

**Report Date** : 17 February 2022

**NATUREL YENİLENEBİLİR ENERJİ TİCARET  
ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**Audited Consolidated Financial Statements  
For The Period Ended 1 January – 31 December 2021**

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CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Consolidated Statement of  
Financial Position as at 31 December 2021**

(Currency shown is (“TL”) unless indicated otherwise)

ASSETS	Notes	Current Period	Prior Period
		Audited	Audited
		31 December 2021	31 December 2020
Cash and cash equivalents	4	829,799,458	217,704,672
Trade receivables			
- <i>Trade receivables from third parties</i>	6	444,816,688	13,894,492
Other receivables			
- <i>Other receivables from third parties</i>	8	1,287,809	261,651
Inventories	9	3,498,045	22,124,061
Prepaid expenses	10	4,435,611	6,933,447
Assets related to current tax	25	4,809,715	328,311
Other current assets	18	19,208,236	41,639,417
<b>Total current assets</b>		<b>1,307,855,562</b>	<b>302,886,051</b>
Other receivables			
- <i>Other receivables from third parties</i>	8	607,001	24,528
Financial investment		-	50,000
Investment properties	11	42,854,420	39,287,866
Property, plant and equipment	12	4,701,332,434	1,002,001,189
Intangible assets	13	201,251	266,909
Prepaid expenses	10	614,500	3,100,000
<b>Total non-current assets</b>		<b>4,745,609,606</b>	<b>1,044,730,492</b>
<b>TOTAL ASSETS</b>		<b>6,053,465,168</b>	<b>1,347,616,543</b>

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of  
Financial Position as at 31 December 2021**

(Currency shown is ("TL") unless indicated otherwise)

<b>LIABILITIES</b>	<b>Notes</b>	<b>Current Period</b>	<b>Prior Period</b>
		<b>Audited</b>	<b>Audited</b>
		<b>31 December 2021</b>	<b>31 December 2020</b>
Short-term portions of long-term borrowings	7	274,807,328	91,976,734
Other financial liabilities	7	508,122	114,201
Trade payables			
- Trade payables to third parties	5	69,156,071	-
- Trade payables to third parties	6	241,869,196	3,045,038
Other payables			
- Other payables to related parties	5	-	11,971,889
- Other payables to third parties	8	2,294,827	-
Payables related to employee benefits	16	1,004,599	497,959
Deferred income	10	28,747,353	13,214,787
Short-term provisions			
- Short-term provisions for employee benefits	17	199,780	113,820
Other current liabilities	18	6,029,871	1,621,849
<b>Current liabilities</b>		<b>624,617,147</b>	<b>122,556,277</b>
Long-term borrowings	7	979,087,540	338,629,607
Long-term provisions			
- Long-term provisions for employee benefits	17	367,144	193,653
Deferred tax liabilities	25	56,017,360	143,974,382
<b>Non-current liabilities</b>		<b>1,035,472,044</b>	<b>482,797,642</b>
Paid-in capital	19	33,000,000	33,000,000
Premiums/ discounts related to shares	19	472,216,507	148,055,900
Effect of mergers involving undertaking or enterprises subject to common control	19	-	(13,068,687)
<b>Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss</b>			
- Accumulated Gain on Revaluation of Non-Current Assets	19	1,399,816,661	243,913,757
- Accumulated gain on remeasurement of defined benefit plans	19	244,012	80,305
<b>Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss</b>			
- (Losses) on cash flow hedges	19	(170,167,214)	-
Restricted profit reserves		61,260,002	1,052,573
Prior years' profit/ (loss)		(27,696,688)	37,401,307
Net profit for the period		611,988,564	78,018,865
<b>Equity attributable to owners of the company</b>		<b>2,380,661,844</b>	<b>528,454,020</b>
Non-Controlling Interests		2,012,714,133	213,808,604
<b>Total equity</b>		<b>4,393,375,977</b>	<b>742,262,624</b>
<b>TOTAL LIABILITIES</b>		<b>6,053,465,168</b>	<b>1,347,616,543</b>

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the Period Ended 1 January – 31 December 2021  
(Currency shown is (“TL”) unless indicated otherwise)

	Notes	Current Period Audited	
		1 January- 31 December 2021	1 January- 31 December 2020
Revenue	20	623,358,353	142,757,181
Cost of Sales (-)	20	(423,309,000)	(67,983,894)
<b>Gross profit</b>		<b>200,049,353</b>	<b>74,773,287</b>
General and administrative expenses (-)	21	(34,757,582)	(11,041,535)
Other income from operating activities	22	466,219,836	22,318,367
Other expenses from operating activities (-)	22	(122,577,029)	(583,038)
<b>Operating profit</b>		<b>508,934,578</b>	<b>85,467,081</b>
Income from investing activities	23	654,504,715	101,884,607
<b>Operating profit before finance expense</b>		<b>1,163,439,293</b>	<b>187,351,688</b>
Financial expenses (-)	24	(133,973,890)	(94,745,274)
<b>Profit before taxation</b>		<b>1,029,465,403</b>	<b>92,606,414</b>
- Current period tax (expense)	25	-	(186,654)
- Deferred tax income/ (expense)	25	(5,372,542)	8,451,774
<b>Profit/ (Loss) for the period</b>		<b>1,024,092,861</b>	<b>100,871,534</b>
Equity holders of the parents		611,988,564	78,018,865
Non-controlling interests		412,104,297	22,852,669
<b>OTHER COMPREHENSIVE INCOME</b>		<b>1,025,082,477</b>	<b>255,752,535</b>
<b>Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss</b>			
Accumulated Gain on Revaluation of Non-Current Assets		1,153,642,097	248,318,252
Deferred tax (expense)		2,260,809	7,503,285
Accumulated Gain on remeasurement of defined benefit plans	17	270,554	(86,253)
Deferred tax (expense)		(62,227)	17,251
<b>Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss</b>			
Foreign currency conversion differences		(170,167,214)	-
Hedging (losses)		39,138,459	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,049,175,338</b>	<b>356,624,069</b>
<b>Earnings/ (loss) per share (TL)</b>	<b>26</b>	<b>18.55</b>	<b>2.36</b>

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Consolidated Statement of Changes in Equity  
for the Period Ended 1 January – 31 December 2021**  
(Currency shown is (“TL”) unless indicated otherwise)

				Accumulated Other Comprehensi ve Income or (Expenses) that will be Reclassified to Profit or (Loss)		Accumulated Other Comprehensive Income or (Expenses) that will not be Reclassified to Profit or (Loss)							
	Paid-in capital	Premiums/ discounts related to shares	Profit-separated restricted reserves	Effect of mergers involving undertaking or enterprises subject to common control	Hedging gains/losses	Defined benefit plans revaluation increases / decreases	Tangible asset value Increase Fund	Prior year's profit/loss	Profit for the period	Equity attributable to owners of the company	Consolidated equity of participations	Total equity	
<b>1 January 2020</b>	<b>33,000,000</b>	<b>37,015,413</b>	<b>1,013,087</b>	<b>(7,380,156)</b>	-	<b>166,558</b>	<b>81,520,835</b>	<b>635,548</b>	<b>67,771,333</b>	<b>213,742,618</b>	-	<b>213,742,618</b>	
Transfers	-	-	39,486	-	-	-	-	67,731,847	(67,771,333)	-	-	-	
Transactions with Non-Controlling Shareholders	-	(66,624,292)	-	(5,688,531)	-	1,967	(68,217,810)	(26,427,269)	(22,852,669)	(189,808,604)	213,808,604	24,000,000	
Increase/Decrease Due to Share Based Transactions	-	177,664,779	-	-	-	-	-	-	-	177,664,779	-	177,664,779	
Total comprehensive income/expense	-	-	-	-	-	(88,220)	230,610,732	-	-	230,522,512	-	230,522,512	
Increase/decrease due to other change	-	-	-	-	-	-	-	(4,538,819)	-	(4,538,819)	-	(4,538,819)	
Net profit/loss for the period	-	-	-	-	-	-	-	-	100,871,534	100,871,534	-	100,871,534	
<b>31 December 2020</b>	<b>33,000,000</b>	<b>148,055,900</b>	<b>1,052,573</b>	<b>(13,068,687)</b>	-	<b>80,305</b>	<b>243,913,757</b>	<b>37,401,307</b>	<b>78,018,865</b>	<b>528,454,020</b>	<b>213,808,604</b>	<b>742,262,624</b>	
<b>1 January 2021</b>	<b>33,000,000</b>	<b>148,055,900</b>	<b>1,052,573</b>	<b>(13,068,687)</b>	-	<b>80,305</b>	<b>243,913,757</b>	<b>37,401,307</b>	<b>78,018,865</b>	<b>528,453,119</b>	<b>213,808,604</b>	<b>742,262,624</b>	
Transfers	-	-	60,198,172	-	-	-	-	17,820,693	(78,018,865)	-	-	-	
Total comprehensive income	-	-	-	-	(68,066,885)	135,525	474,378,209	-	-	406,446,849	-	406,446,849	
Effect of mergers involving undertaking or enterprises subject to common control	-	187,128,524	9,257	(5,688,531)	(102,100,329)	28,182	681,524,695	(118,035,756)	395,893,386	1,038,759,428	1,798,905,529	2,837,664,957	
Non-Controlling Interest	-	-	-	18,757,218	-	-	-	-	-	18,757,218	-	18,757,218	
Increase/decrease from share-based transactions (*)	-	137,032,083	-	-	-	-	-	39,635,193	-	176,667,276	-	176,667,276	
Other effect of adjustments	-	-	-	-	-	-	-	(4,518,125)	-	(4,518,125)	-	(4,518,125)	
Profit for the period	-	-	-	-	-	-	-	-	216,095,178	216,095,178	-	216,095,178	
<b>31 December 2021</b>	<b>33,000,000</b>	<b>472,216,507</b>	<b>61,260,002</b>	-	<b>(170,167,214)</b>	<b>244,012</b>	<b>1,399,816,661</b>	<b>(27,696,688)</b>	<b>611,988,564</b>	<b>2,380,661,844</b>	<b>2,012,714,133</b>	<b>4,393,375,977</b>	

(\*) As of 31 December 2021. the amount for business combination described in Note 1 of the Group.

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Consolidated Statement of Cash Flow**  
**for the Period Ended 1 January – 31 December 2021**  
(Currency shown is (“TL”) unless indicated otherwise)

	Notes	Current Period Audited	
		1 January – 31 December 2021	1 January - 31 December 2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit for the Period</b>		<b>611,988,564</b>	<b>100,871,534</b>
Adjustments related to depreciation and amortization expenses	12.13	90,698,941	7,340,142
Adjustments related to (gain)/loss on disposal of non-current assets		(623,157)	15,193
Adjustments related to unrealized exchange rate differences		-	(57,816,524)
Adjustments related to fair value (gain) Losses		(2,046,433,526)	-
Adjustments related to provision for unused vacations		85,960	-
Fair value of financial assets gain/losses		(170,167,214)	-
Adjustments related for profit / loss reconciliation		-	(8,863,315)
Adjustments related to interest income	24	(24,298,584)	14,103,770
Adjustments related to retirement pay provision expenses	17	444,045	275,802
Period gain/losses reconciliation		1,208,212,955	-
Adjustments related to rediscounted interest income/expense		(41,145)	-
Adjustments related to tax expense	25	(88,063,869)	-
Adjustments related to Impairment (Cancellation)		-	5,085,584
<b>Movements in working capital</b>		<b>(418,197,030)</b>	<b>61,012,186</b>
Adjustments related to increase/decrease in trade receivables		(430,903,867)	(2,086,891)
Adjustments related to increase/decrease in other receivables		2,294,827	471,889
Adjustments related to increase/decrease in inventories		18,626,016	(21,942,100)
Adjustments related to increase/decrease in other receivables		(1,608,631)	4,082,017
Adjustments related to increase/decrease in prepaid expenses		4,983,336	-
Adjustments related to increase/decrease in other assets		22,431,181	-
Adjustments related to increase/decrease in trade payables		308,063,045	(84,417,151)
Adjustments related to increase/decrease deferred income		15,532,566	-
Adjustments related to increase/decrease in other liabilities		4,408,022	-
Adjustments related to increase/decrease in employee benefits		506,640	-
Interest received	24	24,298,584	-
Income taxes paid	25	(4,481,404)	(324,346)
<b>Cash generated from operations</b>		<b>(454,046,715)</b>	<b>(43,204,396)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash inflows from sale of property, plant and equipment		26,731,360	17,609
Cash outflow from purchase of property, plant and equipment		(169,787,141)	(16,508,865)
Cash outflows from purchase of other long term assets		-	(5,407,000)
Adjustments related to increase/decrease tangible asset value		(15,822,095)	-
Other cash flow		60,207,429	-
<b>Cash flows from investing activities</b>		<b>(82,848,352)</b>	<b>(21,898,256)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash obtained from/used for other receivables from related parties/other payables to related parties		(11,971,889)	-
Cash Inflows Concerning Sales Resulting in Loss of Control of Subsidiaries		50,000	-
Cash Inflows from Issuance of Shares and Other Equity-Based Instruments		324,160,607	177,664,779
Effect of Mergers Involving Enterprises or Businesses Under Common Control		13,068,687	-
Net cash inflows/outflows from financial borrowings		899,751,605	134,682,465
Cash outflows from financial debt payments		-	(35,906,903)
Interest payment	24	(76,069,157)	(20,521,754)
<b>Cash flows from financing activities</b>		<b>1,148,989,853</b>	<b>255,918,587</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>612,782,834</b>	<b>190,815,935</b>
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>217,704,672</b>	<b>26,888,737</b>
<b>Balance at the end of the period</b>	4	<b>830,487,506</b>	<b>217,704,672</b>

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

**CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH**

**NATUREL YENİLENEBİLİR ENERJİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**Consolidated Statement of  
Financial Position as at 31 December 2021**  
(Currency shown is (“TL”) unless indicated otherwise)

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**NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP**

**Naturel Yenilenebilir Enerji Ticaret Anonim Şirketi (“Naturel”):**

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 on 01-02 August 2019 and 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.

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's solar power plants are collected under Esenboğa. where it has a 62.5% share. The BIST of Esenboğa Elektrik Üretim A.Ş. was completed and started to be traded on 09.10.2020 within BIST. Esenboğa Elektrik Üretim A.Ş. according to current data. the actual amount of shares in circulation is TL 24.000.000 and 37.5% of the shares are traded within BIST Yıldız Pazar.

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 31 December 2021. the number of personnel employed is 96. as of 31 December 2020 the number of personnel employed is 55.



## CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

### NATUREL YENİLENEBİLİR ENERJİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Consolidated Statement of  
Financial Position as at 31 December 2021**  
(Currency shown is (“TL”) unless indicated otherwise)

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#### NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP (CONT'D)

The Group has entered into a more effective structuring process in order to facilitate its operational activities. reduce electricity generation costs. reduce power plant maintenance and operating costs. and gather power plant management under the same administrative roof. As stated in the Group's KAP statement dated February 3. 2021 Kural Enerji A.Ş.. Maral Enerji A.Ş.. Soral Enerji A.Ş.. Güneş 5 Enerji A.Ş. and Hanel Global Gayrimenkul Pazarlama A.Ş. and Margün 13 Enerji Üretim Sanayi ve Ticaret A.Ş. merged with Margün Enerji Üretim Sanayi ve Ticaret A.Ş. and after business combination. its cash paid-in capital was 310.000.000 TL and was registered as of February 5. 2021.

Anatolia Yenilenebilir Enerji A.Ş.. Energes 9 Enerji Sanayi ve Ticaret A.Ş. and Berrak Ges 1 Enerji Sanayi ve Ticaret A.Ş. was merged named of Anatolia Yenilenebilir Enerji A.Ş.. and after business combination Anatolia Yenilenebilir Enerji A.Ş.'nin its cash paid-in capital was 17.000.000 TL and was registered as of February 5. 2021.

As stated in the Group's KAP statement dated February 11. 2021 Snl Enerji Ürt. San. Ve Tic. A.Ş.. Ysf Enerji Ürt. San. Ve Tic. A.Ş.. Margün 13 Enerji Ürt. San. Ve Tic. A.Ş.. Margün 1 Enerji San. ve Tic. A.Ş.. Saf Akçe Enerji Ürt. San. ve Tic. A.Ş. and Ulus Enerji Ürt. San. ve Tic. A.Ş. merged named of Agah Enerji Üretim Sanayi ve Ticaret A.Ş.. and after business combination Agah Enerji Üretim Sanayi ve Ticaret A.Ş. its cash paid-in capital was 77.000.000 TL and was registered as of February 12. 2021.

100% subsidiary of the group Margün Enerji Üretim Sanayi ve Ticaret A.Ş.'s subsidiaries are Ased Danışmanlık İnşaat Enerji Üretim 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.. 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. ve Er5ges Enerji Tarım İnşaat San. ve Tic. A.Ş. merged with named of Bosphorus Yenilenebilir Enerji A.Ş. and after business combination Bosphorus Yenilenebilir Enerji A.Ş. its cash paid-in capital 115.000.000 TL and was registered as of February 12. 2021.

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Consolidated Statement of  
Financial Position as at 31 December 2021  
(Currency shown is ("TL") unless indicated otherwise)

NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP (CONT'D)

The Group's business combinations completed and companies and shares as follow:

Subsidiaries	Share (%)	Main activity
Esenboğa Elektrik Üretim A.Ş.	% 100/% 100	EPC
Margün Enerji Üretim Sanayi ve Ticaret A.Ş.	% 100/% 100	Energy/EPC
Bosphorus Yenilenebilir Enerji A.Ş.	% 100/% 100	Energy
Agah Enerji Üretim Sanayi ve Ticaret A.Ş.	% 100/% 100	Energy
Angora Elektrik Üretim A.Ş.	% 100/% 100	Energy
Anatolia Yenilenebilir Enerji A.Ş.	% 100/% 100	Energy
Troya Yenilenebilir Enerji Ticaret A.Ş.	% 100/% 100	Energy
Soleil Yenilenebilir Enerji Ticaret A.Ş.	% 100/% 100	Energy
Enerji Teknoloji Yazılım A.Ş.	% 100/% 100	Software

The Group's installed power (kWp) related to producing as follow;

Country	Country	Installed power (kWp)	Producing power (kWe)
Ankara	Akyurt Kahramankazan Kızılcahamam Polatlı	25.833	22.581
Yozgat	Akdağmadeni Sorgun	6.675	5.690
Nevşehir	Merkez	10.318	8.991
Afyon	Dazkırı Sinanpaşa	15.485	13.780
Bilecik	Söğüt	2.147	1.998
Konya	Selçuklu Tuzlukçu	19.351	17.000
Antalya	Elmalı	3.516	3.540
Eskişehir	Sivrihisar	3.373	2.970
Adana	Çukurova	11.152	9.930
Muğla	Milas	20.170	14.000
		<b>118.020.22</b>	<b>100.480</b>

## CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

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## NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

### 2.1 Basis of 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") 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 September 7, 2019 and numbered 30794 by Public Oversight Authority ("POA").

#### b) Adjustment of Financial Statements in Hyperinflation 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) Basis 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).

#### 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 currency is Turkish Lira ("TL"). The accompanying 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.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(CONT'D)**

**2.1 Basis of Presentation (cont'd)**

**e) Basis of Consolidation**

*(i) Business combinations*

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.

Esenboğa Elektrik Üretim A.Ş., signed a sales contract with Özyer Group (Hasan Özyer and Ömer Özyer) to buy developed and established under the roof of unlicensed electricity generation regulation 11 solar power plants, and bought Güneş 5 Enerji A.Ş., Maral Enerji A.Ş.'yi and its with subsidiaries (Hanel Global A.Ş., Kural Enerji A.Ş. ve Soral Enerji A.Ş.) on 30.12.2020. The purchase price is determined by deducting loans and other debts from the value determined by the valuation report. In the valuation report, the company values of us \$ 26.400.000 were determined and the purchase price of us \$ 13.625.000 was reached by deducting the loans and other debts of us \$ 12.775.000.

*ii) Acquisitions from jointly controlled business interests*

Financial statements have been adjusted as if the acquisition was made as of the beginning of the relevant reporting period in which the common control was carried out and they are presented comparatively as of the beginning of the relevant reporting period. The Group's consolidated financial statements are prepared in comparison with the previous period.

As a result of these transactions goodwill don't recognized. Assets and liabilities subject to business combination recognized at their carrying amounts for the accounting of share transfers between entities under common control.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(CONT'D)**

**2.1 Basis of Presentation (cont'd)**

**e) Basis of Consolidation (cont'd)**

*ii) Acquisitions from jointly controlled business interests (cont'd)*

The difference arising in the elimination of the carrying value of the investment held and share capital of the acquired company is directly accounted as "Effects of transactions involving entities under common control" under retained earnings the equity. The Group's consolidated financial statements have been prepared comparatively with the prior period, allowing the determination of financial position and performance. Comparative information is reclassified and significant differences are explained when necessary in terms of compliance with presentation of current period financial statements.

Margun Enerji Üretim Sanayi ve Ticaret A.Ş. on 31.12.2020 Esenboga Energy A.Ş. Natural Renewable Energy A.. which is the dominant partner of. angora Electric Power Generation Co. Ltd. A.Ş. he bought it for 13.666.685 USD (100.318.099 TL). The 'Merger of Rights' method was applied while the transaction was being accounted for and it had the effect of merging businesses subject to joint control. Angora Electric Power Generation Inc.Sh. located under Saf Akçe Energy Production Inc. Ulus Energy Production Inc. and Agah Energy Production Inc. the loan has been taken over along with the debts. In the valuation report. Angora and its subsidiaries were valued at USD 20.318.000. and loans and other liabilities were reduced by USD 6.651.616 to USD 13.666.685. It was also aired on Snl Energy on January 20, 2021. Renown. and tic. A.Sh.. Ysf Energy Urt. Renown. and Tic A.Sh.. March 13. Urt. Renown. and tic. A.Sh.. March 1. San. and tic. A.Ş. Generate Pure Akçe Energy. Renown. and tic. A.Ş.. Energes 1 Enerji Sanayi ve Ticaret A.Ş.. Energes 9 Enerji Sanayi ve Ticaret A.Ş.. and Berrak Ges 1 Energy Industry and Trade Co.Sh. and Give the Nation Energy. Renown. and tic. A.Ş. Margun Energy Production Inc.Inc. and Angora Electric Power Generation Inc. A.Ş."due to its transfer to ". it has been included in the merger effect subject to joint control.

**(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.

Non-controlling interests are measured at the proportional amount of net asset value at the date of acquisition of the subsidiary.

Changes that do not result in loss of control in the shares of the Group in subsidiaries are accounted for as a transaction regarding partnership with partners. Adjustments made to non-controlling shares are calculated over the proportional amount of the net asset value of the subsidiary. No adjustment to goodwill is made and no gain or loss is recognized in profit or loss.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(CONT'D)**

**2.1 Basis of Presentation (cont'd)**

**e) Basis of Consolidation (cont'd)**

**(iv) Lose of Control**

If the Group loses its control over the subsidiary, it derecognizes the assets and liabilities of the subsidiary, its non-controlling shares 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 be a shareholder in its previous subsidiary, the remaining shares are measured at fair value as of the day control is lost.

**(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:

	<b>31 December 2021</b>	<b>31 December 2020</b>
USD/TL	13.3290	7.3405
Euro/TL	15.0867	9.0079

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#### **NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

##### **2.2 Declaration of Conformity 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.

##### **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.

##### **2.4 Amendments in Turkish Financial Reporting Standards (“TFRS”)**

The accounting policies adopted in preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2021. The effects of these standards and interpretations on the Company / the Group’s financial position and performance have been disclosed in the related paragraphs.

##### **The new standards, amendments and interpretations which are effective as of 1 January 2021 are as follows:**

*Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16*

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings.

*The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed.*

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform. The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(CONT'D)**

**2.4 Amendments in Turkish Financial Reporting Standards (“TFRS”) (cont’d)**

**The new standards, amendments and interpretations which are effective as of 1 January 2021 are as follows: (cont’d)**

*The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed. (cont’d)*

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform. Relief from discontinuing hedging relationships

*The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.*

- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

*Separately identifiable risk components*

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

*Additional disclosures*

Amendments need additional TFRS 7 Financial Instruments disclosures such as; How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity’s risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. The amendment did not have a significant impact on the financial position and performance of the Group.



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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(CONT'D)**

**2.4 Amendments in Turkish Financial Reporting Standards (“TFRS”) (cont’d)**

**The new standards, amendments and interpretations which are effective as of 1 January 2021 are as follows: (cont’d)**

*Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 30 June 2021*

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 April 2021.

Early application of the amendments is permitted. The amendment did not have a significant impact on the financial position and performance of the Group.

**Standards issued but not yet effective and not early adopted effective from 30 June 2021**

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

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

**TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

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#### NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

##### 2.4 Amendments in Turkish Financial Reporting Standards (“TFRS”) (cont'd)

**The new standards, amendments and interpretations which are effective as of 1 January 2021 are as follows: (cont'd)**

###### *Amendments to TFRS 3 – Reference to the Conceptual Framework*

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (March 2018).

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

###### *Amendments to TAS 16 – Proceeds before intended use*

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment. There is no transition relief for the first time adopters.

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

###### *Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract*

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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#### NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

##### 2.4 Amendments in Turkish Financial Reporting Standards (“TFRS”) (cont'd)

**The new standards, amendments and interpretations which are effective as of 1 January 2021 are as follows: (cont'd)**

TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The amendment did not have a significant impact on the financial position and performance of the Group.

##### *Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities*

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted. The amendment did not have a significant impact on the financial position and performance of the Group.

##### Annual Improvements – 2018–2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards

- Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.

- TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(CONT'D)**

**2.4 Amendments in Turkish Financial Reporting Standards (“TFRS”) (cont'd)**

**The new standards, amendments and interpretations which are effective as of 1 January 2021 are as follows: (cont'd)**

Annual Improvements – 2018–2020 Cycle (cont'd)

- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

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

**2.5 Summary of Significant Accounting Policies**

The accounting policies applied in the preparation of these consolidated financial statements are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2019.

**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.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**a) Revenue (cont'd)**

General model for revenue recognition (cont'd)

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.

**b) Financial instruments**

*i) Recognition and initial measurement*

The Group recognizes its trade receivables and debt instruments on the day its occurred. 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, for the first time during a financial asset to be included in the financial statements; are measured at amortized cost; fair value (“FV”) reflected in other comprehensive income measured using the difference – investments in debt instruments; the difference is reflected in other comprehensive income measured using GUD – gud reflected in profit or loss or are classified as investments in equity instruments measured using.

Financial assets are not reclassified after their initial recognition unless the Group changes its operating model to manage financial assets. In this case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the operating model.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(CONT'D)**

**2.5 Summary of Significant Accounting Policies (cont'd)**

**b) Financial instruments (cont'd)**

*ii) Classification and subsequent measurement (cont'd)*

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 that are not measured at the amortized cost specified above or by reflecting the GUD difference in other comprehensive income are measured by reflecting the GUD difference in profit or loss. These also include all derivative financial assets. For the first time during the financial statements included in the financial statements, and the related gains or losses from the measurement of financial assets in different ways in different ways to eliminate or significantly reduce an accounting mismatch that will arise from the receipt of the financial statements in order to profit or loss a financial asset measured using the fair value change is reflected in a catastrophic manner can be defined as.

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

The transfer of financial assets to third parties in transactions that are not eligible for exclusion from the statement of financial position is not considered a sale for this purpose, consistent with the Group's continuous accounting of its assets in its financial statements.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**b) Financial instruments (cont'd)**

*ii) Classification and subsequent measurement (cont'd)*

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

Principal is defined as the fair value of a financial asset at the time of its first entry into the financial statements. Interest consists of the time value of money, the credit risk of the principal balance for a certain period of time, other basic lending risks and costs (for example, liquidity risk and management costs), as well as the profit margin.

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:

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**2.5 Summary of Significant Accounting Policies (cont'd)**

**b) Financial instruments (cont'd)**

*ii) Classification and subsequent measurement (cont'd)*

The following accounting policies apply to subsequent measurement of financial assets.

Financial assets measured by reflecting the FV difference in profit/loss	These assets are measured at their fair values in subsequent measurements. Net gains and losses related to them, including any interest or dividend income, are recognized in profit or loss.
The difference in the FV is reflected in other comprehensive income equity instruments	These assets are measured at their fair value in subsequent periods. Dividends are recognized in profit or loss, unless they are clearly in the nature of recovery of a part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are not reclassified in profit or loss.
Financial assets measured at amortized cost	These assets are measured at amortized cost using the effective interest method in subsequent measurements. If there are amortized costs, impairment losses are reduced by the amount of. Interest income, foreign currency gains and losses and impairment charges are recognized in profit or loss. Gains or losses arising from the exclusion of these from the statement of financial position are recognized in profit or loss.

**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.

The subsequent measurement of other financial liabilities is made from their amortized costs using the effective interest method. Interest income and foreign currency translation difference profits and losses are recognized in profit or loss. Gains or losses incurred during the exclusion from the financial statements are recognized in profit or loss.

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



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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**b) Financial instruments (cont'd)**

**Financial Liabilities (cont'd)**

The Group's non-derivative financial liabilities include borrowings, other financial liabilities, trade payables and other payables.

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.

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.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**b) Financial instruments (cont'd)**

**Financial assets (cont'd)**

(v) *Derivative financial instruments and hedge accounting*

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 meets 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.

**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 instrument 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.

Hedging estimation process; later a non-financial asset or liability at the conclusion of the financial statements, the amount accumulated in the fund upon receipt in the case of hedge and hedging costs, direct non-financial asset or liability are included in the initial cost of.

For all other protected estimated transactions, the amount accumulated in the hedge fund and the cost of hedging are classified from the hedge fund into profit or loss for the period or periods when the future estimated cash flows of the hedge affect the profit or loss.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**b) Financial instruments (cont'd)**

**Cash Flow Hedge (cont'd)**

In cases where the hedging relationship (or part of it) no longer meets the necessary criteria, the hedging instrument has expired or has been sold, terminated or used, the hedging accounting is terminated for the future. In the case of the cessation of cash flow hedge accounting, the hedge fund accumulated in the forecast transaction, the amount of protected non-financial record of the pen until it is received in shareholders' equity should be classified, hedging costs, direct non-financial are included in the initial cost of the pen, or other hedging instruments for cash flow hedge the cost of the estimated future cash flows affect profit or loss that is protected that is classified as profit or loss in the period or periods.

If the realization of the protected future estimated cash flows is no longer expected, the amount accumulated in the hedge fund and the cost of this fund are immediately classified into profit or loss.

As explained in Footnote 15, the Group provides protection against currency risk on the balance sheet by borrowing in the same currency against currency risks arising from foreign currency sales amounts that are highly likely to be realized in the future within the scope of the agreements it has concluded and the corporate budget.

In this context, repayments on foreign currency borrowings that are subject to hedging accounting and are designated as hedging instruments are made with foreign currency sales cash flows that will be realized recently and determined as hedging items within the scope of hedging accounting.

The group determined exchange rate risk management strategy as part of a high probability of risk realization estimated transaction hedging exchange rate risk cash flow hedge accounting hedging instrument for the purpose of being applied and formed on components, effectiveness has been proven mathematically and yet edimemis TFRS 9 in accordance to realize it by pulling the Income Statement are presented in the statement of comprehensive income exchange rate fluctuations and healthier aims at the presentation of the income statement.

The group, established the scope of hedge accounting for 100% of effectiveness between the hedging ratio is committed to maintaining and 70 percent to 130 hedging, hedging ratio as of the date of 30 September 2021, 99% of hedging effectiveness of 104% was calculated.

*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:

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**Cash Flow Hedge (cont'd)**

- 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).

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.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**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.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**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.

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.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**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.

*(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.

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2.5 Summary of Significant Accounting Policies (cont'd)

e) Recognition and measurement (cont'd)

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:

<i>Property, plants and equipments</i>	
Machinery and equipment	45-50 years
Fixtures and fittings	3-15 years
Vehicles	5 years
Buildings	50 years

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.



**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**e) Recognition and measurement (cont'd)**

*(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.

**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.

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**2.5 Summary of Significant Accounting Policies (cont'd)**

**g) Leasing Transactions (cont'd)**

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 amortized 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.

**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.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**2.5 Summary of Significant Accounting Policies (cont'd)**

**I) 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.

**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.

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(CONT'D)**

**2.5 Summary of Significant Accounting Policies (cont'd)**

**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.

**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;

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**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(CONT'D)**

**2.5 Summary of Significant Accounting Policies (cont'd)**

**(ii) Deferred tax (cont'd)**

- 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.

**p) Segment Reporting**

The segment's revenue and spending in business activities that the group can do the activity and decisions about resources to be allocated to the Section be made of the results of the department in order to evaluate the performance of the group's activities are reviewed on a regular basis by the competent authority to take decision regarding which separate financial information is available about where a portion.



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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 OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

##### 2.6 Critical Accounting Judgements, Estimates and Assumptions (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.

#### **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.

#### **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

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calculated by including an additional margin reflecting the characteristics of the financial instrument in the swap yield curves.

**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 note 7. 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 2021.

**NOTE 3 – BUSINESS COMBINATIONS**

	<b>31 December 2021</b>
<b>Company</b>	<b>Purchased from Kinesis Grup (*)</b>
Transferred price	429,154,900
Written down value	1,082,674,690
<b>Negative goodwill</b>	<b>653,519,790</b>

(\*) As of 31 December 2021 “Margün Enerji” which subsidiary of Esenboğa after purchasing of 7 Companies written down value was determined as 1.082.674.690 TL and the differences between transfer fee of related companies 429.154.900 TL is 653.519.790 TL accounted for as profit under negative goodwill.

**NOTE 4 – CASH AND CASH EQUIVALENTS**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Cash on hand	72,124	173,295
Cash at banks:		
- Time deposits	<b>403,829,596</b>	<b>14,578,394</b>
<i>TL</i>	208,187	14,245,068
<i>USD</i>	37,901,732	15,906
<i>Euro</i>	365,719,677	317,420
- Demand deposits	<b>411,383,169</b>	<b>202,952,983</b>
<i>TL</i>	3,849,511	106,029,613
<i>Euro</i>	6,817,134	81,542,910
<i>USD</i>	400,716,524	15,380,460
Cheques received	14,514,569	-
<b>Total</b>	<b>829,799,458</b>	<b>217,704,672</b>

(\*) As of 31 December 2021 the Company has no blocked deposits on cash and cash equivalents (31 December 2020: none). Interest rate for USD 1-1.5% for TRY: 15%.



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**NOTE 5 - RELATED PARTY DISCLOSURES**

The immediate parent and ultimate controlling party respectively of the Group is the Transactions between the Company and the subsidiaries have been eliminated on consolidation and are not disclosed in this note. Other receivables from related parties arise mainly from financing transactions which are unsecured in nature. Trade payables to related parties arise mainly from purchasing transactions which are unsecured in nature. Other payables to related parties arise mainly from financing transactions which are unsecured in nature.

Details of transactions between the Group and other related parties are disclosed in this page:

*Trade payables due to related parties*

	31 December 2021	31 December 2020
Hermes Uluslararası Ticaret Ve Lojistik Anonim Şirketi	69,156,071	-
<b>Total</b>	<b>69,156,071</b>	<b>-</b>

*Other payables due to related parties*

	31 December 2021	31 December 2020
Yusuf Şenel (*)	-	11,971,889
<b>Total</b>	<b>-</b>	<b>11,971,889</b>

(\*) Other payables o related parties to arise mainly from financing transactions which are unsecured in nature to Yusuf Şenel Chairman of the Board.

**NOTE 6 - TRADE RECEIVABLES AND PAYABLES**

a) Trade receivables

Current trade receivables

	31 December 2021	31 December 2020
Trade receivables	110,155,617	13,359,755
Notes receivables	21,546,559	619,950
Other trade receivables	1,228,145	-
Doubtful trade receivables	5,025,584	5,085,584
Income accruals	311,886,367	-
Less: Accrual delay interest expense	-	(85,213)
Less: Provisions for doubtful trade receivables	(5,025,584)	(5,085,584)
<b>Total</b>	<b>444,816,688</b>	<b>13,894,492</b>

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**NOTE 6 - TRADE RECEIVABLES AND PAYABLES (CONT'D)**

Movement of doubtful trade receivables during the year is as follows:

	31 December 2021	31 December 2020
Opening balance	5,085,584	6,000,326
Increases during the year	-	51,253
Collections during the year (-)	(60,000)	(965,995)
<b>Total</b>	<b>5,025,584</b>	<b>5,085,584</b>

b) Trade payables

Current trade payables

	31 December 2021	31 December 2020
Trade payables	32,075,857	1,459,200
Notes payables	202,011	1,568,427
Other trade payables	37,000	17,411
Expense accruals	209,554,328	-
Trade payables to related parties (Note 5)	69,156,071	-
<b>Total</b>	<b>311,025,267</b>	<b>3,045,038</b>

**NOTE 7 - FINANCIAL LIABILITIES**

As of 31 December 2021 and 31 December 2020. the details of the Group's short and long term financial liabilities as below;

	31 December 2021	31 December 2020
Short-term portions of long-term borrowings	274,807,328	91,976,734
Other financial liabilities	508,122	114,201
<b>Short term financial liabilities</b>	<b>275,315,450</b>	<b>92,090,935</b>
Long term bank loans	979,087,540	338,629,607
<b>Long term financial liabilities</b>	<b>979,087,540</b>	<b>338,629,607</b>
<b>Total financial liabilities</b>	<b>1,254,402,990</b>	<b>430,720,542</b>

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NOTE 7 - FINANCIAL LIABILITIES (CONT'D)

As of 31 December 2021. the detail of short and long term financial liabilities is as follows:

Currency	Effective interest rate	Original amount	TL amount
<b>Short term bank borrowings</b>			
TL	8.77%	12,607,903	12,607,903
USD	6.81%	2,700,325	35,992,629
EURO	4.92%	14,993,789	226,206,796
<b>Long term bank borrowings</b>			
TL	8.77%	22,742,424	22,742,424
USD	6.81%	7,022,513	93,603,077
EURO	4.92%	57,185,603	862,742,039
<b>Total</b>			<b>1,253,894,868</b>

(\*) The USD weighted average effective interest rate of the Group's loans for 2021 is 5.63%.

As of 31 December 2020. the detail of short and long term financial liabilities is as follows:

Currency	Effective interest rate	Original amount	TL amount
<b>Short term bank borrowings</b>			
TL	7.30% - 30.35%	10,889,175	10,889,174
USD	8.40%	5,376,447	39,465,808
EURO	4.82% - 5.00%	4,620,583	41,621,752
<b>Long term bank borrowings</b>			
TL	7.30% - 30.35%	28,905,675	28,905,675
USD	8.40%	15,868,676	116,484,015
EURO	4.82% - 5.00%	21,452,272	193,239,917
<b>Total</b>			<b>430,606,341</b>

The repayment schedule of the financial liabilities are as follows;

	31 December 2021	31 December 2020
Within 1 year	274,807,328	91,976,734
Between 1-2 years	243,851,654	86,489,718
Between 2-3 years	217,612,217	77,135,977
Between 4-5 years	188,290,365	67,134,387
More than 5 years	329,333,304	107,869,525
<b>Total financial liabilities</b>	<b>1,253,894,868</b>	<b>430,606,341</b>

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NOTE 7 - FINANCIAL LIABILITIES (CONT'D)

As of 31 December 2021 and 31 December 2020 movements of financial liabilities is as follows;

Financial Liabilities	31 December 2021	31 December 2020
Opening - 1 January	430,606,341	174,827,603
New financial liabilities received	568,050,884	84,798,463
Payments	(272,053,190)	(27,850,193)
Currency differences	531,833,505	159,035,619
Effect of TFRS 9	(7,794,632)	39,750,653
Change in interest accrued	3,207,400	-
<b>Closing balance</b>	<b>1,253,894,868</b>	<b>430,606,341</b>

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

a) Other receivables

As of 31 December 2021 and 31 December 2020. the details of Company's other receivables are as follows:

Current other receivables

	31 December 2021	31 December 2020
Other receivables	5,511	261,651
Deposits and guarantees given	207,202	-
Receivables from tax authority	1,075,096	-
<b>Total</b>	<b>1,287,809</b>	<b>261,651</b>

Non-current other receivables

	31 December 2021	31 December 2020
Deposits and guarantees given	607,001	24,528
<b>Total</b>	<b>607,001</b>	<b>24,528</b>

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**NOTE 8 - OTHER RECEIVABLES AND PAYABLES (CONT'D)**

b) Other payables

As of 31 December 2021 and 31 December 2020. the details of the Group's other payables are as follows:

Current other payables

	31 December 2021	31 December 2020
Deposits and guarantees received	126,650	11,971,889
Other payables	2,168,177	-
<b>Total</b>	<b>2,294,827</b>	<b>11,971,889</b>

**NOTE 9 - INVENTORIES**

As of 31 December 2021 and 31 December 2020. the details of the Group's inventories are as follows:

	31 December 2021	31 December 2020
Raw materials	37,724	7,061
Trade goods (*)	2,577,304	22,117,000
Other inventories	883,017	-
<b>Total</b>	<b>3,498,045</b>	<b>22,124,061</b>

(\*) Solar panels and connectors purchased for EPC Projects. etc. it consists of materials.

(\*\*) As of 31 December 2021. no stock impairment has been determined (31 December 2020: None).

**NOTE 10 - PREPAID EXPENSES AND DEFERRED INCOME**

As of 31 December 2021 and 31 December 2020. the details of the Group's prepaid expenses are as follows:

Current prepaid expenses

	31 December 2021	31 December 2020
Advances given	-	6,736,712
Prepaid expenses	340,401	196,735
Business advance	4,095,210	-
<b>Total</b>	<b>4,435,611</b>	<b>6,933,447</b>

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**NOTE 10 - PREPAID EXPENSES AND DEFERRED INCOME (CONT'D)**

Non-current prepared expenses

	31 December 2021	31 December 2020
Advances given for purchases	614,500	3,100,000
<b>Total</b>	<b>614,500</b>	<b>3,100,000</b>

As of 31 December 2021 and 31 December 2020, the details of the Group's deferred income are as follows:

Current deferred income

	31 December 2021	31 December 2020
Advances received (*)	28,558,049	13,214,787
Income for the next months	189,304	-
<b>Total</b>	<b>28,747,353</b>	<b>13,214,787</b>

(\*) It consists of advances received for EPC jobs abroad.

**NOTE 11 – INVESTMENT PROPERTIES**

The following is the table of movement of investment properties as of 31 December 2021 and 31 December 2020:

	1 January 2021	Addition	Transfers(**)	Revaluation	31 December 2021
<b>Cost</b>					
Land	7,291,000	-	(1,774,419)	-	5,516,581
Buildings	31,996,866	-	-	5,340,974	37,337,840
<b>Net Book Value</b>	<b>39,287,866</b>				<b>42,854,420</b>
	1 January 2020	Addition	Disposal	Revaluation	31 December 2020
<b>Cost</b>					
Lands (*)	5,080,000	-	-	2,211,000	7,291,000
Buildings	19,329,420	3,982,000	-	8,685,446	31,996,866
<b>Net Book Value</b>	<b>24,409,420</b>				<b>39,287,866</b>

(\*) All investment properties of the Group, valuation process was carried out by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. which has been granted a valuation license by the Capital Market Board.

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NOTE 12 – PROPERTY, PLANTS AND EQUIPMENT

	1 January 2021	Additions	Disposals	Business combination effect	Revaluation	Consolidation addition effect	Consolidation disposal effect	31 December 2021
<b><u>Cost</u></b>								
Land	70,083,839	67,349,545	-	33,863,057	59,381,537	848,053	(9,763,565)	221,762,466
Buildings	7,750,000	45,303,750	-	-	29,698,583	-	15,822,095	98,574,427
Machinery and equipment	931,217,190	19,465	-	961,005,530	3,863,824,218	262,603,471	(846,236,289)	5,172,433,585
Vehicles	11,200,000	14,773,446	(554,935)	-	-	-	28,010,618	53,429,128
Fixtures and fittings	2,132,969	1,674,757	-	1,186,310	-	99,328	(1,186,310)	3,907,054
Leasehold improvements	784,406	24,779,918	(25,564,324)	-	-	-	-	-
	<b>1,023,168,404</b>							<b>5,550,106,661</b>
<b><u>Accumulated depreciation</u></b>								
Buildings	182,693	958,946	-	-	1,265,518	-	-	2,407,157
Machinery and equipment	19,966,898	85,161,165	-	-	752,928,944	-	(17,145,511)	840,911,496
Vehicles	720,444	4,121,389	(90,299)	-	-	-	-	4,751,534
Fixtures and fittings	297,180	406,860	-	-	-	-	-	704,040
	<b>21,167,215</b>							<b>848,774,227</b>
<b>Net Book Value</b>	<b>1,002,001,189</b>							<b>4,701,332,434</b>

(\*). Acquired assets and existing facilities Net Corporate Real Estate Valuation and Consulting A.Sh. and Anreva Corporate Real Estate Valuation the company's financial statements were disclosed at fair value in the valuation report dated December 18. 2021.

(\*\*) As of December 31. 2021. there are 955.644.298 TL movable pledges and 1.810.145.390 TL mortgages on tangible assets.

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NOTE 12 – PROPERTY, PLANTS AND EQUIPMENT (CONT’D)

	1 January 2020	Additions	Disposals	Transfer	Revaluation	Consolidation addition effect	Consolidation disposal effect	31 December 2020
<b><u>Cost</u></b>								
Lands	32,582,561	10,639,149	-	1,194,360	21,343,156	4,324,613	-	70,083,839
Buildings	7,000,000	-	-	-	750,000	-	-	7,750,000
Machinery and equipment	461,553,017	-	(17,609)	(6,534,756)	436,466,312	39,750,226	-	931,217,190
Motor vehicles	3,620,000	996,943	-	1,156,247	5,426,810	-	-	11,200,000
Fixtures and fittings	852,185	106,367	-	(11,893)	-	1,186,310	-	2,132,969
Construction in progress	-	784,406	-	-	-	-	-	784,406
	<b>505,607,763</b>							<b>1,023,168,404</b>
<b><u>Accumulated depreciation</u></b>								
Buildings	146,114	36,579	-	-	-	-	-	182,693
Machinery and equipment	8,493,748	6,879,545	-	-	1,873,230	2,720,375	-	19,966,898
Motor vehicles	760,542	275,803	-	(315,901)	-	-	-	720,444
Fixtures and fittings	119,920	111,778	-	-	-	65,482	-	297,180
	<b>9,520,324</b>							<b>21,167,215</b>
<b>Net Book Value</b>	<b>496,087,439</b>							<b>1,002,001,189</b>

(\*) Lands, buildings, motor vehicles and power generation are accounted for with fair value. Valuation process was carried out by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. as of 12 December 2020 valuation report.

(\*\*) As of 31 December 2020, there are movable liens of TL 1.831.096.261 and mortgages of TL 490.212.380 on property, plant and equipment.



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NOTE 13 – INTANGIBLE ASSETS

	1 January 2021	Additon	Disposal	31 December 2021
<b><u>Cost</u></b>				
Rights	8,768	10,410	-	19,178
Other intangible assets	240,252	53,756	-	294,008
Goodwill	79,243	-	(79,243)	-
	<b>328,263</b>			<b>313,186</b>
<b><u>Accumulated depreciation (-)</u></b>				
Rights	1,300	-	-	1,300
Other intangible assets	60,054	50,581	-	110,635
	<b>61,354</b>			<b>111,935</b>
<b>Net Book Value</b>	<b>266,909</b>			<b>201,251</b>
	1 January 2021	Additions	Disposals	31 December 2020
<b><u>Cost</u></b>				
Rights	1,300	7,468	-	8,768
Other intangible assets	228,185	12,067	-	240,252
Goodwill	79,243	-	-	79,243
	<b>308,728</b>			<b>328,263</b>
<b><u>Accumulated depreciation (-)</u></b>				
Rights	1,300	-	-	1,300
Other intangible assets	23,616	36,438	-	60,054
	<b>24,916</b>			<b>61,354</b>
<b>Net Book Value</b>	<b>283,812</b>			<b>266,909</b>

Distribution of tangible and intangible assets depreciation is as follows;

	1 January – 31 December 2021	1 January – 31 December 2020
Cost of sales	86,075,354	5,935,540
General administrative expenses	4,623,587	1,404,602
<b>Total</b>	<b>90,698,941</b>	<b>7,340,142</b>

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NOTE 14 – COMMITMENTS AND CONTINGENCIES

Guarantees-Pledge-Mortgage (“GPM”)

As of 31 December 2021 and 31 December 2020 the tables of the Group’s collateral / pledge / mortgage (“GPM”) position is as follows:

	31 December 2021	31 December 2020
A. Total amount of GPM given on behalf of the own legal entity		
<i>Guarantees given</i>	414,017	-
<i>Mortgage</i>	25,280,000	-
B. Total amount of GPM given on behalf of the subsidiaries included in full consolidation		3,271,431,870
<i>Guarantees given</i>	92,945,999	-
<i>Pledge</i>	955,644,298	-
<i>Mortgage</i>	1,784,865,390	-
C. Total amount of GPM given on behalf of third parties due to normal course of business	-	-
D. Total amount of other GPM given	-	-
i, Total amount of guarantees given in favor of main shareholder	-	-
ii, Total amount of guarantees given in favor of group companies nor covered by B and C clauses	-	-
iii, Total amount of mollaterals given in favor third parties not covered by clause C	-	-
<b>Total</b>	<b>2,859,149,704</b>	<b>3,271,431,870</b>

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**NOTE 15 – HIGH PROBABILITY FORECAST FOR EXCHANGE RATE RISK CASH FLOW HEDGE**

The Group provides foreign exchange risk protection on the balance sheet by borrowing in the same currency against foreign exchange risks arising from foreign currency sales amounts that are highly likely to be realized at future dates within the scope of the agreements it has concluded and the corporate budget,

In this context, repayments of foreign currency borrowings that are subject to hedging accounting and are determined as hedging instruments are made with foreign currency sales cash flows that will be realized at close dates and determined as hedging items within the scope of hedging accounting,

The group determined exchange rate risk management strategy as part of a high probability of risk realization estimated transaction hedging exchange rate risk cash flow hedge accounting hedging instrument for the purpose of being applied and formed on components, effectiveness has been proven mathematically and in accordance TFRS 9, which isn't yet realized exchange rate fluctuations in the income statement the income statement Comprehensive Income Statement of pulling from the park aims at the presentation and healthier,

As of 31 December 2021 the hedging ratio has been calculated as 99%, and the hedging efficiency as 104%,

	<b>31 December 2021</b>
<b>USD</b>	
Hedged item present value (current)	3,014,803
Hedged item present value (non current)	11,472,491
Hedging instrument present value (current)	2,715,663
Hedging instrument present value (non current)	7,372,577
<b>EUR</b>	
Hedged item present value (current)	7,859,555
Hedged item present value (non current)	57,262,004
Hedging instrument present value (current)	13,588,760
Hedging instrument present value (non current)	58,540,892
<b>TRY</b>	
Cumulative exchange rate difference on the hedged item (current)	51,038,728
Cumulative exchange rate difference on the hedged item (non current)	324,785,147
Cumulative exchange rate difference on the hedged instrument (current)	(77,043,519)
Cumulative exchange rate difference on the hedged instrument (non current)	(312,498,554)
Rate of hedging effectiveness	104%
Inactive portion left in income statement	(13,718,198)

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**NOTE 16 – PAYABLES FOR EMPLOYEE BENEFITS**

Payables for employee benefits

	31 December 2021	31 December 2020
Due to personnel	723,603	235,292
Social security premium payable	280,996	262,667
<b>Total</b>	<b>1,004,599</b>	<b>497,959</b>

**NOTE 17 – PROVISIONS FOR EMPLOYEE BENEFITS**

Current provisions for employee benefits

	31 December 2021	31 December 2020
Provision for unused vacations	199,780	113,820
<b>Total</b>	<b>199,780</b>	<b>113,820</b>

The movement of the provisions for unused vacations are as follow;

	1 January - 31 December 2021	1 January - 31 December 2020
Opening balance	113,820	21,128
Provisions during the year	85,960	92,692
<b>Closing balance</b>	<b>199,780</b>	<b>113,820</b>

Non-current provisions for employee benefits

*Provisions for retirement pay liability*

	31 December 2021	31 December 2020
Provisions for retirement pay liability	367,144	193,653
<b>Total</b>	<b>367,144</b>	<b>193,653</b>

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**NOTE 17 – PROVISIONS FOR EMPLOYEE BENEFITS (CONT'D)**

Non-current provisions for employee benefits (cont'd)

*Provisions for retirement pay liability (cont'd)*

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

The amount payable consists of one month's salary limited to a maximum of TL 8,284,51 (31 December 2020: 7,117,17 TL).

Retirement pay liability is not subject to any kind of funding legally, Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees, TAS 19 Employee Benefits stipulates the development of Company's liabilities by using actuarial valuation methods under defined benefit plans, In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation, Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 June 2021, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the relevant reporting dates, annual inflation of 16.80%. and 21% interest rate assumptions, using the real discount rate obtained as approximately 3.60%.

The movement of the provisions for retirement pay liabilities are as follow;

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Opening balance	193,653	10,543
Interest cost	372,020	109,869
Service cost	72,025	33,889
Annual payments (-)	-	(66,368)
Actuarial gain/ loss	(270,554)	105,720
<b>Closing balance</b>	<b>367,144</b>	<b>193,653</b>

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NOTE 18 - OTHER CURRENT ASSETS, SHORT TERM TERM LIABILITIES

Other current assets

	31 December 2021	31 December 2020
Deferred VAT	19,017,155	12,447,599
Advances given to personnel	-	43,797
Business advance	191,081	1,275,444
Income accruals	-	27,870,490
Deposits and guarantees given	-	2,087
<b>Total</b>	<b>19,208,236</b>	<b>41,639,417</b>

Other current liabilities

	31 December 2021	31 December 2020
Taxes and funds payable	6,017,594	1,413,600
Other liabilities	12,277	12,545
Current period tax liabilities	-	186,654
Deposits and guarantees received	-	9,050
<b>Total</b>	<b>6,029,871</b>	<b>1,621,849</b>

NOTE 19 - SHAREHOLDER'S EQUITY

a) Capital

	31 December 2021		31 December 2020	
	Share (%)	Share amount (TL)	Share (%)	Share amount (TL)
Yusuf Şenel	66.28%	21,873,000	%63.64	21,000,000
Publicity Held	33.72%	11,127,000	%36.36	12,000,000
<b>Paid in capital</b>		<b>33,000,000</b>		<b>33,000,000</b>

b) Legal reserve

	31 December 2021	31 December 2020
Legal reserve	61,260,002	1,052,573
<b>Total</b>	<b>61,260,002</b>	<b>1,052,573</b>

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NOTE 19 - SHAREHOLDER'S EQUITY (CONT'D)

c) The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control:

	31 December 2021	31 December 2020
Business combination effect	-	(13,068,687)
<b>Total</b>	<b>-</b>	<b>(13,068,687)</b>

d) Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss:

	31 December 2021	31 December 2020
Accumulated Gain on Revaluation of Non-Current Assets	1,399,816,661	243,913,757
<b>Total</b>	<b>1,399,816,661</b>	<b>243,913,757</b>

e) Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss:

	31 December 2021	31 December 2020
Accumulated loss on remeasurement of defined benefit plans	244,012	80,305
<b>Actuarial Loss</b>	<b>244,012</b>	<b>80,305</b>

f) Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss:

	31 December 2021	31 December 2020
Cash flow hedge	(170,167,214)	-
<b>Total</b>	<b>(170,167,214)</b>	<b>-</b>

g) Premiums/ discounts related to shares:

	31 December 2021	31 December 2020
Premiums/ discounts related to shares	472,216,507	148,055,900
<b>Total</b>	<b>472,216,507</b>	<b>148,055,900</b>

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NOTE 20 - REVENUE AND COST OF SALES

	1 January- 31 December 2021	1 January- 31 December 2020
Domestic sales	623,358,353	142,757,181
<b>Revenue</b>	<b>623,358,353</b>	<b>142,757,181</b>
Cost of goods sold (-)	(110,308,271)	-
Cost of other goods sold (-)	(313,000,729)	(67,983,894)
<b>Cost of sales (-)</b>	<b>(423,309,000)</b>	<b>(67,983,894)</b>
<b>Gross profit</b>	<b>200,049,353</b>	<b>74,773,287</b>

NOTE 21 - EXPENSE BY NATURE

a) *General administrative expenses*

	1 January- 31 December 2021	1 January- 31 December 2020
Audit and services expenses	(7,813,703)	(1,207,136)
Personnel expense	(7,760,712)	(3,317,036)
Amortization	(4,623,587)	(1,404,602)
Taxes, duties and charges expenses	(3,420,061)	(968,625)
Donation and aid expenses	(2,075,169)	-
Office expense	(1,973,938)	-
Announcement and advertisement expense	(1,144,642)	(991,808)
Electricity expenses	(1,089,799)	(611,794)
Rent expenses	(807,209)	(369,815)
Maintenance and repair expenses	(769,688)	(465,692)
Transportation expense	(501,373)	(389,687)
Notary and board of trade expenses	(254,645)	-
Insurance expense	(173,269)	(268,390)
Service expense	(169,492)	-
Communication expense	(161,298)	(25,783)
Tender expense	(24,000)	-
Other expenses	(1,994,997)	(1,021,167)
<b>Total</b>	<b>(34,757,582)</b>	<b>(11,041,535)</b>



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**NOTE 22 - INCOME AND EXPENSES FROM OPERATING ACTIVITIES**

Income from operating activities

	<b>1 January- 31 December 2021</b>	<b>1 January- 31 December 2020</b>
Foreign exchange gain on balance sheet items other than financial borrowings (*)	463,255,255	20,777,870
Tax incentive income	1,195,933	-
Comission income	491,109	-
Rental income	389,420	-
Income and profits of the previous period	140,592	124,662
Rediscounted interest income	82,816	107,604
Insurance income	64,999	-
Other incomes	599,712	1,308,231
<b>Total</b>	<b>466,219,836</b>	<b>22,318,367</b>

(\*) Consists of commercial transactions and exchange rate difference revenues applied within the scope of TFRS 9 cash flow hedging,

Expenses from operating activities

	<b>1 January- 31 December 2021</b>	<b>1 January- 31 December 2020</b>
Foreign exchange gain on balance sheet items	(120,897,295)	-
Previous period expenses and losses	(31,137)	-
Discount expenses	(41,671)	(148,868)
Bad-debt charge expense	-	(51,253)
Other expenses	(1,606,926)	(382,917)
<b>Total</b>	<b>(122,577,029)</b>	<b>(583,038)</b>

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**NOTE 23 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

Income from investing activities

	<b>1 January- 31 December 2021</b>	<b>1 January- 31 December 2020</b>
Revaluation (*)	648,793,434	91,938,085
Investment property revaluation	4,806,876	9,296,446
Dividend income from subsidiaries	281,248	-
Gain on sale of assets	623,157	99,766
Rental income	-	550,310
<b>Total</b>	<b>654,504,715</b>	<b>101,884,607</b>

(\*) As of 31 December 2021 “Margün Enerji” which subsidiary of Esenboğa after purchasing of seven Companies written down value was determined as 1,082,674,690 TL and the differences between transfer fee of related companies 429,154,900 TL is 653,519,790 TL accounted for as profit under negative goodwill and sales process of Ats A,Ş., Ekonova A,Ş., Zekova A,Ş., Elmalı A,Ş., Çayören A,Ş., Gökso 7 A,Ş., Ergün A,Ş., are completed.

**NOTE 24 - INCOME AND EXPENSES FROM FINANCING ACTIVITIES**

Income/ Expense from financing activities

	<b>1 January- 31 December 2021</b>	<b>1 January- 31 December 2020</b>
Interest income from banks	24,298,584	6,417,984
Interest income balance sheet items	48,314,017	-
Foreign exchange gains/loses from bank loans	(134,776,919)	(80,641,504)
Loan interest gain/losses	(68,274,525)	(20,521,754)
Guarantee commission expense	(433,462)	-
Bank commission expense	(3,029,561)	-
Other financial expense	(72,024)	-
<b>Total</b>	<b>(133,973,890)</b>	<b>(94,745,274)</b>

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NOTE 25 - TAX ASSETS AND LIABILITIES

Current tax liabilities

	31 December 2021	31 December 2020
<b>Balance Sheet</b>		
Current corporation tax liabilities	-	-
Less: Prepaid taxes and fund (-)	(4,809,715)	(328,311)
<b>Tax provision in the balance sheet</b>	<b>(4,809,715)</b>	<b>(328,311)</b>

Deferred tax income

<b>Tax income/ (expense)</b>	<b>1 January- 31 December 2021</b>	<b>1 January- 31 December 2020</b>
Current corporation tax liabilities	-	(186,654)
Deffered tax income/ (expense)	(5,372,542)	8,451,774
	<b>(5,372,542)</b>	<b>8,265,120</b>

*Corporate Tax*

The Turkish entities within the Group are subject to Turkish corporate taxes, Foreign entities are subject to taxation in accordance with the tax procedures and tax legislations effective in the countries in which they operate, Provision is made in the accompanying combined financial statements for the estimated charge based on the Group's results for the period,

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

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**NOTE 25 - TAX ASSETS AND LIABILITIES (CONT'D)**

The effective rate of tax in Turkey in 31 December 2021 is 25%,

*Deferred tax*

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements, These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below,

Companies calculate a temporary tax of 20% (25% for the tax period of 2021 and 23% for the tax period of 2022) on their quarterly financial profits and declare it until the 17th day of the second month after that period and pay it until the evening of the seventeenth day, But since the increase in the corporate tax rate made by law 7316 enters into force starting from July 1, 2021, the declarations that must be issued from 2021 1, the temporary tax rate will be based on 20% for earnings received during the temporary taxation period, The temporary tax paid during the year belongs to that year and is deducted from the corporate tax that will be calculated on the corporate tax return that will be issued in the following year, If the temporary tax amount paid despite the deduction remains, this amount can be refunded in cash or deducted.

According to TAS 12 Income taxes article 48; “Current and deferred tax assets and liabilities are generally measured using applicable tax rates (and tax laws). However, in some cases, government disclosures about tax rates (and tax laws) can have a significant impact on enactment, and enactment may occur several months after the announcement. In such cases, tax assets and liabilities are calculated by taking into account the declared tax rates (or laws). According to this paragraph, “Exchange rate protected deposit tax exemption” has been applied to the ongoing financial statements as of 31 December 2021, As of September 28, 2021, the public offering of Margün Enerji, a 100% subsidiary of the Group, has taken place. Margün Enerji Üretim Sanayi ve Ticaret A.Ş., which went public at a rate of 35% with the aforementioned public offering, has been applied with a 2 percentage point discount on the corporate income to be obtained in the 2021-2025 accounting periods. and 1 point tax reduction due to actual production activities that have industrial registration certificate.

For calculation of deferred tax asset and liabilities, the rate of 23% (2020: 22%) is used for companies domiciled in Turkey.

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NOTE 25 - TAX ASSETS AND LIABILITIES (CONT'D)

As of 31 December 2021 and 31 December 2020, the cumulative temporary differences and the deferred tax assets/ (liabilities) prepares using the applicable tax rates are as follows:

	Cumulative Temporary Difference		Deferred Tax Asset/ (Liability)	
	2021	2020	2021	2020
Unearned interest expenses	-	(143,098)	-	12,098
Negative goodwill	654,213,050	-	(31,075,120)	-
Subsidiaries adjustment	(66,413,741)	-	3,154,653	-
Company combinations goodwill adjustment	(116,264,989)	-	22,090,348	-
Write off expense	2,730,280	(783,323)	(548,869)	152,533
Tangible and intangible fixed asset depreciation adjustment	7,413,002	-	(1,704,774)	-
Tangible and intangible fixed asset adjustment	(174,981,695)	787,318,436	33,276,985	(154,040,449)
Unused vacation provision	(199,780)	113,820	39,956	22,764
Revaluation of tangible assets	3,337,987,334	-	(159,658,231)	-
Bad debt adjustment	(51,253)	-	10,251	-
Reduced loan interest adjustment	-	(3,079,797)	-	(615,959)
Expenses accruals	1,957,587	-	(390,567)	-
Financial harm	(127,929,308)	52,266,379	24,306,569	10,453,276
Cash flow hedges	(414,824,887)	-	54,729,104	-
Currency adjustments	(616,553)	-	281,817	-
Income accruals	82,626,904	-	(17,902,977)	-
<b>Deffered tax (liabilities) -net</b>			<b>(56,017,360)</b>	<b>(143,974,382)</b>

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**NOTE 25 - TAX ASSETS AND LIABILITIES (CONT'D)**

Tangible items located under corporate tax law 5520 governing exemptions to land 5 of the first paragraph of subparagraph (E) of the institutions with assets shares in subsidiaries for a period of at least two full years with the same amount of time they have, the founder shares, bonus shares and preference of the rights of the earnings from the sale of 75% for the same period with a portion of the gain from the sale of immovable property in assets, 50% of the portion of the corporation is exempt from tax this sale was made in exemption of the profits benefiting from the exemption period will be applied and sales of part of the fifth year following the year the sale was made to be entitled to be kept in a special fund account until the end of the selling price and the sale was made until the second calendar year following the end of the year to be collected is essential for this that are not collected in time corresponding to the sales price of accrued taxes not at the time have suffered losses because of the exception in the case where the same

The exemption to be applied by corporate tax payers on capital gains from the sales of their real estate held for at least two years has been reduced from 75% to 50% by the regulation published in the Official Gazette dated 5 December 2017, Accordingly, the corporate tax and deferred tax calculations calculated for profits from the sale of immovable property will be calculated as 20% of the remaining 50%, A 75% exception was used for Solar Power Plants (“GES”) valuations and 25% of the deferred tax account of 20% was applied,

**NOTE 26 - EARNINGS PER SHARE**

Profit or loss per share disclosed in the Income Statement are determined by dividing net profit / loss by the weighted average number of shares available during the related period.

Companies can increase their share capital by distributing shares in proportion to their accumulated profits to existing shareholders (“bonus shares”), When calculating earnings per share, this bonus share issuance is counted as issued shares, Therefore, the weighted average number of shares used in the calculation of earnings per share is calculated by applying the free-of-charge issuance of shares retrospectively, Earnings per share are calculated by dividing net profit by the weighted average number of ordinary shares issued by the shareholders, The nominal value of a share of the company is TL 1.

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Net profit/ (loss)	611,988,564	78,018,865
Number of shares	33,000,000	33,000,000
<b>Earnings/(loss) per share (TL)</b>	<b>18.55</b>	<b>2.36</b>

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NOTE 27 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing flow of resources through the optimization of the debt and equity balance,

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings, The board of directors considers the cost of capital and the risks associated with each class of capital, Based on recommendations of the board, the Company targets to balance its overall capital structure through new debt or the redemption of existing debt, The Company’s overall strategy remains unchanged from 2020,

As of 31 December 2021 and 31 December 2020, net liability / total capital ratio of the Group is as follows:

	31 December 2021	31 December 2020
Financial liabilities (Not 7)	1,254,402,990	430,720,542
Less: Cash and cash equivalents (Note 4)	(829,799,458)	(217,704,672)
<b>Net financial liabilities</b>	<b>424,603,532</b>	<b>213,015,870</b>
Total equity	4,393,375,977	742,262,624
Capital used	4,817,979,509	955,278,494
<b>Net financial liability/ capital ratio</b>	<b>0.09</b>	<b>0.22</b>

b) Financial Risk Factors

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

Risk management is carried out by a central finance department under policies approved by the board of directors, Company’s finance department identifies, evaluates and hedges financial risks in close co-operation with the Company’s operating units.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Financial instruments of the Company that will result in concentration of credit risk mainly include cash and cash equivalents and trade receivables. The Company’s maximum exposure to credit risk is the same as the amounts recognized in the consolidated financial statements.

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NOTE 27 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

b) Financial Risk Factors (cont'd)

Credit risk management (cont'd)

As of 31 December 2021 and 31 December 2020, the statement for the loans credited when the type of financial instruments is taken into account is as follows:

31 December 2021	Receivables				
	Trade receivables		Other receivables		
	Related parties	Other	Related parties	Other	Bank deposits
<b>Maximum credit risk exposures as of report date (A+B+C+D+E) (*)</b>	-	<b>444,816,688</b>	-	<b>1,894,810</b>	<b>815,212,765</b>
- Secured part of maximum credit risk exposure via collateral etc,	-		-	-	-
<b>A</b> , Net book value of the financial assets that are neither overdue nor impaired	-	<b>444,816,688</b>	-	1,894,810	815,212,765
<b>B</b> , Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired	-	-	-	-	-
<b>C</b> , Net book value of financial assets that are overdue but not impaired	-	-	-	-	-
- Secured part via collateral etc,	-	-	-	-	-
<b>D</b> , Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	5,025,584	-	-	-
- Impairment (-)	-	(5,025,584)	-	-	-
- Secured part via collateral etc,	-	-	-	-	-
<b>E</b> , Off-balance sheet financial assets exposed to credit risk					

(\*) While determining the amount, the guarantees received and the factors that increase the credit reliability were not taken into account,



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NOTE 27 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

b) Financial Risk Factors (cont'd)

Credit risk management (cont'd)

31 December 2020	Receivables				
	Trade receivables		Other receivables		
	Related parties	Other	Related parties	Other	Bank deposits
<b>Maximum credit risk exposures as of report date (A+B+C+D+E) (*)</b>	-	<b>13,894,492</b>	-	<b>286,179</b>	<b>217,531,377</b>
- Secured part of maximum credit risk exposure via collateral etc,	-	-	-	-	-
<b>A</b> , Net book value of the financial assets that are neither overdue nor impaired	-	13,894,492	-	286,179	217,531,377
<b>B</b> , Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired	-	-	-	-	-
<b>C</b> , Net book value of financial assets that are overdue but not impaired	-	-	-	-	-
- Secured part via collateral etc,	-	-	-	-	-
<b>D</b> , Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	5,085,584	-	-	-
- Impairment (-)	-	(5,085,584)	-	-	-
- Secured part via collateral etc,	-	-	-	-	-
<b>E</b> , Off-balance sheet financial assets exposed to credit risk	-	-	-	-	-

(\*) In determining the amount, warrant received, factors that increase credit reliability are not taken into consideration,

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#### NOTE 27 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

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

##### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by closely monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As of 31 December 2021 and 31 December 2020, the representation of passive items based on their undiscovered cash flows and remaining maturities is presented in the following tables:

##### **31 December 2021**

<b>Maturities under contract</b>	<b>Book value</b>	<b>Total cash outflows under contract (I+II+III)</b>	<b>Less than 3 months (I)</b>	<b>Between 3-12 months (II)</b>	<b>Between 1-15 years (III)</b>
<b>Non-derivative financial liabilities</b>	<b>1,567,764,229</b>	<b>1,559,969,597</b>	-	<b>588,635,544</b>	<b>979,087,540</b>
Financial liabilities (note 7)	1,254,402,990	1,246,608,358	-	275,315,450	979,087,540
Trade payables (note 6)	311,066,412	311,066,412	-	311,025,267	-
Other payables (note 8)	2,294,827	2,294,827	-	2,294,827	-

##### **31 December 2020**

<b>Maturities under contract</b>	<b>Book value</b>	<b>Total cash outflows under contract (I+II+III)</b>	<b>Less than 3 months (I)</b>	<b>Between 3-12 months (II)</b>	<b>Between 1-15 years (III)</b>
<b>Non-derivative financial liabilities</b>	<b>434,263,539</b>	<b>434,263,539</b>	-	<b>95,633,932</b>	<b>338,629,607</b>
Financial liabilities (note 7)	430,720,542	430,720,542	-	92,090,935	338,629,607
Trade payables (note 6)	3,045,038	3,045,038	-	3,045,038	-
Other payables (note 8)	497,959	497,959	-	497,959	-

##### Intetrest rate risk

The Group is not exposed to any significant interest rate risk.

##### Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies and thereby exposes itself to exchange rate fluctuations.

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NOTE 27 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS  
(CONT'D)

b) Financial Risk Factors (cont'd)

Foreign currency risk management (cont'd)

The carrying amount of the Group foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	31 December 2021	31 December 2020
Foreign currency assets	827,535,614	21,214
Foreign currency liabilities	(1,220,916,488)	(390,811,492)
<b>Net foreign currency position</b>	<b>(393,380,874)</b>	<b>(390,790,278)</b>

31 December 2021	USD	Euro	TL Equivalent
1, Trade receivables	-	-	-
2a, Monetary financial assets, (cash and banks account included)	58,641,966	2,964,125	826,357,629
2b, Non monetary financial assets	-	-	-
3, Other	-	78,081	1,177,985
4, Current assets (1+2+3)	<b>58,641,966</b>	<b>3,042,206</b>	<b>827,535,614</b>
5, Trade receivables	-	-	-
6a, Monetary financial assets	-	-	-
6b, Non monetary financial assets	-	-	-
7, Other	-	-	-
8, Non-current assets (5+6+7)	-	-	-
9, Total assets (4+8)	<b>58,641,966</b>	<b>3,042,206</b>	<b>827,535,614</b>
10, Trade payables	-	-	-
11, Financial liabilities	(2,700,325)	(14,993,789)	(262,199,425)
12a, Other monetary liabilities	-	(157,221)	(2,371,949)
12b, Other non monetary liabilities	-	-	-
13, Current liabilities (10+11+12)	<b>(2,700,325)</b>	<b>(15,151,010)</b>	<b>(264,571,374)</b>
14, Trade payables	-	-	-
15, Financial liabilities	(7,022,513)	(57,185,603)	(956,345,115)
16a, Other monetary liabilities	-	-	-
16b, Other non monetary liabilities	-	-	-
17, Non-current liabilities (14+15+16)	<b>(7,022,513)</b>	<b>(57,185,603)</b>	<b>(956,345,115)</b>
18, Total liabilities (13+17)	<b>(9,722,838)</b>	<b>(72,336,613)</b>	<b>(1,220,916,488)</b>
19, Net assets of off balance sheet derivative items (liability) position (19a - 19b)	4,875,508	20,603,460	375,823,874
19a, Total amount of assets hedged	-	-	-
19b, Total amount of liabilities hedged	4,875,508	20,603,460	375,823,874
20, Net foreign assets / (liability) position (9-18+19)	53,794,637	(48,690,947)	(17,557,000)
21, Net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	53,794,637	(48,690,947)	(17,557,000)

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NOTE 27 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS  
(CONT'D)

b) Financial Risk Factors (cont'd)

Foreign currency risk management (cont'd)

31 December 2020	USD	Euro	TL Equivalent
1, Trade receivables	-	-	-
2a, Monetary financial assets, (cash and banks account included)	1,205	1,373	21,214
2b, Non monetary financial assets	-	-	-
3, Other	-	-	-
4, Current assets (1+2+3)	<b>1,205</b>	<b>1,373</b>	<b>21,214</b>
5, Trade receivables	-	-	-
6a, Monetary financial assets	-	-	-
6b, Non monetary financial assets	-	-	-
7, Other	-	-	-
8, Non-current assets (5+6+7)	-	-	-
9, Total assets (4+8)	<b>1,205</b>	<b>1,373</b>	<b>21,214</b>
10, Trade payables	-	-	-
11, Financial liabilities	(5,376,447)	(4,620,583)	(81,087,560)
12a, Other monetary liabilities	-	-	-
12b, Other non monetary liabilities	-	-	-
13, Current liabilities (10+11+12)	<b>(5,376,447)</b>	<b>(4,620,583)</b>	<b>(81,087,560)</b>
14, Trade payables	-	-	-
15, Financial liabilities	(15,868,676)	(21,452,272)	(309,723,932)
16a, Other monetary liabilities	-	-	-
16b, Other non monetary liabilities	-	-	-
17, Non-current liabilities (14+15+16)	<b>(15,868,676)</b>	<b>(21,452,272)</b>	<b>(309,723,932)</b>
18, Total liabilities (13+17)	<b>(21,245,123)</b>	<b>(26,072,855)</b>	<b>(390,811,492)</b>
19, Net assets of off balance sheet derivative items (liability) position (19a - 19b)	-	-	-
19a, Total amount of assets hedged	-	-	-
19b, Total amount of liabilities hedged	-	-	-
20, Net foreign assets / (liability) position (9-18+19)	<b>(21,243,918)</b>	<b>(26,071,482)</b>	<b>(390,790,278)</b>
21, Net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	<b>21,243,918</b>	<b>26,071,482</b>	<b>390,790,278</b>

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NOTE 27 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS  
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b) Financial Risk Factors (cont'd)

Foreign currency risk management (cont'd)

The Company is exposed to foreign exchange risk arising from USD and EUR,

The following table details the Group's sensitivity to a 20% increase and decrease in the TL against USD and EUR, 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates, The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates, A positive number indicates an increase in profit or loss where the TL strengthens against the relevant currency.

**Exchange Rate Sensitivity Analysis Table**

31 December 2021	Profit / (Loss)	
	Appreciation of foreign currency	Appreciation of foreign currency
<b>Appreciation of USD against TL by 20%</b>		
1- USD denominated net assets/liabilities	143,268,134	(143,268,134)
2- USD hedged portion (-)	-	-
3- Net effect of USD	143,268,134	(143,268,134)
<b>Appreciation of EUR against TL by 20%</b>		
4- EUR denominated net assets/liabilities	(146,917,142)	146,917,142
5- EUR hedged portion (-)	-	-
6- Net effect of EUR	(146,917,142)	146,917,142
<b>Total</b>	<b>(3,649,009)</b>	<b>3,649,009</b>

**Exchange Rate Sensitivity Analysis Table**

31 December 2020	Profit / (Loss)	
	Appreciation of foreign currency	Appreciation of foreign currency
<b>Appreciation of USD against TL by 20%</b>		
1- USD denominated net assets/liabilities	(31,188,195)	31,188,195
2- USD hedged portion (-)	-	-
3- Net effect of USD	(31,188,195)	31,188,195
<b>Appreciation of EUR against TL by 20%</b>		
4- EUR denominated net assets/liabilities	(46,969,860)	46,969,860
5- EUR hedged portion (-)	-	-
6- Net effect of EUR	(46,969,860)	46,969,860
<b>Total</b>	<b>(78,158,055)</b>	<b>78,158,055</b>

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**NOTE 28 - EVENTS AFTER REPORTING PERIOD**

None.