<b>991,314</b>	<b>782,812</b>
Share of gain on equity accounted investees		(6,694)	25,587
Financial income	16	724,199	618,513
Financial expense (-)	16	(1,805,912)	(1,426,682)
<b>(Loss) / income before taxation</b>		<b>(97,093)</b>	<b>230</b>
Current Income tax expense (-)		(65,390)	(43,818)
Deferred tax income		88,495	43,959
<b>Net (loss) / income for the period</b>		<b>(73,988)</b>	<b>371</b>
<b>(Loss) / income attributable to:</b>			
Equity holders of the parent		(53,881)	14,329
Non-controlling interest		(20,107)	(13,958)
(Loss) / income per share (TL)		(0.027)	0.007

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

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

Notes	Reviewed 1 January - 30 June 2021	Reviewed 1 January - 30 June 2020
<b>(Loss) /income for the period</b>	<b>(73,988)</b>	<b>371</b>
<b>Items that will not to be reclassified to profit or loss</b>	<b>(5,720)</b>	<b>1,363,748</b>
Revaluation of property, plant and equipment	--	1,705,533
Actuarial (losses)/gains	(7,150)	346
Related tax	1,430	(342,131)
<b>Items that are or may be reclassified to profit or loss</b>	<b>(579,754)</b>	<b>(742,924)</b>
Hedge reserves	(999,210)	(1,050,736)
Foreign currency translation differences	219,614	97,665
Related tax	199,842	210,147
<b>Other comprehensive (loss) /income</b>	<b>(585,474)</b>	<b>620,824</b>
<b>Total comprehensive (loss) /income</b>	<b>(659,462)</b>	<b>621,195</b>
<b>Total comprehensive (loss) /income attributable to:</b>		
Equity holders of the parent	(639,355)	635,153
Non-controlling interests	(20,107)	(13,958)
<b>Total comprehensive (loss) /income</b>	<b>(659,462)</b>	<b>621,195</b>

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



# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

	Attributable to equity holders of the parent									
	Items that will not be reclassified to profit or loss				Items that are or may be reclassified to profit or loss					
	Share capital	Share premium	Revaluation of property plant and equipment	Actuarial losses	Foreign currency translation differences	Hedge reserves	Legal reserves	Retained earnings	Non controlling interests	Total equity
<b>1 January 2020</b>	<b>2,110,948</b>	<b>916</b>	<b>3,211,890</b>	<b>(10,574)</b>	<b>372,298</b>	<b>(2,635,595)</b>	<b>7,931</b>	<b>(435,539)</b>	<b>(23,148)</b>	<b>2,599,127</b>
Disposal of subsidiary	--	--	(201,378)	(5)	--	7,612	--	193,771	--	--
Transfers	--	--	(109,679)	--	--	--	--	109,679	--	--
Total comprehensive income	--	--	1,363,478	270	97,665	(840,589)	--	14,329	(13,958)	621,195
<b>30 June 2020</b>	<b>2,110,948</b>	<b>916</b>	<b>4,264,311</b>	<b>(10,309)</b>	<b>469,963</b>	<b>(3,468,572)</b>	<b>7,931</b>	<b>(117,760)</b>	<b>(37,106)</b>	<b>3,220,322</b>
<b>1 January 2021</b>	<b>2,110,948</b>	<b>916</b>	<b>4,583,615</b>	<b>(12,939)</b>	<b>590,369</b>	<b>(3,858,376)</b>	<b>7,931</b>	<b>6,485</b>	<b>(58,792)</b>	<b>3,370,157</b>
Transactions with the non-controlling parties	--	--	--	--	--	--	--	--	36,750	36,750
Transfers	--	--	(107,366)	(418)	--	(20,346)	--	128,130	--	--
Total comprehensive loss	--	--	--	(5,720)	219,614	(799,368)	--	(53,881)	(20,107)	(659,462)
<b>30 June 2021</b>	<b>2,110,948</b>	<b>916</b>	<b>4,476,249</b>	<b>(19,077)</b>	<b>809,983</b>	<b>(4,678,090)</b>	<b>7,931</b>	<b>80,734</b>	<b>(42,149)</b>	<b>2,747,445</b>

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

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira ("TL"), unless otherwise indicated.)

	Notes	Reviewed 1 January- 30 June 2021	Reviewed 1 January- 30 June 2020
<b>Cash flows from operating activities:</b>			
<b>Net income/(loss) for the period</b>		<b>(73,988)</b>	<b>371</b>
Adjustments related to depreciation and amortisation	14,15	378,155	320,026
Adjustments related to interest income	15,16	(176,608)	(162,899)
Adjustments related to interest expense	15,16	902,475	782,354
Adjustments related to unrealized foreign exchange losses and currency translation differences		437,412	93,764
Adjustments related to (income)/ loss from financial derivative instruments	12,16	(16,303)	13,623
Adjustments for provisions related with employee benefits		7,640	3,792
Adjustments for/(reversal of) other provisions		(1,098)	3,385
Adjustments related to gain/(loss) on sale of property, plant and equipment	15	(989)	(18,249)
Adjustments related to gain on sale of subsidiary	15	--	(40,160)
Adjustments related to share of profit/(loss) of equity-accounted investees		6,694	(25,587)
Adjustments related to indexation differences of receivables from service concession agreements	5,15	(243,758)	(132,815)
Adjustments related to indexation differences of deposits received	7	71,212	20,007
Adjustments related to tax income		(23,105)	(141)
Other adjustments related to non-cash items	4	41,884	30,990
<b>Net cash generated from operating activities before changes in working capital</b>		<b>1,309,623</b>	<b>888,461</b>
Changes in trade receivables		(415,831)	13,457
Changes in other receivables		296,755	450,856
Changes in other current and non-current assets		(32,787)	86,278
Changes in trade payables		(499,088)	(490,871)
Changes in other payables		35,823	25,888
Changes in other liabilities		71,481	(20,103)
Changes in inventories		904	(3,659)
Changes in customer contracts		(13,086)	(27,904)
Termination benefits paid		(1,215)	(526)
Taxes paid		(71,041)	(49,158)
Other inflows/outflows	4	231,514	102,852
<b>Net cash generated from operating activities</b>		<b>913,052</b>	<b>975,571</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property plant and equipment and intangible assets		(165,703)	(103,749)
Proceeds from sale of property, plant and equipment and intangible assets		3,364	36,518
Cash in flow from sale of subsidiaries		--	249,157
Proceeds from sale of assets held for sale		--	17,574
Dividend received		65,780	51,227
Other inflows/outflows	4	(52,158)	(28,748)
<b>Net cash generated from/ (used in) investing activities</b>		<b>(148,717)</b>	<b>221,979</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issued debt instruments	6	3,123,888	512,155
Proceeds from bank borrowings	6	357,069	1,048,431
Repayment of bank borrowings	6	(1,399,738)	(1,218,978)
Repayment of issued debt instruments	6	(474,270)	(381,460)
Changes in other payables to related parties		(38,920)	2,899
Payment of lease liabilities	6	(11,661)	(13,259)
Interest paid		(713,097)	(670,557)
Interest received		80,076	48,828
Other inflows/outflows	4	(60,151)	(44,825)
<b>Net cash used in financing activities</b>		<b>863,196</b>	<b>(716,766)</b>
Net increase in cash and cash equivalents		1,627,531	480,784
Effect of foreign currency conversion differences on cash and cash equivalents		(129,085)	(81,814)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>709,909</b>	<b>823,024</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>2,208,355</b>	<b>1,221,994</b>

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

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

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# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Zorlu Enerji Elektrik Üretim AŞ (“The Company” or “Zorlu Enerji”) and its subsidiaries (collectively referred to as (“the Group”) is engaged in electricity, steam production and selling, distribution and retailing of electricity, trading electricity, supply and distribution of gas, selling and distribution of solar panel and sale, installation and operation of electric charging stations. The Group was established by Zorlu Holding AŞ (“Zorlu Holding”) and Korteks Mensucat Sanayi ve Ticaret AŞ (“Korteks”) in 1993. Ultimate controlling party of the Group is Zorlu Holding. The Group is registered in Turkey and its registered address is as follows: Bursa Organize Sanayi Bölgesi, Pembe Cadde, No:13 Bursa, Türkiye.

The Group is registered to the Capital Markets Board (“CMB”), and its shares are publicly traded in Borsa Istanbul AŞ (“BIST”) since 2000. As at 30 June 2021, 34.97% of its shares are open for trading (31 December 2020: 34.7%).

The subsidiaries and associates of the Group are presented as below:

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Zorlu Enerji Pakistan Ltd. (“Zorlu Enerji Pakistan”)	Electricity production	Pakistan
Zorlu Wind Pakistan (Private) Ltd. (“Zorlu Wind Pakistan”)	Electricity production	Pakistan
Nemrut Jeotermal Elektrik Üretimi AŞ (“Nemrut”)	Electricity production	Turkey
Zorlu Solar Enerji Tedarik ve Ticaret AŞ (“Zorlu Solar”)	Electricity production and solar panel trading	Turkey
Zorlu Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret AŞ (“Zorlu Elektrik”)	Electricity trading	Turkey
Zorlu Osmangazi Enerji Sanayi ve Ticaret AŞ (“Zorlu Osmangazi”) (*)	Electricity distribution and retail sales	Turkey
Zorlu Enerji İsrail Ltd. (“Zorlu Enerji İsrail”)	Electricity production	Israel
Zorlu Renewable Pakistan (Private) Ltd. (“Zorlu Renewable Pakistan”)	Electricity production	Pakistan
Zorlu Sun Power (Private) Ltd. (“Zorlu Sunpower”)	Electricity production	Pakistan
Zorlu Enerji Dağıtım AŞ (“Zorlu Enerji Dağıtım”) (**)	Natural gas distribution	Turkey
Zorlu Enerji Asia Holding Ltd. (“Zorlu Enerji Asia”) (***)	Energy investment	Dubai
ZES Dijital Ticaret AŞ (“ZES Dijital”)	Electricity sale, renting of electric vehicle and other	Turkey
ZJ Strong Energy for Renewable Energy Ltd Co. (“ZJ Strong”)	Electricity production	Palestine
Zorlu Trade Elektrik Toptan Satış AŞ (“Zorlu Trade”)	Electricity trading, wholesale and purchase of electricity	Turkey
Electrip Araç Kiralama Ticaret AŞ (“Electrip”) (****)	Leasing vehicle and supply of related software and equipment	Turkey
ZES B.V.	Electric charging station sales, installation and operation	Netherlands
Zorlu Yenilenebilir Enerji AŞ (“Zorlu Yenilenebilir”) (*****)	Power plant installation, operation and other	Turkey
<b>Associates</b>	<b>Nature of business</b>	<b>Country</b>
Dorad Energy Ltd. (“Dorad”)	Electricity production	Israel
Ezotech Electric Ltd. (“Ezotech”) (*****)	Electricity production	Israel
Solad Energy Ltd. (“Solad”)	Electricity production	Israel
Adnit Real Estate Ltd (“Adnit”)	Electricity production	Israel

(\*) Zorlu Osmangazi has 100% shares of Osmangazi Elektrik Dağıtım AŞ (“OEDAŞ”) and Osmangazi Elektrik Satış Perakende AŞ (“OEPSAŞ”).

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

- (\*\*) Zorlu Enerji Dağıtım has 90% of the shares of Trakya Bölgesi Doğal Gaz Dağıtım AŞ (“Trakya”) and Gazdaş Gaziantep Doğal Gaz Dağıtım AŞ (“Gazdaş”) and 100% shares of Zorlu Doğal Gaz Tedarik Ticaret AŞ (“Zorlu Doğal Gaz Tedarik”).
- (\*\*\*) Zorlu Enerji Asia Holding Limited owned 100% shares of Zorlu Solar Pakistan (Private) Ltd. (“Zorlu Solar Pakistan”) on 20 October 2020. As per the material event disclosure dated May 20, 2021, Zorlu Enerji Asia Holding Limited, the company's capital of which is fully owned, established in Dubai International Financial Center (Dubai International Financial Center), has been decided to be liquidated due to the change in business plan. As of May 20, 2021, necessary liquidation procedures have been initiated within the framework of the laws and rules of the country to which Zorlu Enerji Asia Holding Limited is subject.
- (\*\*\*\*) As a result of the share transfers in Zorlu Enerji ve İnşaat Sanayi ve Ticaret AŞ; Zorlu Enerji took over all of its shares and aggregated 100% ownership rate as of 28 July 2020. Zorlu Enerji ve İnşaat Sanayi ve Ticaret AŞ maintains its activities as of 16 September 2020 under the name of Electrip Araç Kiralama Ticaret AŞ.
- (\*\*\*\*\*) Zorlu Yenilenebilir was established on 27 August 2020 as a subsidiary of Zorlu Enerji, which has all its shares, and on the date, Zorlu Doğal Elektrik Üretim AŞ. (“Zorlu Doğal”), Zorlu Jeotermal Enerji Elektrik Üretim AŞ. and Rotor Elektrik Üretim AŞ (“Rotor”) acquired 100% of Zorlu Doğal, Zorlu Jeotermal and Rotor companies by taking over the shares from Zorlu Enerji.
- (\*\*\*\*\*) Ezotech has 100% shares of Ashdod Energy Ltd. (“Ashdod”) and Ramat Negev Energy Ltd. (“Ramat Negev”).

As at 30 June 2021, the number of average personnel employed is 2,324 (31 December 2020: 2,283).

The power plants of the Group located in Turkey and abroad are presented below together with their existing installed capacities:

#### Installed capacity in Turkey:

Power Plant	Company	Location	Type	Electricity Production Capacity (MW)	Steam Production Capacity (Ton/Hour)
<b>Geothermal</b>				<b>305.00</b>	--
Kızıldere I	Zorlu Doğal	Denizli	Geothermal	15.00	--
Kızıldere II	Zorlu Doğal	Denizli	Geothermal	80.00	--
Kızıldere III	Zorlu Doğal	Denizli-Aydın	Geothermal	165.00	--
Alaşehir I	Zorlu Jeotermal	Manisa	Geothermal	45.00	--
<b>Wind</b>				<b>135.00</b>	--
Gökçedağ	Rotor	Osmaniye	Wind	135.00	--
<b>Hydroelectric</b>				<b>118.94</b>	--
Tercan	Zorlu Doğal	Erzincan	Hydroelectric	15.00	--
Kuzgun	Zorlu Doğal	Erzurum	Hydroelectric	20.90	--
Ataköy	Zorlu Doğal	Tokat	Hydroelectric	5.50	--
Mercan	Zorlu Doğal	Tunceli	Hydroelectric	20.40	--
Çıldır	Zorlu Doğal	Kars	Hydroelectric	15.40	--
İkizdere	Zorlu Doğal	Rize	Hydroelectric	24.94	--
Beyköy	Zorlu Doğal	Eskişehir	Hydroelectric	16.80	--
<b>Natural Gas</b>				<b>83.83</b>	<b>98.00</b>
Lüleburgaz	Zorlu Enerji	Lüleburgaz, Kırklareli	Cogeneration Natural Gas	49.53	98.00
Bursa	Zorlu Enerji	Bursa Organized Industrial Zone	Combined-Cycle Natural Gas	34.30	--
<b>TOTAL</b>				<b>642.77</b>	<b>98.00</b>

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

#### Installed capacity in abroad:

Power Plant	Location	Type	Electricity Production Capacity (MW)	Steam Production Capacity (Ton/Hour)
<b>Wind</b>			<b>56.40</b>	--
Jhimpir	Pakistan	Wind	56.40	--
<b>Solar (*)</b>			<b>1.50</b>	--
Deadsea	Palestine	Solar (2 MW)	1.50	--
<b>Natural Gas (*)</b>			<b>290.48</b>	<b>46.37</b>
Dorad	Israel	Combined-Cycle Natural Gas (840 MW)	210.00	--
Ashdod	Israel	Cogeneration Natural Gas (64.54 MW, 40 ton/hour)	27.20	16.86
Ramat Negev	Israel	Cogeneration Natural Gas (126.4 MW, 70 ton/hour)	53.28	29.51
<b>TOTAL</b>			<b>348.38</b>	<b>46.37</b>

(\*) Stake of Zorlu Enerji in Israel and Palentine companies has been taken into consideration in the calculation of total production capacity.

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 2.1 Basis of Presentation

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) Interim Financial Reporting and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2020 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The accounting policies applied in these interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2020.

This condensed consolidated interim financial information is prepared under the historical cost convention, adjusted, where required by IAS 34 to measure certain items at fair value.

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial information are disclosed in Note 2.6.

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

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### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of Presentation (Continued)

##### Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in TL, which is the functional currency of Group and the presentation currency of the Group.

Foreign consolidated subsidiaries are regarded as foreign entities since they are financially, economically and organizationally autonomous. Their reporting currencies are the respective local currencies. Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the financial position and at exchange rates at the dates of the transactions with respect to the statement of profit or loss. All resulting translation differences between the closing balances and opening balances due to the difference in inflation and devaluation are included in currency translation adjustment in equity.

#### 2.2 Basis of consolidation

The consolidated financial statements includes the accounts of the parent company, Zorlu Enerji and its subsidiaries and associates on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements and have been prepared in accordance with IFRS by applying uniform accounting policies and presentation. The results of operations of subsidiaries are included or excluded from their effective dates of acquisition or disposal respectively.

##### *Subsidiaries*

Zorlu Enerji controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Zorlu Enerji has power over a subsidiary when Zorlu Enerji has existing rights that give it the current ability to direct the relevant activities that significantly affect the subsidiary’s returns. Power arises from rights and the existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Zorlu Enerji controls another entity.

Subsidiaries including the structured entities are the companies controlled by the Group. The Group’s control is provided by the ability to affect the variable returns through its power over the subsidiaries. Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases.

The statement of financial position and statement of profit or loss the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Zorlu Enerji and its subsidiaries are eliminated against the related equity. Intercompany transactions and balances between Zorlu Enerji and its subsidiaries are eliminated with the scope of consolidation accounting.

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.2 Basis of consolidation (Continued)

##### *Loss of control*

If the Group loses control of a subsidiary, it recognizes any investment retained in the former subsidiary at its fair value when control is lost and any difference between the fair value and net book value of investment is accounted for as gain or loss. That fair value shall be regarded as the fair value on initial recognition of a financial asset, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Additionally, assets and liabilities that were previously recognized as other comprehensive income attributable to that subsidiary are accounted for as if those were disposed the Group. This may result in a fact that these amounts previously recognized as other comprehensive income may be classified to profit or loss.

##### *Non-controlling interests*

The minority shares in the net assets and operating results of subsidiaries are separately classified in the consolidated statement of financial position and consolidated statements of profit or loss as “non-controlling interests”.

The Group applies a policy of treating transactions with non-controlling interests as transactions with owners of the parent. Regarding the purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also accounted for in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also accounted for in equity.

The table below sets out all subsidiaries and demonstrates the proportion of ownership interest as at 30 June 2021 and 31 December 2020. Financial statements of subsidiaries are consolidated using the full consolidation method.

Subsidiaries	Direct ownership interest by the Companies (%)	
	30 June 2021	31 December 2020
Zorlu Enerji Pakistan	100	100
Zorlu Wind Pakistan	99.7	99.7
Nemrut	75	75
Zorlu Solar	100	100
Zorlu Elektrik	100	100
Zorlu Osmangazi	100	100
Zorlu Enerji İsrail	100	100
Zorlu Renewable Pakistan	99.7	99.7
Zorlu Sun Power	99.7	99.7
Zorlu Enerji Dağıtım	100	100
Zorlu Enerji Asia	100	100
ZES Dijital	100	100
ZJ Strong	75	75
Zorlu Trade	100	100
Electrip	100	100
ZES B.V.	100	100
Zorlu Yenilenebilir	100	100



# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.2 Basis of consolidation (Continued)

##### *Interests in equity-accounted investees*

The Group’s equity-accounted investees are accounted under the equity method of accounting. Equity-accounted investees are undertakings over which the Group generally has between 20% and 50% of the voting rights and the Group has significant influence and which are not subsidiaries or joint ventures of the Group. The investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group’s share of net assets of the associates, less any impairment in value. The consolidated statement of income/loss reflects the Group’s share of the results of operations of the associates.

The equity method is abandoned if the carrying value of the investment in the associate is zero or the significant effect of the Group has ended, as long as the Group does not incur an obligation or commitment in relation to the associate. After the Group's share in the associate has decreased to zero, additional provision and recognition of the liability has been incurred if the Group is exposed to legal or constructive obligation or has made payments on behalf of the associate.

The table below sets out all associates and demonstrates the proportion of ownership interest as at 30 June 2021 and 31 December 2020:

<b>Subsidiary</b>	<b>30 June 2021 (%)</b>	<b>31 December 2020 (%)</b>
Dorad	25	25
Ezotech	42.15	42.15
Solad	42.15	42.15
Adnit	42.15	42.15

#### 2.3 Amendments in International Financial Reporting Standards

The accounting policies that are the basis for the preparation of condensed consolidated interim financial statements for the period 30 June 2021 have been applied consistently with those used in the previous year, except for the new and amended IFRSs as of 30 June 2021 summarised below. The effects of these standards and interpretations on the condensed consolidated financial position, consolidated performance and consolidated cash flows of the Group are explained below.

##### *a. Standards, amendments and interpretations applicable as at 30 June 2021:*

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2021 are as follows:

- Interest rate benchmark reform - phase 2 - amendments to IFRS 9 financial instruments, IAS 39 financial instruments: recognition and measurement, IFRS 7 financial instruments: disclosures, IFRS 4 insurance contracts and IFRS 16 leases.

The application amendments did not have a significant impact on the condensed consolidated interim financial statements of the Group.

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

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### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.3 Amendments in International Financial Reporting Standards (Continued)

##### *b. Standards, amendments and interpretations that are issued but not effective as at 30 June 2021:*

A number of new standards and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows:

- COVID -19 - Related rent concessions beyond 30 June 2021 (the 2021 amendment),
- Reference to the conceptual framework (amendments to IFRS 3),
- Property, plant and equipment - proceeds before intended use (amendments to IAS 16),
- Onerous contracts - cost of fulfilling a contract (amendments to IAS 37),
- Classification of liabilities as current or non - current (Amendments to IAS 1),
- Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2),
- Definition of accounting estimates (Amendments to IAS 8)

The Group is assessing the potential impact of these amendments on its condensed consolidated financial statements.

#### 2.4 Going concern assumption

As at 30 June 2021, the gross profit and EBITDA of the Group are thousand TL 879,774 and TL 1,471,777, respectively. The Group has TL 80,790 of retained earnings and TL 53,825 of net loss for the equity holders of the parent as at and for the period ending 30 June 2021. Besides, the Group’s current liabilities exceeds its current assets by TL 2,857,784.

In order to reduce short-term debts and to provide resources for new investments, the Company management, as per the material event disclosure dated 29 April 2021, pursuant to the authorization given by Article 6 of the Company's Articles of Association, the registered capital of the Company, determined as 6,000,000 TL. It has been decided to increase its issued capital, which is 2,000,000 TL, within the ceiling, to 2,500,000 TL by increasing it by 500,000 TL (25%) by being fully covered in cash. In the CMB's bulletin dated 5 August 2021 and numbered 2021/38, it was announced that the Company's registration statement regarding the paid capital increase was approved. In addition, the Company aims to extend the maturity of some of its short-term debts, with dividend income from its short-term long-term projects abroad and cash from domestic and foreign financing resources it focuses on. As per the material event disclosure dated 1 May 2021, the sale of the bond (Eurobond) with a nominal value of USD 300,000,000, which was issued by Zorlu Yenilenebilir Enerji AŞ, a 100% subsidiary of the Company, to be offered for sale abroad, was completed on 1 June 2021.

Since major portion of the Group’s electricity sales is at pre-determined prices in USD within the scope of Renewable Energy Sources Mechanism (“YEKDEM”), it affects the gross profit as positively. In addition, foreign exchange losses arising from borrowings of the Companies which sell electricity in scope of YEKDEM have been hedged by the foreign exchange gains arising from the sales indexed to USD mainly.

The Group has prepared its consolidated financial statements on a going concern basis in a foreseeable future and does not expect any risk in this respect.

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

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### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Comparatives and restatement of prior year financial statements

The condensed consolidated interim financial statements of the Group for the current period is prepared in comparison with the prior year in order to be able to determine the financial position and performance trends. For the purposes of effective comparison, comparative consolidated financial statements can be reclassified when deemed necessary, where descriptions on significant differences are disclosed.

The Group has performed the following reclassifications:

- Payables amounts to TL 4,433 in short other payables to third parties and TL 17,503 in long-term other payables in the Group's consolidated statement of financial position as of 31 December 2020 are reclassified to short-term portions of long-term bank loans and long-term bank loans, respectively.
- Construction in progress related to OEDAŞ amounts to TL 79,639 in tangible assets in the Group's consolidated statement of financial position as of 31 December 2020 are reclassified to other contract assets.
- The investment inventories related to electricity and natural gas distribution segment amounts to TL 83,588 in tangible assets in the Group's consolidated statement of financial position as of 31 December 2020 are reclassified to inventories.
- Interest income and expense amounts to TL 28,058 in the condensed consolidated statement of profit or loss as at 30 June 2020, are shown gross. This reclassification has not any effect on retained earnings and current period profit or loss.
- Fair value of service concession arrangements amounts to TL 132,815 which shown in the revenue in the condensed consolidated statement of financial position as at 30 June 2020, is classified to “other income”. This reclassification has not any effect on retained earnings and current period profit or loss.

#### 2.6 Critical accounting estimates, assumptions and judgments

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results could differ from these estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date and the significant judgments are set out below:

a) *Deferred tax asset on cumulative tax losses*

Deferred tax assets are accounted for only where it is likely that related temporary differences and accumulated losses will be recovered through expected future profits. When accounting for deferred tax assets it is necessary to make critical estimations and evaluations with regard to taxable profits in the future periods. As at 30 June 2021 according to the future projections, deferred tax assets are recognized on the carryforward tax losses amounts to TL 4,366,238 (31 December 2020: TL 3,687,055). Deferred tax asset is not recognized carryforward tax losses for the remaining TL 620,878 (31 December 2020: TL 509,637).

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

(Amounts expressed in thousand Turkish Lira (“TL”), unless otherwise indicated.)

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### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.6 Critical accounting estimates, assumptions and judgments (Continued)

##### *b) Cash flow hedge*

As explained in Note 12, the Group uses investment loans amounting USD 1,014,995 thousand and as a hedging instrument against the USD spot exchange rate risk the Group is exposed to due to highly probable YEKDEM sales income, and applies cash flow hedge accounting as a result of the effectiveness tests performed. The estimations in budgets for YEKDEM sales income used for effectiveness test include estimations such as sales quantities and production capacity.

##### *c) Explanations for revaluation method and fair value measurement*

Group has chosen revaluation method among application methods mentioned under IAS 16 with respect to measurement and disclosure of the Group’s power plants at fair value commencing from 31 December 2013. On 31 December 2020, A A Baig & Co. Chartered Accountants was given the authority to determine the market value of the power plant belonging to Zorlu Enerji Pakistan, Aden Gayrimenkul Değerleme ve Danışmanlık AŞ (“Aden Gayrimenkul”) was given the authority to determine the Zorlu Enerji, Zorlu Doğal, Zorlu Jeotermal and Rotor’s power plants installed in Turkey. The cost method was used for the valuation of plants that belong to Zorlu Enerji, and the income method (Discounted cash flows-DCF) was used for the valuation of other plants.

Regarding the assumptions used in the valuation of power plants other than the power plant owned by Zorlu Enerji Pakistan; USD weighted average cost of capital ratio: 8.5%, and in the valuation of Zorlu Enerji Pakistan's power plant, USD weighted average cost of capital ratio: 8.99%.

#### 2.7 Seasonality of operations

Business volume shows seasonal changes according to the structure of the industry in which the Group operates. In the gas distribution segment, business volume is higher in the first and fourth quarters corresponding to winter months and for the wind and hydroelectric power plants, which are under production and trading segment, business volumes are higher in second and third quarters and in the fourth quarter of the year, respectively. Seasonality does not have a significant impact on the volume of business in the remaining segments of the Group.

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.8 Financial risk management

##### *Foreign exchange risk*

The sources used by the Group in financing its investments are predominantly foreign currency denominated. The Group is exposed to foreign exchange risk arising from the translation of the amounts denominated in USD and EUR. In order to eliminate these risks, protection policies are applied in order to use various derivative instruments. In addition, foreign exchange losses arising from borrowings of the Companies which sell electricity in scope of YEKDEM have been hedged by the foreign exchange gains arising from the sales indexed to USD mainly (Note 12).

Foreign currency denominated assets and liabilities held by the Group as at 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Assets	4,616,315	2,687,963
Liabilities	(14,582,871)	(11,076,039)
Net position of derivative instruments	(213,904)	(416,721)
<b>Foreign currency position, (net)</b>	<b>(10,180,460)</b>	<b>(8,804,797)</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.8 Financial risk management (Continued)

TL equivalent of assets and liabilities denominated in foreign currency held by the Group at 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021					31 December 2020				
	TL equivalent	USD	Euro	NIS	JPY	TL equivalent	USD	Euro	NIS	JPY
Cash and cash equivalents	1,831,621	208,177	1,868	14	1	446,200	58,948	1,495	11	1
Trade receivables	248,153	27,961	458	--	--	12,108	1,247	328	--	--
Due from related parties - short-term	896,171	74,197	24,147	--	--	890,346	91,583	24,210	--	--
Due from related parties - long-term	1,592,060	143,886	5,066	107,417	--	1,330,116	141,497	5,066	107,412	--
Other	48,310	5,090	386	--	--	9,193	829	345	--	--
<b>Total assets</b>	<b>4,616,315</b>	<b>459,311</b>	<b>31,925</b>	<b>107,431</b>	<b>1</b>	<b>2,687,963</b>	<b>294,104</b>	<b>31,444</b>	<b>107,423</b>	<b>1</b>
Trade payables	197,104	19,606	2,550	--	--	257,951	31,625	2,865	--	--
Short-term financial liabilities	3,461,284	352,837	37,606	--	--	2,440,448	275,764	46,204	--	--
Short term other payables	131	15	--	--	--	17,764	2,420	--	--	--
Due to related parties	--	--	--	--	--	21,127	2,878	--	--	--
Long-term financial liabilities	10,924,352	1,250,840	3,429	--	--	8,338,749	1,102,914	26,955	--	--
<b>Total liabilities</b>	<b>14,582,871</b>	<b>1,623,298</b>	<b>43,585</b>	<b>--</b>	<b>--</b>	<b>11,076,039</b>	<b>1,415,601</b>	<b>76,024</b>	<b>--</b>	<b>--</b>
<b>Net position of derivative financial instruments</b>	<b>(213,904)</b>	<b>(24,572)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(416,721)</b>	<b>(24,572)</b>	<b>(26,238)</b>	<b>--</b>	<b>--</b>
<b>Net foreign currency position</b>	<b>(10,180,460)</b>	<b>(1,188,559)</b>	<b>(11,660)</b>	<b>107,431</b>	<b>1</b>	<b>(8,804,797)</b>	<b>(1,146,069)</b>	<b>(70,818)</b>	<b>107,423</b>	<b>1</b>

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.8 Financial risk management (Continued)

The Group is mainly exposed to foreign exchange risk through the impact of rate changes in the translation of USD, EUR and NIS currencies denominated assets and liabilities to local currency. As at 30 June 2021 and 31 December 2020, had the TL appreciated or depreciated by 10% against USD, EUR and NIS with all other variables held constant, the effect over current period consolidated net income/ (loss) and equity would be as follows:

	30 June 2021		30 June 2021	
	Profit or loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>In case of 10% appreciation</b>				
<b>/ depreciation USD against TL:</b>				
USD net asset/(liability)	(1,034,664)	1,034,664	(1,034,664)	1,034,664
Amount hedged for USD risk (-)	883,573	(883,573)	--	--
<b>USD net effect</b>	<b>(151,091)</b>	<b>151,091</b>	<b>(1,034,664)</b>	<b>1,034,664</b>
<b>In case of 10% appreciation</b>				
<b>/ depreciation of EUR against TL:</b>				
EUR net asset/(liability)	(12,085)	12,085	(12,085)	12,085
Amount hedged for EUR risk (-)	--	--	--	--
<b>EUR net effect</b>	<b>(12,085)</b>	<b>12,085</b>	<b>(12,085)</b>	<b>12,085</b>
<b>In case of 10% appreciation</b>				
<b>/ depreciation of NIS against TL:</b>				
NIS net asset/(liability)	28,703	(28,703)	28,703	(28,703)
Amount hedged for NIS risk (-)	--	--	--	--
<b>NIS net effect</b>	<b>28,703</b>	<b>(28,703)</b>	<b>28,703</b>	<b>(28,703)</b>
<b>Total net effect</b>	<b>(134,473)</b>	<b>134,473</b>	<b>(1,018,046)</b>	<b>1,018,046</b>

As at 30 June 2021, the Group uses investment loans amounting to USD 1,014,995 thousand (31 December 2020: USD 914,202 thousand) as a hedging instrument against the USD spot exchange rate risk the Group is exposed to due to highly probable YEKDEM sales income, and applies cash flow hedge accounting as a result of the effectiveness tests performed.

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.8 Financial risk management (Continued)

	31 December 2020		31 December 2020	
	Profit or loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>In case of 10% appreciation</b>				
/ depreciation USD against TL:				
USD net asset/(liability)	(841,272)	841,272	(841,272)	841,272
Amount hedged for USD risk (-)	671,070	(671,070)	--	--
<b>USD net effect</b>	<b>(170,202)</b>	<b>170,202</b>	<b>(841,272)</b>	<b>841,272</b>
<b>In case of 10% appreciation</b>				
/ depreciation of EUR against TL:				
EUR net asset/(liability)	(63,792)	63,792	(63,792)	63,792
Amount hedged for EUR risk (-)	--	--	--	--
<b>EUR net effect</b>	<b>(63,792)</b>	<b>63,792</b>	<b>(63,792)</b>	<b>63,792</b>
<b>In case of 10% appreciation</b>				
/ depreciation of NIS against TL:				
NIS net asset/(liability)	24,585	(24,585)	24,585	(24,585)
Amount hedged for NIS risk (-)	--	--	--	--
<b>NIS net effect</b>	<b>24,585</b>	<b>(24,585)</b>	<b>24,585</b>	<b>(24,585)</b>
<b>Total net effect</b>	<b>(209,409)</b>	<b>209,409</b>	<b>(880,479)</b>	<b>880,479</b>

#### *Fair value of financial instruments*

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The fair values of financial instruments that are not traded in an active market have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate fair value. Accordingly, the estimates presented herein may differ from the amounts the Group could realise in a current market exchange.



# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

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### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.8 Financial risk management (Continued)

##### *Monetary assets*

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

The fair values of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate to their respective carrying values due to their short-term nature.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to approximate to their fair values.

##### *Monetary liabilities*

The fair values of short term bank borrowings and other monetary liabilities are considered to approximate to their respective carrying values due to their short-term nature.

Since long term foreign currency loans generally have floating interest rate fair value is close to their book value. Fair value of long term bank loans are discounted amounts of contractual cash flows with the market interest rate.

#### **Fair value estimation:**

Disclosure of fair value measurements by level of the following fair value measurement hierarchy is as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted market prices included within level 1 that are observable for the asset or liability
- Level 3: Inputs for the asset or liability that are not based on observable market data.

Fair values of translated foreign currency balances with year-end foreign exchange rates are considered to approximate their carrying values.

Cash and cash equivalents as at the carrying value of certain financial assets carried at cost, are considered to approximate their fair values due to their short-term.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to estimate the fair value an instrument are observable, the instrument is included in Level 2.

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.8 Financial risk management (Continued)

The fair values of assets and liabilities as at 30 June 2021 and 31 December 2020 are as follows:

Derivative financial instruments	30 June 2021	31 December 2020
Level 1	--	--
Level 2	(263,410)	(323,559)
Level 3	--	--
	<b>(263,410)</b>	<b>(323,559)</b>

The fair value of powerplants belonging to Zorlu Enerji is determined by using “market approach and cost method” (Level 2) and fair values of all other power plants are determined by using “income approach - discounted cash flow analysis” (Level 3).

Property, plant and equipment	30 June 2021	31 December 2020
Level 1	--	--
Level 2	263,986	253,838
Level 3	9,632,634	9,806,045
	<b>9,896,620</b>	<b>10,061,883</b>

### NOTE 3 - SEGMENT REPORTING

Group management has determined the reportable parts of the Group as distribution of electricity and distribution of gas, retail and wholesale of electricity and producing and trading according to the activity groups.

Management of the Group considers Earnings before interest, taxes, depreciation and amortization (“EBITDA”) as the most appropriate method for comparability with other companies within the same industry. The segment information in industrial basis is presented below:

1 January – 30 June 2021	Electricity distribution	Gas distribution	Retail and wholesale	Production/trading and other	Consolidation adjustments	Consolidation total
Revenue	517,570	1,181,912	2,518,878	1,269,079	(825,358)	4,662,081
Cost of sales	(325,690)	(1,159,977)	(2,401,884)	(719,836)	825,080	(3,782,307)
Gross profit	191,880	21,935	116,994	549,243	(278)	879,774
Operating expenses	(51,942)	(24,378)	(52,580)	(54,431)	1,681	(181,650)
Amortisation and depreciation expenses (*)	12,513	3,533	1,019	291,319	--	308,384
Weighted average cost of capital (“WACC”) correction (**)	145,817	75,694	--	--	--	221,511
Indexation difference on receivables from service concession arrangements (**)	180,824	62,934	--	--	--	243,758
EBITDA	479,092	139,718	65,433	786,131	1,403	1,471,777

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

### NOTE 3 - SEGMENT REPORTING (Continued)

1 January – 30 June 2020	Electricity distribution	Gas distribution	Retail and wholesale	Production/trading and other	Consolidation adjustments	Consolidation total
Revenue	406,803	1,043,939	2,065,780	1,016,063	(586,105)	3,946,480
Cost of sales	(303,929)	(1,001,197)	(1,954,405)	(596,277)	582,848	(3,272,960)
Gross profit	102,874	42,742	111,375	419,786	(3,257)	673,520
Operating expenses	(35,870)	(20,066)	(44,169)	(44,493)	1,089	(143,509)
Amortisation and depreciation expenses (*)	8,084	4,173	1,971	240,793	-	255,021
Weighted average cost of capital (“WACC”) correction (**)	111,211	62,927	--	--	--	174,138
Indexation difference on receivables from service concession arrangement (**)	95,408	37,407	--	--	--	132,815
EBITDA	281,707	127,183	69,177	616,086	(2,168)	1,091,985
30 June 2021	Electricity distribution	Gas distribution	Retail and wholesale	Production/trading and other	Consolidation adjustments	Consolidation total
Segment assets	3,352,008	2,286,142	1,663,418	24,929,681	(7,743,044)	24,488,205
Associates	--	--	--	729,130	--	729,130
Segment liabilities	2,267,600	2,895,436	1,302,359	18,806,088	(2,801,593)	22,469,890
31 December 2020	Electricity distribution	Gas distribution	Retail and wholesale	Production/trading and other	Consolidation adjustments	Consolidation total
Segment assets	3,065,291	1,933,266	1,374,735	22,962,273	(7,338,803)	21,996,762
Associates	--	--	--	681,368	--	681,368
Segment liabilities	2,165,337	3,052,725	1,126,090	16,585,333	(3,621,512)	19,307,973

(\*) The amortisation and depreciation expense amounts to TL 308,384 (30 June 2020: TL 255,021) has been presented in operating expenses, and amount of TL 69,771 (30 June 2020: TL 65,005) has been presented in other operating expenses.

(\*\*) Interest income from distribution activities and indexation difference on receivables from service concession arrangement which are related to OEDAŞ, Gazdaş and Trakya amounts to TL 221,511 (30 June 2020: TL 174,138) and TL 243,758 (30 June 2020: TL 132,815) respectively which are presented in the other income are considered in EBITDA calculation.

Reconciliation between EBITDA and income before tax from continued operations is as follows:

	30 June 2021	30 June 2020
EBITDA (*)	1,471,777	1,091,985
Amortisation and depreciation expenses	(378,155)	(320,026)
Financial income/(expenses), net	(1,081,713)	(808,169)
Other operating income/(expenses), net	(102,308)	10,853
Share of profit of associates	(6,694)	25,587
<b>Income/(loss) before tax  from continued operations</b>	<b>(97,093)</b>	<b>230</b>

(\*) The Group’s Israel investments have been accounted using equity method and EBITDA related to these investments amounting TL 115,410 (30 June 2020: TL 107,887) was not taken into consideration in Group’s total EBITDA.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 4- CASH AND CASH EQUIVALENTS

	30 June 2021	31 December 2020
Cash	158	--
Banks		
- Time deposits	1,623,042	438,507
- Demand deposits	611,897	289,807
	<b>2,235,097</b>	<b>728,314</b>

The maturities of time deposits are less than 3 months and the average effective annual interest rates for time deposits are as follows:

	30 June 2021 (%)	31 December 2020 (%)
USD	0.02	0.05
PKR	5.69	5.71
TL	16.23	13.46

The details of cash and cash equivalents include the following for the purpose of the consolidated statements of cash flows as at 30 June 2021 and 2020:

	30 June 2021	30 June 2020
Cash and cash equivalents	2,235,097	1,233,277
Less: Restricted cash (*)	(26,742)	(11,283)
	<b>2,208,355</b>	<b>1,221,994</b>

(\*) Total restricted cash balance is TL 292,539 of Group together with the restricted cash amounts to TL 265,797 under the short-term financial investments.

#### *Supplementary explanations related to cash flows*

"Other adjustments related to non-cash items" in net cash generated from operating activities before changes in operating assets and liabilities in cash flows represents the following:

	1 January - 30 June 2021	1 January - 30 June 2020
Redemptions related to loan commissions	41,884	30,990
	<b>41,884</b>	<b>30,990</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

Details of “Other inflows/outflows” in net cash generated from operating activities in cash flows as follows:

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>
Collection of investment expenditures (Note 5)	227,986	136,808
Change in blocked deposits	(15,556)	(47,367)
Subscriber connection fee (Note 5)	19,084	13,411
	<b>231,514</b>	<b>102,852</b>

Details of “Other inflows/outflows” in net cash generated from investing activities in cash flows as follows:

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>
Investment made during the period (Note 5)	(52,158)	(28,748)
	<b>(52,158)</b>	<b>(28,748)</b>

Details of “Other inflows/outflows” in net cash used in financing activities in cash flows as follows:

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>
Commission paid related to borrowings (Note 6)	(60,151)	(44,825)
	<b>(60,151)</b>	<b>(44,825)</b>

#### NOTE 5 - RECEIVABLES FROM SERVICE CONCESSION ARRANGEMENT

	<b>30 June 2021</b>	<b>31 December 2020</b>
Short-term receivables from service concession arrangement	489,293	349,605
Long-term receivables from service concession arrangement	2,443,349	2,534,191
	<b>2,932,642</b>	<b>2,883,796</b>

The receivables from service concession arrangement represent the amounts of the investments not yet recovered by the tariff.

As at 30 June 2021, TL 2,129,245 of the receivables from service concession arrangement is related to OEDAŞ (31 December 2020: TL 2,139,255) and TL803,397 thousand is related to Gazdaş and Trakya (31 December 2020: TL744,541).

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 5 - RECEIVABLES FROM SERVICE CONCESSION ARRANGEMENT (Continued)

The maturity analysis of receivables from service concession arrangements has shown as below;

	30 June 2021	31 December 2020
Up to 1 years	489,293	349,605
Between 1 to 3 years	978,586	699,210
Between 3 to 5 years	978,586	699,210
More than 5 years	486,177	1,135,771
	<b>2,932,642</b>	<b>2,883,796</b>

The movements of the receivables from service concession arrangement for OEDAŞ are as follows:

	1 January - 30 June 2021	1 January - 30 June 2020
<b>Opening balance</b>	<b>2,139,255</b>	<b>1,658,544</b>
Collections (-)	(190,834)	(120,830)
Indexation differences	180,824	95,408
<b>Closing balance</b>	<b>2,129,245</b>	<b>1,633,122</b>

The movements of the receivables from service concession arrangement for gas distribution companies are as follows:

	1 January - 30 June 2021	1 January - 30 June 2020
<b>Opening balance</b>	<b>744,541</b>	<b>650,301</b>
Gross investments	52,158	28,748
Subscriber connection fee	(19,084)	(13,411)
Net investment	33,074	15,337
Collections (-)	(37,152)	(15,978)
Indexation differences	62,934	37,407
<b>Closing balance</b>	<b>803,397</b>	<b>687,067</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 6 - FINANCIAL LIABILITIES

The detail of financial liabilities of the Group as at 30 June 2021 and 31 December 2020 is as follows:

	30 June 2021	31 December 2020
Short-term bank borrowings	980,577	1,020,878
Issued bonds	228,262	412,147
Other issued securities	140,941	119,773
Short-term financial payables to related parties (Note 17)	43,441	41,886
Lease liabilities	44,439	19,922
<b>Total short-term financial liabilities</b>	<b>1,437,660</b>	<b>1,614,606</b>
Short-term portion of long-term bank borrowings	3,568,825	2,661,172
Issued bonds (*)	825,143	214,299
<b>Total short-term portion of long term financial liabilities</b>	<b>4,393,968</b>	<b>2,875,471</b>
Long-term bank borrowings	10,099,491	9,969,103
Lease liabilities	79,689	35,161
Issued bonds (*)	2,300,007	48,842
<b>Total long-term financial liabilities</b>	<b>12,479,187</b>	<b>10,053,106</b>
<b>Total financial liabilities</b>	<b>18,310,815</b>	<b>14,543,183</b>

(\*) On 1 June 2021, the Group has issued bonds amounting to USD 300,000 thousand with a maturity of 5 years, a coupon rate of 9% quoted on the Irish Stock Exchange and a semiannual interest payment.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 6 - FINANCIAL LIABILITIES (Continued)

The detail of short-term bank borrowings and lease liabilities of the Group as at 30 June 2021 and 31 December 2020 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TL equivalent	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
USD	20,157	37,665	8.25	7.77	175,471	276,480
EUR	1,959	749	4.87	5.94	20,304	6,747
TL	1,241,692	1,331,275	22.77	19.65	1,241,692	1,331,275
PKR	3,534	2,296	--	--	193	104
					<b>1,437,660</b>	<b>1,614,606</b>

The detail of short-term portion of long-term bank borrowings, issued bonds, other issued securities and lease liabilities of the Group as at 30 June 2021 and 31 December 2020 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TL equivalent	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
USD	332,680	238,099	8.48	7.82	2,896,046	1,747,766
EUR	35,647	45,455	8.21	7.65	369,463	409,455
TL	1,117,012	709,107	16.60	17.94	1,117,012	709,107
PKR	210,117	201,130	10.35	9.88	11,447	9,143
					<b>4,393,968</b>	<b>2,875,471</b>

The detail of long-term bank borrowings, issued bonds and other long-term borrowings of the Group as at 30 June 2021 and 31 December 2020 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TL equivalent	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
USD	1,250,840	1,102,914	8.67	8.04	10,888,812	8,095,940
EUR	3,429	26,955	5.75	5.88	35,540	242,809
TL	1,526,486	1,685,520	18.04	17.33	1,526,486	1,685,520
PKR	227,859	325,591	9.68	9.36	12,414	14,801
NIS	5,964	6,133	5.50	5.50	15,935	14,036
					<b>12,479,187</b>	<b>10,053,106</b>

The commission paid during the period amounting TL 60,151 (30 June 2020: TL 44,825) related to the borrowings obtained by Zorlu Enerji and its subsidiaries from financial institutions are deducted from the total loan amount. Such commission amount is amortized during the term of loans.

Letters of guarantees given, pledges and mortgages related to financial liabilities are explained in Note 11.



## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 6 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of the borrowings as at 30 June 2021 and 31 December 2020 is as follows:

	30 June 2021	31 December 2020
Up to 1 year	5,831,628	4,490,077
Up to 1 to 2 years	4,218,777	2,329,028
Up to 2 to 3 years	1,678,704	2,753,494
Up to 3 to 4 years	1,468,332	1,033,558
Up to 4 to 5 years	2,371,066	1,019,932
More than 5 years	2,742,308	2,917,094
	<b>18,310,815</b>	<b>14,543,183</b>

The movements of financial liabilities for the period 1 January - 30 June 2021 and 2020 are as follow:

	2021	2020
<b>As at 1 January</b>	<b>14,543,183</b>	<b>12,781,029</b>
Cash inflows from borrowings	357,069	1,048,431
Cash inflows from issued debt instruments	3,123,888	512,155
Cash outflows due to the repayment of bank borrowings	(1,399,738)	(1,218,978)
Cash outflows from debt repayments of issued debt instruments	(474,270)	(381,460)
Change of exchange differences and interest accruals	2,821,531	2,108,322
Interest paid	(713,097)	(670,557)
Cash outflows from debt repayments of lease agreements	(11,661)	(13,259)
The impact of IFRS 16	73,567	1,510
Interest interest expense of lease contract	8,610	4,981
Other classifications	(18,267)	(13,835)
<b>30 June</b>	<b>18,310,815</b>	<b>14,158,339</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 7 - OTHER PAYABLES

a) **Short Term Other payables:**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Deposit received	1,073,359	966,258
Other payables to related parties (Note 17)	339,039	367,998
Other short-term payables	88	154
	<b>1,412,486</b>	<b>1,334,410</b>

Movement for deposit received is as follows:

	<b>2021</b>	<b>2020</b>
<b>1 January</b>	<b>966,258</b>	<b>813,417</b>
Additions and payments, net	35,889	27,765
Indexation on deposits (Note 15)	71,212	20,007
<b>30 June</b>	<b>1,073,359</b>	<b>861,189</b>

#### NOTE 8 - OTHER ASSETS AND LIABILITIES

a) **Other current assets:**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Insurance income accruals	47,140	38,294
Prepaid expenses	38,959	32,532
VAT receivable	37,356	25,725
Advances given	21,251	8,711
Assets related to current income tax	4,585	37
Other	32,425	41,975
	<b>181,716</b>	<b>147,274</b>

b) **Other non-current assets:**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Revenue difference correction component (*)	12,591	13,283
Other	2,119	204
	<b>14,710</b>	<b>13,487</b>

(\*) EMRA regulates the distribution companies' revenues and expenses by setting ceiling amounts for distribution revenue and non-controlling expenses. Excess or shortage portions of revenues and expenses ceilings are charged to subsequent two years' tariffs which is set by EMRA. These portions of revenues and expenses are considered as an adjustment to the tariffs set by EMRA in the following second year from the origination.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 8 - OTHER ASSETS AND LIABILITIES (Continued)

##### c) Other current liabilities:

	30 June 2021	31 December 2020
Taxes and funds payable	229,227	125,036
Revenue difference correction component (*)	42,466	84,932
Due to personnel	26,764	17,415
Advances received	2,860	1,015
Other	4,784	6,222
	<b>306,101</b>	<b>234,620</b>

(\*) Within the framework of EMRA regulations, some expenses of electricity distribution companies are limited by a specified cap. Collection through tariff for deferred distribution revenue exceed the EMRA cap (In previous years, this extra collected amount was considered an adjustment to the system operation revenue cap determined by EMRA in the second year and is collected with the 2020 system operation revenue cap).

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

As of 30 June 2021, the cost and accumulated depreciation of the Group's tangible fixed assets are TL 13,420,302 (30 June 2020: TL 12,246,601) and TL 2,801,584 (30 June 2020: TL 2,122,732), respectively. The depreciation expense for tangible fixed assets for the between 1 January – 30 June 2021 is TL 290,129 (30 June 2020: TL 241,578). The total investment made in the six months period is TL 360,131 including capitalized financial expense amounts to TL 138,811 (30 June 2020: TL 54,031). TL 294,887 of the amount is in tangible assets (30 June 2020: TL 157,405), TL 13,086 (30 June 2020: TL 27,904) is presented in contact assets (Note 10), and TL 52,158 (30 June 2020: TL 28,748) is presented in financial assets related to concession agreements (Note 5).

Group has chosen revaluation method among application methods mentioned under IAS 16 with respect to measurement and disclosure of the Group's power plants at fair value commencing from 31 December 2013. As at 31 December 2020, the Group has revalued its power plants and the revaluation fund has been accounted in the consolidated statement of financial position. The valuation studies related to the domestic power plants at the mentioned date have been performed by Aden Gayrimenkul Değerleme ve Danışmanlık AŞ and the valuation study related to the plant established in Pakistan has been performed by A A Baig & Co. Chartered Accountants.

As at 30 June 2021 and 30 June 2020, the movements for revaluation fund are as follows:

<b>1 January 2020</b>	<b>3,211,890</b>
Revaluation surplus of subsidiary sold	(201,378)
Depreciation transfer	(109,679)
Revaluation fund	1,363,478
<b>30 June 2020</b>	<b>4,264,311</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

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

<b>1 January 2021</b>	<b>4,583,615</b>
Depreciation transfer	(107,366)
<b>30 June 2021</b>	<b>4,476,249</b>

Collateral, pledges and mortgages on property, plant and equipment are presented in Note 11.

Breakdown of depreciation and amortisation expenses under cost of sales, operating expense and other operating expense have been presented in Note 14 and Note 15.

#### NOTE 10 - CONTRACT ASSETS

	<b>30 June 2021</b>	<b>31 December 2020</b>
Other contract assets	92,725	79,639
	<b>92,725</b>	<b>79,639</b>

A contract asset consist of investment expenditures related to ongoing investments. An entity presents the contract as a contract asset - excluding amounts presented as receivables from service concession arrangements - when it performs its performance related to ongoing investments before the submission of relevant investment expenditures as a part of Regulatory Asset Base for the approval of the grantor.

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

##### 11.1 Contingent assets

		<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>Currency</b>	<b>Original amount</b>	<b>TL equivalent</b>	<b>Original amount</b>	<b>TL equivalent</b>
Letters of guarantees received	TL	528,073	528,073	544,161	544,161
Letters of guarantees received	USD	2,969	25,846	5,567	40,865
Letters of guarantees received	EUR	159	1,648	2,402	21,637
Cheques received	TL	14,176	14,176	14,368	14,368
Cheques received	USD	735	6,398	782	5,740
Cheques received	EUR	356	3,690	176	1,585
		<b>579,831</b>		<b>628,356</b>	

Guarantee letters received consist of the letters, cheques and notes received from customers in relation to the Group’s operations.

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

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

#### 11.2 Guarantees, pledges and mortgages given by the Group

The Group’s guarantees, pledges and mortgages (“GPM”) as at 30 June 2021 and 31 December 2020 are summarized as follows:

	Original currency	30 June 2021		31 December 2020	
		Original amount	TL equivalent	Original equivalent	TL amount
<b>GPM’s given by the Group</b>					
Total amount of GPM’s given					
for companies’ own legal entity	USD	254,565	2,216,039	254,565	1,868,634
	EUR	130,000	1,347,385	130,000	1,171,027
	TL	4,907,682	4,907,682	4,352,167	4,352,167
	PKR	7,525,652	409,998	7,525,652	342,116
Total amount of GPM given for					
the subsidiaries and associates in					
the full scope of consolidation	TL	307,995	307,995	35,595	35,595
	USD	9,017	78,495	7,550	55,421
	EUR	--	--	7,300	65,758
Total amount of GPM given for					
the purpose of					
maintaining operating activities	USD	20,060	174,626	19,810	145,415
	EUR	481	4,985	350	3,153
	NIS	7,298	19,499	7,298	16,702
	TL	10,489	10,489	--	--
Total amount of other GPMs given		--	--	--	--
			<b>9,477,193</b>		<b>8,055,988</b>

Letters of guarantees given generally consist of letters given to government agencies for the electricity and gas transmission and distribution (mainly to “EMRA” and government agencies providing electricity and gas transmission and distribution) and natural gas suppliers for the procurement of natural gas and banks for borrowings obtained. The ratio of other guarantees, pledges and mortgages given by the Group to the total equity is 0% as at 30 June 2021 (31 December 2020: 0%).

As mentioned in Note 2.1 the condensed consolidated interim financial information for the period then ended 30 June 2021 should be read in conjunction with the annual consolidated financial statements for the year then ended 31 December 2020. For this purpose the details of commitments are not presented in the notes for the period then ended 30 June 2021.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 12 - DERIVATIVE FINANCIAL INSTRUMENTS

##### Derivative financial instruments

	30 June 2021						Carried at fair value under hedge reserves
	Contract amount (USD)	Contract amount (EUR)	Total contract amount (TL)	Fair value asset	Fair value liability	Carried at fair value through profit or loss	
Cross currency swap agreements held for hedging	--	--	--	--	--	588	--
Forward agreements	24,572	--	213,904	--	(3,719)	17,310	--
Interest rate swap agreements held for hedging	575,235	--	5,007,536	--	(259,691)	(1,595)	(156,292)
	<b>599,807</b>	<b>--</b>	<b>5,221,440</b>	<b>--</b>	<b>(263,410)</b>	<b>16,303</b>	<b>(156,292)</b>

  

	31 December 2020						Carried at fair value under hedge reserves
	Contract amount (USD)	Contract amount (EUR)	Total contract amount (TL)	Fair value asset	Fair value liability	Carried at fair value through profit or loss	
Cross currency swap agreements held for hedging	--	15,381	138,551	3,749	--	1,176	3,469
Cross currency swap agreements	--	--	--	--	--	2,541	--
Forward agreements	24,572	10,857	278,170	--	(21,030)	(21,030)	--
Interest rate swap agreements held for hedging	575,235	--	4,222,513	--	(306,278)	(19,282)	(194,839)
	<b>599,807</b>	<b>26,238</b>	<b>4,639,234</b>	<b>3,749</b>	<b>(327,308)</b>	<b>(36,595)</b>	<b>(191,370)</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 12 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Derivative financial instruments are initially recognized in the condensed consolidated interim statement of financial position at cost and subsequently are re-measured at their fair value. The derivative instruments of the Group consist of interest rate swap and cross currency swaps.

On the date a derivative contract is entered into, the Group designates certain derivatives as either a hedge of the fair value of a recognized asset or liability (“fair value hedge”) or a hedge of a forecasted transaction or a firm commitment (“cash flow hedge”). Interest rate swap transactions provide effective economic hedges under the Group risk management position and qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for hedging. Changes in the fair value of derivatives, designated as cash flow hedges and qualified as effective, are recognized in “Other comprehensive income/(expenses) to be reclassified to profit or loss” under “hedge reserves” whereas ineffective portion is recognized in the consolidated statement of profit or loss. Amounts recognized under equity are transferred to the consolidated statement of profit or loss in the period in which the hedged firm commitment or forecasted transaction affects the consolidated statement of profit or loss.

As at 30 June 2021, the Group has a forward purchase commitment amounts to USD 24,572 thousand (31 December 2020: USD 24,572 thousand) against a sale commitment of TL 237,063 (31 December 2020: USD 237,063) and forward sales commitment amounts to USD 17,854 thousand against a purchase commitment of EUR 15,381 thousand. In addition, forward purchase commitment amounts to USD 12,637 thousand against a sale commitment of EUR 10,857 thousand.

#### Non-derivative financial instruments

	<u>30 June 2021</u>			<u>31 December 2020</u>		
	Original amount	Carried at fair value through other comprehensive income		Original amount	Carried at fair value through other comprehensive income	
	USD	EUR	(TL) (*)	USD	EUR	(TL) (*)
Hedged amount for foreign currency risk	1,014,995	--	(4,521,798)	914,202	--	(3,667,006)
	<b>1,014,995</b>	<b>--</b>	<b>(4,521,798)</b>	<b>914,202</b>	<b>--</b>	<b>(3,667,006)</b>

(\*) The Group uses investment loans amounting to USD1,014,995 thousand and as a hedging instrument against the USD exchange rate risk which the Group is exposed to due to highly probable YEKDEM sales income, and applies cash flow hedge accounting as a result of the effectiveness tests performed.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 12 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The movements of derivative financial instruments are as follows:

	2021	2020
<b>As at 1 January</b>	<b>(323,559)</b>	<b>(145,019)</b>
Carried at fair value through profit or lose		
- Gain/ (loss) on derivative instruments (Note 16)	16,303	(13,623)
Carried at fair value through other comprehensive income		
- Hedged amount for financial risk	43,846	(155,564)
<b>30 June</b>	<b>(263,410)</b>	<b>(314,206)</b>

The movements of non derivative financial instruments are as follows:

	2021	2020
<b>As at 1 January</b>	<b>(3,667,006)</b>	<b>(2,550,169)</b>
Carried at fair value through other comprehensive income		
- Hedged amount for financial risk	(834,445)	(716,137)
Transfers	(20,347)	--
<b>30 June</b>	<b>(4,521,798)</b>	<b>(3,266,306)</b>

#### NOTE 13 - EQUITY

##### a) Share capital

	30 June 2021	31 December 2020
Limit on registered share capital	6,000,000	3,000,000
Issued capital (*)	2,000,000	2,000,000

(\*) As per the decision of the Board of Directors of the company dated April 29, 2021, within the registered capital ceiling of the company, which was determined as 6,000,000 TL, it has been decided to increase the issued capital of TL 2,000,000 to TL 2,500,000 by increasing by TL 500,000, fully covered in cash. As per the material event disclosure dated 6 August 2021, it was announced that the registration statement for the Company's paid capital increase was approved in the CMB's bulletin dated 5 August 2021 and numbered 2021/38. The approved registration statement was notified to the Company on 9 August 2021 and published on the Public Disclosure Platform (KAP) on the same date.



## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 13 – EQUITY (Continued)

The Group’s shareholders and shareholding structure as at 30 June 2021 and 31 December 2020 are as follows:

	Share (%)	30 June 2021	Share (%)	31 December 2020
Zorlu Holding	47.08	941,546	45.97	919,365
Korteks	17.55	350,949	17.55	350,949
Publicly held (*)	34.97	699,505	34.73	694,512
Other	0.40	8,000	1.75	35,174
	<b>100.00</b>	<b>2,000,000</b>	<b>100.00</b>	<b>2,000,000</b>
<b>Adjustment to share capital</b>		<b>110,948</b>		<b>110,948</b>
<b>Total</b>		<b>2,110,948</b>		<b>2,110,948</b>

(\*) TL 284,200 and the portion equivalent to 14.21% of the total capital represent the shares that belong to Zorlu Holding. As a result of the transactions carried out by Zorlu Holding AŞ on January 13, 2021, out of the Borsa İstanbul and on March 3, 2021, in Borsa İstanbul, its share in the Company's capital decreased from 62.43% to 61.29%.

As of 30 June 2021 and 31 December 2020, the Group's capital inflation adjustment differences amounted to TL 110,948 thousand, representing the adjustment difference arising from the adjustment of the Group's paid-in capital amount according to inflation and not offset with previous years' losses.

#### b) Legal Reserves

Restricted Reserves reserve for specific purposes other than profit from previous period, due to law or contractual obligations or other profit distributions. These reserves are shown in the amounts in the statutory records of the Group and difference arising in preparing the consolidated financial statements in accordance with TFRS are associated with prior years' profit or loss.

As at 30 June 2021 restricted reserves comprised of legal reserves amounting to TL 7,931 (31 December 2020: TL 7,931).

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 14 - EXPENSES BY NATURE

	1 January - 30 June 2021	1 January - 30 June 2020
Retail electricity purchase expense	1,179,248	1,025,450
Natural gas purchase expense	1,025,778	909,529
Electricity generation and wholesale purchase expense	682,210	657,166
Depreciation and amortisation (*)	308,384	255,021
Employee and personnel expenses (**)	159,628	131,629
System usage expenses	126,549	123,937
Energy purchase related to distribution	117,391	93,234
Other	364,769	220,503
	<b>3,963,957</b>	<b>3,416,469</b>

(\*) The total amount of depreciation and amortization expense is TL 378,155 (30 June 2020: TL 320,026). TL 308,384 (30 June 2020: TL 255,021) of the amount is presented expense by nature and TL 69,771 (30 June 2020: TL 65,005) of the amount is presented in other operating expense (Note 15).

(\*\*) The total amount of employee and personnel expenses is TL 159,628 (30 June 2020: TL131,629) and TL 10,001 of the amount accounted under selling and marketing expenses (31 June 2020: TL6,792), TL 59,834 of amount accounted under general and administrative expense (30 June 2020: TL 50,081) and TL 89,793 of the amount is accounted under cost of sales (30 June 2020: TL 74,751).

#### NOTE 15 - OTHER OPERATING INCOME AND EXPENSE

##### a) Other operating income:

	1 January - 30 June 2021	1 January - 30 June 2020
Indexation difference on receivables from service concession arrangements (Note 5)	243,758	132,815
Interest income from distribution activities	221,511	174,138
Interest income from trading activities	25,144	18,132
Foreign exchange gain from trading activities	13,987	1,582
Gain on sale of property, plant and equipment	989	18,249
Gain on sale of subsidiary	--	40,160
Other	44,456	18,961
	<b>549,845</b>	<b>404,037</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 15 - OTHER OPERATING INCOME AND EXPENSE (Continued)

##### b) Other operating expense:

	1 January - 30 June 2021	1 January - 30 June 2020
Indexation of deposits received (*)	85,415	35,705
Depreciation of service concession arrangements	55,997	56,127
Indemnity expense	20,807	--
Interest expense from trading activities	15,341	10,734
Foreign exchange loss from trading activities	11,817	7,055
Depreciation of customer relations	13,774	8,878
Income accrual cancelation	7,070	--
Other	46,434	32,737
	<b>256,655</b>	<b>151,236</b>

(\*) The balance consists of indexation effect of paid deposits amounts to TL 14,203 (30 June 2020: TL 15,698)

#### NOTE 16 - FINANCIAL INCOME AND EXPENSES

##### a) Financial income:

	1 January - 30 June 2021	1 January - 30 June 2020
Foreign exchange gains	556,432	473,746
Interest income	151,464	144,767
Income on derivative instruments	16,303	--
	<b>724,199</b>	<b>618,513</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 16 - FINANCIAL INCOME AND EXPENSES (Continued)

##### b) Financial expense:

	1 January - 30 June 2021	1 January - 30 June 2020
Interest expense (*)	887,134	771,620
Foreign exchange loss (*)	865,341	597,159
Bank commission and other financial expenses	53,437	44,280
Loss on derivative instruments	--	13,623
	<b>1,805,912</b>	<b>1,426,682</b>

(\*) As at 30 June 2021, capitalized borrowing cost on property, plant and equipments is TL 138,811 (30 June 2020: TL 54,031).

#### NOTE 17 - RELATED PARTY TRANSACTIONS

##### i) Related party balances:

##### a) Short-term trade receivables from related parties

	30 June 2021	31 December 2020
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret AŞ ("Meta Nikel")	44,773	24,913
Vestel Beyaz Eşya Sanayi ve Ticaret AŞ ("Vestel Beyaz Eşya")	15,200	10,887
Vestel Elektronik Sanayi ve Ticaret AŞ ("Vestel Ticaret")	12,801	13,728
Zorluteks Tekstil Ticaret ve Sanayi AŞ ("Zorluteks")	2,085	2,631
Korteks	--	5,785
Other	3,242	1,793
	<b>78,101</b>	<b>59,737</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 17 - RELATED PARTY TRANSACTIONS (Continued)

##### b) Short-term other receivables from the related parties

	30 June 2021	31 December 2020
Zorlu Holding (*)	648,641	720,901
Zorlu O&M Enerji Tesisleri İşletme ve Bakım Hizmetleri AŞ (“Zorlu O&M”) (**)	189,673	166,256
Zorlu Doğal Gaz İthalat İhracat ve Toptan AŞ (“Zorlu Doğal Gaz İthalat”)	56,955	44,220
Other	4,514	4,976
	<b>899,783</b>	<b>936,353</b>

(\*) The maturity of TL 1,821,761 portion of the Group’s total receivables from Zorlu Holding amounts to TL 648,641 is less than one year. TL 120,423 portion of short term receivables is back-to-back loans and the applied interest rate is 23.5%. The interest rates for the remaining USD 20,728 and EUR 24,147 of back-to-back loans are between 6.25% and 7.75% for USD, between 6.5% and 8.5% for EUR. The interest rate of the USD remaining short term receivable in the nature of financing amounts to USD 11,201 thousand is 7% which is determined in the market conditions and is applied for USD (31 December 2020: 7%).

(\*\*) The interest rate of the Group's receivable for financing purpose amounts to USD 21,788 thousand is 7% which is determined in the market conditions (31 December 2020: 7%).

##### c) Long-term other receivables from related parties

	30 June 2021	31 December 2020
Zorlu Holding (*)	1,173,120	957,765
Ezotech (**)	286,996	245,823
Edeltech (**)	103,323	102,395
O&M Pakistan	34,287	21,931
Solad (**)	28,619	24,132
Other	11,585	8,053
	<b>1,637,930</b>	<b>1,360,099</b>

(\*) TL 1,173,120 of Group’s total receivables amounting to TL 1,821,761 from Zorlu Holding is more than one year. USD 18.8 million and EUR 5 million of the amount is the back-to-back loans and the applied interest rates are 11.75% and 7.5%, respectively. The remaining long term receivables amounts to USD 109.9 million is provided for financing purpose and the applied interest rate that determined in market condition is 7% for USD (31 December 2020: 7%).

(\*\*) The receivables from Ezotech, Solad and Edeltech consist of the amounts provided for the power plant projects in Israel.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 17 - RELATED PARTY TRANSACTIONS (Continued)

i) **Related party balances (Continued):**

d) **Short-term trade payables to related parties**

	<b>30 June 2020</b>	<b>31 December 2020</b>
Zorlu O&M	9,837	15,740
Zorlu Holding A.Ş.	4,708	3,652
Zorlu Gayrimenkul Geliştirme ve Yatırım AŞ	27	10,512
Zorlu Dış Ticaret AŞ	--	10,512
Linens Pazarlama Tic AŞ	--	10,425
Other	3,217	3,183
	<b>17,789</b>	<b>54,024</b>

e) **Short-term other payables to related parties**

	<b>30 June 2020</b>	<b>31 December 2020</b>
Zorlu Holding (*)	306,436	332,620
Korteks (*)	28,975	31,288
Zorlu OM	3,628	3,109
Other	--	981
	<b>339,039</b>	<b>367,998</b>

(\*) The entire debt of the Group to Zorlu Holding, amounting to TL 306,436, is a capital advance made by Zorlu Holding, based on Zorlu Enerji's material event disclosure dated January 21, 2021.

f) **Short-term financial liabilities**

	<b>30 June 2020</b>	<b>31 December 2020</b>
Zorlu Faktoring A.Ş.	43,441	41,886
	<b>43,441</b>	<b>41,886</b>

# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

### NOTE 17 - RELATED PARTY TRANSACTIONS (Continued)

ii) Transactions carried out with related parties for the period 1 January – 30 June 2021 and 2020 are as follows:

	Sales	Purchases	Operating expenses and other income/ (expenses), net	Interest income/ (expenses), net	Foreign exchange income/(expenses), net
<b>1 January - 30 June 2021</b>					
Korteks	90,112	--	720	(1,092)	(13)
Zorluteks	43,922	(8)	(30)	(501)	(48)
Vestel Elektronik	22,177	--	2,156	779	464
Vestel Beyaz Eşya	17,264	--	1,186	--	(12)
Zorlu Tesis Yönetimi AŞ	15,318	--	(862)	--	--
Meta Nikel	9,571	--	3,081	--	--
Zorlu Holding	257	(21)	(3,738)	89,338	322,649
Zorlu O&M	190	(22,964)	66	16,883	55,853
Edeltech	--	--	1,976	2,438	19,042
Ezotech	--	--	--	--	41,160
Other	2,059	(83)	(8,280)	2,900	14,854
	<b>200,870</b>	<b>(23,076)</b>	<b>(3,725)</b>	<b>110,745</b>	<b>453,949</b>
<b>1 January - 30 June 2020</b>					
Korteks	55,388	--	110	(1,033)	--
Zorluteks	35,964	(207)	(1,098)	(459)	--
Zorlu Tesis Yönetimi AŞ	10,284	--	(609)	--	--
Meta Nikel	12,244	--	(19)	--	--
Zorlu Holding	125	--	(9,040)	82,796	271,148
Zorlu O&M	19	(33,697)	8	3,652	8,006
Zorlu Endüstriyel	--	(58)	(74)	2,233	25,964
Edeltech	--	--	8	1,204	14,447
Zorlu Doğal Gaz Tedarik	--	(186,033)	188	(265)	(25)
Other	2,027	(2,848)	(5,119)	1,054	33,429
	<b>116,051</b>	<b>(222,843)</b>	<b>(15,645)</b>	<b>89,182</b>	<b>352,969</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

#### NOTE 17 - RELATED PARTY TRANSACTIONS (Continued)

**ii) Transactions carried out with related parties for the period 1 January - 30 June 2021 and 2020 are as follows:**

Sales and purchases made to related parties, generally includes electricity and product and service sales and purchases within the framework of its main field of activity.

Interest income (expense) and exchange difference income (expense), are related to both financing and commercial transactions.

**iii) Key management compensations for the periods between 1 January - 30 June 2021 and 2020 are as follows:**

For the purpose of this consolidated financial statements, key management compensation consists of the payments made to Group shareholders and top management (General Manager and Vice General Managers and directors).

	1 January - 30 June 2021	1 January - 30 June 2020
Salaries	7,470	8,763

#### NOTE 18 - SUBSEQUENT EVENTS

As per the material event disclosure dated 5 July 2021,

- In the capital of "Zorlu Sun Power (Private) Limited" established in Pakistan, of which we hold 99.7% of the shares, 997 shares representing 99.7% of the capital of the company we hold, are established in Pakistan, to "Zorlu Wind Pakistan (Private) Limited", the capital of which we hold 99.7% of the shares, at a price of 10 PKR (Ten Pakistani Rupees) per share,
- "Zorlu Renewable Pakistan (Private) Limited", the capital of which we hold 99.7% of the shares, is established in Pakistan, and 997 shares representing 99.7% of the capital of the company we hold, are established in Pakistan. , to "Zorlu Wind Pakistan (Private) Limited", the capital of which have hold 99.7% of the shares, at a price of 10 PKR (Ten Pakistani Rupees) per share,
- 2,089,977 shares, representing 99.99% of the company's capital, owned by Zorlu O&M Enerji Tesisleri İşletme ve Güvenlik Hizmetleri AŞ, one of the Zorlu Group companies, in "Zorlu Industrial Pakistan (Private) Limited" established in Pakistan, The acquisition by "Zorlu Wind Pakistan (Private) Limited", the capital of which we hold 99.7% of the shares, established in Pakistan at a price of 10 PKR (Ten Pakistani Rupees) per share, and
- Represents the capital of 1,199,997 shares, representing 99.99% of the company's capital, owned by " Zorlu O&M Enerji Tesisleri İşletme ve Bakım Hizmetler AŞ", one of the Zorlu Group companies, in "Zorlu O&M Pakistan Limited" established in Pakistan. The acquisition of 99.7% of the shares by "Zorlu Wind Pakistan (Private) Limited" established in Pakistan at a price of 10 PKR (Ten Pakistani Rupees) per share has been completed.



## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

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

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#### NOTE 18 - SUBSEQUENT EVENTS (Continued)

The management decided to increase the company's issued capital of TL 2,000,000, which is determined as TL 6,000,000 in registered capital, to TL 2,500,000 by increasing its issued capital by TL 500,000 in cash (by payment) (25%) with the board of directors resolution dated 29 April 2021. As of 16 September 2021, the issued capital of the Capital has been increased to TL 2,500,000.

As per the material event disclosure dated July 29, 2021, JCR Eurasia Rating evaluated Zorlu Enerji's consolidated structure during the periodical review process and revised its Long-Term National Rating upwards to "A- (Trk)" as of July 29, 2021, and this rating has determined its opinion on the subject as "Stable". On the other hand, Long Term International Foreign and Local Currency Ratings and outlooks have been revised upwards to "BB / Stable".

As per the material disclosure dated 16 August 2020, the application made to EMRA for the extension of the pre-license period of the Alaşehir 3 Geothermal Power Plant project, which is planned to be established in the Alaşehir district of Manisa province by Zorlu Jeotermal Enerji Elektrik Üretimi AŞ, a 100% subsidiary of the Company, has been accepted.

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