NATUREL YENİLENEBİLİR ENERJİ TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE INTERIM
PERIOD ENDED 1 JANUARY - 30 SEPTEMBER 2020

PART I: FINANCIAL STATEMENTS

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NATUREL YENİLENEBİLİR ENERJİ TİCARET A.Ş.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER, 2020
Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.

	Note	Unaudited Current Period 30 September 2020	Audited Previous Period 31 December 2019
ASSETS			
Current Assets		**134.055.349**	**44.685.692**
Cash and Cash Equivalents	4	13.351.666	26.888.737
Trade Receivables	8	12.040.821	11.807.601
Trade Receivables from Third Parties		*12.040.821*	*11.807.601*
Other Receivables		255.686	4.123.527
Other Receivables from Related Parties		-	*75*
Other Receivables from Third Parties	*9*	*255.686*	*4.123.452*
Inventories		15.295.359	181.961
Prepaid Expenses	7	533.356	533.356
Assets Related to Current Period Tax		-	3.965
Other Current Assets	14	88.456.439	1.146.546
TOTAL CURRENT ASSETS		**134.055.349**	**44.685.692**
Non-Current Assets		**644.252.363**	**522.425.991**
Financial Investments	5	50.000	50.000
Other Receivables	9	24.527	244.668
Other receivables from third parties		*24.527*	*244.668*
Investment Properties	11	29.570.300	24.409.420
Property, Plant and Equipment	12	614.232.527	497.423.870
Intangible Assets		276.580	283.504
Goodwill	*15*	*79.243*	*79.243*
Other Intangible Fixed Assets		*197.337*	*204.261*
Prepaid Expenses	7	98.429	14.530
TOTAL ASSETS		**778.307.712**	**567.111.683**

NATUREL YENİLENEBİLİR ENERJİ TİCARET A.Ş.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER, 2020
Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.

STATEMENT OF FINANCIAL POSITION		Unaudited Current Period 30 September 2020	Audited Previous Period 31 December 2019
LIABILITIES	**Note**		
Current Liabilities		**131.701.572**	**151.697.706**
Short Term Borrowings	6	1.000.000	6.000.088
Short Term Portion of Long-Term Borrowings	6	67.061.862	45.494.461
Other Financial Liabilities	6	-	104.053
Trade Payables	8-24	11.732.946	87.462.189
Due to Related Parties		*8.592.563*	*4.296.092*
Other Trade Payables		*3.140.383*	*83.166.097*
Employee Benefit Obligations		576.993	300.449
Other Payables	9-24	6.444.241	11.500.000
Other Payables to Related Parties		*6.444.241*	*11.500.000*
Deferred Income	7	40.463.718	199.518
Current Tax Liabilities		-	252.391
Provisions		128.295	21.128
Provisions for Employee Benefits		*128.295*	*21.128*
Other Current Liabilities	14	4.293.517	363.430
Total Current Liabilities		**131.701.572**	**151.697.706**
Non-Current Liabilities		**333.585.136**	**201.671.360**
Long-Term Borrowings	6	248.376.299	142.484.697
Provisions		580.832	10.543
Provisions for Employee Benefits		*580.832*	*10.543*
Deferred Tax Liabilities	22	84.628.005	59.176.120
EQUITY		**313.034.542**	**213.742.617**
Parent's Equity		**313.034.542**	**213.742.617**
Paid-in Share Capital	16	33.000.000	33.000.000
The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control	16	(7.380.156)	(7.380.156)
Share Premiums / Discounts	16	37.015.413	37.015.413
Other Accumulated Comprehensive Income / Expenses that not to be Reclassified to Profit or Loss	16	170.189.427	81.687.391
Gains/Losses on Re-measurement of Defined Benefit Plans	16	(54.430)	166.558
Increase on Revaluation of Property, Plant and Equipment	16	170.243.857	81.520.833
Legal Reserves	16	1.052.573	1.013.087
Profit/Losses in Previous Years	16	63.934.157	635.548
Net Profit/Loss for the Period	16	15.223.128	67.771.333
Non-Controlling Shares		-	-
TOTAL LIABILITIES		**778.422.160**	**567.111.683**

NATUREL YENİLENEBİLİR ENERJİ TİCARET A.Ş.
CONSENDED CONSOLIDATED STATEMENT OF CASH FLOW AS OF 30 SEPTEMBER, 2020
Amounts expressed in Turkish Lira ("TL") unless otherwise indicated

NATUREL YENİLENEBİLİR ENERJİ TİCARET A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 30 SEPTEMBER, 2020
Amounts expressed in Turkish Lira ("TL") unless otherwise indicated

PROFIT OR LOSS	**Note**	**Unaudited 1 January -30 September 2020**	**Unaudited 1 July - 30 September 2019**	**Unaudited 1 January - 30 September 2019**	**Unaudited 1 January - 30 September 2019**
Revenue	3	135.611.626	83.854.170	56.021.892	15.811.725
Cost of Sales (-)	3	(49.801.999)	(39.595.414)	(18.957.850)	(8.079.044)
GROSS PROFIT/LOSS		**85.809.627**	**44.258.756**	**37.064.042**	**7.732.681**
General Administrative Expenses (-)	3-17	(8.612.646)	(3.654.998)	(5.108.955)	(1.668.848)
Other Income from Operating Activities	18	12.522.959	6.345.282	6.413.837	4.273.626
Other Expenses from Operating Activities (-)	18	(6.304.971)	(1.792.364)	(2.610.675)	(680.898)
OPERATING PROFIT/LOSS		**83.414.969**	**45.156.676**	**35.758.249**	**9.656.561**
Income from Investing Activities		11.602.632	383.239	463.697	-
Expenses from Investing Activities (-)		(15.193)	-	(158.564)	2.583
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE		**95.002.408**	**45.539.915**	**36.063.382**	**9.659.144**
Income from Investing Activities	19	2.591.937	1.782.753	1.360.197	861.797
Expenses from Investing Activities (-)	20	(81.601.014)	(45.107.244)	(19.778.884)	(1.424.755)
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX		**15.993.331**	**2.215.424**	**17.644.695**	**9.096.186**
Tax (Expense)/ Income from Continued Operations		(775.941)	301.735	(7.212.582)	(1.344.464)
Current Tax Income/ (Expense)		-	-	-	83.253
Deferred Tax Income/ (Expense)	21	(775.941)	301.735	(7.212.582)	(1.427.717)
PROFIT/LOSS FOR THE PERIOD FROM CONTINUED OPERATIONS		**15.217.390**	**2.517.159**	**10.432.113**	**7.751.722**
PROFIT/LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS					
NET (LOSS)/ PROFIT FOR THE PERIOD		**15.217.390**	**2.517.159**	**10.432.113**	**7.751.722**
Distribution of Profit/Loss for the Period					
Non-Controlling Interests		-	-	-	-
Equity Holders of the Parents	16	15.217.390	2.517.159	10.432.113	7.751.722
		15.217.390	**2.517.159**	**10.432.113**	**7.751.722**
Earnings Per Share					
Earnings per Share from Continued Operations	22	0.46	0.08	0,32	0,26
Earnings per Share from Discontinued Operations					

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

OTHER COMPREHENSIVE INCOME

	Note	Unaudited 1 January-30 September 2020	Unaudited 1 July-30 September 2020	Unaudited 1 January-30 September 2019	Unaudited 1 July-30 September 2019
PROFIT/ (LOSS) FOR THE PERIOD		**15.217.390**	**2.517.159**	**10.432.113**	**7.751.722**
OTHER COMPREHENSIVE INCOME:					
Income or Expenses not to be Reclassified to Profit or Loss		88.494.236	(230.387)	136.682	-21.228
Increase/Decrease in Revaluation Of Property, Plant and Equipment		113.747.467	113.747.467	-	-
Increase/Decrease in Revaluation Of Intangible Fixed Assets		-	-	-	-
Defined Benefit Plans Re-Measurement Gain / (Loss)		(220.988)	(228.788)	(230.838)	175.233
Not To be Re-Classified in Profit or Loss Other Comprehensive Income Tax		(25.024.443)	451	-38.551	5.987
Tax Income/ (Expense) for the Period		-	-	-	-
Deferred Tax Income/ (Expense)	22	(25.024.443)	451	-38.551	5.987
Income or Expenses to be Reclassified to Profit or Loss					
OTHER COMPREHENSIVE INCOME		**88.494.236**	**(230.387)**	**136.682**	**(21.228)**
TOTAL COMPREHENSIVE INCOME		**103.711.626**	**2.286.772**	**10.568.795**	**7.730.494**
Distribution of Total Comprehensive Income:		**103.711.626**	**2.286.772**	**10.568.795**	**7.730.494**
Non-controlling Share		-	-	-	-
Equity Holders of the Parent		103.711.626	2.286.772	10.568.795	7.730.494

NATUREL YENİLENEBİLİR ENERJİ TİCARET A.Ş.
CONSENDED CONSOLIDATED STATEMENT OF CASH FLOW AS OF 30 SEPTEMBER, 2020
Amounts expressed in Turkish Lira ("TL") unless otherwise indicated

	Note	01.01.2020-30.09.2020	01.01.2019 - 30.09.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		**(89.151.317)**	**747.380**
Net Cash Flows from Operating Activities			
Profit/ (Loss) for the period		**15.217.390**	**10.432.113**
Adjustments to reconcile profit for the period		**(104.368.707)**	(9.684.733)
Adjustments related to depreciation and amortization expenses	12	4.763.988	7.258.718
Adjustments Related to Impairment (Cancellation)	8	5.085.584	471.943
Adjustments related to provisions	18	677.456	(3.037)
Adjustments for interest (income)/ expenses			(1.168.659)
Adjustments for unrealized foreign exchange differences		(66.169.562)	8.774.885
Adjustments Related to Decreases (Increases) in Inventories		(15.113.398)	-
Adjustments Related to Decrease (Increase) in Trade Receivables	8	(233.220)	6.079.648
Adjustments Related to Increase (Decrease) in Other Receivables	9	4.087.982	(22.994.644)
Adjustments Related to Increase (Decrease) in Trade Payables	8	(75.729.244)	399.234
Adjustments Related to Increase (Decrease) in Other Receivables Associated with Operations	9	(5.055.759)	26.914
Adjustments for (gain) / loss on sale of property, plant and equipment			(305.053)
Other adjustments for profit / loss reconciliation		43.319.250	(15.437.264)
Tax Refunds/Payments		(1.784)	7.212.582
B. YATIRIM FAALİYETLERİNDEN NAKİT AKIŞLARI		**(26.331.932)**	**(10.357.955)**
Cash inflows from sale of property, plant and equipment		-	461.000
Cash outflow from purchase of property, plant and equipment	12	(24.906.932)	(11.633.955)
Cash outflows from purchase of other long term assets		(1.425.000)	-
Other cash inflows/outflows			815.000
C.CASH FLOWS FROM FINANCING ACTIVITIES		**101.946.178**	**20.017.356**
Cash inflows from Capital Advance		-	46.400.000
Cash inflows due to borrowings	6	-	488.750
Cash outflows due to repayment of borrowings	6	134.682.466	33.275.000
Interest Paid	20	(18.651.295)	(49.301.525)
		(14.084.993)	(10.844.869)
NET DECREASE(INCREASE) IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY TRANSLATIONS (A+B+C)		**(13.537.071)**	**10.406.781**
D.FOREIGN CURRENCY TRANSLATION EFFECTS ON CASH AND CASH EQUIVALENTS		**-**	**-**
GROSS INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS (A+B+C+D)		**(13.537.071)**	**10.406.781**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**26.888.737**	**695.979**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E)		**13.351.666**	**11.102.760**

NATUREL YENİLENEBİLİR ENERJİ TİCARET A.Ş. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CAPITAL AS OF 30 SEPTEMBER, 2020

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

					Other Accumulated Comprehensive Income/ (Expense) not to be Reclassified to Profit or Loss			Retained Earnings			
	Paid-in Share Capital	Capital Advance	Share Related to Premiums/Allowances	The Effect of Mergers Involving Undertaking or Enterprises	Defined Benefit Plans Remeasurement Gain / (Losses)	Property, Plant and Equipment Revaluation Fund	Reserves on Retained Earnings	Profit or Loss for the Previous Period	Net Profit or Loss for the Period	**Parent's Equity**	**Total Equity**
Balance as of January 1, 2019	**20.000.000**	**3.211.250**	**-**	**-**	**32.319**	**84.956.730**	**465.064**	**(9.435.069)**	**8.511.571**	**107.741.865**	**107.741.865**
Increase of Capital	11.700.000	(3.700.000)	37.015.413	-	-	-	-	-	-	45.015.413	45.015.413
Capital Advance	-	488.750	-	-	-	-	-	-	-	488.750	488.750
Transfers	1.300.000	-	-	-	-	-	548.023	6.663.548	(8.511.571)	-	-
Total Comprehensive Income (Expense)	-	-	-	-	136.682	-	-	-	10.432.113	10.568.795	10.568.795
Other Comprehensive Income (Expense)	-	-	-	-	136.682	-	-	-	-	136.682	136.682
Net Profit/Loss for the Period	-	-	-	-	-	-	-	-	10.432.113	10.432.113	10.432.113
Increase/Decrease due to Other Changes	-	-	-	-	-	(2.553.745)	-	2.553.745	-	-	-
Balance as of September 30, 2019	**33.000.000**	**-**	**37.015.413**	**-**	**169.001**	**82.402.985**	**1.013.087**	**(217.776)**	**10.432.113**	**163.814.824**	**163.814.824**
Balance as of January 1, 2020	**33.000.000**	**-**	**37.015.413**	**(7.380.156)**	**166.558**	**81.520.384**	**1.013.087**	**635.548**	**67.771.334**	**213.742.168**	**213.742.168**
Transfers	-	-	-	-	-	-	39.486	67.731.848	(67.771.334)	-	-
Total Comprehensive Income (Expense)	-	-	-	-	(228.788)	88.723.473	-	-	15.217.390	103.712.075	103.712.075
Other Comprehensive Income (Expense)	-	-	-	-	(228.788)	88.723.473	-	-	-	88.494.685	88.494.685
Net Profit/Loss for the Period	-	-	-	-	-	-	-	-	15.217.390	15.217.390	15.217.390
Increase/Decrease due to Other Changes	-	-	-	-	-	-	-	(4.433.239)	-	(4.433.239)	(4.433.239)
Balance as of September 30, 2020	**33.000.000**	**-**	**37.015.413**	**(7.380.156)**	**(62.230)**	**170.243.857**	**1.052.573**	**63.934.157**	**15.217.390**	**313.021.004**	**313.021.004**

NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP

Naturel Yenilenebilir Enerji Ticaret A.Ş. established on October 8, 2009 in Ankara by Ramazan Fıstık (99%) and Bayram Kul (1%) as Naturel-1 Enerji ve Makine Sanayi Ticaret LTD. ŞTİ.

Ramazan Fıstık (99%) has transferred its shares to Yusuf ŞENEL and Bayram Kul (1%) to Ebru ŞENEL with the decision of the Board of Directors on 24.02.2012. On 11.06.2014, Ebru Şenel has transferred all of its shares corresponding to (1%) to Yusuf ŞENEL with the decision of the Board of Directors.

On 04.04.2016, the company became a Joint Stock Company and changed its name to Naturel 1 Enerji Ticaret A.Ş. The company changed its title with the decision of the General Assembly dated 31.01.2019 and the new title was changed to Naturel Yenilenebilir Enerji Ticaret A.Ş. It was announced in the Trade Registry Gazette numbered 143, dated 06 February 2019. The capital of the company is 33,000,000 TL and 12,000,000 TL has been offered to the public. 63.64% of the Company Shares belong to Yusuf Şenel. The company was registered and announced in the trade registry gazette on October 2, 2019, and switched to the registered capital system. The registered capital ceiling is 100,000,000 TL (One hundred million TL), divided into 100,000,000 (one hundred million) shares, each with a nominal value of 1 TL. The registered capital ceiling permission given by CMB is valid for the years 2019-2023 (5 years). The shares representing the capital of the company are divided into A and B groups. 3.000.000 (three million) of A group shares and 18.000.000 (eighteen million) of B group shares belong to Yusuf ŞENEL. Group B consists of 12,000,000 (twelve million) shares open to the public. Shares of Group A are registered, shares of Group B are bearer.

The company has 35 subsidiaries in the period of 30.06.2020. All companies operate in the field of energy generation and energy contracting. Solar Power Plants of the company are collected under Esenboğa Elektrik Üretim A.Ş. and Angora Elektrik Üretim A.Ş.

The Subsidiaries acquired by the company in 2019 are as follows;

Ased Danışmanlık İnşaat Enerji Üretim ve Tic. A.Ş.
Gül1ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.
Gül2ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.
Gül3ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.
Gül5ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.
Gül6ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.
Gül7ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.
Gül8ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.
Sarıges Enerji İnşaat Akaryakıt San. ve Tic.Ltd.Şti.
Maviges Enerji Tekstil İthalat İhracat San. ve Tic.Ltd. Şti.
Er2ges Enerji Tarım İnşaat San. ve Tic. A.Ş.
Er3ges Enerji Tarım İnşaat San. ve Tic. A.Ş.
Er4ges Enerji Tarım İnşaat San. ve Tic. A.Ş.
Er5ges Enerji Tarım İnşaat San. ve Tic. A.Ş.
Bozok Güneş Enerjisi San.ve Tic. A.Ş.
Çapanoğlu Güneş Enerjisi San.ve Tic. A.Ş.
Desti Güneş Enerjisi San.ve Tic. A.Ş.
Sorgun Güneş Enerjisi San.ve Tic. A.Ş.
Yozgat Güneş Enerjisi San.ve Tic. A.Ş.
Ramges Elektrik Üretim A.Ş.
Serra Güneş Enerjisi Üretim A.Ş.
Şevval Güneş Enerjisi Üretim A.Ş.

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

NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

The subsidiaries of the company subject to consolidation are as follows

Name	**Ownership Rate / Power of Control 30.09.2020**	**/ 31.12.2019**
(*) Angora Elektrik Üretim A.Ş.	%100	%100
(**) Esenboğa Elektrik Üretim A.Ş.	%100	%100
Energes 1 Elektrik Ürt. Dan. San. ve Tic. A.Ş.	%100	%100
Energes 9 Elektrik Ürt. Dan. San. ve Tic. A.Ş.	%100	%100
Berrak Ges 1 Elektrik Ürt. San. Tic. A.Ş.	%100	%100
***Margün Enerji Ürt. San. ve Tic. A.Ş.	%100	%100
****Margün 1 Enerji San. ve Tic. A.Ş.	%100	%100
Snl Enerji Ürt. San. ve Tic. A.Ş.	%100	%100
Ysf Enerji Ürt. San. ve Tic. A.Ş.	%100	%100
Saf Akçe Enerji Ürt. San. ve Tic. A.Ş.	%100	%100
Agah Enerji Ürt. San. ve Tic. A.Ş.	%100	%100
Ulus Enerji Ürt. San. ve Tic. A.Ş.	%100	%100
Margün 13 Enerji San. ve Tic. A.Ş.	%100	%100
Ased Danışmanlık İnşaat Enerji Üretim ve Tic. A.Ş.	%100	%100
Gül1ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.	%100	%100
Gül2ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.	%100	%100
Gül3ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.	%100	%100
Gül5ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.	%100	%100
Gül6ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.	%100	%100
Gül7ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.	%100	%100
Gül8ges Enerji Tarım İnşaat San. ve Tic.Ltd.Şti.	%100	%100
Sarıges Enerji İnşaat Akaryakıt San. ve Tic.Ltd.Şti.	%100	%100
Maviges Enerji Tekstil İthalat İhracat San. ve Tic.Ltd. Şti.	%100	%100
Er2ges Enerji Tarım İnşaat San. ve Tic. A.Ş.	%100	%100
Er3ges Enerji Tarım İnşaat San. ve Tic. A.Ş.	%100	%100
Er4ges Enerji Tarım İnşaat San. ve Tic. A.Ş.	%100	%100
Er5ges Enerji Tarım İnşaat San. ve Tic. A.Ş.	%100	%100
Bozok Güneş Enerjisi San.ve Tic. A.Ş.	%100	%100
Çapanoğlu Güneş Enerjisi San.ve Tic. A.Ş.	%100	%100
Desti Güneş Enerjisi San.ve Tic. A.Ş.	%100	%100
Sorgun Güneş Enerjisi San.ve Tic. A.Ş.	%100	%100
Yozgat Güneş Enerjisi San.ve Tic. A.Ş.	%100	%100
Ramges Elektrik Üretim A.Ş.	%100	%100
Serra Güneş Enerjisi Üretim A.Ş.	%100	%100
Şevval Güneş Enerjisi Üretim A.Ş.	%100	%100

* In January 2019, its title was changed to Angora Elektrik Üretim A.Ş..
**In January 2019, its title was changed to Esenboğa Elektrik Üretim A.Ş..
***The company was included in full consolidation in 2019.
****The company is not consolidated as it is inactive.

NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

Naturel Yenilenebilir Enerji, established in 2009, is a company operating under Renewable Energy and especially Wind Energy and Solar Energy production, engineering and contracting sector.

In the field of Solar Energy Applications, which is one of its main service subjects, Naturel Yenilenebilir Enerji installs solar power plants with engineering solutions on behalf of itself and its customers in a wide range from small-scale home systems to large-scale solar power plants.

The company was offered to public on 01-02 August 2019 and started to be traded in Borsa İstanbul as of 08 August 2019.

The company and its subsidiaries will be specified as the Group in the report.

The Company's registered address is Kızılırmak Mahallesi 1450 Sokak Atm Plaza B Blok 1/68 Çankaya/Ankara/Türkiye. The company is the taxpayer of Başkent Tax Office with identification number 6300475593. The company' s contact phone is 0 312 467 18 33.

As of 30 September 2020, the number of personnel employed is 49, as of 31 December 2019 the number of personnel employed is 27.

NOTE 2 BASIS OF PRESENTATION

2.1 Basic Principles Regarding Presentation

a) Preparation of Financial Statements

The accompanying consolidated financial statements are subject to Public Surveillance in accordance with the provisions of the Capital Markets Board's ("CMB") Communiqué No. II-14.1 on the "Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette dated 13 September 2013 and numbered 28676. Accounting and Auditing Standards Board ("UPS") that have been put into force by Turkey Financial Reporting Standards ("IFRS" s) as appropriate. TFRSs; UPS RT by Turkey Accounting Standard ("IAS"), Turkey Financial Reporting Standards comprise standards and interpretations published by TAS Reviews and TFRIC names.

Consolidated financial statements are presented in accordance with the TFRS Taxonomy developed on the basis of the financial statement samples specified in the Financial Statement Examples and User Guide published in the Official Gazette dated June 7, 2019 and numbered 30794 by KGK.

b) Adjustment of Financial Statements in High Inflation Periods

In accordance with the CMB's decision dated 17 March 2005 and 11/367, it found to be effective for companies operating in Turkey and preparing financial statements in accordance with TFRS that inflation accounting application put an end. Accordingly, as of January 1, 2005, Standard No.29 "Financial Reporting in High Inflation Economies" ("TAS 29") has not been applied.

c) Bases of Measurement

The consolidated financial statements have been prepared on the basis of historical cost free from inflation effects that ended on December 31, 2004, excluding the items measured at fair value stated below:

• derivative financial instruments,
• financial investments,
• Lands and parcels, underground and above ground landscapes, buildings and plant machinery and equipments within tangible assets.
Fair value measurement principles are explained in Note 2.6 (iii).

NOTE 2 BASIS OF PRESENTATION (cont'd)

d) Functional and Reporting Currency

Group and its subsidiaries are registered in Turkey; keeps and prepares its legal books and statutory financial statements in accordance with the accounting principles set forth by Turkish Commercial Code ("TCC") tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Subsidiaries operating in foreign countries prepare their accounting records and legal financial statements in the currencies of the countries they operate in and in accordance with the legislation of those countries.

The Group's valid currencies are Turkish Lira ("TL"). These consolidated financial statements are presented in TL, which is the functional currency of the Group. All financial information presented in TL has been rounded to the nearest TL unless otherwise stated.

e) Basis of Consolidation

(i) Business Combination

Business combinations are accounted by using the purchase method on the merger date, which is the date on which control is transferred to the Group. Control occurs when the Group is exposed to variable returns due to its relationship with the investee or is entitled to these returns, and at the same time has the ability to influence these returns with its power over the investee While evaluating the control, performable potential voting rights are taken into consideration by the Group.

The group measures the goodwill on the date of acquisition as follows:

• The fair value of purchase price, plus

• Registered value of non-controlling shares over the business acquired in business combinations; plus

• If the business combination is carried out several times, the fair value of the equity interest on the date of acquisition in the acquired business previously held by the acquirer; minus

• The recognized net value (generally fair value) of identifiable assets acquired and liabilities assumed.

If a negative result is reached in the valuation, the gain from bargain purchases is recognized in profit or loss. Purchase price does not include amounts associated with closing existing relationships. These amounts are usually recognized in profit or loss.

The company merged with SNL Enerji Üretim Sanayi ve Ticaret Anonim Şirketi ("SNL Enerji") and YSF Enerji Üretim Sanayi ve Ticaret Anonim Şirketi ("YSF Enerji") by acquisition method in 17 February 2016. According to 2018/1 numbered resolution of Public Oversight Authority published on 17 September 2018 dated and 30568 numbered Official Gazette, business combinations are defined as the combination of the businesses that are controlled by the same party or the parties before and after the combination and when the control is not temporary. Due to the same parties controlling the business before and after the merger, these transactions are qualified as a business combination subject to joint control. In addition, in 2018, Esenboğa Elektrik Üretim A.Ş. purchased shares of Agah Elektrik Üretim A.Ş. owned by Yusuf ŞENEL, Saf Akçe Elektrik Üretim A.Ş. and Ulus Elektrik Üretim A.Ş. This acquisition was described as a business combination subject to joint control and reported in the other comprehensive income statement. TL 5.280.000 is accounted for share transfers of Agah Elektrik Üretim A.Ş.,Saf Akçe Elektrik Üretim A.Ş. and Ulus Elektrik Üretim A.Ş. and TL 2.100.156 is accounted for share transfers of SNL Enerji Üretim Sanayi ve Ticaret Anonim Şirketi and YSF Enerji Üretim Sanayi ve Ticaret Anonim Şirketi under The Effect of Mergers Involving Undertaking or Enterprises which is reported under under other comprehensive income.

NOTE 2 BASIS OF PRESENTATION (cont'd)

The Company has acquired Energes 1 Elektrik Üretim Dan. San. ve Tic.A.Ş., Energes 9 Elektrik Üretim Dan. San. Ve Tic.A.Ş. and Berrak Ges 1 Elektrik Üretim Dan. San. ve Tic.A.Ş. on 13 June 2018. Due to this acquisiton, goodwill is booked.

Group has acquired 22 of the subsidiaries given in Note 1 on 31 December 2019 together with 20 SPPs. 9 SPPs from Nevşehir, 6 SPPs from Yozgat, 2 SPPs from Bilecik 2 SPPs from Afyon were acquired from Girişim Elektrik Taahhüt San. A.Ş. Public disclosure regarding the acquisition was made on 30 December 2019. Within the scope of TFRS 3 business combinations, those acquired subsidiaries were consolidated under the consolidated financial statements as of 31 December 2019. Total consideration for the acquisition is USD 22.920.000 and all payables of the acquitted subsidiaries were netted off from acquisition cost.

(ii) Acquisitions from jointly controlled business interests

Business combinations resulting from the transfer of shares of the companies controlled by the stakeholder controlling the Group are accounted as if the merger took place at the beginning of the earliest comparative period presented, or on the date when joint control was achieved. For this purpose, comparative periods are rearranged. In business combinations subject to common control, the method of combining rights is used and goodwill is not included. Acquired assets and liabilities are accounted with their registered value previously recorded in the consolidated statements of the stakeholders under the control of the Group. The equity items of the acquired companies are added to the same items in the equity of the Group, except for the capital, and the resulting profit or loss is accounted as a compensating account under the equity under the account "The Effect of Mergers Involving Businesses or Enterprises Subject to Joint Control". In case of Group losing control, the mentioned companies classified the value which is before registered under "The Effect of Mergers Involving Businesses or Enterprises Subject to Joint Control" now under "Previous Years Profits/Losses".
In the event that the mentioned companies lose control of the Group, the amount previously recorded under the "Effect of Mergers Involving Enterprises Subject to Common Control" account is classified into "Profits/Losses for the Previous Years".

(iii) Subsidiaries

Subsidiaries are the businesses controlled by Group. The Group controls an investee when it is exposed to variable returns or has rights to these variable returns and has the ability to influence these returns with its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements by using the full consolidation method until the date when control begins and control ends. If necessary, accounting policies applied for subsidiaries are changed to ensure consistency with the accounting policies applied by the Group.

Interests which have no control power are measured over proportional amount of net asset value in subsidiary purchase date.

Changes that do not result in loss of control in the shares in subsidiaries of the Group are accounted for as a transaction regarding partnership with partners. Adjustments made to non-controlling interests are calculated over the proportional amount of the net asset value of the subsidiary. Adjustment to goodwill cannot be done and it cannot be accounted as gain or loss in profit or loss.

(iv) Lose of Control

In case the Group loses its control over the subsidiary, it derecognizes the assets and liabilities of the subsidiary, its non-controlling interests and the amounts under other equity related to the subsidiary. Gains or losses resulting from this are recognized in profit or loss. If the Group continues to have shares in its previous subsidiary, the remaining shares are measured at fair value as of the day control is lost.

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

NOTE 2 BASIS OF PRESENTATION (cont'd)

(v) Transactions eliminated on consolidation

During the preparation of the consolidated financial statements, intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Unrealized losses from intercompany transactions, in the absence of evidence of impairment, have been eliminated by the method used to eliminate unrealized profits. The registered values of the shares owned by the Group and the dividends resulting from them have been eliminated from the relevant equity and profit or loss statement accounts.

f) Foreign Currency

Transactions in foreign currency

Foreign currency transactions are converted into the functional currencies of the Group companies at the exchange rate on the date of the transaction. Monetary assets and monetary liabilities in foreign currencies are converted into the functional currencies by using exchange rates at the reporting date. Foreign currency translation gain or loss related to monetary items represents the difference between the amount redeemed in the functional currency at the beginning of the period with the effective interest rate and the amortized amount in foreign currency at the end of the period converted from the period end rate.

Non-monetary assets and liabilities denominated in foreign currency and measured with their fair values are converted into the functional currency at the exchange rate on the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency measured at date cost are translated using the exchange rate on the date of the transaction. Except for the exchange differences arising from recycling, differences arising from cash flow hedging instruments recorded in other comprehensive income; recorded in profit or loss.
Periodic changes in Euro / TL, US Dollar / TL and TL / US Dollar exchange rates as of the end of the reporting periods are as follows:

	30.09.2020	**30.09.2019**	**31.12.2019**
EUR/TL	9,1281	6,1836	6,6506
USD/TL	7,8080	5,6591	5,9402
TL/USD	0,1280	0,1767	0,1683

2.1 Declaration of Confirmity to TFRS

The accompanying consolidated financial statements have been prepared in accordance with the TFRSs put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") in accordance with the provisions of the Communiqué. TFRSs include standards and interpretations of Turkey Accounting Standards ("TAS") and Turkey Financial Reporting Standards published by POA.

The consolidated financial statements of the Group as of September 30, 2020 were approved by the Board of Directors of the Company on July 29, 2020. The Company's General Assembly and the relevant regulatory bodies have the right to request the amendment of the consolidated financial statements after the publication of the consolidated financial statements.

2.3 Changes in Accounting Policies

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying consolidated financial statements are prepared based on the Turkish Accounting Standards/Turkish Financial Reporting Standards and Interpretations ("TAS/TFRS") that have been put into effect by the POA under Article 5 of the Communiqué.

NOTE 2 BASIS OF PRESENTATION (cont'd)

For the period ended September 30, 2020, the Group prepared its interim condensed consolidated financial statements in accordance with the Turkish Accounting Standard 34 Interim Financial Reporting. In accordance with the TAS 34, entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods.

Accordingly, these interim condensed consolidated financial statements do not include all required explanatory notes as should be provided and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 31, 2019. Group continued to apply the exact policies and accounting estimates stated as in the consolidated financial statements on December 31, 2019.

Group applied TFRS 16 Leases standard as of January 1, 2019 for the first time. In addition, some other standard changes have come into effect as of January 1, 2019. However, these changes do not have a significant impact on the Group's consolidated financial statements.

2.4 Standards issued but not yet effective and not early adopted as at September 30,2020

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim consolidated financial statements are as follows.

Updated Conceptual Framework

The revised Conceptual Framework issued on 27 October 2018 by the POA. The Conceptual Framewor sets out the fundamental concepts for financial reporting that guide the POA in developing TFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual Framework also assists companies in developing accounting policies when no TFRS Standard applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the Standards. The revised Framework is more comprehensive than the old one – its aim is to provide the POA with the full set of tools for standard setting. It covers all aspects of standard setting from the objective of financial reporting, to presentation and disclosures. For companies that use the Conceptual Framework to develop accounting policies when no TFRS Standard applies to a particular transaction, the revised Conceptual Framework is effective for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted.

Amendments to TAS 1 and TAS 8 - Definition of Material

In 7 June 2019 the POA issued Definition of Material (Amendments to TAS 1 and TAS 8). The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in TFRS Standards. The amended "definition of material "was added to the important definition and it was stated that this expression could lead to similar results by not giving and giving misstating information. In addition, with this amendment, the terminology used in its definition of material has been aligned with the terminology used in the Conceptual Framework for Financial Reporting (Version 2018). Those amendments are prospectively effective for annual periods beginning on or after 1 January 2020 with earlier application permitted.

The Group is assessing the potential impacts on its consolidated financial statements resulting from the application of the amendments to TAS 1 and TAS 8.

TFRS 3 Amendments to Business Combinations - Definition of Business

The definition of "business" is important, as the accounting for the acquisition of an activity and asset group changes depending on whether the group is a business group or just an asset group. The definition of "business" in the standard of TFRS 3 Business Combinations has been changed. With the change in question:

Confirming that an enterprise should include inputs and a process; It has been clarified that the process must be essential and that the process and inputs must contribute significantly to the creation of outputs.

The definition of business has been simplified by focusing on the definition of goods and services offered to customers and other income from ordinary activities.

An optional test has been added to facilitate the process of deciding whether a company acquires a business or a group of assets.

The Group evaluates the possible effects of the application of the amendment in TFRS 3 on its consolidated financial statements.

NOTE 2 BASIS OF PRESENTATION (cont'd)

Benchmark interest rate reform (Amendments to TFRS 9, TAS 39 and TFRS 7)

The Benchmark Interest Rate Reform, which changed IFRS 9, IAS 39 and IFRS 7, published by the IASB in September 2019, was published by the IASB on December 14, 2019. In 2018, the IASB separately determined the issues to be addressed before and after the change in international benchmark interest rates and classified them as pre-amendment and amendment issues.

As a result of these changes, four basic exceptions have been provided in the provisions of financial risk hedge accounting in TFRS 9 and TAS 39.

These issues are:

• The provision regarding the high probability of transactions,

• Prospective evaluations,

• Retrospective evaluations and

• They are separately identifiable risk components.

These amendments clarify that companies may continue to apply certain provisions of hedge accounting under the assumption that the benchmark interest rate underlying the cash flows of the hedged item or hedging instrument will not change as a result of the benchmark interest rate reform.

2.5 Summary of significant accounting policies

The accounting policies applied in the consolidated financial statements of the Group are the same as the accounting policies applied in the consolidated financial statements prepared as of December 31, 2019 and in the year ending on the same date.

a) Revenue

General model for revenue recognition

The Group recognizes the revenue in the consolidated financial statements as it fulfills its performance obligation by transferring a promised good or service to its customer. When control of an asset passes to the customer, the asset is transferred.

The Group recognizes the revenue in the consolidated financial statements in line with the following 5 basic principles:
(a) Identifying the contract with customers

(b) Identifying the performance obligations

(c) Determining the transaction price

(d) Allocating the transaction price to performance obligations

(e) Revenue recognition

A contract is only within the scope TFRS 15 if all of the following is fulfilled; if the contract can be legally enforced, if it's revenue can be collected, if the rights and terms of payment of the goods and services can be defined, if the contract has a commercial content, if it is approved by the contracting parties and if the liabilities are promised to be fulfilled by the parties.

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

In order to determine the transaction price, the Group assesses how much consideration it expects to be entitled to by fulfilling the contract. In arriving at the assessment, the Group considers variable elements of consideration, as well as the existence of a significant financing component.

In accordance with TFRS 15 "Revenue from contracts with customers" standard, the performance obligations of the Group consist of wholesale electricity sales and ancillary services related to electricity sales. The electricity sold is transmitted to the customer over transmission lines and the customer simultaneously consumes the benefit obtained from the performance of the Group. Revenue from electricity sales and ancillary services related to electricity sales is recognized at the time of delivery.

NOTE 2 BASIS OF PRESENTATION (cont'd)

b) Financial instruments

i) **Recognition and initial measurement**

The Group recognizes its trade receivables and debt instruments on the day its occured. All other financial assets and liabilities are recognized on the transaction date that the relevant financial instrument if the group is a part to the contractual terms. In the initial measurement of financial assets (except trade receivables that do not have a significant financing component) and financial liabilities other than those whose fair value changes are reflected in profit or loss, transaction costs that can be directly attributed to their acquisition or issuance are measured by adding to the fair value. Trade receivables that do not have a significant financing component are measured at the initial recognition over the transaction price.

ii) Classification and subsequent measurement

According to TFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

NOTE 2 BASIS OF PRESENTATION (cont'd)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

Whether the financial asset contains a contractual clause that could change the timing or amount of contractual cash flows to a degree that would prevent it from meeting this definition is included in the assessment. In making these assessments, the Group takes into account the following:

• Contingent events that could change the timing or amount of cash flows;

• terms that could change the contractual coupon rate (including variable rate features);

• early payment and extension options; and

• Conditions that may restrict the Group's ability to claim cash flows on a particular asset (eg non-recoverable features).

The prepayment feature is consistent with the principal and interest payments criterion only on the principal and principal balance, if the prepaid amounts, which include a reasonable consideration, largely reflect the unpaid amount of the principal and interest on the principal balance when the contract is terminated before its maturity.

In addition, for a financial asset purchased at a premium or discount over the contractual nominal value, prepayments, which largely reflect the contractual nominal value and accrued (but not paid) interest (prepaid amounts may include a reasonable consideration since the contract is terminated before maturity). A contractual requirement that permits or necessitates is accounted for in accordance with the criterion of "principal and interest payments only" if the fair value of the prepayment feature is insignificant at initial recording.

Since the principal is the present value of the expected cash flows, trade receivables and other receivables pass the "principal and interest payments only" test. These receivables are managed in accordance with the business model based on collection. The following accounting policies are valid for the subsequent measurements of financial assets:

Financial Assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Refer to section (v) below for the derivatives which are defined as hedge instruments for financial risk.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
Financial Assets at Amortized Cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTE 2 BASIS OF PRESENTATION (cont'd)

Financial Liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Group does not have any financial liabilities at FVTPL. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Non-derivative financial liabilities are first recognized on the transaction date when the Group becomes a party to the contractual terms of the relevant financial instrument.

The non-derivative financial liabilities of the Group include borrowings, other financial liabilities, commercial debts and other debts.

Such financial liabilities are initially measured by deducting transaction costs directly attributable from their fair values. Following their initial recognizing, financial liabilities are valued over their amortized costs using the effective interest method.

iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group continues to recognize the financial asset in the statement of financial position if it retains substantially all the risks and benefits arising from the ownership of a financial asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accountin

The Group uses derivative financial instruments for the purpose of hedging foreign currency and interest risk rate. Embedded derivative instruments are separated from the main contract and recognized separately when the underlying contract is not a financial asset and mets certain criteria.

Derivatives are initially recognized at fair value. Subsequent to initial recognition of derivative instruments, changes in fair value are recognized in profit or loss.

The Group defines certain derivatives as hedging tools to protect the variability in cash flows associated with highly probable forecast transactions resulting from changes in exchange rates and interest rates.

At the beginning of the hedging relationship, the Group documents the hedging relationship and the risk management objective and strategy that led to the entity's hedging transaction.

The Group also documents whether the changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other and the economic relationship between the hedged item and the hedging instrument in this way.

NOTE 2 BASIS OF PRESENTATION (cont'd)

Cash Flow Hedge

If a derivative instrument is designed as a cash flow hedging instrument, the effective part of the change in the fair value of the derivative instrument is recognized in other comprehensive income and shown in the hedging reserve under equity. The ineffective part of the change in the fair value of the derivative is recognized directly in profit or loss. The effective part of the change in the fair value of the derivative instrument determined on the present value basis from the inception of the hedging relationship recognized in other comprehensive income is limited to the cumulative effect of the change in the fair value of the hedging instrument.

The Group defines only the value change in the spot element of the forward contract as a hedging tool in the cash flow hedging relationship.

The change in the fair value of the forward value of the forward foreign exchange purchase and sale contracts ("forward element") is accounted as a hedge fund as a separate component in equity as hedging cost.

A protected forecast transaction; in case a non-financial asset or liability is subsequently included in the financial statements, the amount accumulated in the hedge fund and the hedging cost are directly included in the initial cost of the non-financial asset or liability.

For all other hedged forecast transactions, the amount accumulated in the hedge fund and the hedging cost are classified from the hedge fund to profit or loss in the periods or periods when the hedged estimated future cash flows affect profit or loss.

Hedge accounting is terminated prospectively when the hedge relationship (or part of it) no longer meets the required criteria, the hedging instrument expires or is sold, terminated or used. If cash flow hedge accounting is discontinued, the amount accumulated in the hedge fund continues to be classified in equity until the recognition of a hedged forecast transaction non-financial item, the hedging cost is directly included in the initial cost of the non-financial item, or the financial risk for other cash flow hedges. hedging cost is classified into profit or loss in the period or periods in which the hedged estimated future cash flows affect profit or loss.

If the estimated future cash flows under protection are no longer expected to occur, the amount accumulated in the hedge fund and the cost of this fund are immediately classified to profit or loss.

vi. Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (ECL) on:

- financial assets measured at amortized cost

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Bank balances where credit risk (i.e. default risk arising over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has chosen lifetime ECL's to measure the impairment of trade receivables and contract assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).

Cash deficit is the difference between the cash flows that must be made to the business according to the contract and the cash flows that the business expects to receive. As the amount and timing of the payments are taken into consideration in the expected credit losses, a credit loss occurs even if the enterprise expects to receive the entire payment late than the term specified in the contract.

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

NOTE 2 BASIS OF PRESENTATION (cont'd)

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization or
- the disappearance of an active market for a security because of financial difficulties

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Write-off is a reason for derecognition.

The Group has a policy of writing off the gross carrying amount when the financial asset is 2 years past due based on historical experience of recoveries of similar assets. For corporate customers, the Group makes an assessment of the timing and the amount to be deducted, based on the individual's expectation for a reasonable recovery. The Group expects no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than contract assets and deferred tax assets) to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and is fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

If an asset or CGU's recoverable amount is lower than its book value, the carrying value of that asset or CGU is reduced to its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

c) Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the amount obtained by deducting the estimated completion cost and the estimated sales costs required to realize the sale from the estimated sales price.

The cost of inventories includes all purchasing costs, conversion costs, and other costs incurred in bringing the inventories to their current position. Stocks are valued according to the average cost pricing method.

NOTE 2 BASIS OF PRESENTATION (cont'd)

Related parties

The related party is the person or business associated with the reporting business. The entity reporting is the entity that prepares the consolidated financial statements.

a) Related Parties are considered related to the Company if a person or a close member of that person's family is related to a reporting entity;

if that person:

Has control or joint control over the reporting entity;

Has significant influence over the reporting entity; or

Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity

b) The entity and the reporting entity are members of the same group.

i) The entity and the company are members of the same group.

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.
One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
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.
The entity is controlled or jointly controlled by a person identified in (a).
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).
(viii) In the event that the business or another member of the group of which it is a part provides key management personnel services to the reporting enterprise or the parent company of the reporting enterprise.

e) Recognition and measurement

Property, plant and equipment are measured by deducting accumulated depreciation and depreciation provision, if any, from their cost values, except for land and parcels, underground and overland plants, buildings and plant, machinery and equipment.

Cost refers to the expenses directly related to the purchase of the relevant asset. The Group stopped using the cost method for lands and parcels, underground and overland plants, buildings and plants, machinery and equipment included in property, plant and equipment and chose the revaluation model as its accounting policy in accordance with TAS 16 Property, Plant and Equipment. The revalued amount is the value found by deducting the subsequent accumulated depreciation and subsequent accumulated impairment losses from its fair value at the date of revaluation. The increase arising from the revaluation of the mentioned lands, underground and overland plants, buildings and plant machinery and equipment is recorded after netting of the deferred tax effect on the revaluation reserve in equity. Decreases arising from the valuation made over the recorded amounts of the re-evaluated lands and parcels, underground overland plants, buildings and facility machinery and devices are also reflected as expense, if any, exceeding the amount of revaluation reserve arising from the previous valuation.

If the parts comprising the tangible fixed assets have different useful lives, they are accounted as separate parts (important parts) of the property, plant and equipment.

Gains or losses arising from the disposal of a tangible asset are determined by comparing the amount of disposal with the registered value of the asset and are accounted for under "income from investment activities" or "expenses from investment activities" in profit or loss.

(i) Subsequent costs

Costs arising from replacing any part of tangible fixed assets are capitalized if it is likely to increase the future economic benefit of the fixed asset and if its cost can be measured reliably. The registered values of the changed parts are excluded from the financial status table. The daily maintenance costs of property, plant and equipment are recorded in profit or loss on the date they occur.

NOTE 2 BASIS OF PRESENTATION (cont'd)

(ii) Depreciation

Property, plant and equipment items are depreciated on the day they are already available or for assets built by the Group, on the day these assets are completed and are ready for use. Depreciation is calculated by straight-line method over their estimated useful life. Depreciation is usually recognized in profit or loss unless it is included in the book value of another asset. Leased assets are depreciated over the shorter of the lease term and the useful life of the leased asset, unless the Group will take ownership of the leased asset with reasonable certainty at the end of the lease. Land and parcels are not depreciated.

Depreciation expense of revalued lands, underground and overland plants, buildings and plant machinery and equipment for the period is recognized in profit or loss. When the re-evaluated lands and parcels, underground and overland plants, buildings and facility machinery and equipment are sold or withdrawn from service, the remaining balance in the revaluation reserve is directly transferred to previous years losses. On the other hand, some of the increase in value is transferred to previous year's profit / loss as the asset is used by the enterprise.

The estimated useful lives of significant tangible fixed asset items in current and comparative periods are as follows:

Buildings	10-50
Machinery, Plant and Devices	3-50
Inventory	5-15
Vehicles	5-8
Underground and Overland Plants	5
Special Costs	5

For the major maintenance related to the power plants, useful lives different from the useful life of the power plants have been determined. Therefore, the maintenances are recorded as separate parts of the power plants.

Depreciation methods and useful lives are reviewed as of each reporting date and adjusted when necessary.

The useful life of solar power plants of the Group has been corrected as 50 years as of 01.01.2020.

(f) Intangible fixed assets

(i) Recognition and measurement

Other intangible fixed assets that have been purchased by the Group and have a certain useful life are measured by subtracting the accumulated amortization and, if any, accumulated impairment losses from their costs. In case of impairment, the registered value of intangible fixed assets is reduced to the recoverable amount.

(ii) Subsequent costs

Subsequent costs are capitalized only if they have an increasing effect on the future economic benefits of the intangible assets they are related to. All other expenses are recognized in profit or loss on the date they occur.

(iii) Redemption

Redemption is calculated over the cost of intangible fixed asset items over their estimated useful lives on a straight-line method and accounted in profit or loss. The estimated useful lives of licenses are between 2 and 49 years. Amortization methods and useful lives are reviewed as of each reporting date and adjusted when necessary.

NOTE 2 BASIS OF PRESENTATION (cont'd)

g) Leasing Transactions

(i) As a lessee

The Group distributes the lease component to each lease component based on the relative stand-alone price of the lease component and the total stand-alone price of the non-lease components.

The Group chose not to separate the non-lease components from the lease components, but instead account for each lease component and its associated non-lease components as a single lease component.

The Group has reflected the right to use and lease obligation in its consolidated financial statements at the date when the lease actually started. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

In the event that the lease transfers the property of the underlying asset to the lessee at the end of the lease period or if the cost of the right of use asset indicates that the lessee will use a purchase option, the right to use asset is depreciated from the date on which the lease actually begins to end the useful life of the underlying asset. In other cases, the right to use asset is depreciated based on the shorter of the useful life or rental period of the asset, starting from the date the lease actually begins. In addition, the value of the right of use asset is periodically reduced, if any, by deducting impairment losses and corrected in line with the re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that were not paid at that date at the time the lease actually started. Rent payments are discounted using this rate if the implicit interest rate in the lease can be easily determined. In case this rate cannot be determined easily, the Group's alternative borrowing interest rate is used.

The Group determines the alternative borrowing interest rate by considering interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including essentially fixed payments);

variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

- amounts expected to be payable under a residual value guarantee; and,
- In the event that it is reasonably certain that the purchase option will be used, the penalty for termination of the lease, if the usage price of this option and the duration of the lease indicate that the Group will use an option to terminate the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in amount expected to be payable under a residual value guarantee, the Group considers to changes its assessment of whether it will exercise a purchase, extension or termination option.

In case of reassessment of the lease liability, it is reflected in the consolidated financial statements as a correction in the presence of the right to use according to the newly found debt amount. However, if the carrying amount of the right of use asset is zero and there is a further decrease in the measurement of the lease obligation, the remaining re-measurement amount is reflected in profit or loss.

Short-term leases and low-value leases

The Group prefers not to reflect the right of use assets and lease liabilities to its consolidated financial statements for short-term machine rentals with leases of 12 months or less and for leases of low-value conditions, including IT equipment. The Group has reflected the lease payments associated with these leases in the consolidated financial statements as expenses linear basis during the lease period.

NOTE 2 BASIS OF PRESENTATION (cont'd)

h) Provisions

In the event that there is an existing legal or implied obligation arising from past events and it is probable that the obligation will be fulfilled and the resources that bring economic benefits will emerge from the business and the amount of the obligations can be estimated reliably, a provision is made for these liabilities in the consolidated financial statements. Provisions are calculated according to the best estimate made by the Group management of the expenses to fulfill the obligation as of the reporting date and discounted to present value if the effect is material.

ı) Employee Benefits

(i) Short term benefits to employees

Short-term benefit obligations provided to employees are expensed as the relevant service is provided. As a result of the past services of its employees, a liability is recorded for the amounts expected to be paid in cases where the Group is legally or constructively obliged to pay and this liability can be estimated reliably. Of the labor contract according to the current Labor Law in Turkey it is obliged to pay for any reason claimed by the employee if the ending, but unused annual leave belonging fee gross salary at the date when the contract expires and contractual other interests him or rights to their owners over the total. Unused vacation provision is the total undiscounted liability amount corresponding to the leave days that all employees deserve but have not used yet as of the reporting date. Liabilities arising from unused leave rights are accrued in the period in which they are entitled.

(ii) Other long-term employee benefits

As per the existing labor law in Turkey, the Group employees' pension, the military or have completed one year of leaving employment for reasons such as death, employees are obliged to pay certain amounts. Provision for severance pay expresses the present value of the future estimated possible liability of the Group in case of retirement of employees on a 30-day basis. The provision for severance pay has been calculated as if all employees will be subject to such a payment, and it is reflected on an accrual basis in the consolidated financial statements. The provision for severance pay has been calculated according to the severance pay ceiling announced by the Government. As of 30 September 2020, the severance pay ceiling was calculated over 7.117.17 TL. (Ceiling valid as of 01.07.2020). All actuarial gains and losses are accounted for in other comprehensive income.

j) Contingent liabilities and contingent assets

It is defined as an existing asset or liability that will result in the exit or entry of resources that are arising from past events and that contain economic benefits. Contingent liabilities are disclosed in the notes to the consolidated financial statements, except in cases where the possibility of the outflow of resources embodying economic benefits is remote. If the situation requiring resource transfer is probable, contingent liabilities are reflected in the consolidated financial statements. If it becomes probable that the economic benefit will enter the business, an explanation is made in the footnotes of the consolidated financial statements regarding the contingent asset. If it is certain that the economic benefit will enter the business, the asset and the related income change are included in the consolidated financial statements at the date of their change.

k) Income from Investment Activities And Expenses from Investment Activities

Income from investment activities includes profits from sales of subsidiaries, and income from sales of fixed assets and scrap. Expenses from investment activities include fixed assets, expenses and losses from sales of subsidiaries.

l) Finance Income and Finance Expense

Finance income consists of interest income from bank deposits, which are part of the cycle used for financing, interest income from funds made, foreign exchange income on financial assets and liabilities (other than trade receivables and payables) and interest and late interest earnings including derivative instruments,which are recorded in profit or loss and received from related parties.

Finance expenses include interest expenses on bank loans, foreign exchange expenses on financial assets and liabilities (excluding trade receivables and payables), losses from derivative instruments recorded in profit or loss, and interest and interest expense paid to related parties. Borrowing costs that cannot be directly attributed to the acquisition, construction or production of an asset are recognized in consolidated profit or loss using the effective interest rate.

Foreign exchange assets and liabilities on financial assets and liabilities (excluding trade receivables and payables) are reported as gross in finance income or finance expenses. Exchange difference and rediscount income on trade receivables and payables are reported in other operating income, while exchange difference and rediscount expenses are reported as gross in other operating expenses.

NOTE 2 BASIS OF PRESENTATION (cont'd)

m) Earning/(Loss) Per Share

Earnings / (loss) per share stated in the consolidated statement of profit or loss and other comprehensive income has been found by dividing the net profit / (loss) or total comprehensive income / (expense) of the parent company by the weighted average number of shares in the market during the relevant period.

n) Tax

Tax expense comprises current tax and deferred tax. Tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income.

(i) Current tax

Current period tax is the tax liability or receivable calculated on the profit or loss subject to tax in the current year and in accordance with the tax rates valid as of the end of the reporting period and the current tax legislation and includes the correction records related to the tax liabilities in the previous years.

Current tax is calculated by taking into consideration the tax rates that are in force as of the end of the reporting period or close to the effective date

To net off current tax asset or liability can be applied only under some certain conditions. Tax legislation in Turkey does not permit a parent company and its subsidiary consolidated tax return to fill out. Therefore, the tax provision reflected in the consolidated financial statements is calculated separately for companies.

(ii) Deferred tax

Deferred tax is calculated over the temporary differences between the book values of assets and liabilities in the financial statements and the values used in the tax base. Deferred tax is not recognized for temporary differences that occur in the following situations.

• Temporary differences that arise on initial recognition of assets or liabilities resulting from a transaction that is not a business combination and affects neither accounting profit nor taxable profit or loss;
• Temporary differences related to investments in subsidiaries that are unlikely to reverse in the foreseeable future and the Group can control the reversal time; and
• Taxable temporary differences arising during the initial recognition of goodwill.

For unused past year financial losses, tax advantages and deductible temporary differences, if it is probable that there will be a taxable profit sufficient to offset them in the future, a deferred tax asset is recognized. Taxable profit is determined according to the business plans of each subsidiary in the Group. Deferred tax assets are reviewed at each reporting date and if it is probable that it will gain taxable profit in the future, a deferred tax asset that has not been recognized beforehand is recognized, limited to these amounts.

The Group measures deferred tax liabilities and deferred tax assets consistently with the tax consequences of its expectations at the end of the reporting period regarding how its assets will recover their book values or how they will pay their debts.

The Company and its subsidiaries within the scope of consolidation have reflected their deferred tax assets and liabilities in their financial statements by netting, however, no netting has been made on a consolidated basis. Deferred tax is calculated over the tax rates expected to be valid in the period when assets are created or liabilities are fulfilled.

(iii) Tax Risk

When the amount of period tax expense and deferred tax expense are determined, the Group considers uncertain tax positions and whether there are any additional tax and interest obligations to be paid. In case new information arises that will change the professional opinion of the Group regarding the adequacy of the existing tax liability, this change in the tax liability will affect the tax expense for the period in which this situation is determined.

NOTE 2 BASIS OF PRESENTATION (cont'd)

o) Segment Reporting

The operating segment is engaged in operating activities from which the Group can generate revenues and expenditures, the operating results are regularly reviewed by the authority to make decisions regarding the activities of the Group in order to make decisions regarding the resources to be allocated to the department and there are separate financial information about it.

It consists of energy contracting and energy-based sales of the Group in the period ending on September 30, 2020. For this reason, the Group management evaluates the decisions regarding the resources to be allocated and the performance evaluation as a single operating segment instead of separate segments.

Explanations regarding the activity segments for the periods ending on 30.09.2020 and 30.09.2019 are presented in Footnote 3.

p) Capital

Common stocks

Common stocks are classified as paid-in capital. Additional costs directly attributable to the issuance of common stocks are recognized as a decrease in equity after deducting any tax effect, if any.

2.6 Important Accounting Valuation, Assumptions and Estimates

While preparing the consolidated financial statements, the Group management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the amounts of reported assets, liabilities, income and expenses. Actual amounts may vary from estimated amounts.

Estimates and related assumptions are constantly reviewed. Changes to estimates are accounted prospectively.

(i) Assumptions and Estimates

Regarding the amounts recorded in the consolidated financial statements, the important evaluations regarding the application of accounting policies that have a significant impact and the uncertainties regarding the estimates and assumptions that may require significant corrections in the following periods are explained in the related footnotes.

(ii) Measurement of fair values

Various accounting policies and explanations of the Group require the determination of the fair values of both financial and non-financial assets and liabilities. If third-party information, such as tape prices or pricing services, is used to measure fair value, the group will consider the requirements of IFRS, including the level at which fair valuations should be classified in the fair valuation hierarchy. reviews compliance to support its result. In measuring the fair value of an asset or liability, the Group uses market-observable information. Fair valuations are classified into different levels in the fair valuation hierarchy based on the information used in the valuation techniques stated below.

• Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

• Level 2: Data excluding quoted prices in Level 1 and that can be observed directly (through prices) or indirectly (derived from prices) in terms of assets or liabilities;

• Level 3: Data not based on observable market data for assets or liabilities (non-observable data).

If the information used to measure the fair value of an asset or liability can be classified to a different level of the fair valuation hierarchy, this fair valuation is classified to the same level of the fair valuation hierarchy that includes the smallest information that is important to the whole measurement.

The Group recognized the transfers between levels in the fair valuation hierarchy at the end of the reporting period in which the change occurred.

NOTE 2 BASIS OF PRESENTATION (cont'd)

(iii) Determination of fair value

Fair values are determined by the following methods for measurement and / or explanation purposes. If applicable, additional information about the assumptions used in determining fair values is presented in footnotes specific to the asset or liability.

(iii) a. Trade Receivables and other receivables

The fair values of trade and other receivables are estimated as the value to be found by discounting future cash flows with market interest rates at the measurement date. Short-term receivables without a certain interest rate are valued over the original invoice amount in case the discount effect is insignificant. These fair values are determined at initial recognition and at the end of each reporting period for disclosure purposes.

(iii) b. Derivative Financial Instruments

The fair values of derivative financial instruments are determined over their prices traded in active markets or, where appropriate, by using the discounted cash flow method. Discount factors are calculated by including an additional margin reflecting the characteristics of the financial instrument in the swap yield curves.

Other Non-Derivative Financial Liabilities

Fair values of other non-derivative financial liabilities are determined during initial recognition and at the end of each reporting period for disclosure purposes. Fair value is calculated by discounting the future principal and interest cash flows to the present value with the market interest rates at the measurement date.

(iii) c. Property, plant and equipment

The land and parcels, plant, machine and equipment and vehicles included in property,plant and equipment are indicated at their valued amounts in the financial statements, and the important assumptions used in the fair value calculation are specified in Footnote 12. Valuation of the related property,plant and equipment was made by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. that is an independent valuation company, as of 30 June 2020.

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

NOTE 3 SEGMENT REPORTING

The Group management has determined the reportable parts of the Group as Energy Contracting and Electricity Generation according to their activity groups.

	January 1st – September 30th 2020			
	Energy Construction Business	**Electricity**	**Elimination**	**Total**
Revenue	132.079.423	58.732.900	(55.200.697)	135.611.626
Cost of Sales(-)	(91.719.604)	(13.283.092)	55.200.697	(49.801.999)
Gross Profit (Loss)	**40.359.819**	**45.449.808**	**-**	**85.809.627**
General Administration Expenses (-)	-	(8.612.646)	-	(8.612.646)
Other Real Operating Income	-	12.522.959	-	12.522.959
Other Real Operating Expense (-)	-	(6.304.971)	-	(6.304.971)
OPERATING PROFIT/LOSS	**40.359.819**	**43.055.150**	**-**	**83.414.969**
Income From Investing Activities	-	11.602.632	-	11.602.632
Expense From Investing Activities (-)	-	(15.193)	-	(15.193)
OPERATING PROFIT/(LOSS) BEFORE FINANCE EXPENSES	**40.359.819**	**54.642.589**	**-**	**95.002.408**
(Other) Finance Income	-	3.289.982	(698.045)	2.591.937
(Other) Finance Expense (-)	-	(82.299.059)	698.045	(81.601.014)
PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	**40.359.819**	**(24.366.488)**	**-**	**15.993.331**

	July 1st -September 30th 2020			
	Energy Construction Business	**Electricity**	**Elimination**	**Total**
Revenue	115.025.962	21.127.247	(52.299.039)	83.854.170
Cost of Sales(-)	(88.555.708)	(3.338.746)	52.299.039	(39.595.414)
Gross Profit (Loss)	**26.470.254**	**17.788.502**	**-**	**44.258.756**
General Administration Expenses (-)	3.881.646	(7.536.644)	-	(3.654.998)
Other Operating Income	(5.418.425)	11.763.707	-	6.345.282
Other Operating Expense (-)	1.739.938	(3.532.302)	-	(1.792.364)
OPERATING PROFIT/LOSS	**26.673.413**	**18.483.262**	**-**	**45.156.676**
Income From Investing Activities	(207.407)	590.646	-	383.239
Expense From Investing Activities (-)	-	-	-	-
OPERATING PROFIT/(LOSS) BEFORE FINANCE EXPENSES	**26.466.006**	**19.073.908**	**-**	**45.539.915**
Finance Income	(1.197.365)	2.980.119	-	1.782.753
Finance Expense (-)	(1.697.254)	(43.409.990)	-	(45.107.244)
PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	**23.571.387**	**(21.355.963)**	**-**	**2.215.424**

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

NOTE 3 SEGMENT REPORTING (cont'd)

July 1st -September 30th 2019

	Energy Construction Business	Electricity	Elimination	Total
Sales Revenue	43.335.823	19.643.286	(6.957.217)	56.021.892
Cost of Sales(-)	(8.604.268)	(17.193.542)	6.839.960	(18.957.850)
Gross Profit (Loss)	34.731.555	2.449.744	(117.257)	37.064.042
General Administration Expenses (-)	(4.885.599)	(340.613)	117.257	(5.108.955)
Other Operating Income	2.768.074	3.645.763	-	6.413.837
Other Operating Expense (-)	(2.232.899)	(378.736)	960	(2.610.675)
OPERATING PROFIT/LOSS	**30.381.131**	**5.376.158**	**960**	**35.758.249**
Income From Investing Activities	463.697	-	-	463.697
Expense From Investing Activities (-)	(158.564)	-	-	(158.564)
OPERATING PROFIT/(LOSS) BEFORE FINANCE EXPENSES	**30.686.264**	**5.376.158**	**960**	**36.063.382**
Finance Income	1.207.199	152.998	-	1.360.197
Finance Expense (-)	(3.740.015)	(16.038.869)	-	(19.778.884)
PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	**28.153.448**	**(10.509.713)**	**960**	**17.644.695**

July 1st -September 30th 2019

	Energy Construction Business	Electricity	Elimination	Total
Sales Revenue	8.008.150	8.658.535	(854.960)	15.811.725
Cost of Sales(-)	(3.645.492)	(5.288.512)	854.960	(8.079.044)
Gross Profit (Loss)	**4.362.658**	**3.370.023**	**-**	**7.732.681**
General Administration Expenses (-)	(1.596.816)	(72.032)	-	(1.668.848)
Other Operating Income	658.337	3.615.289	-	4.273.626
Other Operating Expense (-)	(456.344)	(223.554)	(1.000)	(680.898)
OPERATING PROFIT/LOSS	**2.967.835**	**6.689.726**	**(1.000)**	**9.656.561**
Income From Investing Activities	-	-	-	-
Expense From Investing Activities (-)	2.583	-	-	2.583
OPERATING PROFIT/(LOSS) BEFORE FINANCE EXPENSES	**2.970.418**	**6.689.6726**	**(1.000)**	**9.659.144**
(Other) Finance Income	781.261	80.536	-	861.197
(Other) Finance Expense (-)	(927.087)	(497.668)	-	(1.424.755)
PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	**2.824.592**	**6.272.594**	**(1.000)**	**9.096.186**

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

NOTE 4 CASH AND CASH EQUIVALENTS

	30.09.2020	31.12.2019
Cash	**183.637**	**234.937**
TL	183.637	234.937
Bank Accounts	**13.168.029**	**26.653.800**
Demand Deposit	**1.624.362**	**26.653.800**
TL	1.515.378	11.240.130
EURO	79.626	15.374.127
USD	29.358	39.543
Repo (overnight/breach maturity)	**11.543.667**	**-**
TL	7.524.279	-
EURO	4.019.388	-
Total	**13.351.666**	**26.888.737**

NOTE 5 FINANCIAL INVESTMENTS

Long Term Financial Investments

	Share Proportion %	30.09.2020	31.12.2019
*Margün 1 Enerji San. ve Tic. A.Ş.	100,00%	50.000	50.000
Total		**50.000**	**50.000**

*Margün 1 Enerji San. ve Tic. A.Ş. is not included in the consolidation.

NOTE 6 LOANS AND BORROWINGS

	30.09.2020	31.12.2019
Short Term Liabilities		
Bank Loans	1.000.000	6.000.088
Principal Installments and Interests of Long-Term Loans	67.061.862	45.494.461
Other Financial Liabilities	-	104.053
Total	**68.061.862**	**51.598.602**

	30.09.2020	31.12.2019
Long Term Liabilities		
Bank Loans	248.376.299	142.484.697
Total	**248.376.299**	**142.484.697**
TOTAL	**316.438.161**	**194.083.299**

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

NOTE 6 LOANS AND BORROWINGS (cont'd)

Short Term Bank Loans(*)

		Original Currency	-	Carrying Amount		Average Interest Rate	
		30.09.2020	31.12.2019	30.09.2020	31.12.2019	30.09.2020	31.12.2019
Bank Loans/TL	TL	13.334.500	14.707.078	13.334.500	14.707.078	0,00%	7.30 % - 30.35%
Bank Loans/AVRO	EURO	3.076.308	2.483.241	28.080.849	16.515.042	4,82%	5.94 % - 6.7 %
Bank Loans/USD	USD	3.412.719	3.412.752	26.646.513	20.272.429	8,40%	7.4 % - 9.72 %
Bank Credit Cards	TL				104.053		
	TOTAL			**68.061.862**	**51.598.602**		

Long Term Bank Loans(*)

		Original Currency	-	Carrying Amount	-	Average Interest Rate	
		30.09.2020	31.12.2019	30.09.2020	31.12.2019	30.09.2020	31.12.2019
Bank Loans/TL	TL	29.740.360	3.811.622	29.740.360	3.811.622	0,00%	7,30 % - 30,35%
Bank Loans/AVRO	EURO	14.539.476	9.407.483	132.717.792	62.565.407	4,82%	0,00%
Bank Loans/USD	USD	11.003.861	14.498.405	85.918.147	76.107.668	8,40%	0,00%
	TOTAL			**248.376.299**	**142.484.697**		

	30.09.2020	31.12.2019
Payable within 1 year	68.061.861	45.290.406
Payable within 1-2 years	59.951.070	37.046.212
Payable within 2-3 years	55.334.411	31.425.662
Payable within 3-4 years	46.157.957	27.301.324
Payable within 4-5 years	38.569.066	22.837.133
Payable within 5-6 years	25.309.848	20.171.802
Payable within 6-7 years	16.563.215	9.429.338
Payable within 7-8 years	6.490.733	477.368
TOTAL	**316.438.161**	**193.979.245**

NOTE 7 PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses	30.09.2020	31.12.2019
Advances Given	4.179.238	280.057
Prepaid expenses	476.140	253.299
	4.655.378	**533.356**

Long Term Prepaid Expenses	30.09.2020	31.12.2019
Advances Given	-	8.698
Prepaid Expenses	98.429	5.832
	98.429	**14.530**

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

NOTE 7 PREPAID EXPENSES AND DEFERRED INCOME (cont'd)

	30.09.2020	31.12.2019
Deferred Income		
Advances Received	40.463.718	199.518
	40.463.718	**199.518**

NOTE 8 TRADE RECEIVABLES AND PAYABLES

Short Term Trade Receivables

	30.09.2020	31.12.2019
Trade Receivables	10.845.940	11.099.550
Notes Receivables	1.301.795	-
Rediscount of Notes Receivables (-)	(106.914)	(67.928)
Doubtful Receivables	5.085.584	6.000.326
Provision for Doubtful Receivables (-)	(5.085.584)	(6.000.326)
Receivables Arising From Sales which are not invoiced	-	775.979
	12.040.821	**11.807.601**

Short Term Trade Payables

	30.09.2020	31.12.2019
Trade Payabes	2.664.392	69.750.769
Payables to Related Parties	8.592.563	4.296.092
Notes Payable	519.046	13.184.998
Rediscount of Notes Payable (-)	(486)	-
Rediscount of Trade Payable	(43.269)	(73.279)
Other Trade Payables	-	286.414
Other Miscellaneous Payables	700	17.195
	11.732.946	**87.462.189**

Average maturity of trade receivables is 15-20 days. Average term of trade payables is 30-60 days.

NOTE 9 OTHER RECEIVABLES AND PAYABLES

Other Current Receivables	30.09.2020	31.12.2019
Other Receivables from Related Parties	-	75
Other Trade Receivables	-	18.858
Other Miscellaneous Receivables	255.686	4.104.594
	255.686	**4.123.527**

Other Long Term Receivables	30.09.2020	31.12.2019
Deposits and Guarantees Given	24.527	244.668
	24.527	**244.668**

Other Short Term Payables	30.09.2020	31.12.2019
Payables to Shareholders	6.440.566	11.500.000
Payable to Related Parties	3.675	-
	6.444.241	**11.500.000**

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

NOTE 10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

None. (31.12.2019 none.)

NOTE 11 INVESTMENT PROPERTY

	01.01.2020	Addition	Disposal	Transfer	Revaluation Increase/Decrease	30.09.2020
Land and Parcels	5.080.000	1.425.000	-	-	360.300	6.865.300
Buildings	19.329.420	-	-	-	3.375.580	22.705.000
	24.409.420	**1.425.000**	**-**	**-**	**3.735.880**	**29.570.300**

	01.01.2019	Addition	Disposal	Transfer	Change in Consolidation (*)	31.12.2019
Land and Parcels	-	5.080.000	-	-	-	5.080.000
Buildings	-	19.329.420	-	-	-	19.329.420
	-	**24.409.420**	**-**	**-**	**-**	**24.409.420**

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

Costs	1.01.2020	Addition	Disposal	Transfer	Revaluation	30.09.2020
Land and Parcels	33.666.561	10.185.024	-	1.194.360	6.881.317	51.927.262
Buildings	7.029.661	203.389	-	-	511.628	7.744.678
Machinery, Plant and Devices	460.737.772	13.807.777	-	(2.550.607)	88.219.591	560.214.533
Vehicles	4.968.191	582.051	-	1.156.247	2.439.002	9.145.491
Inventories	811.921	128.691	-	(11.893)	-	928.719
Ongoing Investments	17.471	-	-	(2.454)	-	15.017
	507.231.577	**24.906.932**	**-**	**(214.347)**	**98.051.538**	**629.975.700**

Accumulated Depreciation	1.01.2020	Addition	Disposal	Transfer	Revaluation	30.09.2020
Underground and Overland Plants	146.114	74.174	-	-	-	220.288
Buildings	8.270.461	4.040.307	-	-	1.185.710	13.496.478
Machinery, Plant and Devices	989.115	523.565	-	-	-	1.512.680
Vehicles	402.017	111.710	-	-	-	513.727
	9.807.707	**4.749.756**	**-**	**-**	**1.185.710**	**15.743.173**
Net Book Value	**497.423.870**	**20.157.176**	**-**	**(214.347)**	**96.865.828**	**614.232.527**

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

NOTE 12 PROPERTY, PLANT AND EQUIPMENT(cont'd)

Costs	1.01.2019	Addition	Disposal	Transfer	Revaluation	Acquisition	31.12.2019
Land and Parcels	15.690.000	-	-	-	-	17.976.561	33.666.561
Buildings	7.185.788	10.179.661	-	(10.150.000)	(185.788)	-	7.029.661
Machinery, Plant and Devices	200.767.145	-	-	-	(2.233.853)	262.204.480	460.737.772
Vehicles	5.016.853	1.348.191	(615.000)	-	(781.853)	-	4.968.191
Inventories	669.577	143.507	(1.163)	-	-	26.633	811.921
Ongoing Investments	2.454	-	-	-	-	15.017	17.471
	229.331.817	**11.671.359**	**(616.163)**	**(10.150.000)**	**(3.201.494)**	**280.222.691**	**507.231.576**

Accumulated Depreciation	1.01.2019	Addition	Disposal	Transfer	Revaluation	Acquisition	31.12.2019
Buildings	185.787	146.114	-	-	(185.787)	-	146.114
Machinery, Plant and Devices	2.124.519	8.265.176	-	-	(2.119.234)	-	8.270.461
Vehicles	781.853	989.114	(107.026)	-	(674.826)	-	989.115
Inventories	283.155	120.026	(1.164)	-	-	-	402.017
	3.375.314	**9.520.430**	**(108.190)**	-	**(2.979.847)**	-	**9.807.706**
Net Book Value	**225.956.502**	**2.150.929**	**(507.973)**	**(10.150.000)**	**(221.647)**	**280.222.691**	**497.423.870**

As being valid from the presentation of the consolidated financial statements dated September 30, 2020, the Lands and Parcels, Buildings, Vehicles and Electricity Generation Plants under the Group's property, plant and equipment item were reported at revalued amounts. The valuation studies regarding the mentioned power plants were carried out by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. The Group reflected the increase in value resulting from the revaluation of its plants in its consolidated financial statements.

There is a mortgage of TRY 547.935.569 (31.12.2019 478.324.839 TL) on the properties of the Group as of 30.09.2020. High mortgage amounts are due to banks' pricing policies.

NOTE 13 COMMITMENTS AND CONTINGENCIES

GPM's Given by the Company	30.09.2020	31.12.2019
A. Total Amount of GPMs given for companies' own legal entity	392.334.992	359.014.992
B. Total Amount of GPMs given in favor of partnerships included in scope of full consolidation	386.010.780	121.284.747
	-	-
C. Total GPM given for execution of ordinary commercial activities to collect third parties debt	-	-
D. Total other GPMs 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.	-	-
iii.Total amount of GPM given on behalf of third parties which are not in scope of C.	-	-
Total	**778.345.772**	**480.299.739**

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

NOTE 14 OTHER ASSETS AND LIABILITIES

Other Current Assets	30.09.2020	31.12.2019
Income Accruals (*)	78.315.449	-
Deferred VAT	8.551.663	195.643
Job Advances	320.312	674.070
Job Advances to Related Parties	1.110.400	243.000
Advances to Employees	158.645	33.833
	88.456.439	**1.146.546**

Other Current Liabilities	30.09.2020	31.12.2019
Expense Accruals	3.123.200	-
Other Taxes	1.144.912	343.723
Other Liabilities Payable	5.884	829
Deposits and Guarantees Received	19.521	18.878
	4.293.517	**363.430**

(*) 63.633.228 TL of the related amount is the income accrual booked within the scope of TFRS 15 Revenue from Customer Contracts Standard for Esenboğa Elektrik Üretim A.Ş. and Margün Enerji Üretim San. ve Tic. A.Ş. The detail of the income accruals is as follows:

Alperen Elektrik Üretim A.Ş.	25.012.251 TL
Yonca İplik Sanayi ve Ticaret A.Ş.	4.489.600 TL
Saf Mensucat San. ve Tic. A.Ş.	11.712.000 TL
Kurteks Tekstil San. ve Tic. A.Ş.	11.016.405 TL
Berkteks Tekstil İnş. Matb. San ve Tic. Ltd. Şti.	11.402.972 TL

The remaining accrual amount is comprised of income accruals arising from electricity revenue.

NOTE 15 GOODWILL

	30.09.2020	31.12.2019
Esenboğa Elektrik Üretim A.Ş. (Margün8)*	79.243	79.243
	79.243	**79.243**

In 2018, the company was paid 55,000 TRY for Energes 1 Elektrik A.Ş with a net asset value of 41,428 TRY, 287,950 TRY for Energes 9 Elektrik A.Ş with a net asset value of 239,725 TRY, and 55,000 for Berrak Ges 1 Elektrik A.Ş with a net asset value of 37,554 TRY.

NOTE 16 EQUITY

A-Paid Capital	%	30.09.2020	31.12.2019
Yusuf ŞENEL	63.64%	21.000.000	21.000.000
Publicly Held	36.36%	12.000.000	12.000.000
CAPITAL	**100.00%**	**33.000.000**	**33.000.000**

B-Share Premium	30.09.2020	31.12.2019
Share Premium	37.015.413	37.015.413
	37.015.413	**37.015.413**

C- The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control	30.09.2020	31.12.2019
The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control	(7.380.156)	(7.380.156)
	(7.380.156)	**(7.380.156)**

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

NOTE 16 EQUITY (cont'd)

D- Increase in Revaluation of Property, Plant and Equipment

	30.09.2020	31.12.2019
Naturel Group Revaluation	218.261.353	104.513.886
Naturel Group Revaluation Deferred Tax Effect	(48.017.496)	(22.993.053)
Naturel Revaluation	**170.243.857**	**81.520.833**

	30.09.2020	31.12.2019
Fixed Asset Growth Fund	**170.243.857**	**81.520.833**

E- Gain/Losses on Remeasurement of Defined Benefit Plans

	30.09.2020	31.12.2019
Gain/Losses on Remeasurement of Defined Benefit Plans	(75.921)	213.536
Tax Effect of Gain/Losses on Remeasurement of Defined Benefit Plans	11.795	13.691
	(62.230)	**166.558**

G-Reserves on Retained Earnings

	30.09.2020	31.12.2019
The First Degree Legal Reserve Fund	1.052.573	1.013.087
Total	**1.052.573**	**1.013.087**

Legal reserves are divided into the first and the second degree legal reserves according to Turkish Commercial Code(TCC). The First degree reserve fund is allocated at the rate of 5% of the net profit in the legal financial statements until its total reaches 20% of the revalued paid capital. The second degree legal reserves are separated as 10% over the sum of the dividend distributions exceeding 5% of the revalued capital. Within the framework of TCC provisions, legal reserves can only be used to offset losses and cannot be used for other purposes unless they exceed 50% of the paid-in capital.

Capital of the company increased from 20.000.000 TL to 25.000.000, which is published in the Turkish Trade Registry Gazette dated February 6,2019 and numbered 9761. 3,700,000.00 TL of the capital increase of 5,000,000.00 TL was made from the capital advance and 1,300,000.00 TL from the profit of 2018.

Capital of the company increased from 25.000.000 TL to 33.000.000, which is published in the Turkish Trade Registry Gazette dated June 17,2019 and numbered 9870. The sum of 8,000.00 TL of the increased capital and 4.000.000 TL of share owned by Yusuf Şenel who is the partner of company has been offered to public.

H-Net Profit/Loss

	30.09.2020	31.12.2019
Retained Earnings	63.934.157	635.548
Net Profit or Loss for the Period	15.217.390	67.771.333
Total Profit/Loss	**79.151.547**	**68.406.881**

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

NOTE 16 EQUITIES (cont'd)

J- Other Comprehensive Income That Not to be Reclassified to Profit or Loss

	30.09.2020	31.12.2019
Not to Be Reclassified to Profit or Loss		
Increase/Decrease in Revaluation of Property, Plant and Equipment	113.747.467	104.513.886
Gain/Losses on Remeasurement of Defined Benefit Plans	(279.121)	213.536
Tax Effect of Gain/Losses on Remeasurement of Defined Benefit Plans	50.333	-46.978
Deferred Tax Income/(Expense)	(25.024.443)	-22.993.053
	88.494.236	**81.687.391**

NOTE 17 EXPENSES BY NATURE

	01 January- 30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Municipality, Tax, Duty and Charge Expenses	498.675	305.989	2.562	9.957
Amortization Expenses	779.362	387.307	1.034.857	389.143
Accommadition, Travel and Transportation Expenses	138.373	33.815	120.443	30.521
Consultancy Fee	1.045.654	478.631	173.595	(236.083)
Employee Expenses	2.503.376	894.879	1.507.994	699.938
Vehicle Expenses	272.772	181.096	-	-
Electricity, Water and Natural Gas Expenses	417.341	98.259	-	-
Advertisement Expenses	799.167	338.730	-	-
Communication Expenses	46.025	17.058	-	-
Rent Expense	264.065	74.558	-	-
Expense of Banking	270.692	29.720	-	-
Other Expenses	1.577.144	814.956	2.199.504	775.373
Total	**8.612.646**	**3.654.998**	**5.108.955**	**1.668.848**

NOTE 18 OTHER OPERATING INCOME AND EXPENSE

	01 January- 30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Provisions No Longer Required	914.742	-	-	-
Foreign Exchange Gains	7.415.089	6.203.896	1.460.495	406.515
Previous Period Gains and Profits	99.544	98.812	-	-
Rediscount Interest Income	107.944	26.733	693.131	(330.003)
Revaluation Profit/Loss of Investment Property	3.735.880	-	-	-
Other Gains and Profits	249.760	15.841	4.260.191	4.197.114
Other Operating Income and Profits	**12.522.959**	**6.345.282**	**6.413.817**	**4.273.626**

	01 January- 30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Provisions Expenses	-	-	471.943	(15.400)
Exchange Difference Expenses	6.068.614	1.775.862	1.630.822	492.543
Rediscount Interest Expenses	125.202	(310)	217.655	(66.599)
Other Expenses and Losses	111.155	16.812	290.254	270.353
Other Operating Expenses and Losses	**6.304.971**	**1.792.364**	**2.610.675**	**680.898**

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

NOTE 19 FINANCE INCOME

	01 January- 30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Interest Income	2.591.937	1.782.753	833.496	335.096
Profit on Sale of Marketables	-	-	526.702	526.702
Total Finance Income	**2.591.937**	**1.782.753**	**1.360.197**	**861.797**

NOTE 20 FINANCE EXPENSE

	01 January- 30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Loan Foreign Exchange Losses	67.516.037	39.396.871	8.604.558	129.217
Finance Expenses	14.084.977	5.710.373	11.174.326	1.295.538
Total Finance Expense	**81.601.014**	**45.107.244**	**19.778.884**	**1.424.755**

NOTE 21 DEFERRED TAX ASSETS AND LIABILITIES

While the corporate tax rate was 20% in 2017, it is 22% in 2018. With revenues through a permanent establishment or permanent representative institutions in Turkey dividends paid to companies resident in Turkey (dividends) are not subject to withholding tax. Dividend payments other than these are subject to 15% withholding tax. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

The temporary tax paid within the year belongs to that year and is sett off the corporate tax to be calculated over the corporate tax declaration to be given in the following year. 50% of the earnings arising from the sale of real estates and subsidiaries interests, founding shares, usufruct shares and pre-emptive rights that are in the assets of the institutions for at least two full years are exempted from corporate tax. In order to benefit from the exemption, the income in question must be kept in a passive fund account and not withdrawn from the business for 5 years and the sales price must be collected until the end of the second calendar year following the year in which the sale was made.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period provided that they do not exceed 5 years. The declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised.

The main components of tax expenses as of 30 September 2020 and 31 December 2019 are as follows:

	30.09.2020	31.12.2019
Current Period Tax Provisions	-	302.636
Prepaid Taxes	-	(50.245)
Total	**-**	**252.391**

The tax income / expense in the income statement is summarized below.

	30.09.2020	30.09.2019
Current Period Tax	-	-
Deferred Tax Income	(775.941)	(7.212.582)
Total Tax Income / Expense	**(775.941)**	**(7.212.582)**

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

NOTE 21 DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

The breakdown of accumulated temporary differences and deferred tax assets and liabilities as of balance sheet dates using the current tax rates is as follows:

	Accumulated Temporary Difference		Deferred Tax Asset/(Liability)	
	30.09.2020	**31.12.2019**	**30.09.2020**	**31.12.2019**
Rediscount Interest Expense(Deferred Finance Expense)	(47.728)	(67.928)	10.500	14.944
Provision for Doubtful Receivables	(51.253)	(965.995)	11.276	212.519
Rediscount Interest Income(Deferred Finance Income)	(37.094)	(73.279)	(8.161)	(16.121)
Adjustments Related to Fixed Assets	437.722.920	294.316.556	(96.299.159)	(64.729.623)
Provisions for Employee Termination Benefits	581.049	10.543	127.831	2.319
Adjustments Related to Credits	(3.931.662)	371.266	864.966	81.679
Others	(961.118)	21.128	211.466	4.648
Financial Losses*	52.266.380	26.267.567	10.453.276	5.253.514
Total	**485.541.494**	**319.879.858**	**(84.628.005)**	**(59.176.120)**

	2020	2021	2022	2023	2024	Total
Financial Loss	2.911.93	17.662.16	6.842.913.28	8.419.038.72	36.983.853.91	**52.266.380.00**
Financial Loss Tax Effect	582.39	3.532.43	1.368.582.66	1.683.807.74	7.396.770.78	**10.453.276.00**

*The Group recognized tax assets for deductible financial losses amounting to TL 52.266.380,00 in the financial statements for the period ending on 30.09.2020. (2015-2016-2017-2018-2019 Financial losses)

	30.09.2020	**31.12.2019**
Beginning of Period	(59.176.120)	(28.286.477)
Deferred Tax Income/(Expense)	(775.941)	3.809.874
Other Comprehensive Income Tax Effect	(24.675.944)	(34.699.517)
Total	**(84.628.005)**	**(59.176.120)**

NOTE 22 EARNINGS PER SHARE

Earnings / loss per share is determined by dividing the gain and loss by the weighted average number of shares available in the relevant year.

	30.09.2020	**30.09.2019**
Net Period Profit/Loss	15.217.390	10.432.113
Number of Shares with a Nominal Value of 1 TL	33.000.000	33.000.000
Earnings/Losses Per Share	**0.46**	**0.32**

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

NOTE 23 RELATED PARTY DISCLOSURES

Salary and similar benefits paid to senior executives January 1 - September 30, 2020 and January 1 - December 31, 2019.

	30 September 2020	31 December 2020
Salary and other short-term benefits	1.013.259	719.585
	1.013.259	**719.585**

	1 January - 30 September 2020							
	Receivables				Payables			
	Short Term		Long Term		Short Term		Long Term	
Balances with Related Parties	**Trade**	**Other**	**Trade**	**Other**	**Trade**	**Other**	**Trade**	**Other**
Partners								
YUSUF ŞENEL	-	-	-	-	-	6.440.566	-	-
MARGÜN 1 ENERJİ ÜRT. SAN VE TİC. A.Ş. (**)	-	-	-	-	-	3.675	-	-
HERMES ULUSLARARASI TİCARET VE LOJİSTİK A.Ş.	-	-	-	-	8.592.563	-	-	-
WE DATA BİLİŞİM SAN.VE TİC.A.Ş.(*)	467.730							
	467.730				**8.592.563**	**6.444.241**		

Business transactions with related parties	Stock Purchases	Sales of Goods	Interest Expense	Rent Income	Rent Expense	Sales of Fixed Asset	Others
HERMES ULUSLARARASI TİCARET VE LOJİSTİK A.Ş.	51.291.480						
	51.291.480						

* It consists of job advances to related parties.

	1 January - 31 December 2019							
	Receivables				Payables			
	Short Term		Long Term		Short Term		Long Term	
Balances with Related Parties	**Trade**	**Other**	**Trade**	**Other**	**Trade**	**Other**	**Trade**	**Other**
Shareholders								
YUSUF ŞENEL	-	-	-	-	-	11.500.000	-	-
Related Parties								
MARGÜN 1 ENERJİ ÜRT. SAN VE TİC. A.Ş. (**)	-	75	-	-	-	-	-	-
HERMES ULUSLARARASI TİCARET VE LOJİSTİK A.Ş.	-	-	-	-	4.296.092	-	-	-
	-	**75**	**-**	**-**	**4.296.092**	**11.500.000**	**-**	**-**

	1 Ocak - 31 Aralık 2019				
İlişkili taraflarla ticari işlemler	**Purchases**	**Sales**	**Interest Income**	**Interest Expense**	**Diğer**
İlişkili Taraflarla Ticari İşlemler					
HERMES ULUSLARARASI TİCARET VE LOJİSTİK A.Ş.	-	4.296.092	-	-	-
	-	**4.296.092**	**-**	**-**	**-**

** It belongs to the, Margün 1 Enerji A.Ş not included in the consolidation.

Amounts expressed in Thousand Turkish Lira ("TL") unless otherwise indicated

NOTE 24 THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Net book value of financial assets and liabilities denominated in foreign currency as of 30 September 2020 and 31 December 2019 are as follows:

STATEMENT OF FOREIGN EXCHANGE POSITION

	30.09.2020			31.12.2019		
	For TL (Functional Currency)	USD	EURO	For TL (Functional Currency)	USD	EURO
1.Trade Receivables	4.355.924	551.579	5.389	4.975.416	831.550	5.389
2. Financial Assets	37.645.440	29.358	4.099.014	15.413.668	6.657	2.311.690
2a.Monetary Financial Assets (Including Cash,Bank accounts)	37.645.440	29.358	4.099.014	15.413.668	6.657	2.311.690
3.Others	1.597.418	-	175.000	458.787	61.436	14.111
4.Current Assets (1+2+3)	43.598.782	580.937	4.279.403	20.847.872	899.643	2.331.190
9.Total Assets (4+8)	43.598.782	580.937	4.279.403	20.847.872	899.643	2.331.190
10.Commercial Liabilities	8.700.768	1.114.340	-	11.699.029	1.935.879	30.000
11.Financial Liabilities	55.171.458	3.076.308	3.412.719	37.702.040	3.412.752	2.620.757
13.Short Term Liabilities (10+11+12)	63.872.226	4.190.648	3.412.719	49.401.068	5.348.632	2.650.757
15.Financial Liabilities	218.635.939	11.003.861	14.539.476	142.490.144	12.812.307	9.981.427
17. Long Term Liabilities (14+15+16)	218.635.939	11.003.861	14.539.476	142.490.144	12.812.307	9.981.427
18.Total Liabilities(13+17)	282.508.165	15.194.509	17.952.195	191.891.212	18.160.939	12.632.184
20.Net Foreign Currency Asset/ (Liability) Position (9-18+19)	(238.909.383)	(14.613.572)	(13.672.792)	(171.043.340)	(17.261.296)	(10.300.994)
21.Monetary Items Net Foreign Currency Asset / (Liability) Position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(240.506.801)	(14.613.572)	(13.847.792)	(171.502.128)	(17.322.732)	(10.315.105)

Amounts expressed in Thousand Turkish Lira ("TL") unless otherwise indicated

NOTE 25 FINANCIAL INSTRUMENTS

A-Capital Risk Management

In capital management, while trying to ensure the continuity of its activities, the company aims to increase its profit and market value by keeping the balance of debt and equity efficiently.

The capital structure of the company consists of debts including the credits disclosed in Note 4 and equity items including paid capital, share premiums, growth funds, capital reserves, restricted profit reserves and previous year profit / loss as explained in Note 10.

The risks associated with each capital class together with the capital cost of the Company are evaluated by the Company's senior management. During these examinations, the senior management evaluates the risks associated with each capital class together with the capital cost and submits those who are subject to the decision of the Board of Directors to the Board of Directors. Based on the evaluations of the senior management and the Board of Directors, the Company optimizes its capital diversification by acquiring new debt, repaying existing debt and / or capital increase. The general strategy of the company does not differ from the previous period. The company monitors its capital adequacy by using the net debt / equity ratio. This ratio is found by dividing net debt by total capital.
Net debt is calculated by subtracting cash and cash equivalents from the total debt amount (including short and long-term loans, trade and other debts shown in the balance sheet).

	30.09.2020	**31.12.2019**
Total Payables	334.615.347	293.045.487
Minus:Cash and Cash Equivalences	**13.351.666**	**26.888.737**
Net Payable	321.263.681	266.156.751
Total Equity	313.021.004	213.742.617
Net Ratio Of Payable/Equıty	**1.03**	**1.25**

B-Important Accounting Policies

The important accounting policies related financial instruments of the company are explained in the 'Financial Instruments' section in the footnote number 2 of 'Important Accounting Policies'.

C- Goals in Financial Risk Management

Currently, there is no defined risk management model and active application across the company. There are foreign exchange risk, interest rate risk and liquidity risk among the important financial risks of the company. Although there is no complete risk management model, the Company management manages risk with its decisions and practices. It is aimed to establish an institutional risk management model, and it is still in progress.

D- Market Risk

The Company is exposed to financial risks related to changes in foreign exchange and interest rates due to its activities. The Company management monitors the distribution of income and expenses in terms of foreign currency and the distribution of debts in terms of foreign currency, with variable and fixed interest rates.

Changes in market conditions that cause market risk include changes in the benchmark interest rate, the price of another company's financial instrument, commodity price, exchange rate or price or rate index.

Amounts expressed in Thousand Turkish Lira ("TL") unless otherwise indicated

NOTE 25 FINANCIAL INSTRUMENTS(cont'd)

Interest Rate Risk Management:

The company borrows at fixed and variable interest rates, mainly with fixed interest rates. Interest rates regarding the liabilities of the company are explained in footnote 6.

Statement of Interest Position

	30.09.2020	31.12.2019
Fixed Rate Financial Instruments	**315.438.161**	**187.979.158**
Financial Liabilities	315.438.161	187.979.158
Variable Rate Financial Instruments	**1.000.000**	**6.000.088**
Financial Assets	-	-
Financial Liabilities	1.000.000	6.000.088
Total Assets	-	-
Total Liabilities	**316.438.161**	**193.979.245**

As of September 30, 2020 and December 31, 2019, if the base score had changed by 100 points in variable rate loans, that is, if the interest rates had changed by 1% and all other variables remained constant, net interest expense / income would have occurred due to the change in interest on fixed rate financial instruments. The sensitivity of the company to the interest rate is as follows.

Interest Rate Risk:

The interest position table of the Group as of September 30, 2020 and December 31, 2019 is given below:

	30.09.2020	31.12.2019
Fixed Rate Financial Instruments		
Financial Payables	315.438.161	187.979.158
Variable Rate Financial Instruments		
Cash and Cash Equivalents	13.351.666	26.888.737
Trade Payables	11.732.945	87.462.189
Financial Payables	1.000.000	6.000.088

Amounts expressed in Thousand Turkish Lira ("TL") unless otherwise indicated

NOTE 25 FINANCIAL INSTRUMENTS(cont'd)

Currency Risk Management

There is a natural balance between the company's income and expenses in terms of exchange rate risk, and this balance is tried to be preserved by taking into account forecasts and market conditions.

As of September 30, 2020 and December 31, 2019, if TL changed by 10% against USD, Euro and other foreign currencies at the same time and all other variables remained constant, as a result of the net exchange difference / loss arising from assets and liabilities in these currencies, the period net profit / loss before tax;

The foreign currency risk sensitivity analysis of the company's foreign currency position is as follows:

Exchange Rate Sensitivity Analysis Table
Current Period

	30.09.2020 Profit/Loss		**31.12.2019 Profit/Loss**	
LIABILITIES MEASURED OVER PRINCIPAL	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case 10% appreciation in USD against TL :				
1-USD net asset / liability	(11.410.277)	11.410.277	(10.290.049)	10.290.049
2-Part of hedged from US Dollar risk (-)	-	-	-	-
3-USD Net Effect (1+2)	(11.410.277)	11.410.277	(10.290.049)	10.290.049
In case 10% appreciation in EURO against TL:				
4-EURO net asset/liability	(12.480.661)	12.480.661	(6.860.163)	6.860.163
5-Part of hedged from EURO risk (-)	-	-	-	
6- EURO Net Effect (4+5)	**(12.480.661)**	**12.480.661**	**(6.860.163)**	**6.860.163**
7- TL effect (not affected by exchange rate)	-	-		-
TOTAL (3+6+7)	**(23.890.938)**	**23.890.938**	**(17.150.213)**	**17.150.213**

Credit and Collection Risk Management

The company's credit and collection risk is mainly related to its receivables. The amount shown in the balance sheet is the net amount after deducting the doubtful receivables estimated by the Company management based on previous experiences and current economic conditions. The credit risk of the company is distributed due to the large number of customers working. On the other hand, it is seen that a significant portion of the receivables are from related parties.

Amounts expressed in Thousand Turkish Lira ("TL") unless otherwise indicated

NOTE 25 FINANCIAL INSTRUMENTS(cont'd)

Credit risks exposed by types of financial instruments:

30.09.2020	**Trade Receivables Related Party**	**Trade Receivables Other Party**	**Other Receivables Related Party**	**Other Receivables Other Party**
The maximum credit risk exposed as of the reporting date (A+B+C+D+E) (1)	**-**	**12.040.821**	**-**	**280.214**
- The part of the maximum risk under guarantee	-	-	-	-
A.Net book value of financial assets that are neither due nor impaired. (2)	-	12.040.821	-	280.214
-Overdue (gross book value)	-	5.085.584	-	-
-Impairment (-)	-	(5.085.584)	-	-

31.12.2019	**Trade Receivables Related Party**	**Trade Receivables Other Party**	**Other Receivables Related Party**	**Other Receivables Other Party**
The maximum credit risk exposed as of the reporting date (A+B+C+D+E) (1)	**-**	**11.807.601**	**75**	**4.123.453**
- The part of the maximum risk under guarantee	-	-	-	-
A.Net book value of financial assets that are neither due nor impaired. (2)	-	11.807.601	75	4.123.453
-Overdue (gross book value)	-	6.300.326	-	
-Impairment (-)	-	(6.300.326)	-	

Aging analysis for financial assets that are overdue but not impaired as of September 30, 2020 are as follows:

30.09.2020	**Receivables**	
	Trade Receivables	**Provisions for Doubtful Receivables**
Past due 1-30 days	-	-
Past due 1-3 months	-	-
Past due 3-12 months	5.085.584	(5.085.584)
Past due 1-5 years	-	-
More than 5 years past due	-	-

Aging analysis for financial assets that are overdue but not impaired as of December 31st, 2019 are as follows:

31.12.2019	**Receivables**	
	Trade Receivables	**Provisions for Doubtful Receivables**
Past due 1-30 days	-	-
	-	-
Past due 1-3 months	-	-
Past due 3-12 months	6.000.326	(6.000.326)
Past due 1-5 years	-	-
The part secured with collateral, etc	-	-

Amounts expressed in Thousand Turkish Lira ("TL") unless otherwise indicated

NOTE 25 FINANCIAL INSTRUMENTS(cont'd)

30.09.2020

As Per the Terms of Agreement

Terms	Book Value	Cash Outflows Total (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non-Derivative Financial Liabilities						
Bank loans with certain maturities	315.438.161	315.438.161	17.430.260	49.631.601	200.012.504	48.363.795
Bank loans with uncertain maturities	1.000.000	1.000.000	-	1.000.000	-	-
Financial lease obligations	-	-	-	-	-	-
Trade Payables	11.732.946	11.732.946	11.732.946	-	-	-
Other Payables	6.444.241	6.444.241	6.444.241	-	-	-

30.09.2020

Expected

Terms	Book Value	Cash Outflows Total (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non-Derivative Financial Liabilities						
Bank loans with certain maturities	315.438.161	315.438.161	17.430.260	49.631.601	200.012.504	48.363.795
Bank loans with uncertain terms	1.000.000	1.000.000	-	1.000.000	-	-
Financial lease obligations	-	-	-	-	-	-
Trade Payables	11.732.946	11.732.946	11.732.946	-	-	-
Other Payables	6.444.241	6.444.241	6.444.241	-	-	-

31.12.2019

As Per the Terms of Agreement

Terms	Book Value	Cash Outflows Total (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non-Derivative Financial Liabilities						
Bank loans with certain maturities	187.979.158	187.979.158	-	39.290.318	118.610.331	30.078.509
Bank loans with uncertain terms	12.000.176	12.000.176	6.000.088	6.000.088	-	-
Financial lease obligations	-	-	-	-	-	-
Trade Payables	87.462.189	87.462.189	4.296.042	83.166.147	-	-
Other Payables	11.500.000	11.500.000	11.500.000	-	-	-

31.12.2019

Expected

Terms	Book Value	Cash Outflows Total (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non-Derivative Financial Liabilities						
Bank loans with certain maturities	187.979.158	187.979.158	-	-	118.434.617	32.904.299
Bank loans with uncertain terms	12.000.176	12.000.176	-	4.385.067	-	-
Financial lease obligations	-	-	-	-	-	-
Trade Payables	87.462.189	87.462.189	4.705.546	1.277.836	-	-
Other Payables	11.500.000	11.500.000	231.697	-	-	-

NOTE 25 FINANCIAL INSTRUMENTS(cont'd)

Fair value of financial instruments

Fair value is the amount at which a financial instrument can be exchanged in a current transaction between voluntary parties other than a forced sale or liquidation, and is best determined by a quoted market price, if any.

The Group has determined the estimated fair values of financial instruments using currently available market information and appropriate valuation methods. However, evaluating market information and estimating fair values requires interpretation and judgement. As a result, the estimates presented here may not always be an indicator of the values that the Group can achieve in a current market transaction.

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Monetary Assets

Balances in foreign currency are converted into Turkish Lira by using the effective foreign Exchange at the end of the period. These balances are predicted to be close to fair value.

It is predicted that the registered values of trade receivables reflect the fair value together with the related provisions for doubtful receivables.

It is predicted that the registered values of trade receivables reflect the fair value together with the related provisions for doubtful receivables.

Monetary Liabilities

It is assumed that the book values of bank loans and other monetary debts approach their fair values due to their short term nature.

Since long-term foreign currency loans have variable interest rates, their fair values are close to their book values. The fair values determined to be disclosed in the related notes for long-term bank loans are the discounted value of the cash flows stipulated by the contract with the current market interest rate.

Fair value estimation:

Fair value calculations are explained based on the stages specified in the calculation hierarchy below:

Level 1: Tape prices in active markets for certain assets and liabilities.
Level 2: Direct or indirect observable inputs for assets or liabilities other than tape prices within Level 1.
Level 3: Inputs for assets and liabilities that cannot be determined on the basis of observable market data.

The "Benchmarking" and "Cost Approach" method was used in determining the fair value of the facilities in the Lands and Lands, Buildings and Vehicles belonging to Naturel Renewable Energy (Level 2), and in determining the fair values of the facilities other than those belonging to Natural Renewable Energy, Income Capitalization INA analysis " was used (Level 3).

NOTE 26 OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRE DISCLOSURE FOR THE FINANCIAL STATEMENTS TO BE CLEAR, UNDERSTANDABLE AND INTERPRETABLE

None. (31.12.2019 None)

NOTE 27 SUBSEQUENT EVENTS

The Initial Public Offering of Esenboğa Elektrik Üretim A.Ş., a 100% subsidiary of our company, has been completed as of today through Metro Yatırım.

Esenboğa Elektrik Üretim A.Ş.'s shares with a nominal value of TRY 24.000.000, which is gained by increasing the paid-in capital from TRY 40.000.000 to TRY 64.000.000 were offered to the public at TRY 8,5 per share. The total public offering revenue was realized as TRY 204.000.000. After the deduction of the estimated public offering expenses (TRY 2.167.501), the net public offering income is expected to be TRY 201.832.499. By restricting the participation of existing shareholders in the public offering, the entire public offering income has been ensured to remain within Esenboğa Elektrik Üretim A.Ş.