

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

*SEPTEMBER 30, 2023 CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS*

(ENGLISH CONVENIENCE TRANSLATION OF CONDENSED INTERIM
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 SEPTEMBER 30, 2023
(Amounts expressed in TRY unless otherwise stated.)

ASSETS	Notes	non-Audited Current Year September 30, 2023	Audited Prior Year December 31, 2022
Current Assets		1.538.105.073	949.223.242
Cash and cash equivalents	3	85.915.403	78.063.125
Trade receivables		256.396.330	173.986.428
- Trade receivables from non-related parties	5	256.396.330	173.986.428
Other receivables		5.199.456	1.187.452
- Other receivables from non-related parties	6	5.199.456	1.187.452
Contractual assets arising from ongoing construction and contracting works	9	990.049.804	562.875.256
Inventories	7	161.738.808	91.453.768
Expenses paid in advance		14.475.144	26.254.153
- Expenses paid in advance to non-related parties	8	14.475.144	26.254.153
Other current assets	18	24.330.128	15.403.060
Non-Current Assets		259.623.091	186.867.601
Other receivables		473.241	448.936
- Other receivables from non-related parties	6	473.241	448.936
Investment property	10	213.475.000	158.000.000
Tangible fixed assets	11	7.177.689	3.968.185
Right of use assets	14	502.557	785.246
Intangible fixed assets	12	22.682	23.164
Assets related to the current period tax	24	36.966.432	23.329.480
Expenses paid in advance	8	1.005.490	312.590
Total Assets		1.797.728.164	1.136.090.843

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 SEPTEMBER 30, 2023
(Amounts expressed in TRY unless otherwise stated.)

LIABILITIES	Notes	non-Audited Current Year September 30, 2023	Audited Prior Year December 31, 2022
Short-Term Liabilities		524.187.562	362.818.367
Financial liabilities	4	103.570.258	111.740.413
Current installments of long-term financial liabilities	4	40.800.786	11.362.058
Trade payables		164.700.348	117.682.312
-Trade payables to non-related parties	5	164.700.348	117.682.312
Employee benefit liabilities	17	7.979.843	4.362.913
Other payables		3.457.370	4.049.092
-Other payables to related parties	26	33.768	19.155
-Other payables to non- related parties	6	3.423.602	4.029.937
Liabilities arising from customer contracts	9	201.113.070	112.996.808
Current Income Tax Liability		1.320.386	-
Short-term provisions		920.509	624.771
-Short-term provisions related with employee benefits	17	414.285	275.154
-Other short-term provisions	16	506.224	349.617
Other short-term liabilities	18	324.992	-
Long-Term Liabilities		254.582.033	108.776.256
Long-term financial liabilities	4	3.435.817	833.338
Other payables		13.500	13.500
-Other payables to non-related parties	6	13.500	13.500
Long-term provisions		8.018.908	4.900.092
-Long-term provisions related to employee benefits	17	8.018.908	4.900.092
Deferred tax liabilities	24	242.420.908	103.029.326
Other long-term liabilities	18	692.900	-
SHAREHOLDERS' EQUITY		1.018.958.569	664.496.220
Equities of the Parent Company		1.018.958.666	664.496.280
Paid-in capital	19	80.000.000	80.000.000
Treasury shares (-)	19	-	(716.115)
Share premium (discount)	19	18.809.708	12.964.521
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(2.616.934)	(644.412)
- Tangible fixed assets revaluation gains / (losses)	19	456.520	456.520
- Losses / gains due to defined benefit plans	19	(3.073.454)	(1.100.932)
Restricted reserves set aside from profit	19	4.040.046	4.756.161
Profit / loss of previous years	19	568.852.240	258.510.200
Net profit / loss for the year		349.873.606	309.625.925
Non-controlling interests		(97)	(60)
TOTAL OF LIABILITIES AND SHAREHOLDERS' EQUITY		1.797.728.164	1.136.090.843

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NON-AUDITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS FOR THE PERIOD ENDED JANUARY 01 - SEPTEMBER 30, 2023

(Amounts expressed in TRY unless otherwise stated.)

PROFIT/LOSS SECTION	Notes	January 1- September 30, 2023	January 1- September 30, 2022	July 1- September 30, 2023	July 1- September 30, 2022
Revenue	20	1.005.817.678	493.524.391	453.313.642	188.682.416
Cost of Sales (-)	20	(497.832.184)	(288.225.523)	(204.491.017)	(105.877.682)
GROSS OPERATING PROFIT / LOSS		507.985.494	205.298.868	248.822.625	82.804.734
General Administration Expenses (-)		(37.820.667)	(11.341.326)	(16.347.123)	(4.849.016)
Other Income from Operating Activities	21	48.455.627	25.355.172	(2.958.178)	3.970.298
Other Loss from Operating Activities (-)	21	(74.800.307)	(27.269.240)	(18.911.222)	(2.096.516)
NET OPERATING PROFIT / LOSS		443.820.147	192.043.474	210.606.102	79.829.500
Income from Investment Activities	22	56.373.965	29.740.389	484.996	162.739
Loss from Investment Activities	22	-	-	-	-
OPERATING INCOME / LOSS BEFORE FINANCING EXPENSES		500.194.112	221.783.863	211.091.098	79.992.239
Financial Income	23	18.363.918	19.603.228	14.990.036	3.935.318
Financial Expenses (-)	23	(27.581.830)	(28.238.547)	(11.542.579)	(9.598.137)
CONTINUING OPERATIONS' PROFIT/LOSS BEFORE TAX FOR THE YEAR		490.976.200	213.148.544	214.538.555	74.329.420
Continuing Operations' Tax Income/Expense		(141.102.631)	(42.336.749)	(91.505.810)	(17.879.405)
Current Period Tax Income/ Loss	24	(1.053.542)	(1.245.817)	(754.314)	(29.726)
Deferred Tax Income/ Loss	24	(140.049.089)	(41.090.932)	(90.751.496)	(17.849.679)
CONTINUING OPERATIONS' PROFIT/LOSS FOR THE YEAR		349.873.569	170.811.795	123.032.745	56.450.015
PROFIT/LOSS FOR THE YEAR		349.873.569	170.811.795	123.032.745	56.450.015
Distribution of Total Comprehensive Income		349.873.569	170.811.795	123.032.745	56.450.015
Minority Shareholders		(37)	(26)	(9)	(7)
Parent's Company		349.873.606	170.811.821	123.032.754	56.450.022
Earnings Per Share					
Earnings Per Share from Continuing Activities	25	4,373	2,135	1,538	0,706

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NON-AUDITED

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND AUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED JANUARY 1 - SEPTEMBER 30, 2023

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

	Notes	January 1- September 30, 2023	January 1- September 30, 2022	July 1- September 30, 2023	July 1- September 30, 2022
PROFIT/LOSS FOR THE YEAR		349.873.569	170.811.795	123.032.745	56.450.015
OTHER COMPREHENSIVE INCOME					
Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		(1.972.522)	(340.134)	(762.868)	(107.154)
Gains (Losses) On Remeasurements of Defined Benefit Plans	17	(2.630.029)	(425.168)	(1.117.961)	(133.942)
Taxes Related to Loss / Gain on Defined Benefit Plans Remeasurement	24	657.507	85.034	355.093	26.788
Other Comprehensive Income (Loss)		(1.972.522)	(340.134)	(762.868)	(107.154)
Total Comprehensive Income		347.901.047	170.471.661	122.269.877	56.342.861
Toplam Kapsamlı Gelirin Dağılımı		347.901.047	170.471.661	122.269.877	56.342.861
Kontrol Gücü Olmayan Payla		(37)	(26)	(9)	(7)
Ana Ortaklık Payları		347.901.084	170.471.687	122.269.886	56.342.869

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NON-AUDITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JANUARY 1 - SEPTEMBER 30, 2023

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

	Notes	Paid-in 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			
Balances as of January 1, 2022 (opening)	19	80.000.000	(355.250)	2.098.440	456.520	(141.978)	4.411.742	154.893.255	103.961.364	345.324.093	(25)	345.324.068
Transfers		-	-	-	-	-	9.668.177	94.293.187	(103.961.364)	-	-	-
Total Comprehensive Income		-	-	-	-	(340.134)	-	-	170.811.821	170.471.687	(26)	170.471.661
Period Profit (Loss)		-	-	-	-	-	-	-	170.811.821	170.811.821	(26)	170.811.795
Other Comprehensive Income (Loss)		-	-	-	-	(340.134)	-	-	-	(340.134)	-	(340.134)
Increase (Decrease) Due to Repurchase of Shares Transactions		-	(9.668.179)	-	-	-	-	-	-	(9.668.179)	-	(9.668.179)
Balance as of September 30, 2022 (closing)	19	80.000.000	(10.023.429)	2.098.440	456.520	(482.112)	14.079.919	249.186.442	170.811.821	506.127.601	(51)	506.127.550
Balances as of January 1, 2023 (opening)	19	80.000.000	(716.115)	12.964.521	456.520	(1.100.932)	4.756.161	258.510.200	309.625.925	664.496.280	(60)	664.496.220
Transfers		-	-	-	-	-	(716.115)	310.342.040	(309.625.925)	-	-	-
Total Comprehensive Income		-	-	-	-	(1.972.522)	-	-	349.873.606	347.901.084	(37)	347.901.047
Period Profit (Loss)		-	-	-	-	-	-	-	349.873.606	349.873.606	(37)	349.873.569
Other Comprehensive Income (Loss)		-	-	-	-	(1.972.522)	-	-	-	(1.972.522)	-	(1.972.522)
Increase (Decrease) Due to Repurchase of Shares Transactions		-	716.115	5.845.187	-	-	-	-	-	6.561.302	-	6.561.302
Balance as of September 30, 2023 (closing)	19	80.000.000	-	18.809.708	456.520	(3.073.454)	4.040.046	568.852.240	349.873.606	1.018.958.666	(97)	1.018.958.569

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NON-AUDITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED JANUARY 1 - SEPTEMBER 30, 2023

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

	Notes	January 1- September 30, 2023	January 1- September 30, 2022
A. Cash Flows from Operating Activities		(18.087.569)	(32.014.565)
Period profit (Loss)		349.873.606	170.811.821
Profit from continuing operations (Loss)		349.873.606	170.811.821
Adjustments to Reconcile Net Profit/(Loss)		86.034.878	15.710.163
Adjustments for depreciation and amortisation expenses	11,12	1.124.380	967.249
Adjustments for provisions		1.442.032	959.950
- Adjustments for (reversal of) provisions related to employee benefits	17	1.285.425	1.108.795
- Adjustments related to lawsuits and/or penal provisions	16	156.607	(148.845)
Adjustments for interest (income) expenses		(448.116)	2.077.065
<i>Adjustments for interest (income) expenses</i>	4	441.794	1.712.323
<i>Deferred financing expense due to futures</i>	5	(1.512.831)	131.044
<i>Unearned financing income resulted from forward sales</i>	5	622.921	233.698
Adjustments for Fair Value Loss (Gains)		(55.475.000)	(29.300.000)
<i>Adjustments for fair value loss (gains) of investment properties</i>	10	(55.475.000)	(29.300.000)
Adjustments for tax (income) expenses	24	139.391.582	41.005.899
Changes in Working Capital		(441.679.487)	(212.283.687)
Adjustments for decrease (increase) in trade accounts receivable		(83.032.823)	(1.887.002)
<i>Adjustments for decrease (increase) in non- related treade receivable</i>	5	(83.032.823)	(1.887.002)
Adjustments for decrease (increase) in other receivables related to operations		(4.036.309)	(1.748.835)
<i>Adjustments for decrease (increase) in other receivables non-related parties with operations</i>	6	(4.036.309)	(1.748.835)
Adjustments for stage of completion of construction or service contracts in progress	9	(339.058.286)	(165.054.409)
Adjustments for decrease (increase) in inventories	7	(70.285.040)	(19.017.086)
Decrease (increase) in prepaid expenses	8	11.086.109	(5.376.539)
Adjustments for increase (decrease) in trade accounts payable		48.530.867	(16.064.091)
<i>Increase (decrease) in trade payables to unrelated parties</i>	5	48.530.867	(16.064.091)
Increase (decrease) in employee benefit liabilities	17	3.616.930	1.331.112
Adjustments for increase (decrease) in other operating payables		(591.722)	(2.353.922)
<i>Increase (decrease) in other related party payables related to operations</i>	26	14.613	133
<i>Increase (decrease) in other operating payables to unrelated parties</i>	6	(606.335)	(2.354.055)
Adjustments for other increase (decrease) in working capital		(7.909.213)	(2.112.915)
<i>Decrease (increase) in other assets related to activities</i>	18	(8.927.105)	(5.204.049)
<i>Decrease (increase) in other liabilities related to activities</i>		1.017.892	3.091.134
Cash Flows from Operating Activities		(5.771.003)	(25.761.703)
Income tax expenses	24	(12.316.566)	(6.252.862)
B. Cash Flows From (Used In) Investing Activities		(4.050.713)	(1.156.779)
Purchase of property, plant, equipment and intangible assets	11,12	(4.050.713)	(1.156.779)
C. Cash Flows From (Used In) Financing Activities		29.990.560	64.656.090
Cash Inflows from the Sale of the Business's Own Shares and Other Equity Instruments	19	6.561.302	-
Cash Outflows Resulting from the Business's Purchase of Its Own Shares		-	(9.668.179)
Proceeds from borrowings	4	43.610.743	76.612.210
Cash outflows related to debt payments of lease liabilities	4	(236.286)	(325.800)
Interest expenses	23	(19.945.199)	(1.962.141)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes		7.852.278	31.484.746
Net Increase (Decrease) In Cash and Cash Equivalents	3	7.852.278	31.484.746
Cash and Cash Equivalents at The Beginning of The Period	3	78.063.125	41.473.281
Cash and Cash Equivalents at The End of The Period		85.915.403	72.958.027

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 SEPTEMBER 30, 2023

(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 September 30, 2010.

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa Istanbul (“BIST”) since 15.02.2012.

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 September 30, 2023, average number of personnel is 415 (December 31, 2022: 511). 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 September 30, 2023 is 38. (31 December 2022: 27)

As of September 30, 2023, the share capital of the company is 80.000.000 TRY (December 31, 2022: 80.000.000 TRY), the publicly listed shares are 49,80 % of the total shares. Gündüz Family members are main shareholders of the company and has control in the management (Note 19).

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

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

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 SEPTEMBER 30, 2023

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of Presentation

Basis of Presentation of Consolidated Financial Statements

The Group registered in Turkey 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 Turkey (“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 Turkey (“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.

For the period ended September 30, 2023, the Group prepared its condensed interim consolidated financial statements in accordance with the Turkish Accounting Standard No.34 Interim Financial Reporting.

Condensed interim consolidated financial statements of the Group do not include all the information and disclosures required in the annual financial statements, therefore these should be read in conjunction with the Group’s annual financial statements as of December 31, 2022.

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 September 30, 2023 had been approved in the Board of Directors meeting dated November 8, 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 SEPTEMBER 30, 2023

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

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 Turkey 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.

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 September 30, 2023 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, 2023 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, 2023 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 SEPTEMBER 30, 2023

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

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 interim 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 September 30, 2023, 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.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

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

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

The condensed consolidated interim financial statements as of and for the period ended September 30, 2023 have been prepared in accordance of TAS 34. The accounting policies used in the preparation of these condensed interim consolidated financial statements as of and for the period ended September 30, 2023 are consistent with those used in the preparation of annual consolidated financial statements as of and for the year ended December 31, 2022. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of and for the year ended December 31, 2022.

3. CASH AND CASH EQUIVALENTS

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Cash in hand	55.436	40.090
Cash at banks		
- Demand deposits	36.670.951	21.188.710
- Time deposits (with maturities of three months or less)	45.915.448	55.095.498
Other cash equivalents	3.273.568	1.738.827
Total	85.915.403	78.063.125

As of 30.09.2023 and 31.12.2022, the time deposit details are as follows:

<u>Currency type</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>September 30, 2023</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>December 31, 2022</u>
TRY	2%-30%	2.07.2023	4.360.996	9,31%	2.01.2023	28.887.388
EUR	2,5%-2,75%	2.07.2023	30.706.440	1,33%	2.01.2023	19.350.263
USD	0,01%-4%	2.07.2023	10.848.012	2,25%	2.01.2023	6.857.847
Total			45.915.448			55.095.498

11.737.241 TRY of time deposits consist of profit share participation partnership accounts of participation banks (December 31, 2022: 16.225.076 TRY).

Foreign currency distribution of deposit accounts are as follows:

	<u>September 30, 2022</u>	<u>December 31, 2022</u>
TRY	8.993.614	41.212.364
EUR	57.205.207	21.763.559
USD	16.387.578	13.308.285
Total	82.586.399	76.284.208

There is no blockage on deposits (December 31, 2022: None).

Explanations on the nature and level of risks in cash and cash equivalents are explained in Note 27.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

4. FINANCIAL LIABILITIES

Financial liabilities	September 30, 2023	December 31, 2022
Short-term financial liabilities	103.570.258	111.740.413
a) Bank Loans	87.036.741	110.766.809
b) Liabilities from Operating Leases	506.295	455.340
c) Credit Cards	16.027.222	518.264
Short-term current portion of long-term financial liabilities	40.800.786	11.362.058
a) Bank Loans	40.800.786	11.362.058
Total	144.371.044	123.102.471
Long-term financial liabilities	September 30, 2023	December 31, 2022
a) Bank Loans	3.002.290	-
b) Liabilities from Operating Leases	433.527	833.338
Total	3.435.817	833.338

a) Bank Loans

September 30, 2023				
Currency	Effective Interest Rate (%)	Short-term	Short-term portion of long-term loans	Long-term
TRY	0,57% -20,53%	87.036.741	40.800.786	3.002.290
Total		87.036.741	40.800.786	3.002.290

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

	September 30, 2023	December 31, 2022
Less than 1 year	127.837.527	122.128.867
1 - 5 years	3.002.290	-
Total	130.839.817	122.128.867

As of September 30, 2023, there are participation bank loans of 181.935 TRY (December 31, 2022: 19.466.934 TRY)

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(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:

September 30, 2023		
Payables from Rental Transactions	Minimum Rent Payments	Present Value of Minimum Payments
Less than 1 year	532.466	506.295
1 - 5 years	274.937	433.527
Present Value of the Lease Obligation	807.403	939.822

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

All lease obligations are in TRY.

5. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

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

Short-term trade receivables	September 30, 2023	December 31, 2022
Trade receivables (*)	184.557.847	116.208.198
Notes receivables (*)	73.784.495	59.101.356
Unearned credit finance income (-)	(1.844.813)	(1.221.927)
Doubtful receivables (**)	1.245.754	1.245.754
Provision for doubtful receivables (-)	(1.245.754)	(1.245.754)
IFRS 9 Doubtful	(101.199)	(101.199)
Total	256.396.330	173.986.428

(*)Trade and Notes Receivables	September 30, 2023	December 31, 2022
Maturity with 1-3 Months	256.944.468	165.928.446
Maturity with 3-6 Months	1.397.874	9.381.108
Total	258.342.342	175.309.554

As of September 30, 2023, amount of 1.346.953 TRY (December 31, 2022: 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 2023.

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

Doubtful receivables	September 30, 2023	December 31, 2022
As of January 1	1.346.953	1.346.953
Period Charge	-	-
As of December 31	1.346.953	1.346.953

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

5. TRADE RECEIVABLES AND PAYABLES (Cont’d)

Long-term Trade Receivables

None (December 31, 2022 None).

b) Short-term Trade Payables:

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

Short-term Trade Payables	September 30, 2023	December 31, 2022
Trade payables (*)	159.452.508	103.827.621
Notes payables (*)	7.813.779	14.907.799
Unearned credit finance charges (-)	(2.565.939)	(1.053.108)
Total	164.700.348	117.682.312

(*)Trade and Notes Payables	September 30, 2023	December 31, 2022
Maturity with 1-3 Months	139.794.389	118.231.782
Maturity with 3-6 Months	27.471.898	503.638
Total	167.266.287	118.735.420

Long-term Trade Payables

None (December, 31 2022: None).

6. OTHER RECEIVABLES AND PAYABLES

Other short-term receivables	September 30, 2023	December 31, 2022
Due From Tax Authorities	-	100.401
Other Miscellaneous Debts	5.199.456	1.087.051
Total	5.199.456	1.187.452

Other long-term receivables	September 30, 2023	December 31, 2022
Deposits and Guarantees Given	473.241	448.936
Total	473.241	448.936

Other short-term payables	September 30, 2023	December 31, 2022
Taxes and Funds Payable	1.140.014	2.160.944
Payable Other Liabilities	21.350	50.579
Other Miscellaneous Debts	2.262.238	1.818.414
<i>Sub-Total</i>	3.423.602	4.029.937
Due to Related Parties (Note 26)	33.768	19.155
Total	3.457.370	4.049.092

Other long-term payables	September 30, 2023	December 31, 2022
Deposits and Guarantees Received	13.500	13.500
Total	13.500	13.500

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

7. INVENTORIES

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Raw materials and supplies	42.151.018	20.478.851
Trade goods	119.587.790	70.974.917
Total	161.738.808	91.453.768

As of the balance sheet date, the Group does not have any stocks with a net realizable value less than its cost. (December 31, 2022: None).

Group does not have any pledged inventory in return for loans as at September 30, 2023 (December 31, 2022: None).

8. PREPAID EXPENSES AND DEFERRED INCOME

Current Prepaid Expenses

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Short-term prepaid expenses		
Prepaid Expenses for Next Months	324.992	-
Advances Given for Inventories	4.443.009	827.847
Work Advances	9.707.143	25.426.306
Toplam	14.475.144	26.254.153

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Long-term prepaid expenses		
Expenses for Next Years	1.005.490	312.590
Toplam	1.005.490	312.590

Non Current Prepaid Expenses

None (December 31, 2022: None).

Short-term and Long-term Deferred Income

None (December 31, 2022: None).

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

9. CONSTRUCTION CONTRACTS

	September 30, 2023	December 31, 2022
Assets Related to Ongoing Construction Contracts	990.049.804	562.875.256
Total	990.049.804	562.875.256

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

	September 30, 2023	December 31, 2022
Receivables Arising from Customer Contracts	990.049.804	562.875.256
- Assets relating with domestic construction contracts	-	-
- Assets not yet acquired relating with domestic construction contracts (*)	990.049.804	562.875.256

(*) 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.

Liabilities Arising from Customer Contracts	September 30, 2023	December 31, 2022
Advances received	201.113.070	112.996.808
Total	201.113.070	112.996.808

10. INVESTMENT PROPERTIES

As of September 30, 2023 and December 31, 2022, the movements of investment property are as follows:

January 1-September 30, 2023

Fair value	Land	Buildings	Total
Opening Balance	9.000.000	149.000.000	158.000.000
Value increase/decrease	6.225.000	49.250.000	55.475.000
Transfers from tangible fixed assets	-	-	-
Closing Balance	15.225.000	198.250.000	213.475.000

January 1-December 31, 2022

Fair value	Land	Buildings	Total
Opening Balance	4.675.000	72.975.000	77.650.000
Value increase/decrease	4.325.000	76.025.000	80.350.000
Transfers from tangible fixed assets	-	-	-
Closing Balance	9.000.000	149.000.000	158.000.000

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

10. INVESTMENT PROPERTIES (Cont'd)

At July 3, 2023, 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. 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	3.07.2023	15.225.000	-	Market Approach
Şile	3.07.2023	-	76.250.000	Market Approach
Kartal	3.07.2023	-	10.000.000	Market Approach
Kadıköy	3.07.2023	-	58.000.000	Market Approach
Maltepe	3.07.2023	-	33.000.000	Market Approach
Ümraniye	3.07.2023	-	21.000.000	Market Approach
Total		15.225.000	198.250.000	

There is no mortgage on investment properties as of September 30, 2023 (December 31, 2022: None).

The Group's rent income from investment properties in the current year is 898.965 TRY. (September 30, 2022: 440.388 TRY)

There is insurance coverage amounting to 66.514.912 TRY on Investment Properties (December 31, 2022: 54.282.664 TRY).

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

11. TANGIBLE FIXED ASSETS

Tangible Fixed Assets	January 1, 2023	Additions	Disposals	September 30, 2023
Vehicles	2.450.421	3.444.431	-	5.894.852
Fixtures	4.838.644	606.282	-	5.444.926
Leasehold Improvements	360.940	-	-	360.940
Other Tangible Fixed Assets	189.988	-	-	189.988
Total	7.839.993	4.050.713	-	11.890.706

Accumulated depreciation	January 1, 2023	Additions	Disposals	September 30, 2023
Vehicles	1.436.782	436.961	-	1.873.743
Fixtures	1.905.079	397.341	-	2.302.420
Leasehold Improvements	339.959	6.907	-	346.866
Other Tangible Fixed Assets	189.988	-	-	189.988
Total	3.871.808	841.209	-	4.713.017

Net amount	3.968.185			7.177.689
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The total of the current period depreciation expenses is 841.209 TRY (September 30, 2022: 661.818 TRY).

There is no mortgage on investment tangible fixed assets as of September 30, 2023 (December 31, 2022: None).

As of September 30, 2023, there is insurance coverage on tangible assets amounting to 27.367.700 TRY (December 31, 2022: 17.462.606)

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

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

11. TANGIBLE FIXED ASSETS (cont’d)

Tangible Fixed Assets	January 1, 2022	Additions	Disposals	December 31, 2022
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
Total	6.436.583	1.403.410	-	7.839.993

Accumulated depreciation	January 1, 2022	Additions	Disposals	December 31, 2022
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
Total	3.001.440	870.368	-	3.871.808

Net amount	3.435.143			3.968.185
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(*) The building in Maltepe, which was previously included in tangible fixed assets, has been transferred to investment properties as of 31.12.2021.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

11. TANGIBLE FIXED ASSETS (cont'd)

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

	Useful Life
Buildings	50 years
Vehicles	4 - 5 years
Fixtures	3- 20 years
Leasehold Improvements	5 years

12. INTANGIBLE FIXED ASSETS

Intangible Assets	31.12.2021	Additions	31.12.2022	Additions	30.09.2023
Right	133.482	-	133.482	-	133.482
Total	133.482	-	133.482	-	133.482

Accumulated depreciation	31.12.2021	Additions	31.12.2022	Additions	30.09.2023
Right	109.653	665	110.318	482	110.800
Total	109.653	665	110.318	482	110.800

Net amount	23.829		23.164		22.682
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The total of amortization expenses for the current period is 482 TRY and all of them are included in general administrative expenses. (September 30, 2022: 504 TRY).

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

	Useful Life
Rights	3-10 years

13. RIGHT TO USE ASSETS

	January 1-September 30, 2023		
Cost value	Office	Vehicles	Total
TFRS 16 opening effect	1.733.385	-	1.733.385
Purchases	-	-	-
Disposals	-	-	-
Closing Balance	1.733.385	-	1.733.385

Accumulated depreciation			
Opening balance	(948.139)	-	(948.139)
Period expense	(282.689)	-	(282.689)
Disposals	-	-	-
Closing Balance	(1.230.828)	-	(1.230.828)
Right of Use Assets, net	502.557	-	502.557

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

13. RIGHT TO USE ASSETS (cont’d)

	January 1-December 31, 2022		
Cost value	<u>Office</u>	<u>Vehicles</u>	<u>Total</u>
TFRS 16 opening effect	1.733.385	-	1.733.385
Purchases	-	-	-
Disposals	-	-	-
Closing Balance	1.733.385	-	1.733.385
Accumulated depreciation			
Opening balance	(643.212)	-	(643.212)
Period expense	(304.927)	-	(304.927)
Disposals	-	-	-
Closing Balance	(948.139)	-	(948.139)
Right of Use Assets, net	785.246	-	785.246

The total depreciation expenses for the current period is 282.689 TRY (September 30, 2022: 304.927). All of this amount (December 31, 2022: All) is included in general administrative expenses.

The company leases many assets, including offices, warehouses and vehicles. The rental period is 2-5 years. (December 31, 2022: 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.

14. IMPROVEMENT OF ASSETS

A provision for impairment is set aside for doubtful receivables by the Group (Note 5).

15. GOVERNMENT INCENTIVES AND AID

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

September 30, 2023

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 September 30, 2023, the amount of incentive benefited by the Group is 599.056 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 1.872.280 TRY for 2023.

December 31, 2022

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, 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.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

16. COMMITMENTS, CONTINGENCIES AND LIABILITIES

Short-term provisions	September 30, 2023	December 31, 2022
Provision for lawsuits	506.224	349.617
Total	506.224	349.617

Provisions for lawsuits relate to labor claims received by workers.

Collaterals, Pledges, Mortgages:

Collaterals/pledges/mortgages (“CPM”) position of the Group as of September 30, 2023 and December 31, 2022 is as follows:

<u>CPM’s given by the Company (Collaterals, Pledges, Mortgages)</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>
1. CPM’s given for Company’s own legal personality	519.799.187	260.453.793
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	-	-
Total	519.799.187	260.453.793

TRY equivalents of collaterals, pledges and mortgages give as of September 30, 2023 and December 31, 2022 are as follows on original currency basis are as follows:

<u>CPM’s given by the Company</u>	<u>September 30, 2023</u>			
	<u>TRY Equivalents</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Coverages	519.799.187	944.421	15.806.531	35.072.558
Total	519.799.187	944.421	15.806.531	35.072.558

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

All letters of guarantee have been given for the electrical contracting project works of the Group (December 31, 2022: all).

The ratio of other CPM’s given by the Group to the equities of Group is 0% as of September 30, 2023 (December 31, 2022: 0%).

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17. EMPLOYEE BENEFITS

Liabilities within The Scope of Employee Benefits	September 30, 2023	December 31, 2022
Payables to employees	5.348.727	2.876.400
Social security deductions to be paid	2.631.116	1.486.513
Total	7.979.843	4.362.913

Short-term Provision for Employee Benefits	September 30, 2023	December 31, 2022
Provision for vacation pay liability	414.285	275.154
Total	414.285	275.154

Long-term Provision for Employee Benefits	September 30, 2023	December 31, 2022
Provision for employment termination benefits	8.018.908	4.900.092
Total	8.018.908	4.900.092

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 22% expected salary increasing rate and 22,70% discount rate and about 0,57% real discount rate and retiring assumption as follows (31.12.2022: 22%, 22,70% and 0,57%).

	September 30, 2023	December 31, 2022
Annual discount rate (%)	0,57	0,57
Retirement probability (%)	98,09	97,23

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 September 30, 2023 are calculated by estimating present value of probable liabilities arising due to retirement of employees.

23.489,83 TRY (December 31, 2022: 15.371,40 TRY) maximum amount used on calculation of retirement pay provision with effect from January 1, 2023.

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17. EMPLOYEE BENEFITS (Cont'd)

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

	September 30, 2023	December 31, 2022
As of January 1	4.900.092	1.345.880
Service cost	2.627.319	2.708.585
Interest expense	6.887	56.662
Actuarial gain / losses (*)	2.630.029	1.198.693
Reversals of provisions	(2.145.419)	(409.728)
Closing Balances	8.018.908	4.900.092

(*) As of September 30, 2023, Actuarial Income/Loss is calculated as 2.630.029 TRY (December 31, 2022: 1.198.693 TRY) in the statement of comprehensive income.

18. OTHER ASSETS AND LIABILITIES

Other Current Assets	September 30, 2023	December 31, 2022
Transferred VAT	24.144.553	15.248.376
Other	185.575	154.684
Total	24.330.128	15.403.060

Other Short-term Liabilities	September 30, 2023	December 31, 2022
Expense accruals	324.992	-
Total	324.992	-

Other Long-term Liabilities	September 30, 2023	December 31, 2022
Expense accruals	692.900	-
Total	692.900	-

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid-in Capital:

The capital structure as of September 30, 2023 and December 31, 2022 is as follows:

Capital Structure	September 30, 2023		December 31, 2022	
	Amount (TRY)	Share (%)	Amount (TRY)	Share (%)
Nevhan Gündüz	15.652.033	19%	15.582.033	19%
Orhan Gündüz	24.523.109	31%	24.523.109	31%
Quated shares	39.824.858	50%	39.894.858	50%
Paid-in share capital	80.000.000	100%	80.000.000	100%

Company has accepted the authorised capital system. Current authorised capital ceiling of the Company is 250.000.000 TRY and the issued capital is 80.000.000 TRY (31.12.2022: 80.000.000 TRY). Capital of the Company consists of 80.000.000 shares, none of which has any privileges.

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

b) Share premium (discount)	September 30, 2023	December 31, 2022
Share premium (discount)	18.809.708	12.964.521
Total	18.809.708	12.964.521

c) Treasury Shares	September 30, 2023	December 31, 2022
Treasury Shares	-	(716.115)
Total	-	(716.115)

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 bought shares with a total nominal value of 891,413 TRY during the current and previous financial reporting periods. The sale of all repurchased shares with a nominal value of 891,413 TRY to institutional investors was carried out through special orders on 13.06.2023. There is no period-end balance.

The Company also classifies the shares acquired within the scope of the liquidity provider transaction within the shares repurchased at the end of the period, and as of September 30 2023, the Company has no shares repurchased within the scope of the liquidity provider. (December 31, 2022: None).

Repurchased shares are shown in equity at their purchase value.

d) Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	September 30, 2023	December 31, 2022
Revaluation and recognition gain/(loss)	456.520	456.520
Other gains (Losses)	(3.073.454)	(1.100.932)
Total	(2.616.934)	(644.412)

e) Restricted Reserves Appropriated From Profits	September 30, 2023	December 31, 2022
1st order reserve fund	4.040.046	4.040.046
Treasury share reserves	-	716.115
Total	4.040.046	4.756.161

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.

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

f) Prior Year’s Profit	September 30, 2023	December 31, 2022
Opening balance	258.510.200	154.893.255
Prior years profits and losses	309.625.925	103.961.364
Transfers	716.115	(344.419)
Total	568.852.240	258.510.200

g) Change in non-controlling interests	September 30, 2023	December 31, 2022
Opening balance	(60)	(60)
Profit for the year attributable to non-controlling interest portion	(37)	-
Total	(97)	(60)

20. REVENUE AND COST OF SALES

Revenue	January 1- September 30, 2023	January 1- September 30, 2022	July 1- September 30, 2023	July 1- September 30, 2022
Contracting sales	804.685.271	408.529.160	364.859.515	150.843.562
Materials sales	201.132.407	84.995.231	88.454.127	37.838.854
Total Income	1.005.817.678	493.524.391	453.313.642	188.682.416

Cost of Sales (-)	January 1- September 30, 2023	January 1- September 30, 2022	July 1- September 30, 2023	July 1- September 30, 2022
- Cost of services given (-)	(347.941.628)	(213.680.710)	(140.744.997)	(71.917.004)
- Cost of trade goods sold (-)	(148.902.087)	(74.131.533)	(63.398.337)	(33.797.851)
- Cost of depreciation (-)	(988.469)	(413.280)	(347.683)	(162.827)
Cost of Sales (-)	(497.832.184)	(288.225.523)	(204.491.017)	(105.877.682)
Gross Profit	507.985.494	205.298.868	248.822.625	82.804.734

21. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities	January 1- September 30, 2023	January 1- September 30, 2022	July 1- September 30, 2023	July 1- September 30, 2022
Foreign exchange gains	32.607.015	13.101.036	(6.738.852)	2.626.901
Deferred finance income	3.787.901	1.340.451	1.300.110	1.333.889
Maturity difference income	3.884.730	68.787	3.798.983	17.643
Scrap sales revenues	2.342.000	3.207.477	(669.955)	2.474.473
Incentive income	2.471.336	1.738.228	129.336	(1.469.249)
Price difference income	276.548	97.084	(1.387.658)	(1.274.217)
Bank promotion income	-	5.084.746	-	-
Other income and profits	3.086.097	717.363	609.858	260.858
Total	48.455.627	25.355.172	(2.958.178)	3.970.298

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21. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (cont'd)

Other expense from operating activities(-)	January 1- September 30, 2023	January 1- September 30, 2022	July 1- September 30, 2023	July 1- September 30, 2022
Foreign exchange loss	63.713.926	21.255.266	11.180.263	911.883
Deferred finance expense	2.897.956	1.705.193	420.559	8.012
Non-tax-deductible expenses	904.156	3.075.748	582.542	818.222
Lawsuits provisions expenses	156.607	-	52.201	-
Price difference expenses	107.482	217.453	(48.325)	217.453
Donations and grants	104.406	-	(2.951)	-
Other expenses	6.915.774	1.015.580	6.726.933	140.946
Total	74.800.307	27.269.240	18.911.222	2.096.516

22. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investment activities	January 1- September 30, 2023	January 1- September 30, 2022	July 1- September 30, 2023	July 1- September 30, 2022
Investment property valuation income	55.475.000	29.300.000	-	-
Rent income	898.965	440.389	484.996	162.739
Total	56.373.965	29.740.389	484.996	162.739

Other Expenses From Investment Activities (-)

None (September 30, 2022: None).

23. FINANCIAL INCOME AND EXPENSES

Financial Income	January 1- September 30, 2023	January 1- September 30, 2022	July 1- September 30, 2023	July 1- September 30, 2022
Foreign exchange gains	14.271.552	19.041.897	14.271.552	3.605.669
Interest income	4.092.366	561.331	718.484	329.649
Total	18.363.918	19.603.228	14.990.036	3.935.318
Financial Expense	January 1- September 30, 2023	January 1- September 30, 2022	July 1- September 30, 2023	July 1- September 30, 2022
Interest and commission expenses (-)	26.966.753	26.089.873	10.927.502	9.078.733
Foreign exchange losses(-)	615.077	2.148.674	615.077	519.404
Total	27.581.830	28.238.547	11.542.579	9.598.137

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24. INCOME TAX

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Current year corporation tax expense	2.022.033	-
Prepaid taxes and withholding taxes (-)	(701.647)	-
Current income tax liability	1.320.386	-

Tax Income / (Expense)	January 1 - September 30, 2023	January 1 - September 30, 2022
Current period income tax provision (-)	(1.053.542)	(1.245.817)
Deferred tax income / (expense)	(140.049.089)	(41.090.932)
Total	(141.102.631)	(42.336.749)

Current Period Tax Related Fixed Assets	September 30, 2023	December 31, 2022
Prepaid taxes and withholding taxes	36.966.432	23.329.480
Total	36.966.432	23.329.480

Corporate Tax

The Group is subject to corporate tax valid in Turkey. 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 25% 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.

In addition, temporary taxes are levied at a rate of 25% over the bases declared in interim periods during the year to be deducted from the corporation tax. The temporary taxes paid within the year will be offset against the final corporate tax liability for the year. The temporary tax can be offset against any other financial liability against the state.

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 Turkey 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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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 25% as of September 30, 2023, has changed to 23% for 2022 corporate earnings and 25% for 2023 corporate earnings, for temporary differences expected to be realized/closed in 2022 in the deferred tax calculation as of September 30, 2023. A tax rate of 25% is used for temporary differences that are expected to be realized/closed in 2023, and 25% for temporary differences that are expected to be realized/closed in 2023 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 September 30, 2023, 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)	
	30.09.2023	31.12.2022	30.09.2023	31.12.2022
Deferred Tax Assets :				
Doubtful receivables provision	1.346.953	1.346.953	336.738	269.391
Lawsuit provision	506.224	349.617	126.556	69.923
Cost adjustment of long-term construction project	1.010.245.421	637.838.679	252.561.359	127.567.738
Loan interest accruals	981.423	1.648.106	245.356	354.064
Unused vacation provision	414.285	275.154	103.571	63.285
Employee termination benefit	8.018.908	4.900.092	2.004.727	980.018
Other	1.864.558	1.241.637	466.140	284.985
Total	1.023.377.772	647.600.238	255.844.447	129.589.404
Deferred Tax Liabilities :				
Difference between registered values of investment properties and tax bases	(50.758.310)	4.716.690	(5.075.831)	471.669
Book value and tax basis difference of tangible and intangible assets	(5.212.809)	(3.478.163)	291.189	479.421
Construction projects revenue adjustments	(1.971.290.123)	(1.166.604.852)	(492.826.642)	(233.320.971)
Deposit interest accrual	(66.789)	(28.845)	(16.697)	(6.634)
Other	(2.565.939)	(1.053.108)	(637.374)	(242.215)
Total	(2.029.893.970)	(1.166.448.278)	(498.265.355)	(232.618.730)
Deferred Tax Asset / (Liability), net	(1.006.516.198)	(518.848.040)	(242.420.908)	(103.029.326)
Deferred Tax Expense / (Revenue)			(139.391.582)	(46.540.219)
Included in the actuarial (Profit) / Loss Fund			(657.507)	(239.738)
Amount Deducted from the Valuation Increase Fund			-	-
Deferred tax expense / (income) for the period			(140.049.089)	(46.779.957)

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24. INCOME TAX (cont’d)

Deferred tax movement is as follows:

Deferred Tax Asset / (Liability) Movements	January 1- September 30, 2023	January 1- September 30, 2022
Opening Balance	(103.029.326)	(56.489.107)
Current year deferred tax (expense) / benefit	(140.049.089)	(41.090.933)
Deferred tax liability accounted under equity resulting from actuarial gain / loss	657.507	85.033
Total	(242.420.908)	(97.495.007)

25. EARNINGS PER SHARE

	January 1 - September 30, 2023	January 1 - September 30, 2022
Net Profit / (Loss) for the Period	80.000.000	80.000.000
Weighted Average Number of Shares	349.873.606	170.811.821
Profit / (Loss) Per Share from Ongoing Activities	4,373	2,135

26. RELATED PARTY TRANSACTIONS

September 30, 2023

	Receivables	Payables
	Short-Term	Short-Term
	Commercial	Non-commercial
Balances with related parties		
<u>Shareholders</u>		
Orhan Gündüz	-	33.768
Total	-	33.768

December 31, 2022

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

The transactions of the Group with the related parties in the periods 01.01.-30.09.2023 and 01.01.-30.09.2022 are as follows:

Transactions with related parties

	January 1- September 30, 2023	January 1- September 30, 2022
Rent Income		
Orhan Gündüz	156.356	61.017
Total	156.356	61.017

The Group has determined key management personnel as board members, group presidents, vice - presidents, Benefits provided to key management personnel as January 1, 2023 – September 30, 2023 and January 1, 2022 – September 30, 2022 is as follows:

Short-term benefits provided to key management personnel	January 1- September 30, 2023	January 1- September 30, 2022
Short-term benefits provided to key management personnel	429.000	315.000
Total	429.000	315.000

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27. 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 September 30, 2023 and December 31, 2022, the net debt / total equity ratio is as follows;

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Total Payables	778.769.595	471.594.623
Less: Cash and cash equivalents	(85.915.403)	(78.063.125)
Net Debt	692.854.192	393.531.498
Total Equity	1.018.958.569	664.496.220
Net Debt/Total Capital Ratio	68%	59%

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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27. 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:

September 30, 2023	Receivables				Assets related to ongoing construction contracts	Cash and Cash Equivalents Deposits in bank
	Current Period	Trade receivables from Related parties	Other parties	Other receivables from Related parties		
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (1)	-	256.396.330	-	5.672.697	990.049.804	82.586.399
- 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)	-	256.396.330	-	5.672.697	990.049.804	82.586.399
B. Carrying value of financial assets whose conditions have been renegotiated, which would otherwise be considered overdue or impaired.	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	-	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-
-Overdue (Gross book value)	-	1.245.754	-	-	-	-
-Impairment (-)	-	(1.245.754)	-	-	-	-
-The portion of the net worth secured by collateral, etc.	-	-	-	-	-	-
-Not overdue (Gross book value)	-	-	-	-	-	-
-Impairment (-)	-	(101.199)	-	-	-	-
-Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-	-

(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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27. 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, 2022	Receivables				Assets related to ongoing construction contracts	Cash and Cash Equivalents Deposits in bank
	Current Period	Trade receivables from Related parties	Other parties	Other receivables from Related parties		
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (1)	-	173.885.229	-	1.636.388	562.875.256	76.284.208
- 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 whose conditions have been renegotiated, which would otherwise be considered overdue or impaired.	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	-	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-
-Overdue (Gross book value)	-	1.245.754	-	-	-	-
-Impairment (-)	-	(1.245.754)	-	-	-	-
-The portion of the net worth secured by collateral, etc.	-	-	-	-	-	-
-Not overdue (Gross book value)	-	-	-	-	-	-
-Impairment (-)	-	(101.199)	-	-	-	-
-Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-	-

⁽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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27. 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:

September 30, 2023	<u>Book value</u>	<u>Total expected cash outflows</u>	<u>1-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>
Non-Derivative Financial Obligations	315.964.579	319.313.836	202.041.728	113.529.812	3.742.296
Bank loans	130.839.817	131.755.554	42.642.688	85.645.507	3.467.359
Operating lease obligations	939.822	807.403	120.060	412.406	274.937
Bank credit cards	16.027.222	16.027.222	16.027.222	-	-
Trade payables	164.700.348	167.266.287	139.794.388	27.471.899	-
Other payables	3.457.370	3.457.370	3.457.370	-	-
December 31, 2022	<u>Book value</u>	<u>Total expected cash outflows</u>	<u>1-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>
Non-Derivative Financial Obligations	245.680.713	248.057.497	163.112.587	84.244.066	700.844
Bank loans	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.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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27. 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		
	TRY	USD	EUR	TRY	USD	EUR
1. Trade receivables	118.695.108	468.886	3.646.460	94.763.080	850.850	3.966.234
2a. Monetary financial assets (Includes cash in hand and bank accounts)	73.536.579	598.515	1.968.661	34.983.026	495.447	1.293.651
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	192.231.687	1.067.401	5.615.121	129.746.106	1.346.297	5.259.885
5. Trade receivables	-	-	-	-	-	-
6- Other	-	-	-	-	-	-
7. Non-current assets	-	-	-	-	-	-
8. Total assets (4+5+6)	192.231.687	1.067.401	5.615.121	129.746.106	1.346.297	5.259.885
9. Trade payables	61.711.296	994.318	1.188.066	41.117.890	714.834	1.395.910
10. Financial liabilities	-	-	-	-	-	-
11- Monetary other liabilities	-	-	-	-	-	-
12. Non-monetary financial liabilities	-	-	-	-	-	-
13. Other	-	-	-	-	-	-
14. Short-term Liabilities	61.711.296	994.318	1.188.066	41.117.890	714.834	1.395.910
15. Financial liabilities	-	-	-	-	-	-
16. Long-term Liabilities	-	-	-	-	-	-
17. Total Liabilities	61.711.296	994.318	1.188.066	41.117.890	714.834	1.395.910
18. Net Foreign Currency Asset / (Liability) Position (8-17)	130.520.391	73.083	4.427.055	88.628.216	631.463	3.863.975

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27. 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		Equities	
	Profit/Loss			
	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	200.077	(200.077)	-	-
2- US Dollars hedged from risks (-)	-	-	-	-
3- US Dollars net effect (1+2)	200.077	(200.077)	-	-
	If USD changes by 10% against TRY			
4- Euro net assets / liabilities	12.851.962	(12.851.962)	-	-
5- Euro hedged from risks (-)	-	-	-	-
6- Euro net effect (4+5)	12.851.962	(12.851.962)	-	-
Total (3+6)	13.052.039	(13.052.039)	-	-

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27. 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	1.180.621	(1.180.621)	-	-
2-US Dollars hedged from risks (-)	-	-	-	-
3- US Dollars net effect (1+2)	1.180.621	(1.180.621)	-	-
	If EUR changes by 10% against TRY			
4- Euro net assets / liabilities	7.682.201	(7.682.201)	-	-
5- Euro hedged from risks (-)	-	-	-	-
6- Euro net effect (4+5)	7.682.201	(7.682.201)	-	-
Total (3+6)	8.862.822	(8.862.822)	-	-

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 September 30, 2023 and December 31, 2022, the Group's interest position table is as follows:

Fixed rate financial instruments	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Financial Liabilities (Note 4)	131.779.639	123.417.545
Cash and Cash Equivalents (Note 3)	45.915.448	55.095.498

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, 2022: None).

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28. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

September 30, 2023	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Measured at amortized cost	Book Value	Note
Financial Assets					
Cash and cash equivalents	-	-	85.915.403	85.915.403	3
Trade receivables	-	-	256.396.330	256.396.330	5
Financial liabilities					
Financial liabilities	-	-	147.806.861	147.806.861	4
Trade payables	-	-	164.700.348	164.700.348	5
Other financial liabilities	-	-	16.027.222	16.027.222	4
December 31, 2022					
Financial Assets					
Cash and cash equivalents	-	-	78.063.125	78.063.125	3
Trade receivables	-	-	173.986.428	173.986.428	5
Financial liabilities					
Financial liabilities	-	-	123.417.545	123.417.545	4
Trade payables	-	-	117.682.312	117.682.312	5
Other financial liabilities	-	-	518.264	518.264	4

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

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28. 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 September 30, 2023 and December 31, 2022, the Group does not have any financial assets with their fair values.

29. MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

Following the reporting period, by the Group management;

- On 06.10.2023, Nevhan GÜNDÜZ, Chairman of the Board of Directors of the Company, sold the shares with a nominal amount of 1,997,141 TL to the institutional investor via special order. With this transaction, Nevhan GÜNDÜZ's share in the Company's capital has decreased to 17.07% as of the transaction date and to 17.13% as of the current status. In this context, the ratio of publicly held shares in the Company's capital is 52.28% as of the transaction date and 52.22% as of the current situation.

- On 04.10.2023, the ongoing contract size of 711.968 EUR+VAT and 17.618.237 TL+VAT in the Company's Koç University Cultural and Dormitory Campus Project has been revised to 810.178 EUR+VAT and 22.072.013 TL+VAT.

- On 16.10.2023, the offer for the electrical works of the Bodrum Hillside Hotel Project to be built in Muğla was accepted and an agreement was reached; The issues of not disclosing the contract price due to it being a trade secret until the completion of the contract signing process were notified in the Letter of Intent sent to the Company by the employer Alarko Gayrimenkul Yatırım Ortaklığı AŞ. Contract negotiations have started with the employer.

- On 26.10.2023, an agreement was reached between the Company and a domestic company for the sale of cables in the amount of 2,500,000 USD + VAT. Contract negotiations have started with the employer.

- On 30.10.2023, a Cooperation Agreement was signed between the Company and Secheron SA (Switzerland) for the sale of Traction Power System DC Equipment in the country.

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

None (December 31, 2022: None).