

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS  
SUBSIDIARY**

*DECEMBER 31, 2022 CONSOLIDATED FINANCIAL STATEMENTS*

(ENGLISH CONVENIENCE TRANSLATION OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

**This report has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this report, the Turkish version shall prevail.**

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**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022**  
(Amounts expressed in TRY unless otherwise stated)

<b>ASSETS</b>	<b>Notes</b>	<b>Audited Current Year December 31, 2022</b>	<b>Audited Prior Year December 31, 2021</b>
<b>Current Assets</b>		<b>949.223.242</b>	<b>485.708.416</b>
Cash and cash equivalents	3	78.063.125	41.473.281
Trade receivables		173.986.428	80.416.483
- Trade receivables from non-related parties	5	173.986.428	80.416.483
Other receivables		1.187.452	80.341
- Other receivables from related parties	6	1.187.452	80.341
Contractual assets arising from ongoing construction and contracting works	9	562.875.256	301.902.445
Inventories	7	91.453.768	46.254.013
Expenses paid in advance		26.254.153	4.792.787
- Expenses paid in advance to non-related parties	8	26.254.153	4.792.787
Current tax-related assets	24	-	1.224.745
Other current assets	18	15.403.060	9.564.321
<b>Non-Current Assets</b>		<b>186.867.601</b>	<b>95.947.473</b>
Other receivables		448.936	181.412
- Other receivables from non-related parties	6	448.936	181.412
Investment property	10	158.000.000	77.650.000
Tangible fixed assets	11	3.968.185	3.435.143
Right of use assets	14	785.246	1.090.173
Intangible fixed assets	12	23.164	23.829
Assets related to the current period tax	24	23.329.480	13.566.916
Expenses paid in advance	8	312.590	-
<b>Total Assets</b>		<b>1.136.090.843</b>	<b>581.655.889</b>

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

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022**

(Amounts expressed in TRY unless otherwise stated)

<b>LIABILITIES</b>	<b>Notes</b>	<b>Audited Current Year December 31, 2022</b>	<b>Audited Prior Year December 31, 2021</b>
<b>Short-Term Liabilities</b>		<b>362.818.367</b>	<b>172.768.458</b>
Financial liabilities	4	111.740.413	44.426.551
Current installments of long-term financial liabilities	4	11.362.058	9.788.287
Trade payables		117.682.312	107.666.516
-Trade payables to non-related parties	5	117.682.312	107.666.516
Employee benefit liabilities	17	4.362.913	2.857.492
Other payables		4.049.092	1.372.245
-Other payables to related parties	26	19.155	19.022
-Other payables to non- related parties	6	4.029.937	1.353.223
Liabilities arising from customer contracts	9	112.996.808	5.909.811
Short-term provisions		624.771	747.556
-Short-term provisions related with employee benefits	17	275.154	249.094
-Other short-term provisions	16	349.617	498.462
<b>Long-Term Liabilities</b>		<b>108.776.256</b>	<b>63.563.363</b>
Long-term financial liabilities	4	833.338	3.546.864
Other payables		13.500	2.181.386
-Other payables to non-related parties	6	13.500	2.181.386
Long-term provisions		4.900.092	1.345.880
-Long-term provisions related to employee benefits	17	4.900.092	1.345.880
Deferred tax liabilities	24	103.029.326	56.489.108
Other long-term liabilities		-	125
<b>SHAREHOLDERS' EQUITY</b>		<b>664.496.280</b>	<b>345.324.093</b>
Paid-in capital	19	80.000.000	80.000.000
Treasury shares (-)	19	(716.115)	(355.250)
Share premium (discount)	19	12.964.521	2.098.440
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(644.412)	314.542
- Tangible fixed assets revaluation gain / (loss)	19	456.520	456.520
- Loss / gain due to defined benefit plans	19	(1.100.932)	(141.978)
Restricted reserves set aside from profit	19	4.756.161	4.411.742
Profit / loss of previous years	19	258.510.200	154.893.255
Net profit / loss for the year		309.625.925	103.961.364
<b>Non-controlling interests</b>		<b>(60)</b>	<b>(25)</b>
<b>TOTAL OF LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1.136.090.843</b>	<b>581.655.889</b>

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

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**AUDITED**  
**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED JANUARY 01 - DECEMBER 31, 2022**  
(Amounts expressed in TRY unless otherwise stated)

<b>PROFIT/LOSS SECTION</b>	<b>Notes</b>	<b>January 1- December 31, 2022</b>	<b>January 1- December 31, 2021</b>
<b>Continuing Operations</b>			
Revenue	20	719.669.548	308.758.884
Cost of Sales (-)	20	(414.626.961)	(197.239.838)
<b>GROSS OPERATING PROFIT / LOSS</b>		<b>305.042.587</b>	<b>111.519.046</b>
General Administration Expenses (-)		(17.542.777)	(8.885.859)
Other Income from Operating Activities	21	41.814.044	16.376.769
Other Loss from Operating Activities (-)	21	(40.506.177)	(36.506.182)
<b>NET OPERATING PROFIT / LOSS</b>		<b>288.807.677</b>	<b>82.503.774</b>
Income from Investment Activities	22	80.959.426	31.927.599
Loss from Investment Activities	22	-	-
<b>OPERATING INCOME / LOSS BEFORE FINANCING EXPENSES</b>		<b>369.767.103</b>	<b>114.431.373</b>
Financial Incomes	26	27.222.337	21.511.988
Financial Expenses (-)	26	(36.182.036)	(10.534.885)
<b>CONTINUING OPERATIONS' PROFIT/LOSS BEFORE TAX FOR THE YEAR</b>		<b>360.807.404</b>	<b>125.408.476</b>
<b>Continuing Operations' Tax Income/Expense</b>		<b>(51.181.514)</b>	<b>(21.447.115)</b>
Current Period Tax Income/ Loss	24	(4.401.557)	(761.253)
Deferred Tax Income/ Loss	24	(46.779.957)	(20.685.862)
<b>CONTINUING OPERATIONS' PROFIT/LOSS FOR THE YEAR</b>		<b>309.625.890</b>	<b>103.961.361</b>
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>309.625.890</b>	<b>103.961.361</b>
<b>Distribution of Total Comprehensive Incomes</b>		<b>309.625.890</b>	<b>103.961.361</b>
Minority Shareholders		(35)	(3)
Parent's Company		309.625.925	103.961.364
<b>Earnings Per Share</b>			
Earnings Per Share from Continuing Activities	25	<b>3,870</b>	<b>1,300</b>

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**AUDITED**  
**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME AS OF JANUARY 01 - DECEMBER 31, 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

<b>PROFIT/LOSS FOR THE YEAR</b>		<b>309.625.890</b>	<b>103.961.361</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss</b>		<b>(958.954)</b>	<b>(41.298)</b>
Gains (Losses) On Remeasurements of Defined Benefit Plans	17	(1.198.693)	(51.623)
Taxes Related to Loss / Gain on Defined Benefit Plans Remeasurement	24	239.739	10.325
<b>Other Comprehensive Income (Loss)</b>		<b>(958.954)</b>	<b>(41.298)</b>
<b>Total Comprehensive Income</b>		<b>308.666.936</b>	<b>103.920.063</b>

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

AUDITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JANUARY 1 - DECEMBER 31, 2022

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

	Notes	Issued capital	Treasury Shares(-)	Share Premium (Discount)	Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		Legal Reserves	Retained Earnings		Shareholders' Equity	Non-Controlling Interest	Total Equity
					Increase / (Decrease) from Revaluation of Tangible Fixed Assets	Revaluation and Remeasurements Gain / (Loss)		Defined Benefit Plans Remeasurement Gains / Losses	Prior Years' Profits or Losses			
<b>Balances as of January 1, 2021 (opening)</b>	19	<b>50.000.000</b>	<b>(355.250)</b>	<b>2.098.440</b>	<b>456.520</b>	<b>(100.680)</b>	<b>3.702.140</b>	<b>131.024.719</b>	<b>54.578.138</b>	<b>241.404.027</b>	<b>(22)</b>	<b>241.404.005</b>
Capital increase		30.000.000	-	-	-	-	-	(30.000.000)	-	-	-	-
Transfers		-	-	-	-	-	709.602	53.868.536	(54.578.138)	-	-	-
Total Comprehensive Income		-	-	-	-	(41.298)	-	-	103.961.364	103.920.066	(3)	103.920.063
Period Profit (Loss)		-	-	-	-	-	-	-	103.961.364	103.961.364	(3)	103.961.361
Other Comprehensive Income (Loss)		-	-	-	-	(41.298)	-	-	-	(41.298)	-	(41.298)
<b>Balance as of December 31, 2021 (closing)</b>	19	<b>80.000.000</b>	<b>(355.250)</b>	<b>2.098.440</b>	<b>456.520</b>	<b>(141.978)</b>	<b>4.411.742</b>	<b>154.893.255</b>	<b>103.961.364</b>	<b>345.324.093</b>	<b>(25)</b>	<b>345.324.068</b>
<b>Balances as of January 1, 2022 (opening)</b>	19	<b>80.000.000</b>	<b>(355.250)</b>	<b>2.098.440</b>	<b>456.520</b>	<b>(141.978)</b>	<b>4.411.742</b>	<b>154.893.255</b>	<b>103.961.364</b>	<b>345.324.093</b>	<b>(25)</b>	<b>345.324.068</b>
Transfers		-	-	-	-	-	344.419	103.616.945	(103.961.364)	-	-	-
Total Comprehensive Income		-	-	-	-	(958.954)	-	-	309.625.925	308.666.971	(35)	308.666.936
Period Profit (Loss)		-	-	-	-	-	-	-	309.625.925	309.625.925	(35)	309.625.890
Other Comprehensive Income (Loss)		-	-	-	-	(958.954)	-	-	-	(958.954)	-	(958.954)
Increase (Decrease) Due to Repurchase Transactions of Shares		-	(360.865)	10.866.081	-	-	-	-	-	10.505.216	-	10.505.216
<b>Balance as of December 31, 2022 (closing)</b>	19	<b>80.000.000</b>	<b>(716.115)</b>	<b>12.964.521</b>	<b>456.520</b>	<b>(1.100.932)</b>	<b>4.756.161</b>	<b>258.510.200</b>	<b>309.625.925</b>	<b>664.496.280</b>	<b>(60)</b>	<b>664.496.220</b>

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

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**

**AUDITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED JANUARY 1 - DECEMBER 31, 2022**

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

	Notes	January 1- December 31, 2022	January 1- December 31, 2021
<b>A. Cash Flows from Operating Activities</b>		<b>(38.486.432)</b>	<b>(21.191.047)</b>
Period profit (Loss)		<b>309.625.925</b>	<b>103.961.364</b>
Profit from continuing operations (Loss)		<b>309.625.925</b>	<b>103.961.364</b>
<b>Adjustments to Reconcile Net Profit/(Loss)</b>		<b>(28.994.635)</b>	<b>(10.485.157)</b>
Adjustments for depreciation and amortisation expenses	11,12	1.175.960	1.341.015
Adjustments for Impairment (Cancellation)		-	230.329
- Adjustments Regarding Impairment (Cancellation) of Receivables	6	-	230.329
Adjustments for provisions		2.472.473	483.716
- Adjustments for (reversal of) provisions related to employee benefits	17	2.621.318	220.012
- Adjustments related to lawsuits and/or penal provisions	16	(148.845)	263.704
Adjustments for interest (income) expenses		1.166.714	(1.592.425)
<i>Adjustments for interest (income) expenses</i>	4	199.638	(794.168)
<i>Deferred financing expense due to futures</i>	5	81.768	(1.134.876)
<i>Unearned financing income resulted from forward sales</i>	5	885.308	336.619
Adjustments for fair value losses gains		(80.350.000)	(31.577.319)
<i>Adjustments for fair value losses gains of investment properties</i>	10	(80.350.000)	(31.577.319)
Adjustments for tax (income) expenses	24	46.540.218	20.675.538
Adjustments for losses (gains) on disposal of non-current assets	12	-	(46.011)
<b>Changes in Working Capital</b>		<b>(310.579.903)</b>	<b>(104.346.781)</b>
Adjustments for decrease (increase) in trade accounts receivable		(94.455.253)	(47.420.405)
<i>Adjustments for decrease (increase) in non- related trade receivable</i>	5	(94.455.253)	(47.420.405)
Adjustments for decrease (increase) in other receivables related to operations		(1.374.635)	(54.435)
<i>Adjustments for decrease (increase) in other receivables non-related parties with operations</i>	6	(1.374.635)	(54.435)
Adjustments for stage of completion of construction or service contracts in progress	9	(153.885.814)	(100.667.117)
Adjustments for decrease (increase) in inventories	7	(45.199.755)	(39.927.219)
Decrease (increase) in prepaid expenses	8	(21.773.962)	(2.722.093)
Adjustments for increase (decrease) in trade accounts payable		9.934.028	91.116.106
Increase (decrease) in trade payables to unrelated parties	5	9.934.028	91.116.106
<i>Increase (decrease) in employee benefit liabilities</i>	17	1.505.421	1.332.143
<i>Adjustments for increase (decrease) in other operating payables</i>		508.961	3.065.075
Increase (decrease) in other related party payables related to operations	26	133	(133)
Increase (decrease) in other operating payables to unrelated parties	6	508.828	3.065.208
<i>Adjustments for other increase (decrease) in working capital</i>		(5.838.894)	(9.068.836)
Decrease (increase) in other assets related to activities	18	(5.838.769)	(9.068.961)
Decrease (increase) in other liabilities related to activities	18	(125)	125
<b>Cash Flows from Operating Activities</b>		<b>(29.948.613)</b>	<b>(10.870.574)</b>
Income tax expenses	24	(8.537.819)	(10.320.473)
<b>B. Cash Flows From (Used In) Investing Activities</b>		<b>(1.403.409)</b>	<b>(1.661.030)</b>
Proceeds from sales of property, plant, equipment and intangible assets	11,12	-	98.611
Purchase of property, plant, equipment and intangible assets	11,12	(1.403.409)	(1.759.641)
<b>C. Cash Flows From (Used In) Financing Activities</b>		<b>76.479.685</b>	<b>(17.213.388)</b>
Payments to acquire entity's shares or other equity instruments	19	10.505.216	-
Proceeds from borrowings	4	68.262.418	-
Cash outflows related to debt payments	4	-	(10.644.913)
Payments of lease liabilities	4	(325.800)	(350.933)
Interest expenses	23	(1.962.149)	(6.217.542)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes		36.589.844	(40.065.465)
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	3	<b>36.589.844</b>	<b>(40.065.465)</b>
<b>Cash and Cash Equivalents at The Beginning of The Period</b>	3	<b>41.473.281</b>	<b>81.538.746</b>
<b>Cash and Cash Equivalents at The End of The Period</b>		<b>78.063.125</b>	<b>41.473.281</b>

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

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 1. GROUP’S ORGANIZATION AND NATURE OF OPERATIONS

Orge Enerji Elektrik Taahhüt A.Ş. (“Company”) was established in 1998. The main activity of the Company and its subsidiary (“Group”) is to undertake electricity contracting works of residential and business construction works.

The company was established as the name of Orge Enerji Sistemleri İnşaat Metal Ticaret ve Taahhüt A.Ş.. Trade name was changed and registered to Orge Enerji Elektrik Taahhüt A.Ş. on December 31, 2010.

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa Istanbul (“BIST”) since 15.05.2012.

The Group’s head office is located in “Kozyatağı Mahallesi Değirmen Sokak Nida Kule No: 18 Kat: 18 34742 Kadıköy, İstanbul” and there is no any branch offices.

As of December 31, 2022, average number of personnel is 511 (December 31, 2021: 462). As the date of balance sheet, there are no employees in the subsidiary. The group also employs personnel through subcontractors. The average number of subcontracted personnel employed as of December 31, 2022 is 27. (December 31, 2021: 39)

As of December 31, 2022, the share capital of the company is 80.000.000 TRY (December 31, 2021: 80.000.000 TRY), the publicly listed shares are 49,87 % of the total shares. Gündüz Family members are main shareholders of the company and has control in the management (Note 20).

The subsidiary is consolidated to financial statements by using fully consolidation method.

<b><u>Subsidiary</u></b>	<b><u>Nature of Business</u></b>	<b><u>Proportion of Effective Interest (%)</u></b>	<b><u>Country of Incorporation</u></b>
And İnşaat Ticaret A.Ş.	Construction Equipment	99,96	Türkiye

The Group does not have any subsidiaries traded on the stock exchange.

The Group, within the framework of the profit distribution policies to be determined by the general assembly and the relevant, distributes in accordance with the provisions of the legislation by the decision of the general assembly As of the report date, there is no profit distribution decision taken by the Group.



## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

### A. Basis of Presentation

#### **Basis of Presentation of Consolidated Financial Statements**

The Group registered in Türkiye maintains their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and Tax Legislation.

The financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, (“TFRS”) and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (“POA”) in line with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board of Türkiye (“CMB”) on June 13, 2013 which is published on Official Gazette numbered 28676. The financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

The functional currency of the Group is determined as Turkish Lira (“TRY”). Group kept books of account in TRY in accordance with the Turkish Commercial Code, and the Uniform Chart of Accounts issued by the Ministry of Finance.

According to TFRS, the preparation of consolidated financial statements requires estimates and assumptions regarding the amounts for the assets and liabilities at the balance sheet date, explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. Although these estimates and assumptions are based on the best information held by the Group management, actual results may differ from these. The accounting policies used in the preparation of these consolidated financial statements as of December 31, 2022 are consistent with those used in the preparation of previous year’s financial statements.

There are no seasonal and periodical changes that will significantly affect the Group's activities.

The consolidated financial statements are prepared on historical cost basis, except for the financial instruments and investment properties carried at fair value.

#### **Approval of Consolidated Financial Statement**

Financial statement for the year ended December 31, 2022 had been approved in the Board of Directors meeting dated 8 March, 2023 and subject to final approval in General Assembly of the Company.

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### A. Basis of Presentation (cont’d)

#### Financial Reporting in Hyperinflationary Economies

With the decision taken on March 17, 2005 and numbered 11/367, the CMB announced that, effective from January 1, 2005, the application of inflation accounting is no longer required for companies operating in Türkiye and preparing their consolidated financial statements in accordance with the financial reporting standards accepted by the CMB. Accordingly, Turkish Accounting Standards 29, “Financial Reporting in Hyperinflationary Economies”, issued by the POA, has not been applied in the consolidated financial statements for the accounting year commencing January 1, 2005.

#### Comparative information and restatement of prior year financial statements

Consolidated financial statements of the Group have been prepared comparatively with the prior year in order to give accurate trend analysis regarding financial position and performance. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed where necessary.

#### Going Concern

The financial statements of the Company are prepared on the basis of a going concern assumption.

#### Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

#### Functional Currency and Financial Statement Presentation Currency

Each item in the financial statements of the companies within the group is accounted for using the currency that is functional in the basic economic environment in which the companies operate (“functional currency”). The consolidated financial statements are presented using the Group's presentation currency, the Turkish Lira.

#### New and Amended Turkish Financial Reporting Standards

##### **Amendments in Turkish Financial Reporting Standards**

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

##### **a) The new standards, amendments and interpretations which are effective as of January 1, 2022 are as follows:**

- Amendments to TFRS 3 – Reference to the Conceptual Framework
- Amendments to TAS 16 – Proceeds before intended use
- Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

The amendments did not have a significant impact on the financial position or performance of the Group.

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

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#### **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d) New and Amended Turkish Financial Reporting Standards (cont’d)**

##### **b) Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures when the new standards and interpretations become effective.

- TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- TFRS 17 - The New Standard for Insurance Contracts
- Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TAS 8 - Definition of Accounting Estimates
- Amendments to TAS 1 - Disclosure of Accounting Policies
- Amendments to TAS 12 – Deferred Tax on Assets and Liabilities Arising from a Single Transaction

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

##### **Consolidation principles**

As of December 31, 2022, the consolidated financial statements include the financial results of the Company and its subsidiary that are listed at Note 1.

Control is normally evidenced when the Group controls an investee if and only if the company has all the following; a) power over the investee b) exposure, or rights, to variable returns from its involvement in the investee and c) the ability to use its power over the investee to affect the amount of company’s returns. The results of subsidiaries acquired during the year are included in the consolidated statements of income from the effective date of acquisition as appropriate.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with those used by other Group Companies. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and events and are prepared for the same chart of accounts of the Group.

All intra-group transactions and balances including intra-group unrealized profits and losses are eliminated.

Non-controlling interest in the net assets of consolidated subsidiary is identified separately from the Group’s equity therein. Non-controlling interest consists of the amount of those interests at the date of the original acquisition and the minority’s share of changes in equity since the date of the acquisition.

Losses within a subsidiary are attributed to non-controlling interest even if that result is in deficit balance.

The share purchase/(sale) transactions of the Group with the minority shareholders without losing the control of the subsidiary are considered as a transaction between the shareholders of the company and are accounted for in the “adjustment difference arising from the change in the share ratio in the subsidiary” account under equity.

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#### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd) Consolidation principles (cont'd)

Information on the subsidiary within the scope of consolidation is as follows:

<u>Subsidiary</u>	<u>Capital</u>	<u>Capital of Acquired (TRY)</u>	<u>Effective Share Ratio (%)</u>
And İnşaat Ticaret A.Ş.	250.000	249.900	99,96

#### B. Changes in accounting policy

Any change in the accounting policies resulted from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

#### C. Summary of significant accounting policies

Significant accounting policies applied in the preparation of these consolidated financial statements are summarized below:

##### Revenue and Income

Revenue are measured on fair value of amount will be or have been charged. Estimated customer returns, rebates and provisions are deducted from the amount.

Proceeds from the sale of goods, is recognized when all the following conditions are met:

- Group all the significant risks and rewards of ownership are transferred to the buyer
- The Group's and the continuing managerial involvement usually associated with ownership and effective control over the goods sold are the lack of
- The amount of revenue can be measured reliably
- The economic benefits associated with the transaction will flow to the entity being possible, and transaction costs incurred or to be incurred in a reliable way of measuring.

Rendering of services;

The income from which the service is provided is recognized according to the completion stage of the contract.

The completion phase of the contract is determined as follows:

- Electrical and mechanical contracting works are accounted for according to their completion stage. The completion phase is determined as the ratio of the time passed as of the balance sheet date to the total time estimated for the completion of the commitment,
- Service fees included in the prices of goods sold are accounted for based on the total cost of services rendered for goods sold, taking into account the number of services provided in previous sales of goods, and
- Income from contracts that depend on the time spent, working hours and direct expenses are recognized over contract fees as they occur.

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#### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

##### C. Summary of Significant Accounting Policies (cont'd)

###### Construction contract activities

In case the results of the construction contracts cannot be estimated reliably, the income to be obtained from the contract shall be as much as the recoverable portion of the realized contract expenses. Contract expenses are recognized when incurred.

Contract revenue is recognized over the contract period when the outcome of construction contracts can be estimated reliably and the contract is likely to yield a profit. Where it is probable that total contract expenses will exceed total contract revenue, the expected loss is recognized as an expense immediately. Changes to contracts, requested payments and incentive payments are added to contract revenues at the rate accepted by the customer and as long as they can be measured reliably.

Where the revenue of a construction contract can be estimated reliably, revenues are recorded at the rate of completion of the construction activity at the balance sheet date. Completion rate is calculated according to the ratio of the construction cost incurred until the balance sheet date to the total estimated cost. This calculation is not valid where the rate of completion cannot be calculated fairly.

Changes in the amount of the construction contract, additional claims and incentive payments are likely to be approved by the employer and the relevant income is a reliable source of income.

It is included in the project revenues if it can be measured in an appropriate way. Construction contract costs include all initial material and direct labor costs, indirect labor related to contract performance, It covers indirect costs such as material, repair and depreciation expenses. Selling and general administrative expenses are expensed as they occur.

Provisions for estimated losses on incomplete contracts are recorded in the financial statements in the periods when these losses are determined. Job performance, job conditions, contract penalty provisions, and changes in the estimated profitability due to the final agreement arrangements may cause the revision of the cost and income amounts that will occur at the end of the project. These revisions were made at the time of their discovery.reflected in the consolidated financial statements.

Receivables from ongoing construction contracts, the unbilled amount of the revenue reflected in the consolidated financial statements; Payables from ongoing construction contracts are included in the consolidated financial statements.Indicates the invoice amount that exceeds the reflected revenue.

Group management records additional receivables within the scope of compensation that are not covered by the contract, when the negotiations with the employer regarding the said additional receivable claims are at the stage of approval of the collection and when the collections to be made can be measured reliably.

The Group does not have products under warranty.

###### *Interest income*

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### C. Summary of Significant Accounting Policies (cont’d)

#### **Inventories:**

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

#### **Tangible Assets**

Physical assets which is held and estimated to be used more than a period of time by the Group, for the purpose of producing goods and services or for administrative purposes are expressed with their cost values within the scope of cost model.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the consolidated statements of profit or loss during the financial period in which they are incurred. The costs of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Leasehold improvements consist of expenditures made to rented property. Leasehold improvements are amortised during the lease term in case the useful life is longer than the lease term. Furthermore leasehold improvements are amortised over their useful lives in case the useful life is shorter than the lease term.

As the similar depreciation method used for other fixed assets, depreciation of such assets begins when they are available for use.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. Expected useful life, residual value and depreciation method are reviewed each year for the possible effects of changes in estimates, and they are recognized prospectively if there are any changes in estimates. (Note 12).

#### *Cost Method*

Tangible fixed assets reported at cost less accumulated depreciation and accumulated impairment losses, on the same basis.

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### C. Summary of Significant Accounting Policies (cont’d)

#### **Tangible Assets** (cont’d)

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated. Land and construction in progress, except for the cost of tangible fixed assets to their estimated useful lives are amortized using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year for the possible effects of changes in estimates if a change in estimate being accounted for on a prospective basis.

Disposal of tangible fixed assets of the asset, or a gain or loss arising on the difference between the sales proceeds and the carrying amount of the asset is included in the income statement is determined.

#### **Intangible Assets**

##### *Intangible Assets Acquired*

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses.

Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each year and the effect of any change in the estimate is accounted for on a prospective basis.

##### *Derecognition of intangible assets*

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the differences between the net disposal proceeds and the carrying amount of the asset. The difference is recognized in the statement of profit or loss when the asset is derecognized.

#### **Investment Properties**

Investment property comprises the properties held in order to acquire lease and/or value increment earning and is indicated with the cost value and other transaction costs involved. Investment properties are accounted for using the fair value model at the financial statements.

In case investment property is sold or becomes useless and is determined that it would not provide any economic benefit in the future it may be derecognized. Profit/Loss resulted from the end of usage period or sale of any investment property is included in the income statement in the period is generated.

##### *Fair Value Method*

Group operations after the initial recognition, the fair value method chosen and the fair value of investment property was measured by the method (Note 11).

The fair value of investment property gain or loss arising from the change in profit or loss in the period they occur are included.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### C. Summary of Significant Accounting Policies (cont'd)

#### **Investment Properties** (cont'd)

Transfers, there is a change in use of the investment property is made. Fair value based on the monitored investment property, the owner, used by real estate class made a transfer, the transfer made after accounting treatment deemed cost at the aforementioned property's use shape change at the dates the fair value is. The owner used by a property's fair value basis to display an investment property if it converts , business , change in use occurred up to the date "Tangible Assets" in the accounting policy applies .

Real estate is located in the Group's own use of tangible fixed assets have been reclassified.

#### **Right of use asset**

The Group recognizes right-of-use assets at the commencement date of the lease agreement (for example, as of the date the asset is available for use). right-of-use assets, it is calculated by deducting accumulated depreciation and impairment losses from the cost price. In case of revaluation of rental debts, this figure is also adjusted. The cost of the right-of-use asset includes:

- (a) the initial measurement of the lease liability;
- (b) of all lease payments made on or before the commencement date of the lease, the amount less lease incentives, and
- (c) all initial direct costs incurred by the group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right-of-use asset from the date the lease actually commences to the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment assessment.

#### **Lease liability**

At the commencement date, the Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined incremental borrowing interest rate shall be used for discounting.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) Fixed payments, less any lease incentives receivable;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or Rate as at the commencement date
- c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.
- d) the exercise price of the call option if the Group is reasonably confident that it will exercise; and
- e) penalties for termination of the lease if the lease term indicates that the Group will exercise an option to terminate the lease.



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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### C. Summary of Significant Accounting Policies (cont’d)

#### **Lease liability (cont’d)**

After the commencement date, the Company shall measure the lease liability by:

- a) Increasing the carrying amount to reflect interest on the lease liability;
- b) Decreases book value to reflect lease payments made. In addition, the value of the finance lease liabilities is remeasured if there is a change in the lease term, a change in the underlying fixed lease payments, or a change in the assessment of the option to purchase the underlying asset.

#### **Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortization of goodwill. These assets are tested for impairment annually. The carrying value of assets subject to amortization may not be recoverable in the event of a situation or events are reviewed for impairment. If the carrying amount exceeds the recoverable amount of the asset is recognized for the impairment. The recoverable amount is fair value less costs to sell or value in use is the one obtained. For purposes of assessing impairment, assets are grouped at the lowest level of identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting.

#### **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. Borrowing costs that are not in this scope are recognized directly in the income statement. Borrowing costs are recognized directly in the income statement.

#### **Related Parties**

Related parties of the Group include companies that can directly or indirectly control or significantly affect the other party through shareholding, contractual rights, family relations or similar means. In the attached consolidated financial statements, the shareholders of the Group and the companies owned by these shareholders, their key management personnel and other companies known to be related are defined as related parties. Transaction with related parties is the transfer of resources, services or obligations between related parties, regardless of whether a price is charged (Note 29).

#### **Financial Instruments**

Financial assets and financial liabilities are recognized in the Group’s consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### C. Summary of Significant Accounting Policies (cont'd)

#### *Financial Assets*

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

#### Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

#### (i) Amortized cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

- a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements
- b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### C. Summary of Significant Accounting Policies (cont’d)

#### *Financial Assets (cont’d)*

Interest income is recognized in profit or loss and is included in the “finance income – interest income” line item. (Note 26)

(ii) Financial assets fair value through other comprehensive income (FVTOCI):

A financial asset is measured at fair value through other comprehensive income if both conditions are met:

- a) Retention of the financial asset in the context of a business model aimed at collecting the contractual cash flows and selling the financial asset,
- b) The contractual terms of the financial asset will result in cash flows that include interest payments on principal and principal balance on certain dates.

Any gains or losses arising from a financial asset measured at fair value through profit or loss are included in other comprehensive income until the financial asset is derecognized or reclassified. When the financial asset is reclassified, the cumulative gain or loss previously reflected to other comprehensive income is recognized in profit or loss on the reclassification date as a reclassification correction. In case of reclassification of the financial asset that is measured at fair value through profit or loss, the entity shall present the total gain or loss previously recognized in other comprehensive income to the financial statements. Interest calculated using the effective interest method is recognized in profit or loss in the financial statements. At initial recognition in the financial statements, an irrevocable preference can be made to present the subsequent changes in the fair value of the investment in the equity instrument that is not held for commercial purposes in other comprehensive income.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL. Specifically: Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy).

#### Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the ‘other gains and losses’ line item;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the ‘other gains and losses’ line item. Other exchange differences are recognized in other comprehensive income in the investment’s revaluation reserve;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the ‘other gains and losses’ line item; and
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment’s revaluation reserve.

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### C. Summary of Significant Accounting Policies (cont’d)

#### Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

#### Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

#### Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment’s revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment’s revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

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

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#### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

##### C. Summary of Significant Accounting Policies (cont’d)

###### *Financial Liabilities*

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized in the fair value.

A financial liability is subsequently classified at amortized cost except:

- a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
- b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset
- c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Group does not reclassify any financial liability.

###### **Effects of Changes in Foreign Exchange**

The individual financial statements of each Group entity operates in the currency of the primary economic environment (functional currency) are presented. Each company's financial condition and results of operations of the Company, which is the functional currency and the presentation currency for the consolidated financial statements are expressed in TL.

During the preparation of the financial statements of the individual entities, denominated in foreign currencies (currencies other than TL) from the transactions, foreign exchange rates prevailing at the transaction date are recorded at. In the balance sheet foreign currency denominated monetary assets and liabilities using the exchange rates prevailing at the balance sheet date are translated into TL. Followed by the fair value of nonmonetary items denominated in foreign currencies which are those recorded at fair value as determined by rates prevailing on the date are retranslated. Measured in terms of historical cost in a foreign currency non-monetary items, are not retranslated.

Exchange differences, except as specified below, are recognized in profit or loss in the period in which they occur:

- Assets under construction for future productive use, which are associated with and on foreign currency borrowings are regarded as an adjustment to interest costs and the cost of such assets are included in the exchange rate differences,
- Risks arising from foreign currency (providing financial protection against risks related to the accounting policies described below) to provide financial protection against exchange differences arising from the operation,
- In overseas activities of the net investment, forming part accounted in translation reserves and net investment in sales profit or loss associated with the unpaid intention or unlikely overseas operations arising from the monetary receivables and payables arising from exchange rate differences.

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### C. Summary of Significant Accounting Policies (cont’d)

#### **Earnings per share**

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings or inflation adjustments. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

Shareholders have equal rights on the shares and there is no preferred share (Note 28).

#### **Events after the Reporting Period**

Events after the reporting period, the balance date and the date of approval of the financial statements to be published, in favor or against the Group refers to events that occur. According to perform smoothing, two types of situations can be identified:

- Events that require adjustment after the reporting period, the balance sheet date of the relevant facts showing there is evidence that the conditions of the situation,
- Related events that occur after the reporting period showing improvements (non-adjusting events after the reporting period)

The accompanying financial statements of the Group in the reporting period, adjusting subsequent events have been registered and non-adjusting events after the reporting period are shown in the notes (Note 32).

#### **Provisions, Contingent Liabilities and Contingent Assets**

##### *Provisions*

There is a present legal or constructive obligation as a result of past events, and resources embodying economic benefits to settle the obligation and it is probable that they kept the company is expected to have a safe manner in the event of liability should be recognized in the consolidated financial statements. The provisions of the expenditure required to settle the obligation at the balance sheet date, with the most realistic estimates calculated by the Company's management and are discounted to present value where the effect is material.

##### *Contingent Liabilities*

Obligations under this group, within the control of the entity arising from past events, and the presence of one or more uncertain future events on the realization of the non-existence will be confirmed as the assessed liabilities Contingent liabilities are not included in the consolidated financial statements. Because, to settle the obligation, have the possibility of an outflow of resources embodying economic benefits or the amount of obligation cannot be measured with sufficient reliability. Too far from the entity of resources embodying economic benefits likely to come out, unless the notes to the consolidated financial statements show that conditional obligations (Note 17).

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

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## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### C. Summary of Significant Accounting Policies (cont’d)

#### *Contingent Assets*

The Group within the control of the entity arising from past events, and the presence of one or more uncertain events, which will be confirmed by the realization of assets, is considered as a contingent asset. If an inflow of resources embodying economic benefits is not certain contingent assets described in the notes to the consolidated financial statements.

All of the economic benefits required to settle a provision are expected to be part of the cases, which shall be collected by third parties, it is virtually certain that reimbursement will be received and the amount of the event can be measured reliably, are recognized and reported as an asset.

#### **Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions (Note 16).

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets, or alternatively netted off with the cost of related asset.

#### **Current and Deferred Income Tax**

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders’ equity (Note 27).

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries of the Company operate.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

The principal temporary differences arise from the carrying values of property, plant and equipment and available for-sale-investments and their historical costs, various provisions and unused tax allowances and exemptions.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

## **ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022**

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

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## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **C. Summary of Significant Accounting Policies (cont'd)**

#### **Employment Termination Benefits**

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision which is allocated by using defined benefit pension's current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise (Note 18).

#### **Reporting of Cash Flows**

The Group's net assets, financial structure, and the ability to affect the amounts and timing of cash flows, financial statement users to provide information about the cash flow statement holds. Cash flow statement, cash flows from operating, investing and financing activities are classified.

Cash flows from operating activities, cash flows from operating activities of the Group. From investing activities Cash flows from investing activities (fixed asset investments and financial investments) and the cash flows. Cash flows related to financing activities, the resources used in financing activities of the Group and repayments. Cash and cash equivalents include cash, bank deposits and investments that are readily convertible into cash at short-term, highly liquid investments with original maturities of three months or less.

#### **Capital and Dividends**

Ordinary shares are classified as owner's equity. Dividends books after deducted from accumulated profit

### **D. Significant Accounting Estimates**

The preparation of consolidated financial statements requires management to affect the reported amounts of assets and liabilities in the balance sheet at the date of the possible liabilities and commitments and the amounts of revenue and expenses during the reporting period required to make certain assumptions and estimates. These estimates and assumptions are based on management's best knowledge of current events and transactions despite the actual results may vary. Estimates are revised regularly and any necessary corrections are made and are reflected in the income statement in the periods. Critical judgments in applying the Group's accounting policies Summary of Significant Accounting Policies in the process of applying the accounting policies specified in management, with a significant impact on the amounts recognized in the financial statements (other than the estimates discussed below) made the following comments:

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below

a) Severance pay provision calculates under actuarial estimations (discount rate, future salary increases and employee leave rate)



## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

##### D. Significant Accounting Estimates (cont’d)

b) Doubtful receivable provisions reflects future loss of possible uncollectible receivable amounts as at balance sheet date. While the determination impairment of receivables, past performance of third party receivables, market credibility’s and performances from balance sheet date until the confirmation of financial statements taking into consideration.

c) While the determination provision for lawsuits, Group’s legal advisors and Group Management’s opinions regarding possibility of lose lawsuits and liabilities in case of lose took into consideration. Group Management determines lawsuit provision according to best estimations.

#### 3. SEGMENT REPORTING

Financial performances are not followed separately by the Financial Management. Hence, the Group is not reporting according to the departments of activity.

#### 4. CASH AND CASH EQUIVALENTS

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash in hand	40.090	19.215
Cash at banks		
- Time deposits (with maturities of three months or less)	55.095.498	32.282.726
- Demand deposits	21.188.710	9.171.340
Other cash equivalents	1.738.827	-
<b>Total</b>	<b>78.063.125</b>	<b>41.473.281</b>

As of 31.12.2022 and 31.12.2021, the time deposit details are as follows:

<u>Currency type</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>December 31, 2022</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>December 31, 2021</u>
TRY	9,31%	2.01.2023	28.887.388	2,00%	2.01.2022	8.680
EUR	1,33%	2.01.2023	19.350.263	0,40%	2.01.2022	23.932.149
USD	2,25%	2.01.2023	6.857.847	0,09%-1,00%	2.01.2022	8.341.897
<b>Total</b>			<b>55.095.498</b>			<b>32.282.726</b>

16.225.076 TRY of time deposits consist of profit share participation partnership accounts of participation banks (December 31, 2021: 872.581 TRY).

Foreign currency distribution of deposit accounts are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
TRY	41.212.364	3.962.186
EUR	21.763.559	28.796.165
USD	13.308.285	8.695.715
<b>Total</b>	<b>76.284.208</b>	<b>41.454.066</b>

There is no blockage on deposits (December 31, 2021: None).

Explanations on the nature and level of risks in cash and cash equivalents are explained in Note 30.

**ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022**

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

**5. FINANCIAL LIABILITIES**

<b>Financial liabilities</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Short-term financial liabilities</b>	<b>111.740.413</b>	<b>44.426.551</b>
a) Bank loans	110.766.809	42.431.259
b) Liabilities from operating leases	455.340	433.962
c) Credit cards	518.264	1.561.330
<b>Short-term current portion of long-term financial liabilities</b>	<b>11.362.058</b>	<b>9.788.287</b>
a) Bank loans	11.362.058	9.788.287
<b>Total</b>	<b>123.102.471</b>	<b>54.214.838</b>

<b>Long-term financial liabilities</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
a) Bank loans	-	2.473.175
b) Liabilities from operating leases	833.338	1.073.689
<b>Total</b>	<b>833.338</b>	<b>3.546.864</b>

**a) Bank Loans**

<b>December 31, 2022</b>				
<b>Currency</b>	<b>Effective Interest Rate (%)</b>	<b>Short-term</b>	<b>Short-term portion of long-term loans</b>	<b>Long-term</b>
TRY	7,69% -33,83%	110.766.809	11.362.058	-
<b>Total</b>		<b>110.766.809</b>	<b>11.362.058</b>	<b>-</b>

<b>December 31, 2021</b>				
<b>Currency</b>	<b>Effective Interest Rate (%)</b>	<b>Short-term</b>	<b>Short-term portion of long-term loans</b>	<b>Long-term</b>
TRY	0,95% -19,08%	42.431.259	9.788.287	2.473.175
<b>Total</b>		<b>42.431.259</b>	<b>9.788.287</b>	<b>2.473.175</b>

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Less than 1 year	122.128.867	52.219.546
1 - 5 years	-	2.473.175
<b>Total</b>	<b>122.128.867</b>	<b>54.692.721</b>

As of December 31, 2022, there are participation bank loans of 19.466.934 TRY (December 31, 2021: 12.431.095 TRY)

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 4. FINANCIAL LIABILITIES (Cont’d)

##### b) Payables from rental transactions

The maturity breakdown of the Company's liabilities regarding lease transactions in accordance with TFRS 16 is as follows:

<b>December 31, 2022</b>		
<b>Payables from Rental Transactions</b>	<b>Minimum Rent Payments</b>	<b>Present Value of Minimum Payments</b>
Less than 1 year	480.240	455.340
1 - 5 years	687.344	833.338
<b>Present Value of the Lease Obligation</b>	<b>1.167.584</b>	<b>1.288.678</b>

  

<b>December 31, 2021</b>		
<b>Payables from Rental Transactions</b>	<b>Minimum Rent Payments</b>	<b>Present Value of Minimum Payments</b>
Less than 1 year	434.475	433.962
1 - 5 years	1.167.584	1.073.689
<b>Present Value of the Lease Obligation</b>	<b>1.602.059</b>	<b>1.507.651</b>

#### 6. TRADE RECEIVABLES AND PAYABLES

##### a) Trade Receivables:

Details of Group’s trade receivables as of balance sheet date:

<b>Short-term trade receivables</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Trade receivables (*)	116.208.198	33.251.443
Notes receivables (*)	59.101.356	47.833.187
Unearned credit finance income (-)	(1.221.927)	(336.619)
Doubtful receivables (**)	1.245.754	1.015.425
Provision for doubtful receivables (-)	(1.245.754)	(1.015.425)
IFRS 9 doubtful	(101.199)	(331.528)
<b>Total</b>	<b>173.986.428</b>	<b>80.416.483</b>

<b>(*)Trade and Notes Receivables</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
1-3 Months	165.928.446	80.859.513
3-6 Months	9.381.108	225.117
<b>Total</b>	<b>175.309.554</b>	<b>81.084.630</b>

As of December 31, 2022, amount of 1.346.953 TRY (December 31, 2021: 1.346.953 TRY) of trade receivables are doubtful receivables. Doubtful receivables consist of uncollected receivables which are due from completed projects. There is no provision has been made for doubtful receivables in 2022.

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 5. TRADE RECEIVABLES AND PAYABLES (Cont’d)

(\*\*)The movements of provision for doubtful receivables are as follows:

<b>Doubtful receivables</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
As of January 1	1.346.953	1.116.624
Period charge	-	230.329
<b>As of December 31</b>	<b>1.346.953</b>	<b>1.346.953</b>

#### Long-term trade receivables

None (December 31, 2021: None).

#### b) Short-term Trade Payables:

Details of Group’s trade payables as of balance sheet date:

<b>Short-term Trade Payables</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Trade payables (*)	103.827.621	71.874.364
Notes payables (*)	14.907.799	36.927.028
Unearned credit finance charges (-)	(1.053.108)	(1.134.876)
<b>Total</b>	<b>117.682.312</b>	<b>107.666.516</b>

#### (\*)Trade and Notes Payables

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
1-3 Months	118.231.782	106.200.491
3-6 Months	503.638	2.600.901
<b>Total</b>	<b>118.735.420</b>	<b>108.801.392</b>

#### Long-term Trade Payables

None (December 31, 2021: None).

#### 7. OTHER RECEIVABLES AND PAYABLES

##### Other short-term receivables

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Due from tax authorities	100.401	80.341
Other receivables	1.087.051	-
<b>Total</b>	<b>1.187.452</b>	<b>80.341</b>

##### Other long-term receivables

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Deposits and guarantees given	448.936	181.412
<b>Total</b>	<b>448.936</b>	<b>181.412</b>

##### Other short-term payables

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Taxes and funds payables	2.160.944	1.192.255
Payable other liabilities	50.579	38.982
Other miscellaneous debts	1.818.414	121.986
<b>Sub-total</b>	<b>4.029.937</b>	<b>1.353.223</b>
Due to related parties (Note 29)	19.155	19.022
<b>Total</b>	<b>4.049.092</b>	<b>1.372.245</b>

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 6. OTHER RECEIVABLES AND PAYABLES (Cont'd)

Other long-term payables	December 31, 2022	December 31, 2021
Deposits and guarantees received	13.500	2.181.386
<b>Total</b>	<b>13.500</b>	<b>2.181.386</b>

#### 8. INVENTORIES

Short-term inventories	December 31, 2022	December 31, 2021
Raw materials and supplies	20.478.851	43.827.490
Trade goods	70.974.917	2.426.523
<b>Total</b>	<b>91.453.768</b>	<b>46.254.013</b>

#### Long-term inventories

None (December 31, 2021: None).

As of the balance sheet date, the Group does not have any stocks with a net realizable value less than its cost. (December 31, 2021: None).

Group does not have any pledged inventory in return for loans as at December 31, 2022 (December 31, 2021: None).

#### 9. PREPAID EXPENSES AND DEFERRED INCOME

##### Current Prepaid Expenses

Short-term prepaid expenses	December 31, 2022	December 31, 2021
Advances Given for Inventories	25.426.306	4.520.467
Short-term Prepaid Expenses	-	206.020
Work Advances	827.847	66.300
<b>Toplam</b>	<b>26.254.153</b>	<b>4.792.787</b>

Long-term prepaid expenses	December 31, 2022	December 31, 2021
Long-term Prepaid Expenses	312.590	-
<b>Toplam</b>	<b>312.590</b>	<b>-</b>

##### Non Current Prepaid Expenses

None (December 31, 2021: None).

##### Short-term and Long-term Deferred Income

None (December 31, 2021: None).

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 10. CONSTRUCTION CONTRACTS

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Assets Related to Ongoing Construction Contracts	562.875.256	301.902.445
<b>Total</b>	<b>562.875.256</b>	<b>301.902.445</b>

The details of assets related to ongoing construction contracts are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Receivables Arising from Customer Contracts	562.875.256	301.902.445
- Assets relating with domestic construction contracts	-	-
- Assets not yet acquired relating with domestic construction contracts (*)	562.875.256	301.902.445

(\*) Since there is no possible doubt about whether the group will meet the requirements for the acquisition of unearned assets, costs of the unearned assets are reflected in the financial statements on an accrual basis at fair value.

<b>Liabilities Arising from Customer Contracts</b>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Advances received	112.996.808	5.909.811
<b>Total</b>	<b>112.996.808</b>	<b>5.909.811</b>

#### 11. INVESTMENT PROPERTIES

As of December 31, 2022 and December 31, 2021, the movements of investment property are as follows:

##### January 1- December 31, 2022

<b>Fair value</b>	<u>Land</u>	<u>Building</u>	<u>Total</u>
<b>Opening Balance</b>	<b>4.675.000</b>	<b>72.975.000</b>	<b>77.650.000</b>
Value increase/decrease	4.325.000	76.025.000	80.350.000
<b>Closing Balance</b>	<b>9.000.000</b>	<b>149.000.000</b>	<b>158.000.000</b>

##### January 1-December 31, 2021

<b>Fair value</b>	<u>Land</u>	<u>Building</u>	<u>Total</u>
<b>Opening Balance</b>	<b>4.480.000</b>	<b>36.405.000</b>	<b>40.885.000</b>
Value increase/decrease	195.000	31.382.318	31.577.318
Transfers from tangible fixed assets	-	5.187.682	5.187.682
<b>Closing Balance</b>	<b>4.675.000</b>	<b>72.975.000</b>	<b>77.650.000</b>

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 10. INVESTMENT PROPERTIES (Cont’d)

The Group has appraised the lands in Hatay and the buildings in Şile, Kartal, Kadıköy, Ümraniye and Maltepe to Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent appraisal company licensed by the CMB, which is not affiliated with the Group in 30.12.2022. The Group management believes that the valuation company in question has professional knowledge and up-to-date information on the class and location of the real estate and machinery.

According to expertize report;

Location	Valuation Date	Value after valuation (TRY)		Valuation Method
		Land	Buildings	
İskenderun	30.12.2022	9.000.000	-	Market Approach
Şile	30.12.2022	-	57.000.000	Market Approach
Kartal	30.12.2022	-	8.000.000	Market Approach
Kadıköy	30.12.2022	-	45.000.000	Market Approach
Maltepe	30.12.2022	-	23.000.000	Market Approach
Ümraniye	30.12.2022	-	16.000.000	Market Approach
<b>Total</b>		<b>9.000.000</b>	<b>149.000.000</b>	

There is no mortgage on investment properties as of December 31, 2022 (December 31, 2021: None).

The Group’s rent income from investment properties in the current year is 609.426 TRY (December 31, 2021: 350.280 TRY).

There is insurance coverage amounting to 54.282.664 TRY on Investment Properties (December 31, 2021: 12.285.690 TRY).

**ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022***(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)***12. TANGIBLE FIXED ASSETS**

<b>Tangible Fixed Assets</b>	<b>January 1, 2022</b>	<b>Additions</b>	<b>Transfer</b>	<b>December 31, 2022</b>
Vehicles	2.223.056	227.365	-	2.450.421
Fixtures	3.662.599	1.176.045	-	4.838.644
Leasehold improvements	360.940	-	-	360.940
Other Tangible Fixed Assets	189.988	-	-	189.988
<b>Total</b>	<b>6.436.583</b>	<b>1.403.410</b>	<b>-</b>	<b>7.839.993</b>

  

<b>Accumulated depreciation</b>	<b>January 1, 2022</b>	<b>Additions</b>	<b>Transfer</b>	<b>December 31, 2022</b>
Vehicles	1.078.810	357.972	-	1.436.782
Fixtures	1.427.866	477.213	-	1.905.079
Leasehold improvements	304.776	35.183	-	339.959
Other Tangible Fixed Assets	189.988	-	-	189.988
<b>Total</b>	<b>3.001.440</b>	<b>870.368</b>	<b>-</b>	<b>3.871.808</b>

  

<b>Net amount</b>	<b>3.435.143</b>			<b>3.968.185</b>
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The total of the current period depreciation expenses is 870.368 TRY (December 31, 2021: 955.142 TRY).

There is no mortgage on investment tangible fixed assets as of December 31, 2022 (December 31, 2021: None).

As of December 31, 2022, there is insurance coverage on tangible assets amounting to 17.462.606 TRY (December 31, 2021: 4.435.785)



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**11. TANGIBLE FIXED ASSETS (cont’d)**

<b>Tangible Fixed Assets</b>	<b>January 1, 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>December 31, 2021</b>
Buildings	5.764.091	-	-	(5.764.091)*	-
Vehicles	1.979.811	337.058	(93.814)	-	2.223.055
Fixtures	2.429.237	1.233.362	-	-	3.662.599
Leasehold improvements	171.719	189.221	-	-	360.940
Other Tangible Fixed Assets	189.988	-	-	-	189.988
<b>Total</b>	<b>10.534.846</b>	<b>1.759.641</b>	<b>(93.814)</b>	<b>(5.764.091)</b>	<b>6.436.582</b>
<b>Accumulated depreciation</b>	<b>January 1, 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>December 31, 2021</b>
Buildings	461.127	115.282	-	(576.409)	-
Vehicles	770.527	349.496	(41.214)	-	1.078.809
Fixtures	1.083.774	344.092	-	-	1.427.866
Leasehold improvements	158.504	146.272	-	-	304.776
Other Tangible Fixed Assets	189.988	-	-	-	189.988
<b>Total</b>	<b>2.663.920</b>	<b>955.142</b>	<b>(41.214)</b>	<b>(576.409)</b>	<b>3.001.439</b>
<b>Net amount</b>	<b>7.870.926</b>				<b>3.435.143</b>

(\*) The building in Maltepe, which was previously included in tangible fixed assets, has been transferred to investment properties as of 31.12.2021.

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**11. TANGIBLE FIXED ASSETS (cont’d)**

The group uses the straight-line method. Depreciation periods for tangible assets are as follows:

	<b>Useful Life</b>
Buildings	50 years
Vehicles	4 - 5 years
Fixtures	3- 20 years
Leasehold Improvements	5 years
Other Tangible Fixed Assets	3 years

**13. INTANGIBLE FIXED ASSETS**

<u>Intangible Assets</u>	January 1, 2021	<u>Additions</u>	December 31, 2021	<u>Additions</u>	December 31, 2022
Rights	133.482	-	133.482	-	133.482
<b>Total</b>	<b>133.482</b>	<b>-</b>	<b>133.482</b>	<b>-</b>	<b>133.482</b>

<u>Accumulated depreciation</u>	January 1, 2021	<u>Additions</u>	December 31, 2021	<u>Additions</u>	December 31, 2022
Rights	108.617	1.036	109.653	665	110.318
<b>Total</b>	<b>108.617</b>	<b>1.036</b>	<b>109.653</b>	<b>665</b>	<b>110.318</b>

<b>Net amount</b>	<b>24.865</b>	<b>23.829</b>	<b>23.164</b>
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The total of amortization expenses for the current period is 665 TRY and all of them are included in general administrative expenses. (December 31, 2021: 1.036 TRY).

The group uses the straight-line method. Depreciation periods for intangible assets are as follows:

	<b>Useful Life</b>
Rights	3-10 years

**14. RIGHT TO USE ASSETS**

	<b>January 1-December 31, 2022</b>		
	<u>Office</u>	<u>Vehicles</u>	<u>Total</u>
<b>Cost value</b>			
IFRS 16 opening balance	1.733.385	-	1.733.385
Purchases	-	-	-
Disposals	-	-	-
<b>Closing Balance</b>	<b>1.733.385</b>	<b>-</b>	<b>1.733.385</b>

<b>Accumulated depreciation</b>			
<b>Opening balance</b>	<b>(643.212)</b>	<b>-</b>	<b>(643.212)</b>
Period expense	(304.927)	-	(304.927)
Disposals	-	-	-
<b>Closing Balance</b>	<b>(948.139)</b>	<b>-</b>	<b>(948.139)</b>
<b>Right of Use Assets, net</b>	<b>785.246</b>	<b>-</b>	<b>785.246</b>

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 13. RIGHT TO USE ASSETS (cont’d)

	January 1-December 31, 2021		
Cost value	Office	Vehicles	Total
IFRS 16 opening balance	2.200.164	342.216	2.542.380
Purchases	3.086	-	3.086
Disposals	(469.865)	(342.216)	(812.081)
<b>Closing Balance</b>	<b>1.733.385</b>	<b>-</b>	<b>1.733.385</b>
<b>Accumulated depreciation</b>	<b>(676.520)</b>	<b>(344.693)</b>	<b>(1.021.213)</b>
<b>Opening balance</b>	<b>(384.832)</b>	<b>-</b>	<b>(384.832)</b>
Period expense	418.140	344.693	762.833
<b>Closing Balance</b>	<b>(643.212)</b>	<b>-</b>	<b>(643.212)</b>
<b>Right of Use Assets, net</b>	<b>1.090.173</b>	<b>-</b>	<b>1.090.173</b>

The total depreciation expenses for the current period is 304.927 TRY (December 31, 2021: 384.832 TRY). All of this amount is included in general administrative expenses (December 31, 2021: all).

The company leases many assets, including offices, warehouses and vehicles. The rental period is 2-5 years. (December 31, 2021: 2-5 years). Rental contracts, the rental period is between 2 and 5 years, and they are related to storage, office and vehicle rentals. All operating leases bear a statement regarding the revision of conditions according to market conditions, in case the Company exercises its right to renew. The Company does not have the right to purchase the leased asset at the end of the lease period.

#### 15. IMPROVEMENT OF ASSETS

A provision for impairment is set aside for doubtful receivables by the Group (Note 6).

#### 16. GOVERNMENT INCENTIVES AND AID

The incentives received by the Group, accounted for under other income, are as follows:

##### December 31, 2022

i) The Group, within the scope of Social Security Law No. 5510, 27103,6111, 4857, benefits from an incentive amounting to 5% of the employer's share in the monthly SGK premium, since there is no delay in the payment of SSI premiums of its employees. As of December 31, 2022, the amount of incentive benefited by the Group is 1.172.715 TRY.

ii) With the Law No. 6824 on the “Restructuring of Certain Receivables and Amending Certain Laws and Decrees with the Force of Law” in the Official Gazette dated March 8, 2017 and numbered 30001, 5% tax deduction is provided to the taxpayers. The amount of incentive benefited by the Group is 1.231.416 TRY for 2022.

##### December 31, 2021

The Group benefits from an incentive amounting to 5% of the employer's share in the monthly SGK premium, since there is no delay in the payment of the SSI premiums of its employees within the scope of the Social Security Law No. 5510, 27103,6111, 4857. As of December 31, 2021, the amount of incentive benefited by the Group is 1.248.683 TRY.

ii) With the Law No. 6824 on the “Restructuring of Certain Receivables and Amending Certain Laws and Decrees with the Force of Law” in the Official Gazette dated March 8, 2017 and numbered 30001, 5% tax deduction is provided to the taxpayers. The amount of incentive benefited by the Group is 202.944 TRY for 2021.

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**17. COMMITMENTS, CONTINGENCIES AND LIABILITIES**

<b>Short-term provisions</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Provisions for lawsuits	349.617	498.462
<b>Total</b>	<b>349.617</b>	<b>498.462</b>

Provisions for lawsuits relate to labor claims received by workers.

**Collaterals, Pledges, Mortgages:**

Collaterals/pledges/mortgages (“CPM”) position of the Group as of December 31, 2022 and December 31, 2021 is as follows:

<b><u>CPM’s given by the Company (Collaterals, Pledges, Mortgages)</u></b>	<b><u>December 31, 2022</u></b>	<b><u>December 31, 2021</u></b>
1. CPM’s given for Company’s own legal personality	259.999.777	153.429.361
2. CPM’s given on behalf of fully consolidated companies	-	-
3. CPM’s given on behalf of third parties for ordinary course of business	-	-
4. Total amount of other CPM’s	-	-
- Total amount of CPM’s given on behalf of the majority shareholder	-	-
- Total amount of CPM’s given on behalf of other Group companies which are not in scope of 2 and 3	-	-
- Total amount of CPM’s given on behalf of third parties which are not in scope of 3	-	-
<b>Total</b>	<b>259.999.777</b>	<b>153.429.361</b>

TRY equivalents of collaterals, pledges and mortgages give as of December 31, 2022 and December 31, 2021 are as follows on original currency basis are as follows:

<b><u>CPM’s given by the Company</u></b>	<b><u>December 31, 2022</u></b>			
	<b><u>TRY Equivalents</u></b>	<b><u>USD</u></b>	<b><u>EUR</u></b>	<b><u>TRY</u></b>
Coverages	259.999.777	965.997	8.518.127	72.584.924
<b>Total</b>	<b>259.999.777</b>	<b>965.997</b>	<b>8.518.127</b>	<b>72.584.924</b>

<b><u>CPM’s given by the Company</u></b>	<b><u>December 31, 2021</u></b>			
	<b><u>TRY Equivalents</u></b>	<b><u>USD</u></b>	<b><u>EUR</u></b>	<b><u>TRY</u></b>
Coverages	153.429.361	200.000	8.911.202	19.996.921
<b>Total</b>	<b>153.429.361</b>	<b>200.000</b>	<b>8.911.202</b>	<b>19.996.921</b>

All letters of guarantee have been given for the electrical contracting project works of the Group (December 31, 2021: all).

The ratio of other CPM’s given by the Group to the equities of Group is 0% as of December 31, 2022 (December 31, 2021: 0%).

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 18. EMPLOYEE BENEFITS

<b>Liabilities Within The Scope of Employee Benefits</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Payables to employees	2.876.400	1.839.959
Social security deductions to be paid	1.486.513	1.017.533
<b>Total</b>	<b>4.362.913</b>	<b>2.857.492</b>

  

<b>Short-term Provision for Employee Benefits</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Provision for vacation pay liability	275.154	249.094
<b>Total</b>	<b>275.154</b>	<b>249.094</b>

  

<b>Long-term Provision for Employee Benefits</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Provision for employment termination benefits	4.900.092	1.345.880
<b>Total</b>	<b>4.900.092</b>	<b>1.345.880</b>

Under the Turkish Legislations, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 (“Employee Benefits”) stipulates the development of Company’s liabilities by using actuarial valuation methods under defined benefit plans.

As of balance sheet date, provisions calculated according to assumption 16% expected salary increasing rate and 20% discount rate and about 3,45% real discount rate and retiring assumption as follows (31.12.2021: 16%, 20% and 4,68%).

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Annual discount rate (%)	3,45	4,68
Retirement probability (%)	97,23	97,45

Main assumption is that maximum liability amount increases parallel to inflation rate for every service year. Therefore, discount rate used is the expected real rate adjusted for the future inflationary effects. Because of this, provisions in the accompanying financial statements as of December 31, 2021 are calculated by estimating present value of probable liabilities arising due to retirement of employees.

19.983 TRY (December 31, 2021: 8.284 TRY) maximum amount used on calculation of retirement pay provision with effect from January 1, 2022.

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#### 17. EMPLOYEE BENEFITS (Cont’d)

Movements of severance pay provisions during the year are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
As of January 1	1.345.880	1.196.701
Service cost	2.708.585	380.848
Interest expense	56.662	55.886
Actuarial gain / losses (*)	1.198.693	51.622
Reversals of provisions	(409.728)	(339.177)
<b>Closing Balances</b>	<b>4.900.092</b>	<b>1.345.880</b>

(\*) As of December 31, 2022, Actuarial Income/Loss is calculated as 1.198.693 TRY (December 31, 2021: 51.622 TRY) in the statement of comprehensive income.

#### 19. OTHER ASSETS AND LIABILITIES

<u>Other Current Assets</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Transferred VAT	15.248.376	9.390.120
Other	154.684	174.201
<b>Total</b>	<b>15.403.060</b>	<b>9.564.321</b>

#### 20. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

##### a) Paid-in Capital:

The capital structure as of December 31, 2022 and December 31, 2021 is as follows:

<b>Capital Structure</b>	<b>December 31, 2022</b>		<b>December 31, 2021</b>	
	<u>Amount (TRY)</u>	<u>Share (%)</u>	<u>Amount (TRY)</u>	<u>Share (%)</u>
Nevhan Gündüz	15.582.033	19%	16.552.033	21%
Orhan Gündüz	24.523.109	31%	24.843.109	31%
Other	39.894.858	50%	38.604.858	48%
<b>Paid-in share capital</b>	<b>80.000.000</b>	<b>100%</b>	<b>80.000.000</b>	<b>100%</b>

Company has accepted the authorised capital system. Current authorised capital ceiling of the Company is 80.000.000 TRY and the issued capital is 80.000.000 TRY (31.12.2021: 80.000.000 TRY). Capital of the Company consists of 80.000.000 shares, none of which has any privileges.

In the General Assembly held on April 12, 2021, 30.000.000 TRY was added to share capital and it was decided to distribute as share. Capital increase was announced in Trade Registry Gazette No. 10359 dated June 29, 2021.

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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#### 19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont’d)

<b>b) Share premium (discount)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Share premium (discount)	12.964.521	2.098.440
<b>Total</b>	<b>12.964.521</b>	<b>2.098.440</b>

<b>c) Treasury Shares</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Treasury Shares	(716.115)	(355.250)
<b>Total</b>	<b>(716.115)</b>	<b>(355.250)</b>

Taking into consideration the Communiqué on Repurchased Shares published by the Capital Markets Board and the announcements made on January 21, 2016 and July 25, 2016, the Company's shares with a total nominal value of 1.513.413 TRY were repurchased during the period, together with the previous periods, October 6, 2022, the share with a nominal value of TRY 1,414,000 was sold to a foreign institutional investor by special order. The balance at the end of the period consists of shares with a nominal value of 99.413 TRY. Repurchased shares are shown in equity over their acquisition value.

The company also classifies the shares acquired within the scope of the liquidity provider transaction within the repurchased shares at the end of the period, and as of December 31, 2022, there are no shares repurchased within the scope of liquidity provision. (December 31, 2021: None).

<b>d) Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Revaluation and recognition gain/(Loss)	456.520	456.520
Other gains (Losses)	(1.100.932)	(141.978)
<b>Total</b>	<b>(644.412)</b>	<b>314.542</b>

<b>e) Restricted Reserves Appropriated From Profits</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
1st order reserve fund	4.040.046	4.056.492
Treasury share reserves	716.115	355.250
<b>Total</b>	<b>4.756.161</b>	<b>4.411.742</b>

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 be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. Dividend distributions are made in TRY in accordance with its Articles of Association, after deducting taxes and setting aside the legal reserves as discussed above.

In accordance with Article 520 of the Law No. 6102 published in 2014, a reserve fund of 716.115 TRY has been set aside for the repurchased shares.

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**19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont’d)**

<b>f) Prior Year’s Profit</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Opening balance	154.893.255	131.024.719
Prior years profits and losses	103.961.364	54.578.138
Transfers	(344.419)	(709.602)
Capital increase	-	(30.000.000)
<b>Total</b>	<b>258.510.200</b>	<b>154.893.255</b>

  

<b>g) Change in non-controlling interests</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Opening balance	(25)	(22)
Profit for the year attributable to non-controlling interest portion	(35)	(3)
<b>Total</b>	<b>(60)</b>	<b>(25)</b>

**21. REVENUE AND COST OF SALES**

<b>Revenue</b>	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
Contracting sales	522.423.426	232.326.342
Materials sales	197.246.122	76.432.542
<b>Total Income</b>	<b>719.669.548</b>	<b>308.758.884</b>

  

<b>Cost of Sales (-)</b>	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
- Cost of services given (-)	(286.915.877)	(170.624.422)
- Cost of trade goods sold (-)	(127.711.084)	(26.615.416)
<b>Cost of Sales (-)</b>	<b>(414.626.961)</b>	<b>(197.239.838)</b>
<b>Gross Profit</b>	<b>305.042.587</b>	<b>111.519.046</b>

**22. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES**

<b>General Administrative Expenses</b>	<b>January 01 - December 31, 2022</b>	<b>January 01 - December 31, 2021</b>
Personnel expenses	10.057.606	4.563.143
Provision for employment termination benefit	2.355.519	97.557
Consultancy expenses	1.341.832	481.474
Rent expense	803.664	627.567
Representation hospitality expenses	777.719	675.098
Depreciation expenses	336.622	912.908
Repair & maintenance expenses	195.830	132.494
Stationery expenses	79.426	41.084
Travelling expenses	59.836	100.405
Registration expense	31.444	141.345
Advertisement and public relation expenses	30.700	117.738
Provision for vacation pay liability	26.060	112.131
Transportation expenses	23.998	61.882
Amortization expenses	-	1.036
Other	1.422.521	819.997
<b>Total</b>	<b>17.542.777</b>	<b>8.885.859</b>



**ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022**

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

**23. EXPENSES BY NATURE**

<b>Deprcation Expenses</b>	<b>January 01 - December 31, 2022</b>	<b>January 01 - December 31, 2021</b>
Service cost	838.673	426.035
General administrative expenses	336.622	912.908
<b>Total</b>	<b>1.175.295</b>	<b>1.338.943</b>

<b>Amortization and Exhaustion Shares</b>	<b>January 01 - December 31, 2022</b>	<b>January 01 - December 31, 2021</b>
General administrative expenses	665	1.036
<b>Total</b>	<b>665</b>	<b>1.036</b>

<b>Personnel Expenses</b>	<b>January 01 - December 31, 2022</b>	<b>January 01 - December 31, 2021</b>
Personel Expenses	46.174.723	27.695.478
Social Security expenses	10.171.231	6.142.613
Provision for employment termination benefits	4.080.219	1.003.119
Provision for vacation pay liability	26.060	112.131
Other Social Benefits	561.824	313.344
<b>Total</b>	<b>61.014.057</b>	<b>35.266.685</b>

**Fees for Services Received from independent Auditor/Independent audit firms**

	<b>January 01 - December 31, 2022</b>	<b>January 01 - December 31, 2021</b>
Audit and assurance fee (*)	140.000	95.000
Tax consulting fee	-	-
Other assurance services fee	-	-
Other service fee apart from audit	-	-
<b>Total</b>	<b>140.000</b>	<b>95.000</b>

(\*) Fees are presented excluding VAT.

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

**24. OTHER INCOMES AND EXPENSES FROM OPERATING ACTIVITIES**

<b>Other incomes from operating activities</b>	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
Foreign exchange gains	27.359.323	7.769.066
Bank promotion income	5.084.746	-
Scrap sales	3.207.477	1.811.537
Government grants income	2.404.131	1.452.905
Unearned credit finance charges	1.389.727	1.134.876
Price difference income	147.640	106.315
Maturity difference income	70.454	227.528
Fixed asset sales revenues	-	46.011
Other income	2.150.546	3.828.531
<b>Total</b>	<b>41.814.044</b>	<b>16.376.769</b>

<b>Other expenses from operating activities(-)</b>	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
Foreign exchange loss	32.617.710	32.026.460
Non-tax-deductible expenses	4.105.257	-
Deferred finance expense	2.356.803	336.619
Price Difference Expenses	276.146	-
Penalty Expenses for Construction Site	-	26.259
Doubtful receivables provision	-	494.033
Other expenses	1.150.261	3.622.811
<b>Total</b>	<b>40.506.177</b>	<b>36.506.182</b>

**25. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES**

<b>Incomes from investment activities</b>	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
Investment property valuation income	80.350.000	31.577.318
Rent income	609.426	350.281
<b>Total</b>	<b>80.959.426</b>	<b>31.927.599</b>

**Expenses from investment activities (-)**

None (December 31, 2021: None).

**26. FINANCIAL INCOMES AND EXPENSES**

<b>Financial Incomes</b>	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
Foreign exchange gains	25.639.096	19.981.824
Interest income	1.583.241	1.530.164
<b>Total</b>	<b>27.222.337</b>	<b>21.511.988</b>

<b>Financial Expenses (-)</b>	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
Interest and commission expense	34.033.362	6.575.521
Foreign exchange losses	2.148.674	3.959.364
<b>Total</b>	<b>36.182.036</b>	<b>10.534.885</b>

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 27. INCOME TAX

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current year corporation tax expense	-	761.253
Prepaid taxes and withholding taxes (-)	-	(761.253)
<b>Current income tax liability</b>	-	-
	<b>January 1 -</b>	<b>January 1 -</b>
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Tax Income / (Expense)</b>		
Current period income tax provision (-)	(4.401.557)	(761.253)
Deferred tax income / (expense)	(46.779.957)	(20.685.862)
<b>Total</b>	<b>(51.181.514)</b>	<b>(21.447.115)</b>
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Non - current income tax assets</b>		
Prepaid taxes and withholding taxes	23.329.480	13.566.916
<b>Total</b>	<b>23.329.480</b>	<b>13.566.916</b>
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Current income tax assets</b>		
Prepaid taxes and funds	-	1.224.745
<b>Total</b>	-	<b>1.224.745</b>

#### Corporate Tax

The Group is subject to corporate tax valid in Türkiye. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Group regarding the current period operating results.

The corporate tax rate to be accrued on taxable corporate income is over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial income and deducting the tax-exempt gains, non-taxable incomes and other deductions.

The tax legislation provides for a temporary tax (prepaid tax) of 23% (23% for taxation period of 2022, 20% for taxation period of 2023 and after) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

Companies calculate temporary tax at the rate of 23% on their quarterly financial profits (23% for the taxation periods of 2022, and 20% for the year 2023 and after), and declare it until the 17th day of the second month following that period and pay it until the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial debt to the government.

Tax losses that are reported in the Corporation tax return may be carried forward and deducted from the corporation tax base for a maximum period of five years following the year in which the losses were incurred.

#### Income Tax Withholding

In addition to corporate taxes, their share of the profit from the distribution of dividends in the event of the company's income in the statements, including non-resident institutions and branches of foreign companies in Türkiye on any dividends distributed, except for the calculation of income tax withholding is required. Income tax withholding rate for the period of April 24, 2003 – July 22, 2006 was 10% in all companies. This rate has been implemented as 15% since July 22 with the Council of Ministers Decision No. 2006/10731. Undistributed dividends incorporated in share capital are not subject to income tax withholding.

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

#### 24. INCOME TAX (cont’d)

##### Deferred Tax:

The Group accounts for deferred tax assets and deferred tax liabilities for temporary timing differences arising from differences between its tax base legal financial statements and financial statements prepared in accordance with TFRS. The aforementioned differences are generally due to the fact that some income and expense items take place in different periods in financial statements prepared in accordance with the taxable financial statements and TFRS, and these differences are stated below.

As the corporate tax rate, which was 23% as of December 31, 2022, has changed to 25% for 2021 corporate earnings and 23% for 2022 corporate earnings, for temporary differences expected to be realized/closed in 2021 in the deferred tax calculation as of December 31, 2022. A tax rate of 25% is used for temporary differences that are expected to be realized/closed in 2022, and 20% for temporary differences that are expected to be realized/closed in 2022 and after.

The Company revalued its investment properties in accordance with the rates determined by the Ministry of Finance, with reference to Article 11 of the Law on Restructuring of Certain Claims and Amending Certain Laws and Provisional Article 31 added to the Tax Procedure Law.

Accordingly, as of December 31, 2022, in the calculation of the deferred tax effect for the revaluation increases of investment property in TFRS financial statements, the fund formed with its indexed values for tax purposes has been excluded and deferred tax has not been calculated for this part.

	Temporary Differences		Deferred Tax Assets / (Liabilities)	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Deferred Tax Assets :</b>				
Doubtful receivables provisions	1.346.953	1.346.953	269.391	269.391
Lawsuit provisions	349.617	498.462	69.923	99.692
Cost adjustment of long-term construction project	637.838.679	382.081.716	127.567.738	80.247.847
Loan interest accruals	1.648.106	1.774.268	354.064	375.871
Unused vacation provisions	275.154	249.094	63.285	57.292
Employee termination benefits	4.900.092	1.345.880	980.018	269.176
Other	1.241.637	356.329	284.985	81.364
<b>Total</b>	<b>647.600.238</b>	<b>387.652.702</b>	<b>129.589.404</b>	<b>81.400.633</b>
<b>Deferred Tax Liabilities :</b>				
Difference between registered values of investment properties and tax bases	4.716.690	(53.238.818)	471.669	(1.853.973)
Book value and tax basis difference of tangible and intangible assets	(3.478.163)	(6.733.038)	479.421	(803.018)
Construction projects revenue adjustments	(1.166.604.852)	(644.181.426)	(233.320.971)	(134.968.639)
Deposit interest accrual	(28.845)	(13.436)	(6.634)	(3.090)
Other	(1.053.108)	(1.134.876)	(242.215)	(261.020)
<b>Total</b>	<b>(1.166.448.278)</b>	<b>(705.301.594)</b>	<b>(232.618.730)</b>	<b>(137.889.740)</b>
<b>Deferred Tax Asset / (Liability), net</b>	<b>(518.848.040)</b>	<b>(317.648.892)</b>	<b>(103.029.326)</b>	<b>(56.489.107)</b>
<b>Deferred Tax Expense / (Revenue)</b>			<b>(46.540.219)</b>	<b>(20.675.537)</b>
Included in the actuarial (Profit) / Loss Fund			(239.738)	(10.325)
Amount Deducted from the Valuation Increase Fund			-	-
<b>Deferred tax expense / (income) for the period</b>			<b>(46.779.957)</b>	<b>(20.685.862)</b>

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**24. INCOME TAX (cont’d)**

Deferred tax movement is as follows:

<b>Deferred Tax Asset / (Liability) Movements</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Opening Balance	(56.489.107)	(35.813.570)
Current year deferred tax (expense) / benefit	(46.779.957)	(20.685.862)
Deferred tax liability accounted under equity resulting from actuarial gain / loss	239.738	10.325
<b>Total</b>	<b>(103.029.326)</b>	<b>(56.489.107)</b>

**28. EARNINGS PER SHARE**

	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
Weighted Average Number of Shares	80.000.000	80.000.000
Net Profit / (Loss) for the Period	309.625.925	103.961.364
Profit / (Loss) Per Share from Ongoing Activities	3,870	1,300

**29. RELATED PARTY TRANSACTIONS**

**December 31, 2022**

	<b>Receivables</b>	<b>Payables</b>
	<b>Short-Term</b>	<b>Short-Term</b>
	<b>Non-commercial</b>	<b>Non-commercial</b>
<b>Balances with related parties</b>		
<u>Shareholders</u>		
Orhan Gündüz	-	19.155
<b>Total</b>	<b>-</b>	<b>19.155</b>

**December 31, 2021**

	<b>Receivables</b>	<b>Payables</b>
	<b>Short-Term</b>	<b>Short-Term</b>
	<b>Non-commercial</b>	<b>Non-commercial</b>
<b>Balances with related parties</b>		
<u>Shareholders</u>		
Orhan Gündüz	-	19.022
<b>Total</b>	<b>-</b>	<b>19.022</b>

The transactions of the Group with the related parties in the periods 01.01.-31.12.2022 and 01.01.-31.12.2021 are as follows:

**Transactions with related parties**

	<b>January 1- December 31, 2022</b>	<b>January 1- December 31, 2021</b>
<b>Rent Income</b>		
Orhan Gündüz	101.695	81.356
<b>Total</b>	<b>101.695</b>	<b>81.356</b>

The Group has determined key management personnel as board members, group presidents, vice - presidents, Benefits provided to key management personnel as January 1, 2022 – December 31, 2022 and January 1, 2021 – December 31, 2021 is as follows:

**Short-term benefits provided to key management personnel**

	<b>January 1- December 31, 2022</b>	<b>January 1- December 31, 2021</b>
Short-term benefits provided to key management personnel	423.000	378.000
<b>Total</b>	<b>423.000</b>	<b>378.000</b>

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

##### **a) Capital Risk Management**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and equity items including the previous year earnings as specified in note 19.

The Group's cost of capital and the risks associated with each capital class are evaluated by the Group Management. Based on the Group Management's assessments, it is aimed to keep the capital structure in balance through the acquisition of new debt or the repayment of existing debt, as well as dividend payments and issuance of new shares.

The group monitors capital using the debt/total equity ratio. This ratio is found by dividing net debt by total equity. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes financial liabilities and leasing and trade payables as shown in the statement of financial position).

As of December 31, 2022 and December 31, 2021, the net debt / total equity ratio is as follows;

	<b><u>December 31, 2022</u></b>	<b><u>December 31, 2021</u></b>
Total Payables	471.594.623	236.331.821
Less: Cash and cash equivalents	(78.063.125)	(41.473.281)
Net Debt	<b>393.531.498</b>	<b>194.858.540</b>
Total Equity	664.496.220	345.324.068
Net Debt/Total Capital Ratio	59%	56%

##### **b) Financial Risk Factors**

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

##### **b.1) Credit Risk**

The risk of financial loss to the Group due to the failure of one of the parties to the financial instrument to fulfill its contractual obligations is defined as credit risk. The Group seeks to mitigate credit risk by conducting transactions only with creditworthy parties and, where possible, obtaining adequate collateral. The credit risks that the Group is exposed to and the credit ratings of its customers are constantly monitored. Credit risks exposed by types of financial instruments:

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

**30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont’d)**

**b) Financial Risk Factors (Cont’d)**

**b.1) Credit Risk (Cont’d)**

**Details of credit and receivable risk are as follows:**

December 31, 2022	Receivables				Assets related to ongoing construction contracts	Cash and Cash Equivalents Deposit in bank
	Current Period	Trade receivables from Related parties	Other parties	Other receivables from Related parties		
<b>Maximum credit risk exposed as of balance sheet date (A+B+C+D) (1)</b>	-	<b>173.885.229</b>	-	<b>1.636.388</b>	<b>562.875.256</b>	<b>76.284.208</b>
- Secured portion of the maximum credit risk by guarantees, etc, (*)	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (2)	-	173.986.428	-	1.636.388	562.875.256	76.284.208
B. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-
C. Net book value of the impaired assets (3)	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc,	-	1.245.754	-	-	-	-
- Not overdue (gross amount)	-	(1.245.754)	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	(101.199)	-	-	-	-

(1) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.

(2) Trade receivables consist of note receivables and account receivables from customer. The management of the Group foresees that no problems will be encountered in collecting the relevant amounts, considering its past experience.

(3) Impairment tests have been conducted within the framework of the suspicious receivable policy determined by the management regarding the receivables of the Group from its customers.

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**30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont’d)**

**b) Financial Risk Factors (Cont’d)**

**b.1) Credit Risk (Cont’d)**

December 31, 2021	Receivables				Assets related to ongoing construction contracts	Cash and Cash Equivalents Deposit in bank
	Trade receivables from	Other receivables from	Trade receivables from	Other receivables from		
Prior Period	Related parties	Other parties	Related parties	Other parties		
<b>Maximum credit risk exposed as of balance sheet date</b>	-	<b>80.084.955</b>	-	<b>261.753</b>	<b>301.902.445</b>	<b>41.454.066</b>
<b>(A+B+C+D) <sup>(1)</sup></b>						
- Secured portion of the maximum credit risk by guarantees, etc, (*)	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired <sup>(2)</sup>	-	80.416.483	-	261.753	301.902.445	41.454.066
B. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-
C. Net book value of the impaired assets <sup>(3)</sup>	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc,	-	1.015.425	-	-	-	-
- Not overdue (gross amount)	-	(1.015.425)	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	(331.528)	-	-	-	-

<sup>(1)</sup> In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.

<sup>(2)</sup> Trade receivables consist of note receivables and account receivables from customer. The management of the Group foresees that no problems will be encountered in collecting the relevant amounts, considering its past experience.

<sup>(3)</sup> Impairment tests have been conducted within the framework of the suspicious receivable policy determined by the management regarding the receivables of the Group from its customers.



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#### 30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

##### b) Financial Risk Factors (Cont'd)

##### b.2) Liquidity Risk

The main responsibility for liquidity risk management rests with the board of directors. The Board of Directors has established an appropriate liquidity risk management for the short, medium and long term funding and liquidity requirements of the Group management. The Group manages its liquidity risk by regularly monitoring the estimated and actual cash flows and by ensuring the continuation of sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities.

The table below shows the maturity distribution of the Group's non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discounting and based on the earliest due dates. Interests to be paid on these liabilities are included in the table below.

Tables related to liquidity risk are given below:

<b>December 31, 2022</b>	<b><u>Book value</u></b>	<b><u>Total expected cash outflows</u></b>	<b><u>1-3 months</u></b>	<b><u>3-12 months</u></b>	<b><u>1-5 years</u></b>
<b>Non-Derivative Financial Obligations</b>	<b>245.680.713</b>	<b>248.057.497</b>	<b>163.112.587</b>	<b>84.244.066</b>	<b>700.844</b>
Bank credits	122.128.867	123.573.637	40.193.389	83.380.248	-
Operating Lease Obligations	1.288.678	1.167.584	120.060	360.180	687.344
Bank Credit Cards	518.264	518.264	518.264	-	-
Trade payables	117.682.312	118.735.420	118.231.782	503.638	-
Other payables	4.062.592	4.062.592	4.049.092	-	13.500
<b>December 31, 2021</b>	<b><u>Book value</u></b>	<b><u>Total expected cash outflows</u></b>	<b><u>1-3 months</u></b>	<b><u>3-12 months</u></b>	<b><u>1-5 years</u></b>
<b>Non-Derivative Financial Obligations</b>	<b>168.981.849</b>	<b>176.413.833</b>	<b>117.496.164</b>	<b>52.858.149</b>	<b>6.059.520</b>
Bank credits	54.692.721	60.895.421	8.247.573	49.937.298	2.710.550
Operating Lease Obligations	1.507.651	1.602.059	114.525	319.950	1.167.584
Bank Credit Cards	1.561.330	1.561.330	1.561.330	-	-
Trade payables	107.666.516	108.801.392	106.200.491	2.600.901	-
Other payables	3.553.631	3.553.631	1.372.245	-	2.181.386

##### b.3) Market Risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Any changes did not occur in the current year in the methods of management and measurement of market risk exposed by the Group and the risks exposed compare to the previous year.

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**30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont’d)**

**b.3.1) Foreign Exchange Risk Management**

Foreign currency denominated transactions cause foreign currency risk. Foreign exchange risk is managed with currency purchase/sale contracts which are based on approved policy.

Group’s foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities at the balance sheet date is as follows:

	Foreign Currency Position					
	December 31, 2022			December 31, 2021		
	TRY	USD	EUR	TRY	USD	EUR
1. Trade receivables	94.763.080	850.850	3.966.234	62.633.619	16.967	4.250.930
2a. Monetary financial assets (Includes cash in hand and bank accounts)	34.983.026	495.447	1.293.651	37.476.330	668.863	1.961.284
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>129.746.106</b>	<b>1.346.297</b>	<b>5.259.885</b>	<b>100.109.949</b>	<b>685.830</b>	<b>6.212.214</b>
5. Trade receivables	-	-	-	-	-	-
6. Other	-	-	-	-	-	-
7. Non-current assets	-	-	-	-	-	-
<b>8. Total assets (4+5+6)</b>	<b>129.746.106</b>	<b>1.346.297</b>	<b>5.259.885</b>	<b>100.109.949</b>	<b>685.830</b>	<b>6.212.214</b>
9. Trade payables	41.117.890	714.834	1.395.910	81.009.974	109.324	5.420.896
10. Financial liabilities	-	-	-	-	-	-
11. Monetary other liabilities	-	-	-	-	-	-
12. Non-monetary financial liabilities	-	-	-	-	-	-
13. Other	-	-	-	-	-	-
<b>14. Short-term Liabilities</b>	<b>41.117.890</b>	<b>714.834</b>	<b>1.395.910</b>	<b>81.009.974</b>	<b>109.324</b>	<b>5.420.896</b>
15. Financial liabilities	-	-	-	-	-	-
<b>16. Long-term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>17. Total Liabilities</b>	<b>41.117.890</b>	<b>714.834</b>	<b>1.395.910</b>	<b>81.009.974</b>	<b>109.324</b>	<b>5.420.896</b>
<b>18. Net Foreign Currency Asset / (Liability) Position (8-17)</b>	<b>88.628.216</b>	<b>631.463</b>	<b>3.863.975</b>	<b>19.099.975</b>	<b>576.506</b>	<b>791.318</b>

## ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

#### 30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont’d)

##### **b) Financial Risk Factors (Cont’d)**

##### **b.3.1) Foreign Exchange Risk Management (Cont’d)**

The Group is mainly exposed to Euro and US Dollars risks.

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

#### **Exchange Rate Sensitivity Analysis Table**

	Current Year			
	Profit/Loss		Equities	
	Foreign currency Appreciation	Foreign currency Depreciation	Foreign currency Appreciation	Foreign currency Depreciation
If USD changes by 10% against TRY				
1- US Dollars net assets / liabilities	1.180.621	(1.180.621)	-	-
2- US Dollars hedged from risks (-)	-	-	-	-
<b>3- US Dollars net effect (1+2)</b>	<b>1.180.621</b>	<b>(1.180.621)</b>	-	-
If EURO changes by 10% against TRY				
4- Euro net assets / liabilities	7.682.201	(7.682.201)	-	-
5- Euro hedged from risks (-)	-	-	-	-
<b>6- Euro net effect (4+5)</b>	<b>7.682.201</b>	<b>(7.682.201)</b>	-	-
<b>Total (3+6)</b>	<b>8.862.822</b>	<b>(8.862.822)</b>	-	-

# ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

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

### 30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

#### b) Financial Risk Factors (Cont'd)

##### b.3.1) Foreign Exchange Risk Management (Cont'd)

#### Exchange Rate Sensitivity Analysis Table

	Prior Year			
	Profit/Loss		Equities	
	Foreign currency Appreciation	Foreign currency Depreciation	Foreign currency Appreciation	Foreign currency Depreciation
If USD changes by 10% against TRY				
1- US Dollars net assets / liabilities	748.162	(748.162)	-	-
2-US Dollars hedged from risks (-)	-	-	-	-
<b>3- US Dollars net effect (1+2)</b>	<b>748.162</b>	<b>(748.162)</b>	-	-
If EURO changes by 10% against TRY				
4- Euro net assets / liabilities	1.161.837	(1.161.837)	-	-
5- Euro hedged from risks (-)	-	-	-	-
<b>6- Euro net effect (4+5)</b>	<b>1.161.837</b>	<b>(1.161.837)</b>	-	-
<b>Total (3+6)</b>	<b>1.909.999</b>	<b>(1.909.999)</b>	-	-

#### Interest rate risk management

The fact that changes in market interest rates cause fluctuations in the fair value or future cash flows of financial instruments necessitates the Group's need to cope with interest rate risk. Hedging strategies are evaluated regularly to ensure that they are consistent with the interest rate expectation and defined risk. Thus, it is aimed to establish an optimal hedging strategy to review the position of the balance sheet and to keep interest expenditures under control at different interest rates.

As of December 31, 2022 and December 31, 2021, the Group's interest position table is as follows:

<b>Fixed rate financial instruments</b>	<b><u>December 31, 2022</u></b>	<b><u>December 31, 2021</u></b>
Financial Liabilities (Note 5)	123.417.545	56.200.371
Cash and Cash Equivalents (Note 4)	55.095.498	32.282.726

All of the Group's financial liabilities consist of fixed-rate loans. Therefore, no interest rate risk calculations have been made regarding interest rate changes (December 31, 2021: None).

**ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022**

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

**31. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)**

<b>December 31, 2022</b>	<b>Measured at fair value through other comprehensive income</b>	<b>Measured at fair value through profit or loss</b>	<b>Measured at amortized cost</b>	<b>Book Value</b>	<b>Note</b>
<b>Financial Assets</b>					
Cash and cash equivalents	-	-	78.063.125	78.063.125	4
Trade receivables	-	-	173.986.428	173.986.428	6
			-	-	
<b>Financial liabilities</b>					
Financial liabilities	-	-	123.417.545	123.417.545	5
Trade payables	-	-	117.682.312	117.682.312	6
Other financial liabilities	-	-	518.264	518.264	5

<b>December 31, 2021</b>	<b>Measured at fair value through other comprehensive income</b>	<b>Measured at fair value through profit or loss</b>	<b>Measured at amortized cost</b>	<b>Book Value</b>	<b>Note</b>
<b>Financial Assets</b>					
Cash and cash equivalents	-	-	41.473.281	41.473.281	4
Trade receivables	-	-	80.416.483	80.416.483	6
<b>Financial liabilities</b>					
Financial liabilities	-	-	56.200.372	56.200.372	5
Trade payables	-	-	107.666.516	107.666.516	6
Other financial liabilities	-	-	1.561.330	1.561.330	5

Group management considers that the recorded values of financial instruments reflect their reasonable values.

## **ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022**

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

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#### **31. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)(Cont’d)**

The fair value of financial assets and liabilities are determined as follows:

- Category 1: Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.
- Category 2: Implies that in determining the fair values of assets and liabilities, should other market price be observed other than first degree market prices, then observed market price is used for valuation purposes.
- Category 3: Implies that in determining the fair values of assets and liabilities, data not based on market observation is used for valuation purposes.

As of December 31, 2022 and December 31, 2021, the Group does not have any financial assets with their fair values.

#### **32. MATERIAL EVENTS AFTER THE BALANCE SHEET DATE**

Following the reporting period, by the Group management;

- On different dates, ORGE shares with a nominal value of 400.000 TRY were repurchased. With these transactions, the total nominal value of the repurchased shares reached 499.413 TRY.
- On 03.01.2023, within the scope of a project under construction in Istanbul, an order for electrical materials amounting to 539.659,31 USD, including VAT, was received from a domestic customer.
- On 24.01.2023, the existing contract amounting to 2.685.000 EUR + VAT and 23.950.000 TRY + VAT in the ongoing Gebze-Darica Metro Project was revised as 2.685.000 EUR + VAT and 31.793.510 TRY + VAT with the signed addendum has been done.
- On 03.02.2023, the offer of 17.983.249.80 TRY+VAT for some electrical works of the Foça Holiday Village Project to be built in İzmir-Foça was accepted and contract negotiations with the Employer were started.
- On 06.02.2023, contract negotiations were started with the Employer for additional work in the ongoing Bakırköy-Kirazlı Metro Project in the amount of 9.000.000 EUR + VAT.
- On 10.02.2023, in order to support the needs that may arise due to the earthquakes that occurred in Kahramanmaraş and affected our 10 provinces, donations in cash and in kind amounting to 1.000.000 TRY were made to the provinces affected by the earthquake, through authorized institutions, at the first general meeting to be held on this issue. It was decided to submit it to the approval of the shareholders at the meeting.
- On 16.02.2023, the maximum amount of funds determined by the Company's Board of Directors for share repurchase transactions made within the framework of the Capital Markets Board regulations was increased from 20.000.000 TRY to 40.000.000 TRY, the buyback program period was determined as 2 years.
- On 06.03.2023, the offer of 711.968 EUR+VAT and 17.618.237 TRY+VAT for the electrical works of the Koç University Culture and Dormitory Campus Project to be built in Istanbul was accepted and contract negotiations with the Employer began.

#### **33. OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER MATTERS REQUIRED FOR CLEAR UNDERSTANDING OF FINANCIAL STATEMENT**

None (December 31, 2021: None).