

Report date: 10 May 2022

**NATUREL YENİLENEBİLİR ENERJİ TİCARET
ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI**

**Interim Audited Consolidated Financial Statements
For The Period Ended 1 January – 31 March 2022**

TABLE OF CONTENTS	PAGE
Consolidated statement of financial position	3-4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements.....	8-62

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Consolidated Statement of
Financial Position as at 31 March 2022**

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

ASSETS	Notes	31 March 2022	31 December 2021
Cash and cash equivalents		146,217,578	829,799,458
Financial investment	3	707,169,408	-
Trade receivables			
- <i>Trade receivables from third parties</i>		446,001,765	444,816,688
Other receivables			
- <i>Other receivables from third parties</i>		1,560,027	1,287,809
Inventories		3,425,786	3,498,045
Prepaid expenses		13,422,573	4,435,611
Assets related to current tax	18	5,901,968	4,809,715
Other current assets	12	25,085,285	19,208,236
Total current assets		1,348,784,390	1,307,855,562
Other receivables			
- <i>Other receivables from third parties</i>		645,514	607,001
Investment properties	6	42,854,420	42,854,420
Property, plant and equipment	7	4,738,281,565	4,701,332,434
Intangible assets	8	451,662	201,251
Prepaid expenses		30,903	614,500
Total non-current assets		4,782,264,064	4,745,609,606
TOTAL ASSETS		6,131,048,454	6,053,465,168

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Consolidated Statement of
Financial Position as at 31 March 2022**

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

LIABILITIES	Notes	31 March 2022	31 December 2021
Short-term borrowings	5	137,710,955	-
Short-term portions of long-term borrowings	5	307,604,529	274,807,328
Other financial liabilities	5	258,397	508,122
Trade payables			
- Trade payables to related parties		-	69,156,071
- Trade payables to third parties		266,149,782	241,869,196
Other payables			
- Other payables to third parties		2,121,182	2,294,827
Payables related to employee benefits		1,734,323	1,004,599
Deferred income		6,644,591	28,747,353
Short-term provisions			
- Short-term provisions for employee benefits	11	422,733	199,780
Other current liabilities	12	795,060	6,029,871
Current liabilities		723,441,552	624,617,147
Long-term borrowings	5	1,029,694,372	979,087,540
Long-term provisions			
- Long-term provisions for employee benefits	11	301,628	367,144
Deferred tax liabilities	18	32,453,919	56,017,360
Non-current liabilities		1,062,449,919	1,035,472,044
Paid-in capital	13	33,000,000	33,000,000
Premiums/ discounts related to shares	13	(33,527,985)	472,216,507
Effect of mergers involving undertaking or enterprises subject to common control	13	472,216,507	-
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss			
- Accumulated Gain on Revaluation of Non-Current Assets	13	1,399,816,661	1,399,816,661
- Accumulated gain on remeasurement of defined benefit plans	13	537,797	244,012
Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss			
- (Losses) on cash flow hedges	13	(201,919,021)	(170,167,214)
Restricted profit reserves		64,122,286	61,260,002
Prior years' profit		492,310,506	(27,696,688)
Net profit for the period		69,031,216	611,988,564
Equity attributable to owners of the company		2,295,587,967	2,380,661,844
Non-Controlling Interests		2,049,569,016	2,012,714,133
Total equity		4,345,156,983	4,393,375,977
TOTAL LIABILITIES		6,131,048,454	6,053,465,168

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Period Ended 1 January - 31 March 2022**

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

	Notes	1 January - 31 March 2022	1 January - 31 March 2021
Revenue		113,094,662	40,904,939
Cost of Sales (-)		(79,857,010)	(16,101,353)
Gross profit		33,237,652	24,803,586
General and administrative expenses (-)	14	(17,796,389)	(7,515,630)
Marketing, sales and distribution expenses (-)	14	-	(976,429)
Other income from operating activities	15	184,350,801	43,002,701
Other expenses from operating activities (-)	15	(31,026,989)	(8,348,858)
Operating profit		168,765,075	50,965,370
Income from investing activities	16	79,775	632,590,488
Expenses from investing activities (-)	16	(14,941)	(14,332,967)
Operating profit before finance expense		168,829,909	669,222,891
Financial income	17	121,199,506	11,954,506
Financial expenses (-)	17	(192,935,583)	(105,415,096)
Profit before taxation		97,093,832	575,762,301
Deferred tax income	18	(4,983,502)	6,582,477
Profit for the period		92,110,330	582,344,778
Equity holders of the parents		69,031,216	362,358,292
Non-controlling interests		23,079,114	219,986,486
OTHER COMPREHENSIVE INCOME		(19,540,290)	257,843,915
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss			
Accumulated Gain on Revaluation of Non-Current Assets		-	245,547,954
Accumulated Gain on remeasurement of defined benefit plans	11	421,072	218,867
Deferred tax (expense)		(84,214)	(50,340)
Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss			
Other comprehensive income related with cash flow hedge		(25,814,478)	15,749,914
Deferred tax (expense)		5,937,330	(3,622,480)
TOTAL COMPREHENSIVE INCOME		72,570,040	840,188,693
Earnings per share	19	2,09	10,98

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Consolidated Statement of Changes in Equity
for the Period Ended 1 January - 31 March 2022**
(Currency shown is (“TL”) unless indicated otherwise)

					Accumulated Other Comprehensive 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	Restricted reserves separated from profit	Effect of mergers involving undertaking or enterprises subject to common control	Gain/ losses on hedge	Accumulated gain/ (loss) on remeasurement of defined benefit plans	Accumulated gain on revaluation of noncurrent assets	Restricted profit reserves	Prior year's profit	Profit for the period	Equity attributable to owners of the company	Non- controlling interests	Total equity	
1 January 2021	33,000,000	148,055,900	-	(13,068,687)	-	80,305	243,913,757	1,052,573	37,401,307	78,018,865	528,454,020	213,808,604	742,262,624	
Transfers	-	-	-	-	-	-	-	3,645,986	74,372,879	(78,018,865)	-	-	-	
Total comprehensive income	-	-	-	-	(15,749,914)	148,485	245,547,954	-	-	-	229,946,525	169,407,774	399,354,299	
Effect of mergers involving undertaking or enterprises subject to common control	-	-	-	13,068,687	-	-	-	-	-	-	13,068,687	(5,688,531)	7,380,156	
Minority	-	-	-	-	-	-	-	-	(139,385,722)	-	(139,385,722)	(93,680,384)	(233,066,106)	
Other effect of adjustments	-	-	-	-	-	-	-	-	938,459	-	938,459	-	938,459	
Profit fot the period	-	-	-	-	-	-	-	-	-	362,358,292	362,358,292	219,986,486	582,344,778	
31 March 2021	33,000,000	148,055,900	-	-	(15,749,914)	228,790	489,461,711	4,698,559	(26,673,077)	362,358,292	995,380,261	503,833,949	1,499,214,210	
1 January 2021	33,000,000	472,216,507	61,260,002	-	(170,167,214)	244,012	1,399,816,661	-	(27,696,688)	611,988,564	2,380,661,844	2,012,714,133	4,393,375,977	
Transfers	-	-	-	-	-	-	-	2,862,284	609,126,280	(611,988,564)	-	-	-	
Total comprehensive income	-	-	-	-	10,134,619	252,139	-	-	-	-	10,386,758	-	10,386,758	
Transactions with Non-Controlling Shareholders	-	-	-	-	(41,886,426)	41,646	-	-	(89,119,086)	-	(130,963,866)	36,854,883	(94,108,983)	
Increase (Decrease) Due to Share Buyback Transactions /	-	-	(33,527,985)	-	-	-	-	-	-	-	(33,527,985)	-	(33,527,985)	
Profit fot the period	-	-	-	-	-	-	-	-	-	69,031,216	69,031,216	-	69,031,216	
31 March 2022	33,000,000	472,216,507	(33,527,985)	-	(201,919,021)	537,797	1,399,816,661	64,122,286	492,310,506	69,031,216	2,295,587,967	2,049,569,016	4,345,156,983	

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flow
for the Period Ended 1 January - 31 March 2022
(Currency shown is ("TL") unless indicated otherwise)

	Notes	1 January – 31 March 2022	1 January – 31 March 2021
A, CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the Period		69,031,216	362,358,292
Adjustments related to depreciation and amortization expenses	7,8	30,400,005	5,080,381
Adjustments related to (gain)/loss on disposal of non-current assets	16	(64,834)	(82,906)
Adjustments related to provision for unused vacations	11	222,953	(32,469)
Adjustments related to impairment of financial assets		(31,751,808)	(15,749,914)
Adjustments related to interest income	17	(2,025,258)	(3,147,473)
Adjustments related to retirement pay provision expenses	11	355,558	247,447
Adjustments related to discount (income)/expenses	15	-	(41,145)
Adjustments related to profit for the period		(55,117,230)	(253,907,563)
Adjustments related to fair value		(56,914,197)	(599,206,963)
Adjustments related to provision for impairment of trade and other receivables		-	-
Adjustments related to tax expense	18	(23,692,275)	(130,205,968)
Adjustments related to currency translation differences		-	-
Movements in working capital		(69,555,870)	(634,688,281)
Adjustments related to increase/decrease in trade receivables		(1,185,077)	(7,075,188)
Adjustments related to increase/decrease in inventories		72,259	3,774,447
Adjustments related to increase/decrease in other receivables		(310,731)	(9,881,200)
Adjustments related to increase/decrease in prepaid expenses		(8,403,365)	(22,108,604)
Adjustments related to increase/decrease in other assets		(5,877,049)	(13,342,610)
Adjustments related to increase/decrease in trade payables		(44,875,485)	36,417,342
Adjustments related to increase/decrease in other payables		(173,645)	36,830,141
Adjustments related to increase/decrease in deferred income		(22,102,762)	(3,095,475)
Adjustments related to increase/decrease in other liabilities		(5,234,811)	98,489,012
Adjustments related to increase/decrease in employee benefits		729,724	116,183
Interest received	17	2,025,258	3,147,473
Retirement obligation payments		-	(33,443)
Income taxes paid	18	(1,092,253)	(3,061,004)
Cash generated from operations		(155,983,807)	(514,511,207)
B, CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangible assets	7	(68,885,033)	(73,572,510)
Proceeds from sale of property, plant and equipment and intangible assets	8	1,350,319	626,785
Cash outflows from derivative instruments		(650,357,089)	
Other cash flows/(outflows)		2,964,162	3,645,986
Cash flows from investing activities		(714,927,641)	(69,299,739)
C, CASH FLOWS FROM FINANCING ACTIVITIES			
Cash outflows from the business' own acquisition of shares		(33,527,985)	-
Cash obtained from/used for other receivables from related parties/other payables to related parties		-	(3,571,245)
Cash Inflows On Sales That Will Result In Loss of Control of Subsidiaries		-	-
Effect of mergers involving undertaking or enterprises subject to common control		-	13,068,687
Cash obtained from/used for financial borrowings- net		240,271,623	422,913,981
Interest Paid	17	(19,414,071)	(18,048,014)
Cash flows from financing activities		187,329,567	438,098,594
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(683,581,880)	(145,712,352)
D, CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		829,799,458	217,704,672
Balance at the end of the period		146,217,578	71,992,320

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Interim Consolidated Statement of

Financial Position as at 31 March 2022

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

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 March 2021, the number of personnel employed is 68, as of 31 December 2020 the number of personnel employed is 55.

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

(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 (%)/ Control	Main Activities
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	County	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
		118,020	100,480

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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" s) as appropriate. TFRSs; UPS RT by Turkey Accounting Standard ("IAS"), Turkey Financial Reporting Standards comprise standards and interpretations published by TAS Reviews and TFRIC names.

Consolidated financial statements are presented in accordance with the TFRS Taxonomy developed on the basis of the financial statement samples specified in the Financial Statement Examples and User Guide published in the Official Gazette dated 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:

- 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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**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.

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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**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.

(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.

(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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.1 Basis of Presentation (cont'd)

(v) Transactions eliminated on consolidation

During the preparation of the consolidated financial statements, intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealized losses from intercompany transactions, in the absence of evidence of impairment, have been eliminated by the method used to eliminate unrealized profits. The registered values of the shares owned by the Group and the dividends resulting from them have been eliminated from the relevant equity and profit or loss statement accounts.

f) Foreign Currency

Transactions in foreign currency

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

Non-monetary assets and liabilities denominated in foreign currency and measured with their fair values are converted into the functional currency at the exchange rate on the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency measured at date cost are translated using the exchange rate on the date of the transaction. Except for the exchange differences arising from recycling, differences arising from cash flow hedging instruments recorded in other comprehensive income; recorded in profit or loss.

Periodic changes in Euro / TL, US Dollar / TL and TL / US Dollar exchange rates as of the end of the reporting periods are as follows:

	31 March 2022	31 December 2021	31 March 2021
USD/TL	14.6458	13.3290	8.3260
EURO/TL	16.3086	15.0867	9.7741

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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

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.

,4 Amendments in Turkish Financial Reporting Standards ("IFRS")

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

a) New and revised IFRSs that are effective for the current year

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 must be applied prospectively.

The amendments did not have a significant impact on the 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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.4 Amendments in Turkish Financial Reporting Standards ("IFRS") (Cont'd)

a. New and revised IFRSs that are effective for the current year (Cont'd)

Amendments to TAS 16 – Proceeds before intended use (Cont'd)

The 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. The amendments did not have a significant impact on the 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 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 prospectively 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).

The amendments did not have a significant impact on the financial position or 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.*

- *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.*

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

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.4 Amendments in Turkish Financial Reporting Standards ("IFRS") (Cont'd)

a. New and revised IFRSs that are effective for the current year (Cont'd)

ii) Standards issued but not yet effective and not early adopted

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

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

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.

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. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or 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 Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2,4 Amendments in Turkish Financial Reporting Standards ("IFRS") (Cont'd)

a. New and revised IFRSs that are effective for the current year (Cont'd)

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted. Overall, the Group expects no significant impact on its balance sheet and equity.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. Overall, the Group expects no significant impact on its balance sheet and equity.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.4 Amendments in Turkish Financial Reporting Standards ("IFRS") (Cont'd)

a. New and revised IFRSs that are effective for the current year (Cont'd)

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Cont'd)

In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. 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 March 2022.

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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

a) Revenue (cont'd)

General model for revenue recognition (cont'd)

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

- (a) Identifying the contract with customers
- (b) Identifying the performance obligations
- (c) Determining the transaction price
- (d) Allocating the transaction price to performance obligations
- (e) Revenue recognition

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

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

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

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

Interim Consolidated Statement of

Financial Position as at 31 March 2022

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

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

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

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

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

All financial assets 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 assets 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:

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**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)

- 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

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

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

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

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

- Contingent events that could change the timing or amount of cash flows,
- Terms that could change the contractual coupon rate (including variable rate features),
- Early payment and extension options, and

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**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)

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:

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

The following accounting policies apply to subsequent measurement of financial assets.
Financial assets measured by reflecting the FV difference in profit/loss
The difference in the FV is reflected in other comprehensive income equity instruments

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.

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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**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)

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 recognized on the transaction date when the Group becomes a party to the contractual terms of the relevant financial instrument.

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.

Financial liabilities

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**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)

Financial assets (cont'd)

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

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

(iv) Offsetting

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

(v) Derivative financial instruments and hedge 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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

Cash Flow Hedge

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

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

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

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

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

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

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

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

Cash Flow Hedge (Cont'd)

vi. Non-derivative financial assets

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

- financial assets measured at amortized cost

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

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

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

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

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

Measurement of ECLs

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

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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

Cash Flow Hedge (Cont'd)

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

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

Presentation of impairment

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

Write-off

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

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

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

Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

Non-Financial Assets (cont'd)

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

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

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

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

c) Inventories

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

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

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;

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

c) Inventories (cont'd)

if that person:

Has control or joint control over the reporting entity;

Has significant influence over the reporting entity; or

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

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

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

ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

iii) Both entities are joint ventures of the same third party. One entity is a joint venture of a third entity and the other entity is an associate of the third entity. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. The entity is controlled or jointly controlled by a person identified in (a). A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) In the event that the business or another member of the group of which it is a part provides key management personnel services to the reporting enterprise or the parent company of the reporting enterprise.

e) Recognition and measurement

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

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

e) Recognition and measurement (cont'd)

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 revaluated 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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

e) Recognition and measurement (cont'd)

(ii) Depreciation (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>	
Buildings	45-50 years
Machinery and equipment	45-50 years
Motor vehicles	4-15 years
Fixtures and fittings	3-15 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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

(f) Intangible fixed assets (cont'd)

(ii) Subsequent costs

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

(iii) Redemption

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

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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

g) Leasing Transactions (cont'd)

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

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

- Fixed payments (including essentially fixed payments) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and,
- In the event that it is reasonably certain that the purchase option will be used, the penalty for termination of the lease, if the usage price of this option and the duration of the lease indicate that the Group will use an option to terminate the lease.

The lease liability is measured at 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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**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.

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

(ii) Deferred tax

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

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

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

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

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

(iii) Tax Risk

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

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.

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH
NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**
(Currency shown is ("TL") unless indicated otherwise)

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

2.5 Summary of Significant Accounting Policies (cont'd)

p) Segment Reporting (cont'd)

1 January- 31 March 2022	Power Generation	EPC	Elimination	Total
Revenue	62,482,587	50,771,659	(159,584)	113,094,662
Cost of Sales (-)	(45,260,333)	(34,756,261)	159,584	(79,857,010)
Gross profit from commercial activities	17,222,254	16,015,398	-	33,237,652
Gross profit	17,222,254	16,015,398	-	33,237,652
General and administrative expenses (-)	(17,796,389)	-	-	(17,796,389)
Other income from operating activities	238,022,289	-	(53,671,488)	184,350,801
Other expenses from operating activities (-)	(84,698,477)	-	53,671,488	(31,026,989)
Operating profit	152,749,677	16,015,398	-	168,765,075
Income fr,,om investment activities	79,775	-	-	79,775
Expense from investment activities	(14,941)	-	-	(14,941)
(Other)Financial income	117,454,308	3,745,198	-	121,199,506
(Other)Financial expenses (-)	(190,142,603)	(2,792,980)	-	(192,935,583)
Profit/ (Loss) for the period	80,126,216	16,967,616	-	97,093,832

r) Capital

Common stocks

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

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

2.6 Critical Accounting Judgements, Estimates and Assumptions

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

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

(i) Assumptions and Estimates

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

(ii) Measurement of fair values

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

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Data excluding quoted prices in Level 1 and that can be observed directly (through prices) or indirectly (derived from prices) in terms of assets or liabilities;
- Level 3: Data not based on observable market data for assets or liabilities (non-observable data).

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

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

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 3 – FINANCIAL INVESTMENT

As of 31 March 2022 and 31 December 2021, the details of the Group's financial investments are as follows;

Short-term financial investments

As of 31 March 2022, the details of the Group's financial investments are as follows:

	31 March 2022	31 December 2021
Currency Protected Deposit Account (KKMH)	707,169,408	-
Total	707,169,408	-

As of 31 March 2022, the annual average interest rate for currency protected deposits is 21.19%.

31 March 2022

	Nominal value	Interest Accrual	Currency differences	Fair Value
KKMH	650,357,089	22,556,340	34,225,980	707,169,408
Total	650,357,089	22,556,340	34,225,980	707,169,408

NOTE 4 - 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 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 March 2022	31 December 2021
Hermes Uluslararası Ticaret Ve Lojistik Anonim Şirketi	-	69,156,071
Toplam	-	69,156,071

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 5 - FINANCIAL LIABILITIES

As of 31 March 2022 and 31 December 2021, the details of the Group's short and long term financial liabilities as below;

	31 Mart 2022	31 Aralık 2021
Short-term bank loans	137,710,955	-
Short-term portions of long-term borrowings	307,604,529	274,807,328
Other financial liabilities	258,397	508,122
Short term financial liabilities	445,573,881	275,315,450
Long term bank loans	1,029,694,372	979,087,540
Long term financial liabilities	1,029,694,372	979,087,540
Total financial liabilities	1,475,268,253	1,254,402,990

As of 31 March 2022, the detail of short and long term financial liabilities is as follows:

Currency	Effective interest rate	Original amount	TL amount
Short term bank borrowings			
TL	20.15%-8.77%	157,415,019	157,415,019
USD	6.89%	3,215,310	47,062,812
EURO	4.92%	14,788,472	240,837,653
Long term bank borrowings			
TL	8.77%	19,994,291	19,994,291
USD	6.89%	8,429,198	123,379,018
EURO	4.92%	54,423,939	886,321,064
Total			1,475,009,856

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
Short term bank borrowings			
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
Long term bank borrowings			
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
Total			1,253,894,868

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 5 - FINANCIAL LIABILITIES (CONT'D)

The repayment schedule of the financial liabilities are as follows;

	31 March 2022	31 December 2021
Within 1 year	445,315,484	274,807,328
Between 1-2 years	265,860,131	243,851,654
Between 2-3 years	239,144,098	217,612,217
Between 4-5 years	201,856,654	188,290,365
More than 5 years	322,833,489	329,333,304
Total financial liabilities	1,475,009,856	1,253,894,868

NOTE 6 – INVESTMENT PROPERTIES

As of 31 March 2022 and 31 December 2021, movements of the Group's investment properties as below;

	1 January 2022	Addition	Disposal	Revaluation	31 March 2022
<u>Cost</u>					
Lands	5,516,580	-	-	-	5,516,580
Buildings	37,337,840	-	-	-	37,337,840
Net Book Value	42,854,420				42,854,420

	1 January 2021	Addition	Disposal	Revaluation	31 December 2021
<u>Cost</u>					
Lands (*)	7,291,000	-	(1,774,420)	-	5,516,580
Buildings	31,996,866	-	-	5,340,974	37,337,840
Net Book Value	39,287,866				42,854,420

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Interim Consolidated Statement of
Financial Position as at 31 March 2022

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

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2022	Additions	Disposals	Business combination effect	Revaluation	Consolidation addition effect	Consolidation disposal effect	31 March 2022
<u>Cost</u>								
Lands	221,762,466	-	-	-	-	-	-	221,762,466
Buildings	98,574,427	61,751,514	-	-	-	-	-	160,325,941
Machinery and equipment	5,172,433,585	-	-	-	-	-	-	5,172,433,585
Motor vehicles	53,429,128	6,339,245	(1,471,762)	-	-	-	-	58,296,611
Fixtures and fittings	3,907,055	524,051	(161,447)	-	-	-	-	4,269,659
Construction in progress	-	-	-	-	-	-	-	-
	5,550,106,661							5,617,088,262
<u>Accumulated depreciation</u>								
Buildings	2,407,157	650,071	-	-	-	-	-	3,057,229
Machinery and equipment	840,911,496	26,887,897	-	-	-	-	-	867,799,393
Motor vehicles	4,751,534	2,580,010	(339,365)	-	-	-	-	6,992,179
Fixtures and fittings	704,040	262,214	(8,358)	-	-	-	-	957,896
	848,774,227							878,806,697
Net Book Value	4,701,332,434							4,738,281,565

(**) As of March 31, 2022, there are 955.644.298 TL movable pledges and 1.351.242.950 TL mortgages on tangible assets.

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Interim Consolidated Statement of
Financial Position as at 31 March 2022

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

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2021	Additions	Disposals	Transfer	Revaluation	Consolidation addition effect	Consolidation disposal effect	31 March 2021
<u>Cost</u>								
Lands	70,083,839	67,349,545	-	28,455,393	10,743,733	848,054	(20,959,565)	156,520,999
Buildings	7,750,000	-	-	-	-	-	-	7,750,000
Machinery and equipment	931,217,190	-	-	851,518,277	831,274,671	370,968,940	(846,236,289)	2,138,742,789
Motor vehicles	11,200,000	4,709,454	(554,935)	-	-	-	-	15,354,519
Fixtures and fittings	2,132,969	503,689	-	1,186,310	-	99,328	(1,186,310)	2,735,986
Construction in progress	784,406	959,946	-	-	-	-	-	1,744,352
	1,023,168,404							2,322,848,645
<u>Accumulated depreciation</u>								
Buildings	182,693	40,284	-	-	-	-	-	222,977
Machinery and equipment	19,966,898	4,075,001	-	-	(2,736,513)	-	(16,733,288)	4,572,098
Motor vehicles	720,444	797,040	(90,299)	-	-	-	-	1,427,185
Fixtures and fittings	297,180	160,098	-	-	-	-	(412,233)	45,045
	21,167,215							6,267,305
Net Book Value	1,002,001,189							2,316,581,340

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 8 - INTANGIBLE ASSETS

	1 January 2022	Additions	Disposals	31 March 2022
<u>Cost</u>				
Rights	19,178	85,034	-	104,212
Other intangible assets	294,008	185,189	-	479,197
	313,186			583,409
<u>Accumulated depreciation (-)</u>				
Rights	1,300	7,806	-	9,106
Other intangible assets	110,635	12,006	-	122,641
	111,935			131,747
Net Book Value	201,251			451,662
	1 January 2021	Additions	Disposals	31 March 2021
<u>Cost</u>				
Rights	8,768	3,120	-	11,888
Other intangible assets	240,252	46,756		287,008
Goodwill	79,243	-	(79,243)	-
	328,263			298,896
<u>Accumulated depreciation (-)</u>				
Rights	1,300	51	-	1,351
Other intangible assets	60,054	7,907	-	67,961
	61,354			69,312
Net Book Value	266,909			229,584

Distribution of tangible and intangible assets depreciation is as follows;

	1 January - 31 March 2022	1 January - 31 March 2021
Cost of sales	26,351,528	4,116,497
General administration expenses (note 14)	4,048,477	963,884
Total	30,400,005	5,080,381

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Guarantees-Pledge-Mortgage ("GPM")

As of 31 March 2022 and 31 December 2021 the tables of the Group's collateral / pledge / mortgage ('GPM') position is as follows:

		31 March 2022	31 December 2021
A, Total amount of GPM given on behalf of the own legal entity			
	<i>Guarantees given</i>	315,017	414,017
	<i>Mortgage</i>	24,080,000	25,280,000
B, Total amount of GPM given on behalf of the subsidiaries included in full combine			
	<i>Guarantees given</i>	119,252,998	92,945,999
	<i>Pledge</i>	1,327,162,950	1,784,865,390
	<i>Mortgage</i>	955,644,298	955,644,298
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 not covered by B and C clauses		-	-
iii, Total amount of mollaterals given in favor third parties not covered by clause C		-	-
		-	-
Total		2,426,455,263	2,859,149,704

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 10 – 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.

The group takes care to maintain a 100% hedging ratio and a hedging efficiency between 70% and 130% within the scope of the hedging accounting it has established, and as of 31 March 2022, the hedging ratio has been calculated as 96% and the hedging efficiency as 101%.

USD	31 March 2022
Hedged item present value (current)	1,964,315
Hedged item present value (non current)	12,400,652
Hedging instrument present value (current)	2,707,326
Hedging instrument present value (non current)	9,282,142
EUR	31 March 2022
Hedged item present value (current)	5,298,915
Hedged item present value (non current)	57,739,080
Hedging instrument present value (current)	11,066,518
Hedging instrument present value (non current)	58,413,669
TRY	31 March 2022
Cumulative exchange rate difference on the hedged item (current)	11,894,693
Cumulative exchange rate difference on the hedged item (non current)	114,589,075
Cumulative exchange rate difference on the hedged instrument (current)	(22,514,111)
Cumulative exchange rate difference on the hedged instrument (non current)	(110,483,548)
Rate of hedging effectiveness	%110
Inactive portion left in income statement	(6,513,891)

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Interim Consolidated Statement of
Financial Position as at 31 March 2022

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

NOTE 11 – EMPLOYEE BENEFITS

Current provisions for employee benefits

Unused vacation provisions

	31 March 2022	31 December 2021
Unused vacation provisions	422,733	199,780
Total	422,733	199,780

Non-current provisions for employee benefits

Provisions for retirement pay liability

	31 March 2022	31 December 2021
Provisions for retirement pay liability	301,628	367,144
Total	301,628	367,144

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 10,596.74TL (31 December 2021: 10,596.74 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%.

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 11 – EMPLOYEE BENEFITS (CONT'D)

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

Provisions for retirement pay liability (cont'd)

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

	1 January - 31 March 2022	1 January - 31 March 2021
Opening balance	367,142	193,653
Interest cost	292,216	214,409
Service cost	63,342	33,038
Annual payments (-)	-	(33,443)
Actuarial gain/ loss	(421,072)	(218,867)
Closing balance	301,628	188,790

NOT 12 - OTHER CURRENT ASSETS, SHORT TERM TERM LIABILITIES

Other current assets

	31 March 2022	31 December 2021
Deferred VAT	24,663,737	19,017,155
Business advance	421,548	191,081
Total	25,085,285	19,208,236

NOT 12 - OTHER CURRENT ASSETS, SHORT TERM TERM LIABILITIES (CONT'D)

Other current liabilities

	31 March 2022	31 December 2021
Taxes and funds payable	772,967	6,017,594
Other liabilities	22,093	12,277
Total	795,060	6,029,871

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Interim Consolidated Statement of
Financial Position as at 31 March 2022

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

NOTE 13 - SHAREHOLDER'S EQUITY

a) Capital

	31 March 2022		31 December 2021	
	Share (%)	Share amount (TL)	Share (%)	Share amount (TL)
Yusuf Şenel	66.28%	21,873,000	66.28%	21,000,000
Publicity Held	33.72%	11,127,000	33.72%	12,000,000
Paid-In Capital	%100	33,000,000	100%	33,000,000

b) Legal reserve

	31 March 2022	31 December 2021
Legal reserve	64,122,286	61,260,002
Total	64,122,286	61,260,002

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

	31 March 2022	31 December 2021
Repurchased shares	(33,527,985)	-
Total	(33,527,985)	-

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 13 - SHAREHOLDER'S EQUITY (CONT'D)

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

	31 March 2022	31 December 2021
Accumulated Gain on Revaluation of Non-Current Assets	1,399,816,661	1,399,816,661
Total	1,399,816,661	1,399,816,661

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

	31 March 2022	31 December 2021
Accumulated loss on remeasurement of defined benefit plans	537,797	244,012
Actuarial gain/ (loss)	537,797	244,012

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

	31 March 2022	31 December 2021
Cash flow hedge	(201,919,021)	(170,167,214)
Total	(201,919,021)	(170,167,214)

g) Premiums/ discounts related to shares:

	31 March 2022	31 December 2021
Premiums/ discounts related to shares	472,216,507	472,216,507
Total	472,216,507	472,216,507

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 14 – EXPENSE BY NATURE

a) General administrative expenses

	1 January- 31 March 2022	1 January- 31 March 2021
Personnel expense	(4,728,600)	(2,111,654)
Consultancy and audit expenses	(1,334,776)	(1,263,316)
Taxes, duties and charges expenses	(3,017,014)	(1,064,681)
Donations and grants	(1,762,508)	-
Depreciation expenses	(4,048,477)	(963,884)
Vehicles expenses	(380,301)	-
Fair expenses	(134,000)	-
Notary and chamber of commerce expenses	(152,638)	(345,966)
Rent expense	(407,472)	(343,119)
Announcement and advertisement expenses	(164,566)	(266,410)
Insurance expenses	(91,748)	-
Electricity expenses	(33,703)	(223,509)
Service expenses	-	(200,641)
Accommodation, travel and transportation expenses	(452,330)	(111,981)
Communication expense	(48,488)	(13,569)
Other	(1,039,768)	(606,900)
Total	(17,796,389)	(7,515,630)

b) Marketing, selling and distribution expenses

	1 January- 31 March 2022	1 January- 31 March 2021
System usage expenses	-	(976,429)
Total	-	(976,429)

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 15 - INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Income from operating activities

	1 January- 31 March 2022	1 January- 31 March 2021
Foreign exchange gain on balance sheet items other than financial borrowings (*)	182,992,088	42,492,795
Tax income	235,524	60,794
Rent income	184,333	25,529
Prior period income and profits	1,445	-
Other	937,411	353,644
Total	184,350,801	43,002,701

(*) This amount consist of exchange differences income accoring to TFRS 9 "Cash Flow Hedge"

Expenses from operating activities

	1 January- 31 March 2022	1 January- 31 March 2021
Foreign exchange gain on balance sheet items other than financial borrowings	(30,266,980)	(7,677,959)
Disallowable expenses	-	(625,220)
Discount expenses	-	(41,671)
Previous period expenses and losses	-	(3,760)
Provisions for doubtful receivables	-	-
Other	(760,009)	(248)
Total	(31,026,989)	(8,348,858)

NOTE 16 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities

	1 January- 31 March 2022	1 January- 31 March 2021
Revaluation (*)	-	632,507,582
Profit on sales of fixed assets	79,775	82,906
Total	79,775	632,590,488

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 16 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES (CONT'D)

Expenses from investing activities

	1 January- 31 March 2022	1 January- 31 March 2021
Loses on sales of fixed assets	(14,941)	-
Securities transfer losses	-	(14,332,967)
Total	(14,941)	(14,332,967)

NOTE 17 - INCOME AND EXPENSES FROM FINANCING ACTIVITIES

Income from financing activities

	1 January- 31 March 2022	1 January- 31 March 2021
Reduced interest expense	37,274	8,794,959
Kkmh fair values	56,782,319	
Time deposits interest income	2,025,258	3,147,473
Foreign exchange incomes from financial borrowings	62,354,655	12,074
Total	121,199,506	11,954,506

Expense from financing activities

	1 January- 31 March 2022	1 January- 31 March 2021
Foreign exchange losses from financial borrowings	(171,595,756)	(85,326,153)
Borrowing expenses	(19,414,071)	(18,048,014)
Bank commission expenses	(1,462,853)	(1,037,004)
Guarantee letter commission expenses	(399,561)	(937,625)
Expense from related parties	-	(33,262)
Other	(63,342)	(33,038)
Total	(192,935,583)	(105,415,096)

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 18 - TAX ASSETS AND LIABILITIES

Current tax liabilities

	31 March 2022	31 December 2021
<u>Balance Sheet</u>		
Current corporation tax liabilities	-	-
Less: Prepaid taxes and fund (-)	(5,901,968)	(4,809,715)
Tax provision in the balance sheet	(5,901,968)	(4,809,715)

Deferred tax income

	1 January- 31 March 2022	1 January- 31 March 2021
<u>Tax income/ (expense)</u>		
Current corporation tax liabilities	-	-
Deffered tax income/ (expense)	(4,983,502)	6,582,477
	(4,983,502)	6,582,477

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.

The effective rate of tax in Turkey in 31 March 2022 is 23%. (2021: 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.

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

NOTE 18 - TAX ASSETS AND LIABILITIES (CONT'D)

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.

For calculation of deferred tax asset and liabilities, the rate of 20% (2021: 22%) is used for companies domiciled in Turkey.

31 March 2022 ve 31 December 2021 tarihleri itibariyle, birikmiş geçici farklar ve ertelenmiş vergi (varlıkları)/ yükümlülüklerinin yürürlükteki vergi oranları kullanılarak hazırlanan dökümü aşağıdaki gibidir:

	Cumulative Temporary Difference		Deferred Tax Asset/ (Liability)	
	2022/1	2021	2022/1	2021
Negative goodwill	-	654,213,050	-	(31,075,120)
Company combinations goodwill adjustment	-	(116,264,989)	-	22,090,348
Subsidiaries adjustment	134,091,605	(66,413,741)	(5,227,418)	3,154,653
Write off expense	9,979,522	2,730,280	(2,296,539)	(548,869)
Provision of doubtful receivables	(51,253)	(51,253)	11,788	10,251
Tangible and intangible fixed asset depreciation adjustment	(596,547)	7,413,002	(87,662)	(1,704,774)
Tangible and intangible fixed asset adjustment	(175,022,237)	(174,981,695)	31,742,877	33,276,985
Unused vacation provision	(422,733)	(199,780)	97,112	39,956
Revaluation of tangible assets	3,337,987,334	3,337,987,334	(159,658,231)	(159,658,231)
Interest expense	1,474,723	-	-	-
Severance pay provision	(301,628)	(367,144)	60,326	84,443
Expenses accruals	9,252,039	1,957,587	(1,951,758)	(390,567)
Financial harm	(127,929,308)	(127,929,308)	24,306,569	24,306,569
Cash flow hedges	(541,308,655)	(414,824,887)	85,891,742	54,729,104
Currency Protected tax exemption adjustment	-	(66,034,008)	-	17,289,052
Currency adjustments	-	(616,553)	-	281,817
Income accruals	22,910,953	82,626,904	(5,342,725)	(17,902,977)
Deferred tax (liability)-net			(32,453,919)	(56,017,360)

(*) Lands and plots included under tangible fixed asset items are included in the subparagraph (e) of the first paragraph of Article 5 of the Corporate Tax Law No. 5520 regulating exceptions; 75% of the earnings arising from the sale of founding shares, usufruct shares and pre-emptive rights and 50% of the gains arising from the sale of immovables in their assets for at least two full years that this exception will be applied in the period of sale and that the part of the sales earning benefiting from the exception must be kept in a special fund account until the end of the fifth year following the year in which the sale is made and the sales price must be collected until the end of the second calendar year following the year of sale Taxes that are not accrued on time due to the exception corresponding to the sales price will be deemed to have been lost, the same increase due to the exemption applied to the part of the exempted income transferred to another account in any way other than adding to the capital or withdrawn from the business within five years. It has been stipulated that taxes that are not accrued immediately will

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

be deemed to have been lost, and that the gains obtained from the sale of the values they hold for this purpose by institutions dealing with the trade and leasing of securities or immovables are excluded from the scope of exemption.

NOTE 18 - TAX ASSETS AND LIABILITIES (CONT'D)

The exemption to be applied by corporate taxpayers on capital gains obtained from the sales of their real estates held for at least two years was reduced from 75% to 50% with the regulation published in the Official Gazette dated 5 December 2017. Accordingly, the corporate tax and deferred tax calculations calculated for the earnings from the sale of immovable properties will be calculated as 20% of the remaining 50%.

NOTE 19 - 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.

	1 January - 31 March 2022	1 January - 31 March 2021
Net profit	69,031,216	362,358,292
Number of shares	33,000,000	33,000,000
Earnings per share (TL)	2.09	10.98

NOTE 20 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency risk management

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

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

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**NOTE 20 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS
(CONT'D)**

Foreign currency risk management (cont'd)

	31 March 2022	31 December 2021
Foreign currency assets	739,595,285	827,535,614
Foreign currency liabilities	(1,297,600,543)	(1,220,916,488)
Net foreign currency position	(558,005,258)	(393,380,874)

31 March 2021	USD	EUR	TL Equivalent
1. Trade receivables	-	-	-
2a. Monetary financial assets, (cash and banks account included)	49,645,598	46,878	727,431,014
2b. Non monetary financial assets	-	-	-
3. Other	-	-	-
4. Current assets (1+2+3)	49,645,598	46,878	727,431,014
5. Trade receivables	831,057	-	12,164,271
6a. Monetary financial assets	-	-	-
6b. Non monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-current assets (5+6+7)	831,057	-	12,164,271
9. Total assets (4+8)	50,476,655	46,878	739,595,285
10. Trade payables	-	-	-
11. Financial liabilities	(3,215,310)	(14,788,472)	(287,900,464)
12a. Other monetary liabilities	-	-	-
12b. Other non monetary liabilities	-	-	-
13. Current liabilities (10+11+12)	(3,215,310)	(14,788,472)	(287,900,464)
14. Trade payables	-	-	-
15. Financial liabilities	(8,429,198)	(54,423,939)	(1,009,700,078)
16a. Other monetary liabilities	-	-	-
16b. Other non monetary liabilities	-	-	-
17. Non-current liabilities (14+15+16)	(8,429,198)	(54,423,939)	(1,009,700,078)
18. Total liabilities (13+17)	(11,644,508)	(69,212,411)	(1,297,600,543)
19. Net assets of off balance sheet derivative items (liability) position (19a - 19b)	14,364,968	63,037,996	1,236,866,748
19a. Total amount of assets hedged	-	-	-
19b. Total amount of liabilities hedged	14,364,968	63,037,996	1,236,866,748
20. Net foreign assets / (liability) position (9-18+19)	53,197,115	(6,127,537)	678,861,490
21. Net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	37,170,033	(69,165,533)	(582,333,800)

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**NOTE 20 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS
(CONT'D)**

Foreign currency risk management (cont'd)

31 December 2021	USD	EUR	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)	58,641,966	3,042,206	827,535,614
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)	58,641,966	3,042,206	827,535,614
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)	(2,700,325)	(15,151,010)	(264,571,374)
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)	(7,022,513)	(57,185,603)	(956,345,115)
18. Total liabilities (13+17)	(9,722,838)	(72,336,613)	(1,220,916,488)
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)

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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

**NOTE 20 - THE NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS
(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 March 2022	Profit / (Loss)	
	Appreciation of foreign currency	Appreciation of foreign currency
Appreciation of USD against TL by 20%		
1- USD denominated net assets/liabilities	155,730,300	(155,730,300)
2- USD hedged portion (-)	-	-
3- Net effect of USD	155,730,300	(155,730,300)
Appreciation of EUR against TL by 20%		
4- EUR denominated net assets/liabilities	(19,958,002)	19,958,002
5- EUR hedged portion (-)	-	-
6- Net effect of EUR	(19,958,002)	19,958,002
Total	135,772,298	(135,772,298)

Exchange Rate Sensitivity Analysis Table

31 December 2021	Profit / (Loss)	
	Appreciation of foreign currency	Appreciation of foreign currency
Appreciation of USD against TL by 20%		
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)
Appreciation of EUR against TL by 20%		
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
Total	(3,649,009)	3,649,009

CONVENIENCE TRANSLATION OF THE REPORT ORIGINALLY ISSUED IN TURKISH

NATUREL YENİLENEBİLİR ENERJİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**Interim Consolidated Statement of
Financial Position as at 31 March 2022**

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NOTE 21 - EVENTS AFTER REPORTING PERIOD

None.