

**(Convenience translation of the
independent auditor's report
and financial statements
originally issued in Turkish)**

Astor Enerji A.Ş.

**Financial statements as of
December 31, 2022
together with the report of
independent auditor's**

Astor Enerji A.Ş.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Astor Enerji A.Ş.;

A) Independent audit of Financial Statements

1) Opinion

We have audited the financial statements of Astor Enerji A.Ş. ("Astor" or the "Company"), which comprise the statement of financial position for the year ended December 31, 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with International Standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards ("InAS") which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

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

Key Audit Matters	Audit Procedures In Relation To Key Audit Matter
Trade Receivables Impairment	
<p>As of December 31, 2022, there are TL 2.578.114.082 trade receivables in the financial statements.</p> <p>Trade receivables are considered as significant balance sheet item since they represent 40% of the total assets in the financial statements as of December 31, 2022. Furthermore, the collectability of trade receivables is a significant item of the Company's working capital management and includes significant judgments and estimates of management.</p> <p>Determining the risk of collection for trade receivables and the provision to be set aside or determining whether a private trade receivable is collectible or not, requires important management reasoning. The management of the company in this regard, aging of trade receivables, the Company is taken from the ongoing litigation lawyers report on cases and ongoing risk analysis of credit risk management in the context of guarantees received, and the characteristics of the securities in question, the collection of the current period and the period after the balance sheet date, the performance of all other information made in this regard.</p> <p>Due to the size of the amounts and the reasoning required in the assessment of collectability of trade receivables and TFRS 9's applications are complex and comprehensive, the existence and collectability of trade receivables are considered as the key audit matter.</p> <p>Details about trade receivables are disclosed in note 5.</p>	<p>The following procedures have been applied to audit the amount of provision for trade receivables:</p> <ul style="list-style-type: none"> - Evaluation of the Company's trade receivable related to collection monitoring of trade receivables and operational effectiveness of related internal controls, - Analytical analysis of the aging tables and comparison of the trade receivable collection ratio with the previous year, - Testing of trade receivable balances by sending confirmation letters via sample, - Testing of collections made in the following period by sample, - Testing of the collaterals received for the receivables through sampling and evaluating of the convertible ability of cash, - Evaluation of the compliance of the accounting policies applied to TFRS 9, the Group's past history performance, local and global practices,

4) Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

5) Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

5) Auditor's Responsibilities for the Audit of the Financial Statements

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

B) Report on Other Legal and Regulatory Requirements

1. In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2022 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
2. In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The independent audit herein, is conducted and concluded by the engagement partner Emir Taşar.

Eren Bağımsız Denetim Anonim Şirketi
A member firm of Grant Thornton International



March 1, 2023
Ankara, Turkey

Astor Enerji A.Ş.

Statement of financial position

as of December 31, 2022

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

		Current year	Prior year
		Audited	Audited
	Notes	December 31, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents	3	143.100.915	293.096.282
Financial investments	3	371.983.256	1.129.388
Trade receivables:			
- Due from related parties	5	28.037.911	76.866.865
- Due from third parties	5	2.550.076.171	1.308.805.000
Other receivables:			
- Due from related parties	6	-	29.017.992
- Due from third parties	6	149.055.775	70.789.074
Inventories	7	1.201.416.720	551.630.889
Prepaid expenses	11	584.590.901	165.965.179
Other current assets	16	677.459	1.596.978
Total current assets		5.028.939.108	2.498.897.647
Non-current assets			
Other receivables:			
- Due from third parties	6	8.627.738	8.455.245
Financial investments	3	34.342.690	-
Investment properties	8	-	-
Property, plant and equipment	9	886.361.012	521.632.877
Intangible assets:			
- Other intangible assets	10	194.066.777	108.518.761
Prepaid expenses	11	35.155.910	1.529.640
Deferred taxes	17	230.465.840	45.924.695
Total non-current assets		1.389.019.967	686.061.218
Total assets		6.417.959.075	3.184.958.865

The accompanying notes are an integral part of these financial statements.

Astor Enerji A.Ş.

Statement of financial position

as of December 31, 2022

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

		Current year	Prior year
		Audited	Audited
	Notes	December 31, 2022	December 31, 2021
Liabilities			
Short-term financial liabilities			
Short-term borrowings	4	1.012.762.245	895.926.554
Other financial liabilities	4	113.227.638	125.345.106
Trade payables:			
- Due to related parties	5	36.351.966	-
- Due to third parties	5	910.572.079	466.178.919
Payables related to employee benefits	15	28.388.690	16.193.751
Other payables:			
- Due to related parties	24	-	2.743.794
Deferred income	13	617.896.471	202.160.468
Derivative financial instruments	4	-	62.631.570
Period profit tax liability	17	79.648.037	41.059.958
Short term provisions			
- Short-term provisions for employee benefits	15	7.554.114	2.525.231
- Other provisions	15	412.276	319.700
Other current liabilities	16	120.702.771	12.496.651
Total short-term liabilities		2.927.516.287	1.827.581.702
Long-term Liabilities			
Long-term borrowings	4	159.475.205	249.111.955
Long-term provisions:			
- Long-term provisions for employee benefits	15	20.100.894	9.689.869
Total long-term liabilities		179.576.099	258.801.824
Total liabilities		3.107.092.386	2.086.383.526
Equity			
Paid-in capital	14	850.000.000	850.000.000
Legal reserves	14	52.168.495	27.187.388
Other comprehensive income or expenses that will not be reclassified to profit or loss:			
Revaluation and measurement gains/ losses			
-Revaluation gain on property, plant and equipment	14	412.110.087	23.141.145
-Defined benefit plans remeasurement (losses)/ gains		(2.374.543)	1.312.460
Retained earnings/ (losses)		171.953.239	(320.746.811)
Net profit for the year		1.827.009.411	517.681.157
Total equity		3.310.866.689	1.098.575.339
Total liabilities and equity		6.417.959.075	3.184.958.865

The accompanying notes are an integral part of these financial statements.

Astor Enerji A.Ş.

**Statement of profit and loss and other comprehensive income
for the year ended December 31, 2022
(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)**

		Current year	Prior year
		Audited	Audited
		January 1 – December 31, 2022	January 1 – December 31, 2021
	Notes		
Revenue	18	7.392.433.448	3.154.302.309
Cost of sales (-)	19	(4.906.914.702)	(2.270.192.749)
Gross profit		2.485.518.746	884.109.560
Administrative expenses (-)	20	(67.521.302)	(20.464.711)
Marketing, sales and distribution expenses (-)	20	(304.665.418)	(65.601.239)
Research and development expenses (-)	20	(28.709.210)	(22.590.286)
Other income from operating activities	21	600.298.061	555.210.036
Other expenses from operating activities (-)	21	(492.391.344)	(324.352.881)
Operating profit		2.192.529.533	1.006.310.479
Income from investment activities	22	118.253.213	5.126.504
Expenses from investment activities (-)	22	(10.106.484)	(13.813.815)
Operating profit before finance expenses		2.300.676.262	997.623.168
Financial incomes	23	35.678.585	16.915.907
Financial expenses (-)	23	(358.013.756)	(459.442.629)
Profit before income tax		1.978.341.091	555.096.446
Current tax expenses (-)	17	(253.435.170)	(57.468.871)
Deferred tax income	17	102.103.490	20.053.582
Net income for the year		1.827.009.411	517.681.157
Earnings per share	27	2,15	2,52
Other comprehensive income			
Items that will not be reclassified subsequently as profit or loss:			
Actuarial gain/ (loss)	15	(4.608.753)	407.023
Actuarial tax effect (-)		921.750	(81.404)
Property, plant and equipment revaluation fund, net		388.968.942	23.141.145
Other comprehensive gain/(loss)		385.281.939	23.466.764
Total comprehensive income		2.212.291.350	541.147.921

The accompanying notes are an integral part of these financial statements.

Astor Enerji A.Ş.

**Statement of changes in equity
for the year ended December 31, 2022**

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

	Paid-in capital	Property, plant and equipment revaluation fund	Restricted reserves	Accumulated other comprehensive income	Retained earnings	Net profit for the year	Total equity
Balances as of January 1, 2021	192.622.306	-	12.775.677	986.841	126.688.593	225.585.436	558.658.853
Transfers	-	-	17.809.411	-	207.776.025	(225.585.436)	-
Partial division (*)	15.305.059	-	-	-	(21.309.227)	-	(6.004.167)
Capital increase (*)	642.072.635	-	(3.397.700)	-	(633.902.202)	-	4.772.733
Net profit for the year	-	-	-	-	-	517.681.157	517.681.157
Total comprehensive expenses	-	23.141.145	-	325.619	-	-	23.466.764
Balances as of December 31, 2021	850.000.000	23.141.145	27.187.388	1.312.460	(320.746.811)	517.681.157	1.098.575.339
Balances as of January 1, 2022	850.000.000	23.141.145	27.187.388	1.312.460	(320.746.811)	517.681.157	1.098.575.339
Transfers (**)	(326.139.269)	-	24.981.107	-	818.839.319	(517.681.157)	-
Net profit for the year	-	-	-	-	-	1.827.009.411	1.827.009.411
Capital increase (**)	326.139.269	-	-	-	(326.139.269)	-	-
Total comprehensive expenses	-	388.968.942	-	(3.687.003)	-	-	385.281.939
Balances as of December 31, 2022	850.000.000	412.110.087	52.168.495	(2.374.543)	171.953.239	1.827.009.411	3.310.866.689

(*) Investment properties included in the Company's total assets were transferred to Aserva Danışmanlık ve Ticaret Anonim Şirketi on December 22, 2021 through partial division. Before the demerger transaction, the unpaid capital amount of TL 7.377.694 was paid in cash by the shareholder of the Company and the paid-in capital increased to TL 200.000.000. With this partial division transaction, the capital of the Company decreased by TL 15.305.059 and a capital increase was made simultaneously by covering from previous years' profits and the company's capital was preserved as TL 200.000.000. As of December 29, 2021, in accordance with Article 12 of the General Communiqué on Tax Procedure Law No. 530 dated July 16, 2021, TL 316.451.634 existing in legal trial balance in 2021, of which tangible assets revaluation funds, are entirely from internal sources. Made another capital increase to be covered and the final capital amount reached TL 850.000.000. This capital increase was published in the Turkish Trade Registry Gazette dated December 31, 2021 and numbered 10485. Since the tangible asset revaluation fund cannot be recognized in the financial statements prepared in accordance with TFRS, its effect on equity is eliminated, but the amount of TL 23.141.145 of the tax base effect of TL 42.086.708 between legal trial balance and TFRS trial balance is recognized as deferred tax asset in the valuation fund account.

(**) The company realized a simultaneous capital increase by deducting the tangible fixed asset revaluation fund from the capital, which was recognized in the legal trial balance and added to the capital, and this time the increased amount was fully covered from the previous years' profits. This amendment was published in the Turkish Trade Registry Gazette dated August 9, 2022.

The accompanying notes are an integral part of these financial statements.

Astor Enerji A.Ş.**Statement of cash flows
for the year ended December 31, 2022
(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)**

		Audited January 1 – December 31, 2022	Audited January 1 – December 31, 2021
A. Cash flows from operating activities	Notes	560.393.948	(234.572.614)
Net profit for the year		1.827.009.411	517.681.157
Adjustment for reconciliation of profit for the year		296.468.162	278.727.882
Adjustment for depreciation and amortization	8, 9, 10	79.631.081	67.565.004
Adjustment for provisions:			
-Adjustment for doubtful receivables provision	5	686.723	26.316.662
-Adjustment for unused vacation liabilities	15	5.028.883	707.502
-Adjustment for provision for employment termination benefits	15	8.528.573	3.787.647
Adjustment for tax expenses	17	151.331.680	37.415.289
Adjustment for losses/ (gains) on sales of fixed assets	22	(42.579.437)	(2.295.304)
Adjustments related to interest income and expenses	23	180.687.132	68.465.997
Adjustment for gain or loss on disposal of property, plant and equipment	9	(13.813.815)	13.813.815
Adjustment related to fair value gain or loss on derivative financial instruments	4	(73.125.234)	62.631.570
Adjustments for lawsuit provision	15	92.576	319.700
Changes in working capital:		(1.563.083.625)	(1.030.981.653)
Changes in trade receivables		(1.209.109.118)	(993.587.411)
Changes in inventories		(649.785.831)	(207.095.018)
Changes in trade payables		480.745.126	184.010.822
Changes in other receivables		(49.421.202)	(41.183.818)
Changes in other liabilities		(99.916.125)	(5.716.780)
Changes in deferred income		415.736.000	122.753.754
Changes in prepaid expenses		(452.251.992)	(89.002.224)
Changes in other current assets		919.517	(1.160.978)
B. Cash flows from investing activities		(189.909.967)	(185.944.925)
Cash outflow for purchases of property, plant and equipment	8,9	(130.627.217)	(137.000.597)
Cash outflow for purchases of intangible assets	10	(115.002.237)	(56.169.395)
Proceeds from sale of tangible assets		79.568.513	7.225.067
Cash outflow for investment activities		(23.849.026)	-
C. Cash flows from financing activities		(520.479.348)	488.916.474
Cash inflows from borrowings and repayments from borrowings, net		59.152.766	530.216.844
Interest paid		(249.868.059)	(47.548.676)
Cash capital payments		-	7.377.694
Cash outflow for financial investments		(329.764.055)	(1.129.388)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)		(149.995.367)	68.398.935
D. Cash and cash equivalents at the beginning of the year		293.096.282	224.697.347
E. Cash and cash equivalents at the end of the year (A+B+C+D)	3	143.100.915	293.096.282

The accompanying notes are an integral part of these financial statements.

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

1. Organization and operations of the Company

Astor Energy A.Ş. ("Astor" or the "Company") was established as Transtek Transformator Sanayi ve Ticaret A.Ş. in Istanbul in 1983. The company changed its trade name to Astor Transformator ve Enerji Sanayi Ticaret Anonim Şirketi and Astor Transformator Enerji Turizm İnşaat ve Petrol Sanayi Ticaret A.Ş. in 2003 and 2008, respectively. The current trade name is Astor Energy A.Ş., which was announced in the Turkish Trade Registry Gazette with registration number 10281, dated March 5, 2021.

The actual business activity of the Company involves manufacturing transformers and medium/high voltage switching products required by industrial facilities, as well as the energy generation, transmission, and distribution sectors. In order to carry out these productions, the Company also engages in the import, export, purchase, and sale of necessary machinery, equipment, raw materials, finished products, and semi-finished goods. Additionally, the Company provides field installation, commissioning, and field testing services as part of its after-sales support for the products it manufactures.

The registered address of the Company is Alci OSB Mah., 2001 Cadde, Block A, No: 5a, Sincan, Ankara, Turkey. In its factory, which was commissioned in 2017 and has a closed area of approximately 78,000 m2, established on a land of 95,000 m2, and in the same area, Alci OSB Mah. 2011 Cad. No: 5 in the mechanical manufacturing factory, which started its operations in 2020, which has a closed area of approximately 27.000 m2 and established on a land of 42.000 m2, they manufacture substations including oily type distribution, dry type distribution, power, special type and industrial transformers, medium and high voltage switching products, concrete and sheet metal kiosks.

The registered address of the Company is Alci OSB Mah., 2001 Cadde, Block A, No: 5a, Sincan, Ankara, Turkey.

December 31, 2022, the number of employees employed within the Company is 1.531 (December 31, 2021:1.330).

The company's structure of shareholders is as follows;

	December 31, 2022		December 31, 2021	
	Share (%)	TL	Share (%)	TL
Feridun Geçgel	100%	850.000.000	100%	850.000.000
Total		850.000.000		850.000.000

As of December 31, 2022, the Company's capital consists of 850.000.000 shares nominal value TL 1 (850.000.000 shares nominal value TL 1 as of 2021).

Approval of financial statements:

Financial statements have been approved by the management and authorized for publication on March 1, 2023. The General Assembly has the authority to alter the financial statements.

2. Basis of presentation of financial statement and significant accounting policies

2.1. Basis of Presentation

Principles of preparation of financial statements

The Company maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC").

The financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting in Capital Markets" (the Communiqué) announced by the Capital Markets Board ("CMB") on 13 September 2014 which is published on Official Gazette numbered 28676. In accordance with article 5th of the Communiqué, companies should apply Turkish Financial Reporting Standards ("TFRS") and interpretations regarding these standards as published by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA").

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

2. Basis of presentation of financial statement and significant accountin policies (continued)

The year-end financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. This year-end financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS.

Public Oversight Accounting and Auditing Standards Authority ("POA") made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies for the year 2021. As of the preparation date of this year end financial statements, POA did not make an additional announcement and no adjustment was made to these financial statements in accordance with TAS 29.

There are no seasonal and periodic changes that will significantly affect the Company's activities.

Functional and reporting currency

TL has been determined as the reporting and presentation currency for the financial statements of the Company. The accompanying financial statements are prepared in TL including the financial statements as of December 31, 2022 and the previous period's financial data to be used for comparison.

The exchange rate information for the end of the period as of December 31, 2022 and December 31, 2021 used by the Company is as follows;

	December 31, 2022	December 31, 2021
USD	18,6983	13,3290
EUR	19,9349	15,0867

Going concern basis

The financial statements have been prepared on the basis of the continuity of the enterprise under the assumption that the company will benefit from its assets and fulfil its obligations in the next one year and within the natural flow of its activities.

The COVID-19 pandemic, declared a pandemic by the World Health Organization on March 11, 2020, continues to cause disruptions in activities and adversely affect economic conditions worldwide. As a result, the effects of the pandemic continue in many areas such as asset prices, liquidity, exchange rates and interest rates, and uncertainties about the future remain. It is estimated that the impact of the pandemic may have negative effects on economic activities in the world and in Turkey in 2021 as well as in 2022. This situation does not have a significant impact on the Company's activities.

2.2 Comparative information and restatement of prior period financial statements

The financial statements of the Company are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

2. Basis of presentation of financial statement and significant accountin policies (continued)

2.3 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the 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 Company financial position and performance have been disclosed in the related paragraphs.

The new standards,amendments and interpretat,ons 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
- Annual Improvements – 2018–2020 Cycle

The amendments did not have a significant impact on the financial position or performance of the Company
In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities:
- TAS 41 Agriculture – Taxation in fair value measurements

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 financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 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 related to Assets and Liabilities arising from a Single Transaction

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to existing IFRS 16 are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, the amendments are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Company will make the necessary changes to its financial statements after the amendments are issued and become effective under TFRS.

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

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

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**Notes to the financial statements
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2. Basis of presentation of financial statement and significant accountin policies (continued)

2.4 Summary of significant accounting policies

Related parties

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

Trade receivables

Trade receivables are recorded from invoice amounts and then carried after deducting doubtful trade receivable provisions, net of deferred maturity income. Trade receivables with deferred maturity income net off are calculated by discounting the receivables from the original invoice value in the following periods by the effective interest method. Short-term receivables with no determined interest rates are accounted over the original invoice values if the interest accrual effect is not very large. The "simplified approach" is applied within the scope of impairment calculations of trade receivables accounted at amortized cost value in financial statements. With this approach, in cases where trade receivables are not impaired for certain reasons (except for the impairment losses incurred), the provisions for losses related to trade receivables are measured at an amount equal to "lifelong expected Bank loan losses". Following the provision of the provision for the doubtful receivable in case all or part of the doubtful receivable is collected, the collected amount is recorded in other income by deducting the provision for the doubtful receivable.

Trade payables

Trade payables are recorded at their fair values and are subsequently accounted for at the discounted amounts using the effective interest rate method. Maturity differences related to trade payables are accounted under other income and expenses from its main activities.

Prepaid expenses

Prepaid expenses are the amounts generally made to suppliers and which will be transferred to expense and cost accounts in a later period or periods

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Notes to the financial statements for the year ended December 31, 2022 (Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

2. Basis of presentation of financial statement and significant accountin policies (continued)

2.4 Summary of significant accounting policies(continued)

Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. When the net fair value of the inventories falls below their cost, the inventories are reduced to their net fair value and reflected to the income statement in the year when the impairment occurs. In case, where the conditions leading to the reduction of inventories to net fair value have expired or there has been an increase in net fair value due to changing economic conditions, the provision for impairment is disappeared. The disappeared amount is limited by the amount of impairment previously reserved. The cost of inventories includes all purchasing costs, conversion costs and other costs incurred to bring the inventories to their current state and position

Financial assets

Classification

The Company classified its financial assets in three categories as financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date. Financial assets are not reclassified after their initial recognition except the situation when the business model used by the Company in the management of financial assets changes. In the case of a business model change, financial assets are reclassified on the first day of the reporting period.

Accounting and measurement

"Financial assets measured at amortized cost" are non-derivative financial assets, which are held within the scope of a business model aiming to collect the contractual cash flows, and which include cash flows that only include interest payments arising from principal and principal balance at certain dates on contract terms. The Company's financial assets, which are accounted for at amortized cost, include "cash and cash equivalents", "trade receivables", "other receivables" and "financial investments". Related assets, with their fair values in their first recording in the financial statements; In the subsequent recognition, it is measured at the discounted prices using the effective interest rate method. Gains and losses resulting from valuation of non-derivative financial assets measured at amortized cost are accounted in the income statement.

"Financial assets whose fair value difference is reflected in other comprehensive income" are non-derivative instruments held within the scope of a business model aiming to collect contractual cash flows and sell financial assets, and which include cash payments that include interest payments only on principal and principal balance at certain dates in contract terms. are financial assets. Outside gains or losses arising from related financial assets, impairment gains or losses and those other than exchange difference income or expenses are reflected to other comprehensive income. In the event that such assets are sold, valuation differences classified into other comprehensive income are classified in previous years' profits. For investments made in equity-based financial assets, the Company may irrevocably choose the method of reflecting subsequent changes in its fair value to other comprehensive income for the first time. In the event that such preference is made, dividends obtained from related investments are accounted in the income statement.

"Financial assets at fair value through profit or loss" consist of financial assets that are measured at amortized cost and whose fair value difference is reflected in other comprehensive income. Gains and losses resulting from the valuation of such assets are accounted for in the income statement

Derecognition

When the rights related to cash flows arising due to the contract regarding financial assets are terminated or when all of the risks and benefits of this financial asset is transferred through sales or purchasing process, said financial assets shall be extracted from the records of the Company. Any rights created or held by the financial assets transferred by the Company are recognized as a separate asset or liability.

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**Notes to the financial statements
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2. Basis of presentation of financial statement and significant accountin policies (continued)

2.4 Summary of significant accounting policies(continued)

Impairment

Impairment of financial assets and contract assets is calculated using the "expected credit loss" ("ECL") model. Loss provisions are measured on the following basis: 12-months ECLs: ECLs arising from possible default events within 12 months after the reporting date. Lifetime ECLs: ECLs resulting from all possible default events over the expected life of a financial instrument. The lifetime ECL measurement is applied at the reporting date when the bank loan risk related to a financial asset increases significantly after the first recognition date. In all other cases where the relevant increase was not experienced, 12-months ECL calculation was applied.

Effective interest method

The effective interest method is the valuation of the financial asset at amortized cost and the redistribution method in which the relevant income is related. Effective interest rate is the rate which reduces the estimated cash receipts to be collected over the expected life of the financial instrument or, where appropriate for a shorter period of time to the net present value of the related financial asset.

Income related to financial assets other than financial assets at fair value through profit or loss are accounted by using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents are cash, demand deposits and other short-term investments with high liquidity with a maturity of less than 3 months or 3 months from the date of purchase, which can be converted into cash immediately and without significant risk of value change.

Financial liabilities

Financial liabilities are measured at their fair value during their initial recognition. Transaction costs that can be directly associated with the undertaking of the related financial liability are added to the fair value in question.

Financial liabilities are classified as equity instruments and other financial liabilities.

Other financial liabilities

Other financial liabilities are accounted over the amortized cost value by using the effective interest method together with the interest expense calculated over the effective interest rate in the following periods.

Effective interest method; is the method of calculating the amortized costs of the financial liability and distributing the related interest expense to the related period. Effective interest rate: It is the rate that precisely reduces the estimated future cash payments to be made in the lifetime of the financial instrument or, if appropriate, for a shorter period of time, to the net present value of the relevant financial liability.

Netting/Offsetting

Clarification of financial assets and liabilities is possible only if it is legally possible and the entity has an intention in this direction, or the acquisition of assets and the fulfilment of obligations are simultaneous.

Investment properties

Lands and buildings held for the purpose of obtaining rent or appreciation or for both are classified as "investment properties" instead of being used in the production of goods and services or sold for administrative purposes or during the normal course of business.

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**Notes to the financial statements
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2. Basis of presentation of financial statement and significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment and related depreciation

As of 19 September 2022, the Company has evaluated buildings and lands with an independent valuation company at revaluation method. The related assets were presented at their fair value, and the amount of impairment in previous periods was accounted for in the statement of profit or loss, and the remaining amount was recognized in other comprehensive income. Other tangible fixed assets other than these are accounted by their net value after deducting accumulated depreciation from the acquisition cost. Depreciation is allocated by using linear depreciation method considering the useful lives of tangible assets over their acquisition cost/ fair value. The estimated useful lives of these assets are as follows:

	Useful life
Land improvements	10
Buildings	50
Fixed assets acquired by leasing	5
Machinery, plant and equipment	5-20
Vehicles	3-5
Fixtures	4-15
Special costs	5

If there are conditions indicating impairment in tangible assets, an investigation is carried out to determine a possible impairment and at the end of this investigation, the recorded value of the tangible asset is reduced to its recoverable value.

The recoverable value is accepted as the higher of the cash flows from the current use of the related tangible fixed asset and the net sales price.

Expenses arising from replacing any part of the tangible assets can be capitalized if they increase the future economic benefit of the asset along with maintenance and repair costs. All other expenses are recognized in the expense items in the income statement as they occur.

Profit or loss resulting from disposal of tangible assets is reflected in the related income and expense accounts in the current period.

Intangible assets

Intangible assets are capitalized in the event that economic benefits can be obtained in the future and the cost can be determined accurately. After the first registration, intangible assets are accounted with their values after deducting accumulated amortization and accumulated impairment provisions.

Intangible assets are amortized using the straight-line method over their estimated economic lives. The amortization period and the amortization method are examined at least once a year for intangible assets with a definite economic life.

The carried values of intangible assets are examined in terms of impairment if the events or changes in conditions indicate that the carried value is not realizable.

	Useful life
Rights	3 - 15
Development Costs	5

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2. Basis of presentation of financial statement and significant accountin policies (continued)

2.4 Summary of significant accounting policies (continued)

Intangible assets (continued)

Intangible assets purchased

Purchased intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives. The expected useful life and depreciation method are reviewed every year in order to determine the possible effects of the changes in the estimates and the changes in the estimates are accounted for prospectively.

Research and development expenses

Research expenses are recorded in the income statement in the incurred period. Expenses resulting from development activities (relating to the design and testing of new or improved products), are recorded as intangible assets when the following conditions are all met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. For ongoing development costs, an impairment test is performed each year within the scope of TAS 36.

Development costs other than research activities that meet the above criteria, capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years

Derecognition of intangible assets

An intangible asset is derecognized when it is disposed of or when future economic benefits are not expected from its use or sale. The profit or loss resulting from the derecognition of an intangible asset is calculated as the difference between the net proceeds from the disposal of the assets and their carrying amount, if any. This difference is recognized in profit or loss when the related asset is taken out of the balance sheet.

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**Notes to the financial statements
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2. Basis of presentation of financial statement and significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Impairment of assets

In cases where the registered values of the assets are more than their recoverable values, the book value of the asset is reduced to its recoverable amount and the provision is reflected as expense in the comprehensive income statement by allocating a provision for impairment. On the other hand, the recoverable amount of the cash generating assets is the higher of the net sales prices and usage values. The usage value of the said assets represents the net present values of the net cash inflows to be obtained from the continuous use and sales of these assets, discounted with an appropriate discount rate.

Finance lease (as lessor)

The company leases certain property, plant and equipment. The Company's assumption of all the risk and cost of ownership of the tangible fixed assets it leases is classified as financial leasing. Financial leases are utilized over the value that is lower than the current value of the leased real estate and the present value of the minimum lease payments.

Tangible assets obtained through finance leases are capitalized at the lower of the fair value less tax benefits or incentives at the beginning of the lease period or the discounted value of the minimum lease payments at that date.. Principal lease payments are shown as liabilities and are reduced as they are paid. Interest payments are expensed in the income statement during the leasing period. Property, plant and equipment acquired under a finance lease are depreciated over the useful life of the asset..

Current tax expense and deferred tax

Tax liability on period profit or loss includes current period tax and deferred tax. The current year tax liability includes the tax rate over the taxable part of the period profit as of the date of the financial statements, the tax liability calculated in accordance with the applicable tax legislation and the correction records related to the tax liability in the previous years.

Deferred tax is calculated over the temporary differences between the registered values of the assets and liabilities in the financial statements and the tax values by using the liability method. In the calculation of deferred tax, current tax rates are used as of the financial statements as per the tax legislation in force.

While deferred tax liabilities are accounted for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are recognized on condition that it is highly likely to benefit from these differences by obtaining taxable profit in the future.

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Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira (“TL”) unless otherwise stated)

2. Basis of presentation of financial statement and significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Provisions for debt

Provisions are recorded if a business has a past (still or ongoing) obligation (legal or structural) and if the resources that provide economic benefits to the business are likely to be disposed of due to this obligation and the amount of the obligation to be realized can be estimated reliably. When the depreciation of money gains importance over time, provisions are reflected with the reduced value of the expenses that are likely to occur in the future on the financial statements. Provisions are reviewed at the date of preparation of each financial position table and necessary arrangements are made to reflect the best estimates of the management. The warranty obligation is calculated by calculating the estimated liability of the returns, which were realized within the scope of the previous years, in proportion to the sales after one year. Provisions are calculated on the gross profit margin of returns.

Contingent liabilities and contingent assets

Contingent liabilities are considered contingent liabilities, which may be confirmed by the occurrence of one or more uncertain events in the future, which arise from past events and whose existence is not fully under control. Contingent liabilities are not reflected in the financial statements and explained in footnotes if the situation requiring resource transfer is not likely. Contingent assets, on the other hand, are not reflected in the financial statements, but are explained in the footnotes if they are likely to generate economic returns.

Employee benefits

Provision for severance pay:

In accordance with the existing labor law, the Company is obliged to pay a certain amount of severance pay to personnel who have left their job due to retirement or who have been dismissed due to reasons other than resignation and bad behaviour and who have served at least one year.

The Company calculated the provision for severance pay in its financial statements based on the previous years' experience in completing the personnel service period and qualifying for severance pay and recorded its discounted value as of the date of the financial statements. Calculated actuarial gains and losses are reflected as other comprehensive income.

Unused vacation provision:

The Company accrues the unused vacation allowance in its financial statements on the daily gross date of the unused vacation and is reflected in the personnel expenses accounts as of the financial statement date.

Foreign currency

Transactions made in terms of foreign currency during the period were translated using the exchange rates valid at the date of the transaction. Monetary assets and liabilities at the date of the financial statements have been translated into TL from the Republic of Turkey Central Bank buying rate.

Foreign exchange income and expenses arising from the translation of foreign currency-based monetary assets and liabilities are reflected in the comprehensive income statement of the period. Regarding the main activity subject, foreign exchange income/ expense arising from trade receivables and debts are included in the main operating income/ expenses item, while the others are accounted in the financial income/ expense account.

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Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira (“TL”) unless otherwise stated)

2. Basis of presentation of financial statement and significant accountin policies (continued)

2.4 Summary of significant accounting policies(continued)

Revenue recognition

The Company's main source of income consists of the revenues from the production and sale of transformers, reactors and compact substations.

The Company recognizes the revenue in the financial statements in line with the following 5 basic principles:

- Determination of customer contracts
- Determination of performance obligations in contracts
- Determining the transaction price in contracts
- Allocating the transaction price to the performance obligations in the contracts
- Recognition of revenue when each performance obligation is met

The company recognizes a contract with a customer as revenue if all of the following conditions are met:

- The parties to the contract have approved the contract (written, verbal or in accordance with other commercial practices) and have committed to fulfill their own obligations,
- The rights of each party regarding the goods or services to be transferred can be defined,
- Payment terms for the goods or services to be transferred can be defined.,
- The contract is commercial in nature,
- It is likely that the Company will collect a price for the goods or services to be transferred to the customer.

When assessing whether a charge is likely to be collectible, the company considers only the customer's ability and intention to pay the charge on due date.

At the beginning of the contract, the Company evaluates the goods or services promised in the contract with the customer and defines each commitment to transfer to the customer as a separate performance obligation. The company also determines at the beginning of the contract whether it has fulfilled each performance obligation over time or at a certain point in time.

The Company takes into account the contractual provisions and commercial practices in order to determine the transaction price. The transaction price is the amount that the Company expects to be entitled to in exchange for transferring the goods or services it undertakes to the customer, excluding the amounts collected on behalf of third parties (for example, some sales taxes). The Company distributes the transaction price to each performance obligation (or different goods or services) in an amount that indicates the price it expects to deserve for the transfer of the goods or services committed to the customer.

In the event that the sum of the sales prices of the goods or services pledged in the contract exceeds the price pledged for them in the contract, the customer has received a discount in exchange for the purchase of the goods or services. The Company distributes the discount proportionally to all the performance obligations in the contract, except in cases where there are observable indicators that the discount relates not to all of the performance obligations set out in the contract, but only to one or more of them.

Bank loans

Bank loans are recorded with their values after the transaction costs are deducted from the loan amount received on the date of receipt. Bank loans are carried over the discounted cost value by using effective interest method. The difference between the amount remaining after the transaction costs are deducted and the discounted cost value is reflected in the comprehensive income statement as financing cost during the loan period.

Borrowing costs

Borrowing costs associated with the qualifying asset are included directly in the cost of the qualifying asset. Activation of borrowing costs will be terminated if the activities required to make a special asset ready for use or sale as intended are completed completely. Other borrowing costs are recorded as expense in the period when they occur. There are no borrowing costs capitalized during the relevant periods.

**Notes to the financial statements
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2. Basis of presentation of financial statement and significant accountin policies (continued)

2.5 Significant accounting judgments, estimates and assumptions

Significant accounting judgments, estimates and assumptions

The preparation of the financial statement requires Company management to make judgments, estimates and assumptions that are reflected in the measurement of income and expense in the income statement and in the carrying value of assets and liabilities in the balance sheet. The actual future results from operations may be different than those estimated. Estimates are reviewed periodically, and adjustments become necessary, they are reported in the income statement in which they become known. However, the actual results may be different than those estimated.

The key assumptions concerning the future and other key resources of estimation 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 and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

- a) Provisions for employment termination benefits have been calculated according to various actuarial assumptions (discount rate, estimated future wage increase, and rate of retirement of the employees).
- b) Management makes assumptions such as expected credit loss rate when assessing impairment on financial assets. When the Company makes these assumptions and judgements as of each reporting period, past experiences of the Company are taken as basis, and current market conditions and future expectation as to the market are taken into consideration.
- c) The Company management made significant assumptions on the useful economic lives of the tangible assets according to experiences of technical team, especially in buildings and equipment.
- d) Land and buildings under property, plant and equipment are measured at their fair values in accordance with the revaluation model. The Company had the revaluation study of the mentioned tangible fixed assets performed by an independent valuation company authorized by the Capital Markets Board as of 19 September 2022. During the determination of the fair values of the mentioned tangible fixed assets, evaluations were made by using valuation methods such as market transaction prices and cost method, taking into account the current state of the real estate and the most efficient use.
- e) The Company reviews its assets in order to reserve them for impairment when it becomes apparent that the assets may not be sold at their carrying values in accordance with developing events or changing circumstances. If there is such an indication and the carrying value of the assets exceeds the estimated recoverable value, the assets and cash-generating units are presented at their estimated recoverable values. The obtainable value of assets is greater than the net sales price or use value.
- f) Research expenses are recorded as expense when realized. Costs incurred in development projects (related to the design and testing of new or improved products) are recorded as intangible assets if the conditions described in Note 2.4 are met.
- g) Provisions for lawsuits are determined by the management with support of Company's legal advisers that can result in a cash outflow for the Company in every period at the date of preparation of financial statements.

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

3. Cash and cash equivalents and short term financial investments

a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	36.686	45.248
Cash at banks:		
- Demand deposits		
TL	2.533.373	2.175.339
USD	57.961.976	78.472.453
EUR	35.328.114	100.496.577
GBP	-	811.176
- Time deposits		
TL	47.240.766	43.719.114
USD	-	67.376.375
Cash and cash equivalents in financial statement	143.100.915	293.096.282

As of December 31, 2022, the average annual interest rate on term deposits denominated in TL is 16%, and the maturities of term deposits are less than three months (December 31, 2021: 18%).

As of December 31, 2022, there are no time deposits in USD (December 31, 2021: 0,12%).

As of December 31, 2022, there are no blocked deposits (December 31, 2021: None).

b) Financial Investments

i) Short-term investments

	December 31, 2022	December 31, 2021
Financial investments	1.383.194	1.129.388
Currency protected time deposits	200.695.486	-
Investment fund	169.904.576	-
Total	371.983.256	1.129.388

As of December 31, 2022, the Company has TL 1.383.194 bonds measured at amortized cost value and liquid money market mutual funds in its bank account (2021:1.129.388 TL).

The detail of the currency protected deposit account is as follows:

	Nominal value	Accrual of interest	Exchange rate differences	Fair value
Currency protected time deposits (*)	188.625.975	12.069.511	-	200.695.486
Total	188.625.975	12.069.511	-	200.695.486

(*) The interest rates applied to the currency protected deposits converted from the Company's reserves of 6.750.000 USD and 3.683.151 EUR in total vary between 16% and 17%, and the number of days between the balance sheet date and the due date ranges between 48-214 days.

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Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

3. Cash and cash equivalents and short term financial investments (continued)

b) Financial investments (continued)

ii) Long-term investments

	December 31, 2022	December 31, 2021
Re-Pie Portföy Yönetimi A.Ş. Arf Venture Capital Fund (*)	33.136.341	-
Albaraka Portföy Yönetim A.Ş. Ostim Venture Capital Fund (*)	1.206.350	-
Total	34.342.690	-

(*) As of December 31, 2022, they are valued as financial assets whose fair value is reflected in the profit or loss statement.

4. Financial Instruments

a) Financial liabilities

As of December 31, 2022 and 2021, the details of the Company's financial liabilities are as follows:

	December 31, 2022	December 31, 2021
Short-term bank loans	1.005.816.981	891.036.640
Short-term portion of long term bank loans	113.227.638	125.345.106
Payables from short-term financial leases	7.431.282	5.473.231
Short-term deferred finance lease borrowing costs (-)	(486.018)	(583.317)
Short-term financial borrowings	1.125.989.883	1.021.271.660
	December 31, 2022	December 31, 2021
Long-term bank borrowings	153.443.595	239.554.327
Payables from short-term financial leases	6.312.344	10.122.350
Long-term deferred finance lease borrowing costs (-)	(280.734)	(564.722)
Long-term financial borrowings	159.475.205	249.111.955
Total financial liabilities	1.285.465.088	1.270.383.615

Repayment Schedule of financial borrowings is as follows:

	December 31, 2022	December 31, 2021
To be paid within 1 year	1.125.989.883	1.021.271.660
To be paid within 1 to 2 years	98.423.922	122.684.774
To be paid within 2 to 3 years	37.914.106	80.840.002
3 years and more	23.137.177	45.587.179
Total	1.285.465.088	1.270.383.615

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Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

4. Financial Instruments (continued)

a) Financial liabilities (continued)

As of December 31, 2022 and 2021, bank loans and leasing borrowings original currency balances and effective interest rates as follows:

		December 31, 2022	
	Weighted effective interest rate (%)	Original currency	TL
Bank loans and leasing borrowings:			
- TL	16,80	1.041.782.171	1.041.782.171
- EUR	4,44	12.201.961	243.682.917
Total			1.285.465.088

		December 31, 2021	
	Weighted effective interest rate (%)	Original currency	TL
Bank loans and leasing borrowings:			
- TL	9,76	429.812.075	429.812.075
- EUR	2,43	51.198.337	773.806.540
- USD	-	5.000.000	66.765.000
Total			1.270.383.615

b) Derivative Financial Instruments

As of December 31, 2022 and 2021, liabilities from derivative financial instruments are as below:

	December 31, 2022	December 31, 2021
Derivative financial liabilities with a difference in fair value reflected in profit or loss	-	62.631.570
Total	-	62.631.570

The Company mainly uses foreign currency forward currency derivative instruments in order to manage cash flows arising from the future exchange rate risk arising from its debts to banks related to existing loans denominated in foreign currencies. These contracts have been concluded to manage the risks related to open foreign exchange positions related to the relevant accounting periods and are renewed when necessary.

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Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

5. Trade receivables and payables

a) Trade receivables

As of December 31, 2022 and 2021, details of the Company's trade receivables are as follows:

	December 31, 2022	December 31, 2021
Notes receivable: (*)	1.087.093.584	384.602.696
Trade receivables: (*)		
- Trade receivables from related parties (Note 24)	28.037.911	76.866.865
- Trade receivables from third parties	1.536.579.830	982.886.545
Minus: Provision for doubtful receivables (-)	(27.535.563)	(39.532.997)
Minus: Rediscount interest expense (-)	(46.061.680)	(19.151.244)
Total	2.578.114.082	1.385.671.865

(*) Trade receivables and notes receivable consist of receivables from customers for services rendered in the normal course of business. The Company holds its trade receivables and notes receivable to collect contractual cash flows, and therefore measures them at amortized cost using the effective interest method. As of December 31, 2022, the effective interest rates of these receivables are between 0.94% and 10.26% in terms of foreign currency and TL (December 31, 2021: 0.06% to 13.90%). The maturities of trade receivables vary according to the contracts made with customers and the type of products sold, but the average maturity period is 73 days (December 31, 2021: 90 days). The average maturity of notes receivable is 49 days for 2022 (December 31, 2021: 57 days).

As of December 31, 2022 and 2021, the movement table for doubtful receivables is as follows:

	December 31, 2022	December 31, 2021
January 1	(39.532.997)	(17.506.154)
Provisions allocated during the year, cancellations, net (Note 21 b)	(686.723)	(26.316.662)
Receivables that have been abandoned (*)	-	4.289.819
Cancelled provisions	12.684.157	-
December 31	(27.535.563)	(39.532.997)

(*) Doubtful trade receivables that have no ability to be collected and are not expected to be provided with additional cash, their provisions and records is being removed.

b) Trade payables

As of balance sheet date, the details of the Company's trade payables are as follows:

	December 31, 2022	December 31, 2021
Notes payables: (*)	183.033.714	159.334.350
Trade payables: (*)		
Trade payables to related parties	36.351.966	-
Trade payables to unrelated parties	685.181.318	283.113.891
Other trade payables	55.445.764	25.889.137
Minus: Rediscount interests income (-)	(13.088.717)	(2.158.459)
Total	946.924.045	466.178.919

(*) Payment terms of trade payables vary according to contracts made with suppliers, and the average maturity is 18 days for 2022 (2021: 28 days). The average maturity of debt securities is 36 days for 2022 (2021: 65 days).

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

6. Other receivables

a) Other short-term receivables

As of December 31, 2022 and 2021, the details of other receivables are as follows:

	December 31, 2022	December 31, 2021
Other receivables from related parties: (Note 24)	-	29.017.992
Other receivables from third parties:		
- Deposits and guarantees given	2.634.339	6.156.258
- Receivables from tax office	144.931.501	63.919.855
- Receivables from personnel	1.489.935	712.961
Total	149.055.775	99.807.066

(*) Mainly consists of VAT refund receivables.

b) Other long-term receivables

	December 31, 2022	December 31, 2021
Deposits and guarantees given	8.627.738	8.455.245
Total	8.627.738	8.455.245

7. Inventories

	December 31, 2022	December 31, 2021
Raw materials	516.295.549	167.087.268
Work-in process	119.320.600	162.277.870
Finished goods	565.700.705	219.998.155
Merchandise goods	99.866	2.267.596
Total	1.201.416.720	551.630.889

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira (“TL”) unless otherwise stated)****8. Investment properties**

	January 1, 2021	Additions	Disposals	Partial division (*)	December 31, 2021
Cost Value:					
Land (**)	13.220.854	-	(403.572)	(12.817.282)	-
Buildings	3.871.943	-	-	(3.871.943)	-
Total	17.092.797	-	(403.572)	(16.689.225)	-
Accumulated depreciation:					
Buildings	498.542	258.243	-	(756.785)	-
Total	498.542	258.243	-	(756.785)	-
Net book value	16.594.255			(15.932.440)	-

(*) Investment properties included in the Company's total assets were transferred to Aserva Danışmanlık ve Ticaret Anonim Şirketi on 22 December 2021 through partial division.

(**) Includes lands and lands purchased in various regions for the purpose of investing in prospective construction projects and gaining value.

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira (“TL”) unless otherwise stated)

9. Property, plant, and equipment

As of January 1 - December 31, 2022, the details of property, plant and equipment and accumulated depreciation are as follows:

	January 1, 2022	Additions	Disposals	Transfers	Revaluation surplus or decrease	December 31, 2022
Cost:						
Land	27.250.000	7.130.240	-	-	95.380.000	129.760.240
Land improvements	8.128.302	-	(8.085.740)	23.638.944	-	23.681.506
Buildings	186.200.000	557.693	-	-	222.760.000	409.517.693
Plant, machinery and equipment	337.875.341	30.824.471	(9.264.833)	36.377.091	-	395.812.070
Vehicles	21.297.539	24.441.937	(8.689.963)	-	-	37.049.513
Fixtures	18.137.339	5.356.237	(20.955)	-	-	23.472.621
Leasehold improvements	404.788	-	-	-	-	404.788
Purchased by financial leasing	21.833.248	-	-	-	-	21.833.248
Construction in progress	16.594.449	62.316.640	(17.993.258)	(60.016.035)	-	901.796
Total	637.721.006	130.627.218	(44.054.749)	-	318.140.000	1.042.433.475
Accumulated depreciation:						
Land improvements	3.364.209	363.527	(3.685.174)	-	-	42.562
Buildings	-	6.253.708	-	-	(3.126.854)	3.126.854
Plant, machinery and equipment	78.448.050	34.107.847	(1.163.764)	-	-	111.392.133
Vehicles	7.237.566	4.543.137	(2.215.861)	-	-	9.564.842
Fixtures	12.700.450	2.084.921	(874)	-	-	14.784.497
Leasehold improvements	112.891	57.071	-	-	-	169.962
Purchased by financial leasing	14.224.963	2.766.650	-	-	-	16.991.613
Total	116.088.129	50.176.861	(7.065.673)	-	(3.126.854)	156.072.463
Net book value	521.632.877	80.450.357	(36.989.076)	-	321.266.854	886.361.012

As of December 31, 2021, to recognize all land and buildings at their fair values, Ekol Gayrimenkul Değerleme ve Danışmanlık A.Ş., which is CMB licensed company without a relation with the Company, has performed a valuation. The firm is an independent valuation company accredited by CMB and has sufficient qualifications to value counterpart areas. The valuation in accordance with International Valuation Standard is determined by taking market strike prices as reference and collocation of cost method of counterpart real estates. The differences between the fair values based on this valuation and the carrying value of these assets in the financial statements have been recognized under property, plant and equipment revaluation fund in the statement of comprehensive income for the related year.

As of December 31, 2022, there is no capitalized financial costs on property, plant and equipment.

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira (“TL”) unless otherwise stated)****9. Property, plant and equipment (continued)**

The movements of property, plant and equipment and accumulated depreciation between January 1 and December 31, 2021 are as follows:

	January 1, 2021	Additions	Disposal	Transfers	Revaluation surplus or decrease	December 31, 2021
Cost:						
Land	8.268.574	-	-	1.191.000	17.790.426	27.250.000
Land improvements	8.128.302	-	-	-	-	8.128.302
Buildings	203.148.760	-	-	46.999.545	(63.948.305)	186.200.000
Plant, machinery and equipment	202.968.004	17.799.969	(3.778.575)	120.885.943	-	337.875.341
Vehicles	17.527.076	5.372.986	(1.602.523)	-	-	21.297.539
Fixtures	15.341.735	2.807.440	(11.836)	-	-	18.137.339
Leasehold improvements	336.545	68.243	-	-	-	404.788
Purchased by financial leasing	21.833.248	-	-	-	-	21.833.248
Construction in progress	75.544.927	110.951.959	(825.949)	(169.076.488)	-	16.594.449
Total	553.097.171	137.000.597	(6.218.883)	-	(46.157.879)	637.721.006
Accumulated depreciation:						
Land improvements	2.555.635	808.574	-	-	-	3.364.209
Buildings	26.137.800	6.206.264	-	-	(32.344.064)	-
Plant, machinery and equipment	50.874.621	28.363.522	(790.093)	-	-	78.448.050
Vehicles	3.790.573	3.945.773	(498.780)	-	-	7.237.566
Fixtures	10.767.374	1.933.323	(247)	-	-	12.700.450
Leasehold improvements	55.819	57.072	-	-	-	112.891
Purchased by financial leasing	11.191.648	3.033.315	-	-	-	14.224.963
Total	105.373.470	44.347.843	(1.289.120)	-	(32.344.064)	116.088.129
Net book value	447.723.701	92.652.754	(4.929.763)	-	(13.813.815)	521.632.877

As of December 31, 2021, there is no capitalized financial costs on property, plant and equipment.

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira (“TL”) unless otherwise stated)****10. Intangible assets**

The movements of property, plant and equipment and accumulated depreciation between January 1 and December 31, 2022 are as follows:

	January 1, 2022	Additions	Disposal	Transfers	December 31, 2022
Costs:					
Rights	4.009.409	4.686.952	-	-	8.696.361
Capitalized development costs (*)	142.163.974	2.580.027	-	55.364.965	200.108.966
Ongoing development costs (*)	36.348.614	107.735.257	-	(55.364.965)	88.718.906
Other intangible assets	134.548	-	-	-	134.548
Total	182.656.545	115.002.236	-	-	297.658.781
Accumulated depreciation:					
Rights	638.331	734.859	-	-	1.373.190
Capitalized development costs	73.378.480	28.709.210	-	-	102.087.690
Other intangible assets	120.973	10.151	-	-	131.124
Total	74.137.784	29.454.220	-	-	103.592.004
Net book value	108.518.761	85.548.016	-	-	194.066.777

The movements of property, plant and equipment and accumulated depreciation between January 1 and December 31, 2021 are as follows:

	January 1 2021	Additions	Disposal	Transfers	December 31, 2021
Costs:					
Rights	1.502.874	2.506.535	-	-	4.009.409
Capitalized development costs (*)	119.833.075	17.314.246	-	5.016.653	142.163.974
Ongoing development costs (*)	5.016.653	36.348.614	-	(5.016.653)	36.348.614
Other intangible assets	134.548	-	-	-	134.548
Total	126.487.150	56.169.395	-	-	182.656.545
Accumulated depreciation:					
Rights	296.608	341.723	-	-	638.331
Capitalized development costs	50.788.194	22.590.286	-	-	73.378.480
Other intangible assets	94.064	26.909	-	-	120.973
Total	51.178.866	22.958.918	-	-	74.137.784
Net book value	75.308.284	33.210.477	-	-	108.518.761

(*) The Company has established an R&D Center in order to benefit from incentives and exemptions within the scope of the Law No. 5746 on “Supporting Research and Development Activities” by the Republic of Turkey Ministry of Industry and Technology (“Ministry”) and has received the R&D Center certificate from the Ministry.

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

11. Prepaid expenses

As of December 31, 2022 and 2021, the details of the short-term prepaid expenses are as follows:

	December 31, 2022	December 31, 2021
Order advances for inventory purchases	535.287.149	165.957.561
Prepaid expenses to related parties (Note 24)	40.263.813	7.618
Expenses for the following months	9.039.939	-
Total	584.590.901	165.965.179

As of December 31, 2022 and 2021, the details of the long-term prepaid expenses account are as follows:

	December 31, 2022	December 31, 2021
Advances given	30.482.363	-
Expenses for future years	4.673.547	1.529.640
Total	35.155.910	1.529.640

12. Contingent liabilities, collateral, pledges and mortgages

The positions of the guarantees, pledges, mortgages and sureties given by the Company ("GMPs") are as follows:

	December 31, 2022			
	TL equivalent	USD	EUR	TL
A. Total amount of GMPs given for companies' own legal entity	1.765.250.001	30.030.657	33.206.254	541.764.414
B. Total amount of GMPs given in favor of partnerships included in scope of full consolidation	-	-	-	-
C. Total GPM given for execution of ordinary commercial activities to collect third parties' debt	-	-	-	-
D. Total other GMPs given	-	-	-	-
i. Total amount of GPM given on behalf of main shareholder	-	-	-	-
ii. Total amount of GPM given on behalf of group companies which are not in scope of B and C.	882.917.364	30.000.000	-	320.957.364
iii. Total amount of GPM given on behalf of third parties which are not in scope of C.	-	-	-	-
Total	2.648.167.365	60.030.657	33.206.254	862.721.778
	December 31, 2021			
	TL equivalent	USD	EUR	TL
A. Total amount of GMPs given for companies' own legal entity	1.046.023.297	12.025.706	47.051.372	199.137.334
B. Total amount of GMPs given in favor of partnerships included in scope of full consolidation	-	-	-	-
C. Total GPM given for execution of ordinary commercial activities to collect third parties' debt	-	-	-	-
D. Total other GMPs given	-	-	-	-
i. Total amount of GPM given on behalf of main shareholder	-	-	-	-
ii. Total amount of GPM given on behalf of group companies which are not in scope of B and C.	1.719.259.792	93.047.000	5.000.000	438.330.849
iii. Total amount of GPM given on behalf of third parties which are not in scope of C.	-	-	-	-
Total	2.765.283.089	105.072.706	52.051.372	637.468.183

The ratio of the other GMPs given by the Company to the equity of the Company is 27% as of December 31, 2022 (December 31, 2021: 156%).

12. Contingent liabilities, collateral, pledges and mortgages (continued)

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

The positions of the guarantees, pledges, mortgages and sureties given by the Company ("GMPs") are as follows:

a) GMPs given on behalf of its own legal entity:

The tables regarding the collateral/pledge/mortgage ("CPM") position of the Company as of December 31, 2022 and 2021, are as follows:

December 31, 2022	TL equivalent	TL	USD	EUR
Guarantee letters	1.386.486.901	541.764.414	30.030.657	14.206.254
Mortgages (*)	378.763.100	-	-	19.000.000
Total	1.765.250.001	541.764.414	30.030.657	33.206.254

December 31, 2021	TL equivalent	TL	USD	EUR
Guarantee letters	767.059.597	199.137.334	12.025.706	28.051.372
Mortgages (*)	278.963.700	-	-	19.000.000
Total	1.046.023.297	199.137.334	12.025.706	47.051.372

(*) There is a mortgage granted for bank loans related to the investment in the amount of 19.000.000 euros on the Temelli factory (December 31, 2021: 19.000.000 EUR).

12. Contingent liabilities, guarantees, pledges and mortgages

Pledges

	December 31, 2022	December 31, 2021
Özgüney Elektrik A.Ş. (*)	-	2.631.400
Total	-	2.631.400

(*) As of December 31, 2021, Özgüney Elektrik A.Ş., one of the related parties of the Company, has pledges amounting to TL 2.631.400 on 10 vehicles belonging to the Company in order to guarantee the loans.

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

12. Contingent liabilities, guarantees, pledges and mortgages (continued)

b) Other CPM's given on behalf of its own legal entity for related parties (continued):

Joint and several guarantee

	December 31, 2022	December 31, 2021
Güney Ges Elektrik San. Tic. Ltd. Şti. (*)	413.977.200	286.802.750
Total	413.977.200	286.802.750

(*) As of December 31, 2022, the Company signed a contract with Güney Ges San. Tic. Ltd. Şti, to become a guarantor of USD 22.100.000 for this related company (December 31, 2021: 22.100.000 USD).

Guarantee

December 31, 2022	TL equivalent	TL	USD	EUR
Özgüney Elektrik A.Ş. (**)(***)	110.000.000	110.000.000	-	-
Güney Elektrik Ltd. Şti. (***)	281.732.800	133.750.000	7.900.000	-
EFG Elektrik İnşaat Enerji San. ve Tic. Ltd. Şti. (**)(***)	75.000.000	75.000.000	-	-
Total	466.732.800	318.750.000	7.900.000	-

December 31, 2021	TL equivalent	TL	USD	EUR
Özgüney Elektrik A.Ş. (**)(***)	780.761.500	188.250.000	40.000.000	5.000.000
Güney Elektrik Ltd. Şti. (***)	299.092.443	-	23.047.000	-
Tropikal Ahşap ve Orman Ürünleri İnş. Gıda Otomotiv Sanayi Dış Ticaret Limited Şti. (**)(***)	11.300.000	11.300.000	-	-
Güney Ges Elektrik San. Tic. Ltd. Şti. (**)(***)	236.272.250	133.750.000	7.900.000	-
EFG Elektrik İnşaat Enerji San. ve Tic. Ltd. Şti. (**)(***)	100.000.000	100.000.000	-	-
Total	1.427.426.193	433.300.000	70.947.000	5.000.000

(**) Astor Enerji A.Ş. became a guarantor for the resources used by related parties from financial institutions.

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

12. Contingent liabilities, guarantees, pledges and mortgages (continued)

b) Other GPM's given to related parties on behalf of its own legal entity (continued):

Guarantee letters

	December 31, 2022	December 31, 2021
Güney Ges Elektrik San. Tic. Ltd. Şti. (***)	437.130	437.130
Güney Elektrik Ltd. Şti. (***)	1.170.234	1.770.234
Yentek Enerji İnşaat Elektrik Sanayi ve Tic. Ltd. Şti. (***)	-	192.085
Özgüney Elektrik A.Ş. (**)(***)	600.000	-
Total	2.207.364	2.399.449

(***) Consist of guarantee letters given favor for related parties.

(****) Since Yentek Enerji İnşaat Elektrik Sanayi ve Tic. Ltd. Şti was merger with Özgüney Elektrik A.Ş., this guarantee letters transferred to Özgüney Elektrik A.Ş

c) CPM's received on behalf of its own legal entity:

	December 31, 2022	December 31, 2021
Guarantee letters	6.069.772	4.175.000
Total	6.069.772	4.175.000

13. Deferred income

As of December 31, 2022 and 2021, the details of short-term deferred income are as follows:

	December 31, 2022	December 31, 2021
Advances received: (*)		
Advances received from related parties	-	133.047
Advances received from unrelated parties	531.731.148	186.802.149
Income for the next months	86.165.323	15.225.272
Total	617.896.471	202.160.468

(*) The Company has order advance balances received from its customers in the deferred income account.

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

14. Shareholders' equity

a) Capital

As of December 31, 2022 and 2021, the details of Company's paid-in share capital are as follows:

	December 31, 2022		December 31, 2021	
	Share (%)	TL	Share (%)	TL
Feridun Geçgel	100%	850.000.000	100%	850.000.000
Total		850.000.000		850.000.000

As of December 31, 2022, the Company's capital consists of 850.000.000 shares nominal value TL 1 (December 31, 2021: 850.000.000 shares nominal value TL 1).

b) Legal reserves

As of December 31, 2022 and 2021, the details of Company's restricted profit reserves are as follows:

	December 31, 2022	December 31, 2021
Legal reserves	52.168.495	27.187.388
Total	52.168.495	27.187.388

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code 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.

Dividends:

Unless the dividends determined for the shareholders in the articles of association or dividend distribution policy are required to be reserved according to the TCC; It is not possible to decide to allocate another reserve fund, to transfer profit to the following year, and to distribute dividends to redeemed shareholders, members of the board of directors, shareholders and non-shareholders, and dividends cannot be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

In the calculation of the net distributable period profit, the portion exceeding the sum of the total legal reserves including the previous years' profits, the premiums related to the shares, and the equity items excluding capital are adjusted for inflation accounting.

Equity inflation adjustment differences and registered values of extraordinary reserves, bonus increase; can be used in cash profit distribution or loss offset. However, equity inflation adjustment differences will be subject to corporate tax if used in cash profit distribution. Legal reserves are accounted with their amounts in legal records. In this context, the distribution of profits TFRS principles as the report date and the resulting capital increase in the valuation made under or subject to inflation adjustments arising from differences, retained earnings/ loss has been associated with.

As of December 31, 2022 and 2021, the Company has not made any profit distribution decisions.

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira ("TL") unless otherwise stated)****14. Shareholders' equity (continued)****c) Property, plant and equipment revaluation fund**

	December 31, 2022	December 31, 2021
January 1	23.141.145	-
Deferred tax income related to the revaluation appreciation fund recognized in the statutory financial statements	112.261.207	23.141.145
Revaluation increases, net	276.707.735	-
Closing	412.110.087	23.141.145

d) Retained earnings

	December 31, 2022	December 31, 2021
January, 1	(320.746.811)	126.688.593
Additions	818.839.319	207.776.025
Capital increase	(326.139.269)	(633.902.202)
Partial division	-	(21.309.227)
Closing	171.953.239	(320.746.811)

15. Payables related to employee

	December 31, 2022	December 31, 2021
Due to personnel	16.897.995	6.709.492
Social security premiums payable	11.490.695	9.484.259
Total	28.388.690	16.193.751

Short-term provisions for employee benefits:

	December 31, 2022	December 31, 2021
Provision for unused vacation	7.554.114	2.525.231
Total	7.554.114	2.525.231

Other provisions

	December 31, 2022	December 31, 2021
Lawsuit provisions (*)	412.276	319.700
Total	412.276	319.700

(*) It mainly consists of employee case provisions.

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

15. Payables related to employee (continued)

Long-term provisions for employee benefits:

In accordance with the current labor law, the Company is obliged to pay a certain amount of severance pay to the personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior. The compensation to be paid is equal to one month's salary for each year of service and this amount is limited to 19.982 TL as of December 31, 2022 (December 31, 2021: 10.848) by the legislation.

The severance pay provision is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of its employees.

TFRS requires actuarial valuation methods to be developed to estimate the provision for severance pay. Accordingly, the following actuarial predictions were used in the calculation of the total provision:

	December 31, 2022	December 31, 2021
Interest rate	22,0%	21,30%
Inflation rate	19,0%	16,90%
Discount rate	2,52%	3,76%

	December 31, 2022	December 31, 2021
Provision for employee termination benefits	20.100.894	9.689.869
Total	20.100.894	9.689.869

Movements in the provision for severance pay over the years are as follows:

	December 31, 2022	December 31, 2021
January 1	9.689.869	7.441.037
Service costs	6.445.252	2.835.194
Interest costs	2.083.321	952.453
Severance paid (-)	(2.726.301)	(1.131.792)
Actuarial loss or gain	4.608.753	(407.023)
Closing	20.100.894	9.689.869

16. Other assets and liabilities

a) Other current assets

As of December 31, 2022 and 2021, the details of other current assets are as follows:

	December 31, 2022	December 31, 2021
Deferred VAT	179.363	1.058.914
Job advances	498.096	538.064
Total	677.459	1.596.978

b) Other current liabilities

As of December 31, 2022 and 2021, the details of other current liabilities are as follows:

	December 31, 2022	December 31, 2021
Taxes payables and liabilities	120.266.153	12.294.139
Other	436.618	202.512
Total	120.702.771	12.496.651

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

17. Tax assets and liabilities

The corporation tax rate is 23% in Turkey (2021: 25%). Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

The law regarding amendments to the Tax Procedure Law and the Corporate Tax Law, numbered Law No. 7352, was enacted on January 20, 2022. It has been decided that financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods, including interim accounting periods, and the temporary tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment under Article 298 are met.

On January 20, 2022, the Public Oversight, Accounting and Auditing Standards Authority made a statement regarding the application of Financial Reporting in High Inflationary Economies under TFRS. It has been stated that no adjustments are required within the scope of IAS 29 Financial Reporting in Hyperinflationary Economies for the financial statements of the year 2021. The attached financial statements have not been adjusted for inflation in accordance with IAS 29.

The tax amounts reflected in the profit or loss statement for the years ended December 31, 2022 and 2021, are summarized below:

	December 31, 2022	December 31, 2021
Period tax expenses	(253.435.170)	(57.468.871)
Deferred tax income	102.103.490	20.053.582
Total tax expenses, net	(151.331.680)	(37.415.289)

The distribution of the period tax expense is as follows:

	December 31, 2022	December 31, 2021
-Corporate tax expenses to be paid	244.950.770	50.946.021
-Tax expense related to revaluation fund recognized in statutory financial statements	8.484.400	6.522.850
Total tax expenses	253.435.170	57.468.871

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira ("TL") unless otherwise stated)****17. Tax assets and liabilities(continued)**

Period profit tax liability is as follows:

	December 31, 2022	December 31, 2021
Corporate tax expenses to be paid	244.950.770	50.946.021
Taxes paid in advanced (-)	(165.302.733)	(9.886.063)
Current period tax related liabilities	79.648.037	41.059.958

The reconciliation of the period tax expense with the profit for the period is as follows:

Reconciliation of tax provision	December 31, 2022	December 31, 2021
Profit before tax	1.978.341.091	555.096.443
Calculated tax expenses	(455.018.451)	(138.774.111)
Non-deductible expenses	(10.011.072)	(3.633.139)
Research and development concessions and other discounts	30.450.712	15.072.883
Investment incentive discount	99.354.445	75.431.883
Effect of change in rate of corporation tax	164.151.840	13.804.096
The effect of adjustments on which no deferred tax is calculated	4.512.635	-
Other	15.228.211	683.099
Total tax income/ (expenses) reported in the profit or loss statement	(151.331.680)	(37.415.289)

As of December 31, 2022 and 2021, the details of the deferred tax assets and liabilities prepared using the applicable tax rates are as follows:

	Deferred tax asset/ liabilities	Deferred tax asset/ liabilities
	December 31, 2022	December 31, 2021
Deferred tax assets and liabilities:		
Provision for severance payments and unused vacation	5.531.002	2.443.020
Provisions for doubtful receivables and ECL	2.128.560	5.714.896
Rediscount income/ (expenses), net	3.980.809	2.516.846
Differences of tangible assets and intangible assets book value with tax balances	219.950.070	29.746.898
Differences in valuation of derivative instruments	-	12.526.314
Differences in foreign currency valuation	4.616.404	(8.876.615)
Other	(5.741.005)	1.853.336
Deferred tax liability, net	230.465.840	45.924.695

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira (“TL”) unless otherwise stated)****18. Revenue**

	January 1 – December 31, 2022	January 1 – December 31, 2021
Domestic sales	5.927.117.276	2.633.326.558
Export sales	1.612.514.892	558.993.508
Other sales	11.759.787	7.424.072
Gross sales	7.551.391.955	3.199.744.138
Sales discounts and returns (-)	(158.958.507)	(45.441.829)
Net sales	7.392.433.448	3.154.302.309

19. Cost of sales

	January 1 – December 31, 2022	January 1 – December 31, 2021
Raw materials and consumables	3.931.002.404	2.235.299.047
Personnel expenses	202.706.548	110.279.106
Depreciation and amortization expenses	49.849.199	44.482.454
Change in work in process	911.368.326	(121.686.634)
Change in finished products	(345.702.550)	(94.950.360)
Cost of merchandise sold (-)	157.690.775	96.769.136
Total	4.906.914.702	2.270.192.749

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira (“TL”) unless otherwise stated)****20. General administrative expenses and marketing expenses (-)****a. General administrative expenses (-)**

	January 1 – December 31, 2022	January 1 – December 31, 2021
Personnel expenses	39.909.018	10.345.121
Outsourced services	13.374.214	1.110.544
Depreciation expenses	2.907.417	264.055
License expenses	986.049	623.214
Taxes, duties and fees	469.017	815.269
Travel expenses	141.858	2.847.816
Other	9.733.729	4.458.692
Total	67.521.302	20.464.711

b. Marketing, sales and distribution expenses (-)

	January 1 – December 31, 2022	January 1 – December 31, 2021
Sales premium and commission expenses	162.091.475	17.795.902
Transportation expenses	78.304.511	31.989.331
Personnel expenses	25.396.824	9.105.270
Export expenses	15.418.987	1.488.290
Advertising and sponsorship expenses	8.107.746	793.595
Travel expenses	2.372.114	298.206
Depreciation expenses	86.623	228.209
Maintenance and repair expenses	33.467	41.995
Other	12.853.671	3.860.441
Total	304.665.418	65.601.239

c. Research and development expenses (-)

	January 1 – December 31, 2022	January 1 – December 31, 2021
Amortization	28.709.210	22.590.286
Total	28.709.210	22.590.286

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira ("TL") unless otherwise stated)****21. Other income and expenses from main operations**

a) Other income from main operations

	January 1 – December 31, 2022	January 1 – December 31, 2021
Foreign exchange income	408.091.964	500.413.940
Trade receivables interest income	82.626.319	6.558.172
Scrap sales	50.950.393	19.471.625
Incentive income	23.095.335	13.399.539
Other	35.534.050	15.366.760
Total	600.298.061	555.210.036

b) Other expenses from main operations

	January 1 – December 31, 2022	January 1 – December 31, 2021
Foreign exchange loss	429.279.677	237.714.949
Rediscount interest expenses	15.980.178	11.444.421
Provision for doubtful receivables (Note 5)	686.723	26.316.662
Commission expenses	1.555.560	15.634.410
Tax expenses related to law No. 7326	-	5.446.968
Other	44.889.206	27.795.471
Total	492.391.344	324.352.881

22. Income and expenses from investment activities

a) Income from investment activities

	January 1 – December 31, 2022	January 1 – December 31, 2021
Gain on sale of fixed assets	52.685.921	2.295.304
Currency protected time deposit incomes	41.089.813	-
Fixed assets valuation (Note 9)	13.813.815	-
Fair value differences of financial investments	10.493.664	-
Rent incomes	170.000	2.831.200
Total	118.253.213	5.126.504

b) Expenses from investment activities

	January 1 – December 31, 2022	January 1 – December 31, 2021
Impairment of fixed assets (Note 9)	-	13.813.815
Loss on sale of fixed assets	10.106.484	-
Total	10.106.484	13.813.815

Astor Enerji A.Ş.

**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira (“TL”) unless otherwise stated)**

23. Financial expenses and incomes

a) Financial income

	January 1 – December 31, 2022	January 1 – December 31, 2021
Interest income (*)	35.678.585	16.915.907
Total	35.678.585	16.915.907

(*) As of December 31, 2022, the amount of TL 2.768.756 consists of interest income from related parties (December 31, 2021: TL 6.923.605).

b) Financial expenses

	January 1 – December 31, 2022	January 1 – December 31, 2021
Bank commission interest expenses	241.475.352	73.937.483
Foreign exchange loss	109.601.163	320.210.942
Guarantee letter commission expenses	6.937.241	2.662.634
Losses from derivative transactions	-	62.631.570
Total	358.013.756	459.442.629

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

24. Related party disclosures

The Company's executive management consists of members of the Board of Directors.

Remuneration and similar benefits provided to members of the board of directors and executive management for the years ended December 31, 2022 and 2021, are summarized below:

	December 31, 2022	December 31, 2021
Remuneration and similar benefits provided to members of the board of directors	980.000	600.000
Remuneration and similar benefits provided to executive management	4.828.477	2.427.107
Total	5.808.477	3.027.107

a) Trade receivables from related parties

	December 31, 2022	December 31, 2021
Astor Energy Algeria (1)	22.841.797	15.698.772
Özgüney Elektrik A.Ş. (2)	3.267.132	-
EFG Elektrik İnş. Enerji San. ve Tic. Ltd. Şti. (2)	1.928.982	50.157.880
HTZ Hayvancılık Enerji San. ve Tic. A.Ş. (2)	-	658.670
Tropikal Ahşap ve Orm. Ür. Gıda. Otom. San. Dış. Tic. Ltd. Şti. (2)	-	147.386
Güney Elektrik Ltd. Şti. (2)	-	2.479
Güney Ges Elek. San. ve Tic. A.Ş. (2)	-	28.451
Etm – Astor Sarl (1)	-	10.173.227
Total	28.103.071	76.866.865

b) Other receivables from related parties

	December 31, 2022	December 31, 2021
BHB Yapı Enerji Üretim San. ve Tic. A.Ş. (2)	-	5.462.331
Özgüney Elektrik A.Ş. (2)	-	23.555.661
Total	-	29.017.992

c) Payables to related parties

	December 31, 2022	December 31, 2021
EFG Elektrik İnşaat Enerji San. ve Tic. Ltd. Şti. (2)	36.351.966	-
Total	36.351.966	-

d) Prepaid expenses to related parties

	December 31, 2022	December 31, 2021
Özgüney Elektrik A.Ş. (2)	40.263.813	-
Ges Anka Elek. Elektronik San. Tic. A.Ş.(2)	-	7.618
Total	40.263.813	7.618

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

24. Related party disclosures (continued)

e) Deferred income from related parties

	December 31, 2022	December 31, 2021
Yentek Enerji İnşaat Elektrik Sanayi ve Tic. Ltd. Şti. (2) (**)	-	133.047
Total	-	133.047

f) Sales of goods and services to related parties

	December 31, 2022	December 31, 2021
EFG Elektrik İnşaat Enerji San. ve Tic. Ltd. Şti. (2)	84.282.247	36.390.509
Güney Ges Elektrik San. Tic. Ltd. Şti. (2)	19.996.988	58.968
Özgüney Elektrik A.Ş. (2)	8.562.497	42.122.060
Etm – Astor Sarl (2)	4.557.882	6.865.259
Yentek Enerji İnşaat Elektrik Sanayi ve Tic. Ltd. Şti. (2)	-	5.592.818
HTZ Hayvancılık Enerji San. ve Tic. A.Ş. (2)	513.975	558.608
Astor Energy Algeria (2)	-	1.185.794
Güney Elektrik Ltd. Şti. (2)	-	22.510
Tropikal Ahşap ve Orman Ürünleri Gıda Otom. San. Dış. Tic. Ltd. Şti. (2)	-	559.200
Total	117.913.589	93.355.726

The distribution of sales to related parties according to their qualifications is as follows;

	December 31, 2022	December 31, 2021
Goods and services	47.325.275	20.132.891
Commercial goods and ges materials	44.742.000	72.663.635
Tangible assets (*)	25.846.314	-
Rent income	-	559.200
Total	117.913.589	93.355.726

(*) Consists of solar power plant facility sales.

(**) Within the scope of articles 17, 18, 19 and 20 of the Corporate Tax Law, it merged under Özgüney Elektrik A.Ş.

(***) As of October 7, 2022, the shares of HTZ Hayvancılık Enerji Sanayi ve Ticaret Limited Şirketi transferred to third parties and exited from related parties after this date.

g) Purchases of goods and services from related parties

	December 31, 2022	December 31, 2021
Özgüney Elektrik A.Ş. (2)	135.855.971	49.882.758
EFG Elektrik İnşaat Enerji San. ve Tic. Ltd. Şti. (2)	32.845.469	3.471.536
Güney Ges Elektrik San. Tic. Ltd. Şti. (2) (*)	23.624.897	-
Total	192.326.337	53.354.294

The Company procures raw materials and other materials from related party companies.

(1) Company owned by shareholders

(2) Companies controlled by close family members

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira (“TL”) unless otherwise stated)

25. The nature and risk level of financial instruments

The main financial instruments of the Company consist of short-term and long-term bank loans, cash and bank deposits. The main purpose of these financial instruments is to finance the Company's operating activities. The Company also has other financial instruments such as trade payables and trade receivables arising from direct operating activities.

Share capital management

While managing the capital, the Company's goals are to maintain the most appropriate capital structure and to ensure the continuity of the Company's activities in order to benefit its partners and reduce the cost of capital.

The ratio of net debt calculated by subtracting cash and cash equivalents of December 31, 2022 and December 31, 2021 from financial debts, divided by total capital, is as follows:

	December 31, 2022	December 31, 2021
Total financial liabilities	1.285.465.088	1.270.383.615
Cash and cash equivalents (-)	(143.100.915)	(293.096.282)
Financial investments (-)	(371.983.256)	(1.129.388)
Net financial liabilities	770.380.917	976.157.945
Shareholder's equity	3.310.866.689	1.098.575.339
Total equity	4.081.247.606	2.074.733.284
Net financial liabilities/ equity	19%	47%

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira ("TL") unless otherwise stated)****25. The nature and risk level of financial instruments (continued)*****Currency risk management***

Foreign currency transactions cause currency risk. Exchange rate risk is managed by balancing the assets and liabilities in foreign currency .

As of December 31, 2022 and 2021, the Company's foreign currency position is as follows:

December 31, 2022	USD	EURO	Total TL equivalent (Presentation currency)
Cash and cash equivalents	3.099.795	1.772.174	93.289.007
Trade receivables	60.703.500	19.598.472	1.525.745.840
Total assets	63.803.295	21.370.646	1.619.034.847
Bank loans	-	12.201.961	243.682.917
Other payables	25.322.845	10.039.842	674.851.199
Total liabilities	25.322.845	22.241.803	918.534.116
Net foreign currency position	38.480.450	(871.157)	700.500.731

December 31, 2021	USD	EURO	Total TL equivalent (Presentation currency)
Cash and cash equivalents	10.732.117	6.844.743	246.312.985
Trade receivables	47.504.171	14.894.645	857.894.144
Total assets	58.236.288	21.739.388	1.104.207.129
Bank loans	5.000.000	51.996.183	851.095.809
Other payables	17.373.225	6.714.395	332.865.777
Total liabilities	22.373.225	58.710.578	1.183.961.586
Net foreign currency position	35.863.063	(36.971.190)	(79.754.457)

Astor Enerji A.Ş.**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira (“TL”) unless otherwise stated)****25. The nature and risk level of financial instruments (continued)****Currency risk management (continued)***Sensitivity of currency risk*

The Company is mainly exposed to Exchange rate risk in USD and EURO.

The foreign Exchange rate sensitivity analysis table of the Company as of December 31, 2022 and 2021 is as follows:

		December 31, 2022	
		Profit/ loss	
		Appreciation of foreign currency	Depreciation of foreign currency
Appreciation/ depreciation of TL against USD at 10%:			
1-	USD net asset/ liability	71.866.564	(71.866.564)
2-	Portion protected from USD risk (-)	-	-
3-	USD net effect (1+2)	71.866.564	(71.866.564)
Appreciation/ depreciation of TL against EURO at 10%:			
4-	EURO net asset/ liability	(1.816.491)	1.816.491
5-	Portion protected from EURO risk (-)	-	-
6-	EURO net effect (4+5)	(1.816.491)	1.816.491
Total (3+6)		70.050.073	(70.050.073)
		December 31, 2021	
		Profit/ loss	
		Appreciation of foreign currency	Depreciation of foreign currency
Appreciation/ depreciation of TL against USD at 10%:			
1-	USD net asset/ liability	47.801.878	(47.801.878)
2-	Portion protected from USD risk (-)	-	-
3-	USD net effect (1+2)	47.801.878	(47.801.878)
Appreciation/depreciation of TL against EURO at 10%:			
4-	EURO net asset/ liability	(55.777.324)	55.777.324
5-	Portion protected from EURO risk (-)	-	-
6-	EURO net effect (4+5)	(55.777.324)	55.777.324
Total (3+6)		(7.975.446)	7.975.446

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

25. The nature and risk level of financial instruments (continued)

Credit risk

Credit risk is the risk that one of the parties investing in a financial instrument cannot fulfil its obligations and suffer financial losses from the other party. The Company manages credit risk by limiting its transactions with certain third parties and by constantly reviewing the credit risk of third parties. There is no credit risk in the retail sector as it is sold with cash and credit cards. It works with customers with high credibility in wholesale sales, often uses advance method in advance and continuous credit evaluations are made.

Credit risk concentrations occur when counterparties carry out similar business activities or operate within the same geographic region or if they have similar economic characteristics, the fulfilment of their contractual obligations is equally affected by changes in economic, political and other circumstances. The Company manages credit risk by diversifying its sales activities against the risk of excessive concentration resulting from working with individuals and groups in limited regions and sectors. The maximum credit risk amount of the Company is the carried value of the financial instruments it carries in the financial statements.

December 31, 2022	Receivables				Deposits in Banks
	Trade Receivables		Other Receivables		
	Related Party	Other	Related Party	Other	
Maximum exposure to credit risk as of reporting date (A+B+C+D)	28.037.911	2.550.076.171	-	149.055.775	143.064.229
- The portion of the maximum risk secured by collateral, etc.	-	-	-	-	-
A. Net book value of financial assets that are not overdue or impaired	28.037.911	2.550.076.171	-	149.055.775	143.064.229
B. net book value of financial assets that are past due but not impaired	-	-	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
- Pass due (gross amount)	-	27.535.563	-	-	-
- Impairment (-)	-	(27.535.563)	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
D. Off-balance sheet items including credit risk	-	-	-	-	-

December 31, 2021	Receivables				Deposits in Banks
	Trade Receivables		Other Receivables		
	Related Party	Other	Related Party	Other	
Maximum exposure to credit risk as of reporting date (A+B+C+D)	76.866.865	1.308.805.000	29.017.992	70.789.074	293.051.034
- The portion of the maximum risk secured by collateral, etc.	-	-	-	-	-
A. Net book value of financial assets that are not overdue or impaired	76.866.865	1.308.805.000	29.017.992	70.789.074	293.051.034
B. net book value of financial assets that are past due but not impaired	-	-	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
- Pass due (gross amount)	-	39.532.997	-	-	-
- Impairment (-)	-	(39.532.997)	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
D. Off-balance sheet items including credit risk	-	-	-	-	-

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**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira (“TL”) unless otherwise stated)**

25. The nature and risk level of financial instruments (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company’s short, medium and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following tables detail the Company’s remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. When receivables and payables are not fixed, the amount is determined by using the interest rate derived from yield curves at the reporting date.

December 31, 2022, terms in accordance with the contract	Total cash outflows in accordance with the contract				
	Book value	(I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Non-Derivative Financial Liabilities					
Bank loans	1.285.465.088	1.456.949.302	31.570.070	1.248.152.292	177.226.940
Financial leasing	12.976.873	12.976.873	1.707.089	5.238.174	6.031.610
Trade payables	946.924.045	960.012.762	960.012.762	-	-
Other liabilities	120.702.771	120.702.771	120.702.771	-	-
Total liabilities	2.366.068.777	2.550.641.708	1.113.992.692	1.253.390.466	183.258.550

December 31, 2021, terms in accordance with the contract	Total cash outflows in accordance with the contract				
	Book Value	(I+II+III)	Less than 3 months (I)	3-12 months(II)	1-5 years (III)
Non-Derivative Financial Liabilities					
Bank loans	1.255.936.073	1.353.373.084	897.984.712	193.389.754	261.998.618
Financial leasing	14.447.542	14.447.542	1.201.902	3.688.012	9.557.628
Trade payables	466.178.919	468.337.378	468.337.378	-	-
Other liabilities	12.496.651	12.496.651	12.496.651	-	-
Total liabilities	1.749.059.185	1.848.654.655	1.380.020.643	197.077.766	271.556.246

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Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

26. Fair value disclosure

Interest rate risk

The sensitivity analyses below were determined based on interest rate risks that non-derivative instruments were exposed to as at the reporting date. For the analysis of floating-rate liabilities, it was assumed that balance at the end of the year existed throughout the year.

Financial instruments

Fair value is the amount that a financial instrument can change hands in a current transaction between voluntary parties other than a mandatory sale or liquidation transaction, if any, it is best determined by a market price.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methods. However, judgment is used in the interpretation of market data for the purpose of fair value estimation. Accordingly, the estimates presented here may not be indicative of the values that Cricket can achieve in a current market transaction.

The fair values and levels of financial assets and liabilities measured at their fair value in the statement of financial position as of December 31, 2022 and December 31, 2021 are as follows:

December 31, 2022	Level 1	Level 2	Level 3
	TL	TL	TL
Derivative financial assets/ (liabilities), net	-	-	-
	-	-	-
December 31, 2021	Level 1	Level 2	Level 3
	TL	TL	TL
Derivative financial assets/ (liabilities), net	-	(62.631.570)	-
	-	(62.631.570)	-

Astor Enerji A.Ş.

**Notes to the financial statements
for the year ended December 31, 2022
(Currency: Turkish Lira (“TL”) unless otherwise stated)**

26. Fair value disclosures (continued)

December 31, 2022						
	Financial assets valued at amortized cost (TL)	Fair value (TL)		Financial liabilites valued at amortized cost (TL)	Book value	Note
		Assets	(Liabilities)			
Financial Assets						
Cash and cash equivalents	143.100.915	-	-	-	143.100.915	3
Short-term financial investments	371.983.256	-	-	-	371.983.256	3
Long-term financial investments	-	34.342.690			34.342.690	3
Receivables from third parties	2.550.076.171	-	-	-	2.550.076.171	5
Receivables from related parties	28.037.911	-	-	-	28.037.911	24
Financial Liabilities						
Financial liabilities	-	-	-	1.285.465.088	1.285.465.088	4
Trade payables	-	-	-	946.924.045	946.924.045	5
Derivative Instruments	-	-	-	-	-	4
December 31, 2021						
	Financial assets valued at amortized cost (TL)	Fair value (TL)		Financial liabilites valued at amortized cost (TL)	Book value	Note
		Assets	(Liabilities)			
Financial Assets						
Cash and cash equivalents	293.096.282	-	-	-	293.096.282	3
Short-term financial investments	1.129.388	-	-	-	1.129.388	3
Receivables from third parties	1.308.805.000	-	-	-	1.308.805.000	5
Receivables from related parties	76.866.865	-	-	-	76.866.865	24
Financial Liabilities						
Financial liability	-	-	-	1.270.383.615	1.270.383.615	4
Trade payables	-	-	-	466.178.919	466.178.919	5
Derivative Instruments	-	-	62.631.570	-	62.631.570	4

Astor Enerji A.Ş.

Notes to the financial statements for the year ended December 31, 2022 (Currency: Turkish Lira ("TL") unless otherwise stated)

27. Earnings per share

The Company's earnings per share statement for the years ended December 31, 2022 and 2021 is as follows:

	December 31, 2022	December 31, 2021
Net comprehensive income or loss attributable to the equity holders of the parent	1.827.009.411	517.681.157
Weighted average number of share certificates (piece)	850.000.000	205.342.466
Earnings per share	2,15	2,52

28. Fees for services received from an independent audit firm

The explanation regarding the fees for the services rendered by the independent audit firms, which is prepared by the Company pursuant to the Board Decision of the KGK published in the Official Gazette on March 30, 2021, and the preparation principles of which are based on the letter of the KGK dated August 19, 2021 are given below:

	December 31, 2022	December 31, 2021
Independent audit fee	800.000	350.000
	800.000	350.000

29. Subsequent event after financial statement

Company shares started to be traded on Borsa İstanbul A.Ş. on January 18, 2023, with a share price of 12.50 TL, a free float rate of 21.04%, and a public offering size of 2.625.000.000 TL.

The capital increase regarding the increase of the Company's issued capital from TL 850.000.000 to TL 998.000.000 was approved by the CMB on February 21, 2023.

The Company signed order contracts with various buyers in the amount of 11.133.380 USD and 25.710.692 Euros in 2023.