Report Date **:** 9 Kasım 2022

MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Interim Audited Consolidated Financial Statements For The Period Ended 1 January – 30 September 2022

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Interim Consolidated Statement of Financial Position as at 30 September 2022
(Currency shown is ("TL") unless indicated otherwise)

ASSETS	Notes	Current Period Audited 30 September 2022	Prior Period Audited 31 December 2021
Cash and cash equivalents		408,606,014	901,294,060
Financial investment	4	599,172,539	-
Trade receivables			
- Trade receivables from third parties		579,644,187	326,915,948
Other receivables			
- Other receivables from third parties		1,260,879	996,648
Inventories		16,955,421	2,916,904
Prepaid expenses		15,764,109	1,994,125
Assets related to current tax	18	558,348	1,058,742
Other current assets	12	18,872,774	19,197,918
Total current assets		**1,640,834,271**	**1,254,374,345**
Other receivables			
- Other receivables from third parties		3,522,522	586,479
Tangible assets	7	4,601,467,546	4,606,837,458
Intangible assets	8	157,535	133,882
Prepaid expenses		103,784	614,500
Deferred tax asset	18	16,025,460	-
Total non-current assets		**4,621,276,847**	**4,608,172,319**
TOTAL ASSETS		**6,262,111,118**	**5,862,546,664**

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

Interim Consolidated Statement of Financial Position as at 30 September 2022

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

LIABLITIES	Notes	Current Period Audited 30 September 2022	Prior Period Audited 31 December 2021
Short-term borrowings	6	144,228,484	-
Short-term portions of long-term borrowings	6	282,007,401	262,199,425
Other financial liabilities	6	15,279	78,087
Trade payables			
- *Trade payables to third parties*		357,696,636	212,148,015
Other payables			
- *Other payables to related parties*	5	-	65,686,135
- *Other payables to third parties*		2,445,367	540,086
Payables related to employee benefits		653,034	427,213
Deferred income		9,283,407	11,323,850
Short-term provisions			
- *Short-term provisions for employee benefits*	11	465,315	83,554
Other current liabilities	12	353,694	521,985
Current liabilities		**797,148,617**	**553,008,350**
Long-term borrowings	6	1,017,589,517	956,345,116
Long-term provisions			
- *Long-term provisions for employee benefits*	11	529,613	100,528
Deferred tax liabilities	18	-	48,775,879
Non-current liabilities		**1,018,119,130**	**1,005,221,523**
Paid-in capital	13	410,000,000	410,000,000
Premiums/ discounts related to shares	13	724,943,924	724,943,924
Other comprehensive ıncome or expenses that will not be reclassified subsequently to profit or loss			
- *Accumulated Gain on Revaluation of Non-Current Assets*	13	2,761,824,343	2,761,824,343
- *Accumulated gain on remeasurement of defined benefit plans*	13	33,054	74,309
Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss			
- *(Losses) on cash flow hedges*	13	(594,192,976)	(360,095,783)
Reserves on retained earnings		5,804,001	-
Prior years' profit/ (loss)		692,065,997	(242,620,830)
Net profit for the period		446,365,028	1,010,190,828
Equity attributable to owners of the company		**4,446,843,371**	**4,304,316,791**
Non-Controlling Interests		-	-
Total equity		**4,446,843,371**	**4,304,316,791**
TOTAL LIABILITIES		**6,262,111,118**	**5,862,546,664**

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 1 January – 30 September 2022

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

	Notes	Current Period Audited 1 January-30 September 2022	1 January-30 September 2021	1 July-30 September 2022	1 July - 30 September 2021
Revenue		519,244,254	164,329,596	244,829,353	69,156,621
Cost of Sales (-)		(278,009,350)	(47,880,356)	(128,425,610)	(12,830,870)
Gross profit		**241,234,904**	**116,449,240**	**116,403,743**	**56,325,751**
General and administrative expenses (-)	14	(15,521,008)	(3,652,027)	(6,027,837)	(843,110)
Other income from operating activities	15	413,788,752	65,273,834	72,554,607	2,320,369
Other expenses from operating activities (-)	15	(98,798,592)	(16,391,105)	(13,417,056)	(1,500,365)
Operating profit		**540,704,056**	**161,679,942**	**169,513,457**	**56,302,645**
Income from investing activities	16	90,436	653,519,790	-	-
Operating profit before finance expense		**540,794,492**	**815,199,732**	**169,513,457**	**56,302,645**
Financial income / expenses (-)	17	(100,696,192)	(114,105,683)	(23,211,229)	(16,623,689)
Profit before taxation		**440,098,300**	**701,094,049**	**146,302,228**	**39,678,956**
Current period tax (expense)	18	-	-	-	-
- Deferred tax income/ (expense)	18	6,266,728	543,165	10,432,062	(17,282,633)
Profit/ (Loss) for the period		**446,365,028**	**701,637,214**	**156,734,290**	**22,396,323**
Owners of the company		446,365,028	701,637,214	156,734,290	22,396,323
OTHER COMPREHENSIVE INCOME		**234,055,938**	**669,379,087**	**50,100,828**	**28,485,549**
Other comprehensive ıncome or expenses that will not be reclassified subsequently to profit or loss					
Accumulated Gain on Revaluation of Non-Current Assets		-	715,836,197	-	32,675,740
Deferred tax (expense)		-	(15,552,835)	-	(1,620,011)
Accumulated Gain on remeasurement of defined benefit plans	11	(51,569)	103,405	(77,483)	(28,088)
Deferred tax (expense)		10,314	(23,783)	15,497	6,460
Other Comprehensive Income or Expenses that may be Reclassified Subsequently to Profit or Loss					
Other comprehensive income related with cash flow hedge		292,621,491	(39,001,012)	62,703,517	(2,071,993)
Deferred tax (expense)		(58,524,298)	8,017,115	(12,540,703)	(476,559)
TOTAL COMPREHENSIVE INCOME		**680,420,966**	**1,371,016,301**	**206,835,118**	**50,881,872**
Earnings/ (loss) per share (TL)		**1.09**	**1.71**	**0.38**	**0.07**

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

Consolidated Statement of Changes in Equity for the Period Ended 1 January – 30 September 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	Other reserve	Restricted Reserves Allocated from Profit	Effect of mergers involving undertaking or enterprises subject to common control	Gain/ loses on hedge	Accumulated gain/ (loss) on remeasurement of defined benefit plans	Accumulated gain on revaluation of noncurrent assets	Prior year's profit	Profit for the period	Equity attributable to owners of the company	Total equity
1 January 2021	**40,000,000**	**-**	**52,532,000**	**-**	**116,999,230**			**107,026,869**	**73,406,890**	**77,038,667**	**467,003,656**	**467,003,656**
Transfers	52,532,000	-	(52,532,000)	-	-	-	-		77,038,667	(77,038,667)		
Total comprehensive income	-	-	-	-	-	(30,983,897)	81,308	700,283,362	-	-	**669,380,773**	**669,380,773**
Effect of mergers involving undertaking or enterprises subject to common control	-	-	-	-	(116,999,230)	-	-	-	(75,318,099)	-	**(192,317,329)**	**(192,317,329)**
Capital increases	317,468,000	-	-	-	-	-	-	-	-	-	**317,468,000**	**317,468,000**
Increase/decrease from share-based transactions (*)	-	725,661,758	-	-	-	-	-	-	(315,096,370)	-	**410,565,388**	**410,565,388**
Profit for the period	-	-	-	-	-	-	-	-	-	701,637,214	**701,637,214**	**701,637,214**
30 September 2021	**410,000,000**	**725,661,758**	**-**	**-**	**-**	**(30,983,897)**	**81,308**	**807,310,231**	**(239,968,912)**	**701,637,214**	**2,373,737,702**	**2,373,737,702**
1 January 2022	**410,000,000**	**724,943,924**	**-**	**-**	**-**	**(360,095,783)**	**74,309**	**2,761,824,343**	**(242,620,830)**	**1,010,190,828**	**4,304,316,791**	**4,304,316,791**
Transfers	-	-	-	5,804,001	-	-	-	-	1,004,386,827	(1,010,190,828)	**-**	**-**
Total comprehensive income	-	-	-	-	-	(234,097,193)	(41,255)	-	-	-	**(234,138,448)**	**(234,138,448)**
Dividend payout	-	-	-	-	-	-	-	-	(69,700,000)	-	**(69,700,000)**	**(69,700,000)**
Profit for the period	-	-	-	-	-	-	-	-	-	446,365,028	**446,365,028**	**446,365,028**
30 September 2022	**410,000,000**	**724,943,924**	**-**	**5,804,001**	**-**	**(594,192,976)**	**33,054**	**2,761,824,343**	**692,065,997**	**446,365,028**	**4,446,843,371**	**4,446,843,371**

(*) As of 30 September 2022, the amount for business combination described in Note 1 of the Group.

Consolidated Statement of Cash Flow
for the Period Ended 1 January – 30 September 2022
(Currency shown is ("TL") unless indicated otherwise)

	Notes	Current Period Audited 1 January – 30 September 2022	1 January - 30 September 2021
A, CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the Period		**446,365,028**	**701,637,214**
Adjustments related to depreciation and amortization expenses	8	80,303,647	27,522,658
Adjustments related to impairment of financial assets		(234,097,193)	(30,983,897)
Adjustments for losses/(gains) on disposal of fixed assets		(90,436)	-
Adjustments related to fair value		(227,251,716)	(288,417,162)
Adjustments related to provision for unused vacations	11	381,761	78,817
Adjustments related to share-based payments		-	(315,096,370)
Adjustments related to interest income	17	(1,318,288)	(5,142,365)
Adjustments related to retirement pay provision expenses	11	377,516	148,551
Adjustments related to discount (income)/expenses	15	-	(40,092)
Adjustments related to profit for the period		-	(406,076,013)
Adjustments related to tax expense	18	(64,791,025)	(111,651,123)
Movements in working capital		**(120,706)**	**(428,019,782)**
Adjustments related to increase/decrease in trade receivables		(252,728,239)	(32,324,839)
Adjustments related to increase/decrease in inventories		(14,038,517)	(8,209,939)
Adjustments related to increase/decrease in other receivables		(3,200,274)	(210,022)
Adjustments related to increase/decrease in prepaid expenses		(13,259,268)	(1,679,735)
Adjustments related to increase/decrease in other assets		325,144	(31,287,260)
Adjustments related to increase/decrease in trade payables		145,548,621	(99,282,509)
Adjustments related to increase/decrease in other payables		1,874,525	10,912,754
Adjustments related to increase/decrease in deferred income		(2,040,443)	2,235,595
Adjustments related to increase/decrease in other liabilities		(168,291)	10,076,397
Adjustments related to increase/decrease in employee benefits		225,821	320,321
Interest received	17	1,318,288	5,142,365
Cash outflows from acquisition of own shares of the business		(69,700,000)	-
Income taxes paid	18	500,394	(177,449)
Cash generated from operations		**(205,462,945)**	**(572,504,103)**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash used in capital increase of subsidiaries, investment in associates		-	50,000
Cash outflows from derivative instruments		(371,920,823)	-
Payments for property, plant and equipment and intangible assets		(75,058,923)	(67,415,153)
Proceeds from sale of property, plant and equipment and intangible assets		191,970	-
Cash flows from investing activities		**(446,787,776)**	**(67,365,153)**
C, CASH FLOWS FROM FINANCING ACTIVITIES			
Cash obtained from/used for other receivables from related parties/other payables to related parties		(65,655,378)	38,877,853
Cash Inflows from Issuance of Shares and Other Equity Instruments		-	825,661,758
Effect of mergers involving undertaking or enterprises subject to common control		-	(192,317,329)
Cash obtained used for financial borrowings		294,184,188	550,826,007
Interest Paid	7	(68,966,135)	(67,157,507)
Cash inflows from capital advances		-	217,468,000
Cash flows from financing activities		**159,562,675**	**1,373,358,782**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(492,688,046)**	**733,489,526**
D, CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**901,294,060**	**97,556,019**
Balance at the end of the period	4	**408,606,014**	**831,045,545**

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Margün Enerji Üretim Sanayi ve Ticaret Anonim Şirketi (“Margün Enerji”):

Margun Enerji Üretim Sanayi ve Ticaret Anonim Şirketi was established in Turkey in 2014, in order to obtain electricity from Renewable Energy Sources, especially Solar Energy, it operates on the establishment, commissioning of power plants, electricity generation, installation and commitment of power generation facilities.

The Company's registered address is Kızılırmak Mahallesi 1450 Sokak 1/67, Çankaya/Ankara.

As of 30 September 2022 the average number of employees in the Group is 67 (31 December 2021: 64 employee).

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

Subsidiaries	Share/ Control (%)	Activities
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	Maintenance services
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 Tekonoloji Yazılım A.Ş.	%100/%100	Software

The Group’s installed power (kWp) related to producting as follow;

Country	County	Installed power (kWp)	Producting 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
Total		**118,020**	**100,480**

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 June 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. IFRSs; UPS RT by Turkey Accounting Standard ("IAS"), Turkey Financial Reporting Standards comprise standards and interpretations published by IAS Reviews and TFRIC names.

Consolidated financial statements are presented in accordance with the IFRS Taxonomy developed on the basis of the financial statement samples specified in the Financial Statement Examples and User Guide published in the Official Gazette dated june 7, 2019 and numbered 30794 by 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 IFRS that inflation accounting application put an end. Accordingly, as of January 1, 2005, Standard No.29 "Financial Reporting in High Inflation Economies" ("IAS 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 2,5 (ii).

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.

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

2.1 Basis of Presentation (cont'd)

e) Basis of Consolidation

(i) Business combinations

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

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

• The fair value of purchase price, plus
• Registered value of non-controlling shares over the business acquired in business combinations; plus
• If the business combination is carried out several times, the fair value of the equity interest on the date of acquisition in the acquired business previously held by the acquirer; minus
• The recognized net value (generally fair value) of identifiable assets acquired and liabilities assumed.

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

Esenboğa Elektrik Üretim A.Ş., signed a sales contract with Özyer Group (Hasan Özyer and Ömer Özyer) to buy developed and established under the roof of unlicensed electricity generation regulation 11 solar power plants, and bought Güneş 5 Enerji A.Ş., Maral Enerji A.Ş.'yi and its with subsidiaries (Hanel Global A.Ş., Kural Enerji A.Ş. ve Soral Enerji A.Ş.) on 30,12,2020, The purchase price is determined by deducting loans and other debts from the value determined by the valuation report. In the valuation report, the company values of us $ 26,400,000 were determined and the purchase price of us $ 13,625,000 was reached by deducting the loans and other debts of us $ 12,775,000,

ii) Acquisitions from jointly controlled business interests

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

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

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

2.1 Basis of Presentation (cont'd)

e) Basis of Consolidation (cont'd)

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

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

Margun Enerji Üretim Sanayi ve Ticaret A.Ş.Sh. on 31,12,2020, Esenboga Energy A.Sh.Natural Renewable Energy A., which is the dominant partner ofSh.angora Electric Power Generation Co., ltd.Sh.he bought it for 13,666,685 USD (100,318,099 TL). The 'Merger of Rights' method was applied while the transaction was being accounted for and it had the effect of merging businesses subject to joint control. Angora Electric Power Generation Inc.Sh. located under Saf Akçe Energy Production Inc.Sh., Ulus Energy Production Inc.Sh. and Agah Energy Production Inc.Sh. the loan has been taken over along with the debts. In the valuation report, Angora and its subsidiaries were valued at USD 20,318,000, and loans and other liabilities were reduced by USD 6,651,616 to USD 13,666,685, It was also aired on Snl Energy on January 20, 2021, Renown. and tic. A.Sh., Ysf Energy Urt. Renown. and Tic A.Sh., March 13, Urt. Renown. and tic. A.Sh., March 1, San. and tic. A.Sh., Generate Pure Akçe Energy. Renown. and tic. A.Sh., Energes 1 Enerji Sanayi ve Ticaret A.Ş.Sh., Energes 9 Enerji Sanayi ve Ticaret A.Ş.Sh. and Berrak Ges 1 Energy Industry and Trade Co.Sh. and Give the Nation Energy. Renown. and tic. A.Sh.Margun Energy Production Inc.Inc. and Angora Electric Power Generation Inc.Sh."due to its transfer to ", it has been included in the merger effect subject to joint control.

(iii) Subsidiaries

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

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

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

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

2.1 Basis of Presentation (cont'd)

e) Basis of Consolidation (cont'd)

(iv) Lose of Control

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

(v) Transactions eliminated on consolidation

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

f) Foreign Currency

Transactions in foreign currency

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

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

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

	30 September 2022	31 December 2021	30 September 2021
USD/TL	18.5187	13.3290	8.8785
EURO/TL	18.1395	15.0867	10.2933

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

2.2 Declaration of Confirmity to IFRS

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

2.3 Changes in Accounting Policies

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14,1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No:28676 on 13 June 2013, The accompanying consolidated financial statements are prepared based on the Turkish Accounting Standards/Turkish Financial Reporting Standards and Interpretations ("IAS/IFRS") that have been put into effect by the POA under Article 5 of the Communiqué.

2.4 Amendments in Turkish Financial Reporting Standards ("IFRS")

The accounting policies adopted in preparation of the consolidated financial statements as of September 30, 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

i) The new standards, amendments and interpretations which are effective as at January 1, 2022 are as follows:

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. 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.

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

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

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

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).

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 tto 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 Group is in the process of assessing the impact of the amendments / improvements on financial position or performance of the Group.

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

2.4 Amendments in Turkish Financial Reporting Standards ("IFRS") (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 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 forthe 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.

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

2.4 Amendments in Turkish Financial Reporting Standards (“IFRS”) (Cont’d)

ii) Standards issued but not yet effective and not early adopted (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. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

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

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

ii) Standards issued but not yet effective and not early adopted (Cont'd)

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 recognized 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. 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.

iii) The new amendments that are issued by the International Accounting Standards Board

(IASB) but not issued by Public Oversight Authority (POA)

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

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

In September 2022, the Board issued amendments to IFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of IFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the sellerlessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group

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

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 30 September 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.

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

NOTE 2 - BASIS OF PRESENTATION 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 occured. All other financial assets and liabilities are recognized on the transaction date that the relevant financial instrument if the group is a part to the contractual terms. In the initial measurement of financial assets (except trade receivables that do not have a significant financing component) and financial liabilities other than those whose fair value changes are reflected in profit or loss, transaction costs that can be directly attributed to their acquisition or issuance are measured by adding to the fair value. Trade receivables that do not have a significant financing component are measured at the initial recognition over the transaction price.

ii) Classification and subsequent measurement

According to IFRS 9, for the first time during a financial asset to be included in the financial statements; are measured at amortized cost; fair value ("FV") reflected in other comprehensive income measured using the difference – investments in debt instruments; the difference is reflected in other comprehensive income measured using GUD – gud reflected in profit or loss or are classified as investments in equity instruments measured using.

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

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.

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

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

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

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

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

- Contingent events that could change the timing or amount of cash flows,
- Terms that could change the contractual coupon rate (including variable rate features),
- Early payment and extension options, and
- Conditions that may restrict the Group's ability to claim cash flows on a particular asset (eg non-recoverable features).

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.

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

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

2.5 Summary of Significant Accounting Policies (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 recorded on the transaction date when the Group becomes a party to the contractual terms of the related 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.

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

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

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

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

b) Financial instruments (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.

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

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

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

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

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

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

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)

Cash Flow Hedge (cont'd)

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

The group, established the scope of hedge accounting for 100% of effectiveness between the hedging ratio is committed to maintaining and 70% percent to 130% hedging, hedging ratio as of the date of 30 September 2022, 104% of hedging effectiveness of 91% was calculated.

vi. Non-derivative financial assets

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

- financial assets measured at amortized cost

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

- 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).

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)

Measurement of ECLs (cont'd)

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

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

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

Presentation of impairment

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

Write-off

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

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

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

Non-Financial Assets

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

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

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

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

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

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

c) Inventories

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

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

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

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

if that person:

Has control or joint control over the reporting entity;

Has significant influence over the reporting entity; or

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

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

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

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

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

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

e) Recognition and measurement

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

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

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

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

(i) Subsequent costs

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

(ii) Depreciation

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

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)

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:

Property, plants and equipments	
Machinery and equipment	45-50 years
Fixtures and fittings	3-15 years
Buildings	5 year
Vehicles	5 year

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

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

The useful life of solar power plants of the Group has been corrected as 50 years as of 01,01,2020,

(f) Intangible fixed assets

(i) Recognition and measurement

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

(ii) Subsequent costs

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

e) Recognition and measurement (cont'd)

(iii) Redemption

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

g) Leasing Transactions

(i) As a lessee

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

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

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

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

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

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

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

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

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

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

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

Short-term leases and low-value leases

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

h) Provisions

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

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. All actuarial gains and losses are accounted for in other comprehensive income.

j) Contingent liabilities and contingent assets

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

k) Income from Investment Activities And Expenses from Investment Activities

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

m) Earning/(Loss) Per Share

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

n) Tax

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

(i) Current tax

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

Current tax is calculated by taking into consideration the tax rates that are in force as of the end of the reporting period or close to the effective date To net off current tax asset or liability can be applied only under some certain conditions. Tax legislation in Turkey does not permit a parent company and its subsidiary consolidated tax return to fill out. Therefore, the tax provision reflected in the consolidated financial statements is calculated separately for companies.

(ii) Deferred tax

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

• Temporary differences that arise on initial recognition of assets or liabilities resulting from a transaction that is not a business combination and affects neither accounting profit nor taxable profit or loss;

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

2.5 Summary of Significant Accounting Policies (cont'd)

(ii) Deferred tax (cont'd)

• Temporary differences related to investments in subsidiaries that are unlikely to reverse in the foreseeable future and the Group can control the reversal time; and
• Taxable temporary differences arising during the initial recognition of goodwill.

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

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

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

(iii) Tax Risk

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

p) Segment Reporting

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

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.

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

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.

Other non-derivative financial liabilities

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

NOTE 3 – BUSINESS COMBINATIONS

	30 September 2022		30 September 2021	
Country	**Production amount (KWh)**	**Sales amount / TL**	**Production amount (KWh)**	**Sales amount / TL**
Adana	13,357,605	28,737,558	14,291,920	15,475,787
Muğla	26,389,418	70,078,748	25,789,942	28,864,316
Bilecik	2,562,176	5,590,975	2,517,997	2,726,574
Afyon	20,057,965	43,555,612	20,337,989	22,022,681
Nevşehir	12,650,205	27,575,594	13,362,756	14,469,656
Ankara	30,560,285	66,589,747	30,665,785	33,205,978
Yozgat	7,943,718	17,310,600	8,386,572	9,081,271
Antalya	4,883,921	10,510,739	5,768,035	6,245,828
Eskişehir	4,330,565	9,365,517	4,228,433	4,577,340
Konya	24,619,843	53,507,709	25,538,131	27,658,810
Total	**147,355,701**	**332,822,799**	**150,887,560**	**164,328,241**

	Electricity Generation	EPC	30 September 2022
Domestic Sales	332,822,799	186,421,455	519,244,254
Cost of sales (-)	(187,239,067)	(90,770,283)	(278,009,350)
Gross Profit (Loss)	**145,583,732**	**95,651,172**	**241,234,904**

NOTE 4 – FINANCIAL INVESTMENT

As of 30 September 2022 and 31 December 2021, the details of the Group's financial investments are as follows;

Short-term financial investments

As of 30 September 2022, the details of the Group's financial investments are as follows:

	30 September 2022	31 December 2021
Currency Protected Deposit Account (KKMH)	599,172,539	-
Total	**599,172,539**	**-**

NOTE 4 – FINANCIAL INVESTMENT (CONT'D)

As of 30 September 2022, the annual average interest rate for currency protected deposits is 17%.

30 September 2022

	Nominal value	Interest Accrual	Currency differences	Fair Value
KKMH	581,156,334	16,236,977	1,779,228	599,172,539
Total	**581,156,334**	**16,236,977**	**1,779,228**	**599,172,539**

NOTE 5 - RELATED PARTY DISCLOSURES

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

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

Current other payables from related parties

	30 September 2022	31 December 2021
Esenboğa Elekrik Üretim A.Ş.	-	8,682,512
Naturel Yenilenebilir Enerji Tic. A.Ş. (*)	-	57,003,623
Total	**-**	**65,686,135**

NOTE 6 - FINANCIAL LIABILITIES

As of 30 September 2022 and 31 December 2021, the details of the Group's short and long term financial liabilities as below;

	30 September 2022	31 December 2021
Short-term bank loans	144,228,484	-
Short-term portions of long-term borrowings	282,007,401	262,199,425
Other financial liabilities	15,279	78,087
Short term financial liabilities	**426,251,164**	**262,277,512**
Long term bank loans	1,017,589,517	956,345,116
Long term financial liabilities	**1,017,589,517**	**956,345,116**
Total financial liabilities	**1,443,840,681**	**1,218,622,628**

As of 30 September 2022, the detail of short and long term fianancial liabilities is as follows:

Currency	Effective interest rate	Original amount	TL amount
Short term bank borrowings			
TL	20.15%	103,348,641	103,348,641
USD	6.81%	3,210,867	59,461,088
EURO	4.92%	14,522,239	263,426,155
Long term bank borrowings			
USD	6.81%	6,964,969	128,982,176
EURO	4.92%	48,987,422	888,607,342
Total			**1,443,825,402**

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

Currency	Effective interest rate	Original amount	TL amount
Short term bank borrowings			
USD	6.81%	2,700,325	35,992,629
EURO	4.92%	14,993,789	226,206,796
Long term bank borrowings			
USD	6.81%	7,022,513	93,603,077
EURO	4.92%	57,185,603	862,742,039
Total			**1,218,544,541**

NOTE 6 - FINANCIAL LIABILITIES (CONT'D)

The repayment schedule of the financial liabilities are as follows;

	30 September 2022	31 December 2021
Within 1 year	426,235,885	262,199,425
Between 1-2 years	279,099,210	232,822,967
Between 2-3 years	254,953,415	208,246,766
Between 4-5 years	203,599,418	185,942,079
More than 5 years	279,937,474	329,333,304
Total financial liabilities	**1,443,825,402**	**1,218,544,541**

As of 30 September 2022 and 31 December 2021 movements of financial liabilities is as follows;

Financial Liabilities	30 September 2022	31 December 2021
Openning - 1 January	1,218,544,541	390,811,491
New financial liabilities received	97,091,050	563,050,884
Payments	(181,683,439)	(254,759,336)
Currency differences	305,566,514	524,028,734
Effect of TFRS 9	(497,530)	(7,794,632)
Change in interest accrued	4,804,266	3,207,400
Closing balance	**1,443,825,402**	**1,218,544,541**

NOTE 7 – TANGIBLE ASSET

	1 January 2022	Additions	Disposals	Business combination effect	Revaluation	Consolidation addition effect	Consolidation disposal effect	30 September 2022
Cost								
Land	195,096,467	-	-	-	-	-	-	195,096,467
Buildings	65,280,000	47,066,652	-	-	-	-	-	112,346,652
Machinery and equipment	5,172,400,295	2,008,512	-	-	-	-	-	5,174,408,807
Vehicles	9,199,841	24,697,145	-	-	-	-	-	33,896,986
Fixtures and fittings	1,432,055	1,204,404	(109,429)	-	-	-	-	2,527,030
Ongoing investments		41,714	-	-	-	-	-	41,714
Leasehold improvements	4,084	-	-	-	-	-	-	4,084
	5,443,412,742							**5,518,321,740**
Accumulated depreciation								
Buildings	1,280,000	1,489,467	-	-	-	-	-	2,769,467
Machinery and equipment	835,051,852	76,378,527	-	-	-	-	-	911,430,379
Vehicles	200,931	2,044,764	-	-	-	-	-	2,245,695
Fixtures and fittings	41,999	369,252	(7,894)	-	-	-	-	403,357
Leasehold improvements	502	4,795	-	-	-	-	-	5,296
	836,575,284							**916,854,194**
Net Book Value	**4,606,837,458**							**4,601,467,546**

(*) As of September 30, 2022, there are 2,402,441,711 TL movable pledges and 2,044,807,150 TL mortgages on tangible assets.

NOTE 7 – TANGIBLE ASSET (CONT'D)

	1 January 2021	Additions	Disposals	Business combination effect	Revaluation	Consolidation addition effect	Consolidation disposal effect	30 September 2021
Cost								
Land	54,613,840	67,349,545	-	33,863,057	7,081,070	848,053	(20,959,565)	142,796,000
Machinery and equipment	931,183,900	19,465	-	851,518,277	978,882,941	371,397,630	(846,236,289)	2,286,765,924
Fixtures and fittings	1,186,310	40,800	-	1,186,310	-	99,328	(1,186,310)	1,326,438
Leasehold improvements	-	4,043	-	-	-	-	-	4,043
	986,984,050							**2,430,892,405**
Accumulated depreciation								
Machinery and equipment	19,469,801	27,379,070	-	-	(2,736,513)	-	(16,733,288)	27,379,070
Fixtures and fittings	412,232	130,137	-	-	-	-	(412,233)	130,136
	19,882,033							**27,509,206**
Net Book Value	**967,102,017**							**2,403,383,199**

(*) Acquired assets and existing facilities Net Corporate Real Estate Valuation and Consulting A.Sh. the company's financial statements were disclosed at fair value in the valuation report dated September 30, 2021.

(**) As of September 30, 2022, there are 955,644,298 TL movable pledges and 1,345,310,610 TL mortgages on tangible assets.

NOTE 8 – INTANGIBLE ASSETS

	1 January 2022	Additon	Disposal	30 September 2022
Cost				
Other intangible assets	183,510	40,496	-	224,006
	183,510			**224,006**
Accumulated depreciation (-)				
Other intangible assets	49,628	16,843	-	66,471
	49,628			**66,471**
Net Book Value	**133,882**			**157,535**

	1 January 2021	Additon	Disposal	30 September 2021
Cost				
Other intangible assets	182,210	1,300	-	183,510
	182,210			**183,510**
Accumulated depreciation (-)				
Other intangible assets	24,043	13,451	-	37,494
	24,043			**37,494**
Net Book Value	**158,167**			**146,016**

Distribution of tangible and intangible assets depreciation is as follows;

	1 January – 30 September 2022	1 January – 30 September 2021
Cost of sales	73,757,122	27,522,658
General administration expenses	6,546,526	-
Total	**80,303,648**	**27,522,658**

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Guarantees-Pledge-Mortgage ("GPM")

As of 30 September 2022 and 31 December 2021 the tables of the Group's collateral / pledge / mortgage ('GPM') position is as follows:

		30 September 2022	**31 December 2021**
A, Total amount of GPM given on behalf of the own legal entity			
	Guarantees given	29,705,000	75,429,000
	Pledge	237,760,161	140,637,548
	Mortgage	81,415,000	81,415,000
B, Total amount of GPM given on behalf of the subsidiaries included in full consolidation			
	Guarantees given	64,213,181	15,409,231
	Pledge	2,164,681,550	815,006,750
	Mortgage	1,963,392,150	1,703,450,390
C, Total amount of GPM given on bealf of third parties due to normal course of business		-	-
D, Total amount of other GPM given		-	-
i, Total amount of guarantees given in favor of main shareholder		-	-
ii, Total amount of guarantees given in favor of group companies nor covered by B and C clauses		-	-
iii, Total amount of mollaterals given in favor third parties not covered by clause C		-	-
Total		**4,541,167,042**	**2,831,347,919**

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 IFRS 9, which isn't yet realized exchange rate fluctuations in the income statement the income statement Comprehensive Income Statement of pulling from the park aims at the presentation and healthier.

As of 30 September 2022 the hedging ratio has been calculated as 104%, and the hedging efficiency as 91%.

USD	**30 September 2022**
Hedged item present value (current)	3,950,336
Hedged item present value (non current)	37,831,970
Hedging instrument present value (current)	5,362,526
Hedging instrument present value (non current)	28,318,004

EUR	**30 September 2022**
Hedged item present value (current)	10,641,437
Hedged item present value (non current)	175,393,970
Hedging instrument present value (current)	22,152,124
Hedging instrument present value (non current)	177,443,168

TRY	**30 September 2022**
Cumulative exchange rate difference on the hedged item (current)	21,219,519
Cumulative exchange rate difference on the hedged item (non current)	271,401,972
Cumulative exchange rate difference on the hedged instrument (current)	(39,001,115)
Cumulative exchange rate difference on the hedged instrument (non current)	(256,147,943)
Rate of hedging effectiveness	**91%**
Inactive portion left in income statement	**(2,527,567)**

NOTE 11 – PROVISIONS FOR EMPLOYEE BENEFITS

Current provisions for employee benefits

	30 September 2022	31 December 2021
Provision for unused vacations	465,315	83,554
Total	**465,315**	**83,554**

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

	1 January - 30 September 2022	1 January - 30 September 2021
Openning balance	83,554	-
Provisions during the year	381,761	78,817
Closing balance	**465,315**	**78,817**

Non-current provisions for employee benefits

Provisions for retirement pay liability

	30 September 2022	31 December 2021
Provisions for retirement pay liability	529,613	100,528
Total	**529,613**	**100,528**

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 15,371,40 (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. IAS 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:

NOTE 11 – PROVISIONS FOR EMPLOYEE BENEFITS (CONT'D)

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

Provisions for retirement pay liability (cont'd)

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 September 2022, 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 respective reporting dates have been calculated with the assumption of 3,60 % real discount rate calculated by using 16,80% annual inflation rate and 21% discount rate.

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

	1 January - 30 September 2022	1 January - 30 September 2021
Opening balance	100,528	7,022
Interest cost	111,218	6,781
Service cost	266,298	141,770
Actuarial gain/ loss	51,569	(103,405)
Closing balance	**529,613**	**52,168**

NOTE 12 - OTHER CURRENT ASSETS, SHORT TERM TERM LIABILITIES

Other current assets

	30 September 2022	31 December 2021
Deferred VAT	18,835,830	19,016,389
Personnel advance	36,944	180,763
Deductible VAT	-	766
Total	**18,872,774**	**19,197,918**

NOTE 12 - OTHER CURRENT ASSETS, SHORT TERM TERM LIABILITIES (CONT'D)

Other current liabilities

	30 September 2022	31 December 2021
Taxes and funds payable	342,580	515,537
Other liabilities	11,114	6,448
Total	**353,694**	**521,985**

NOTE 13 - SHAREHOLDER'S EQUITY

a) Capital

	30 September 2022		31 December 2021	
	Share (%)	Share amount (TL)	Share (%)	Share amount (TL)
Esenboğa Elektrik Üretim A.Ş.	%75.84	310,925,000	%75.61	310,000,000
Public Offering	%24.16	99,075,000	%24.39	100,000,000
Paid in capital		**410,000,000**		**410,000,000**

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

	30 September 2022	31 December 2021
Accumulated Gain on Revaluation of Non-Current Assets	2,761,824,343	2,761,824,343
Total	**2,761,824,343**	**2,761,824,343**

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

	30 September 2022	31 December 2021
Accumulated loss on remeasurement of defined benefit plans	33,054	74,309
Actuarial Loss	**33,054**	**74,309**

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

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

	30 September 2022	31 December 2021
Cash flow hedge	(594,192,976)	(360,095,783)
Total	**(594,192,976)**	**(360,095,783)**

e) Premiums/ discounts related to shares:

	30 September 2022	31 December 2021
Premiums/ discounts related to shares	724,943,924	724,943,924
Total	**724,943,924**	**724,943,924**

NOTE 14 - EXPENSE BY NATURE

a) *General administrative expenses*

	1 January- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2022	1 July - 30 September 2021
Depreciation expenses	(6,546,526)	-	(2,941,738)	-
Consultancy and audit expenses	(2,021,274)	(783,805)	(610,197)	(7,672)
Electricity expenses	(12,827)	(717,473)	(7,014)	(329,379)
Taxes, duties and charges expenses	(1,940,338)	(599,102)	-	(128,693)
Rent expenses	(1,239,053)	(247,615)	(554,715)	(46,295)
Personnel expense	(1,417,894)	(220,587)	(921,036)	168,518
Donations and grants expense	(1,032,636)	-	(250,000)	-
Service expense	-	(169,492)	-	(169,492)
Transportation expense	(132,353)	(157,604)	(110,604)	(155,890)
Advertisement and advertising expense	(129,637)	-	(43,800)	-
Court and notary expenses	(119,980)	-	(72,916)	-
Communication expense	(78,058)	(41,445)	(4,786)	(27,645)
Tender expense	-	(28,411)	-	-
Maintenance and repair expenses	(26,899)	(7,608)	(26,899)	(2,415)
Office expense	(496,501)	(123,158)	(397,910)	(20,093)
Insurence expense	(269,092)	(452)	(86,224)	-
Other expenses	(57,940)	(555,275)	-	(124,054)
Total	**(15,521,008)**	**(3,652,027)**	**(6,027,837)**	**(843,110)**

NOTE 15 - INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Income from operating activities

	1 January-30 September 2022	1 January-30 September 2021	1 July-30 September 2022	1 July -30 September 2021
Foreign exchange gain on balance sheet items other than financial borrowings (*)	410,620,900	64,686,798	70,709,382	2,226,576
Prior period income and profits	767,449	-	767,449	-
Tax income	263,609	113,763	92,379	66,193
Discount income	-	40,805	-	-
Rental income	19,251	17,473	-	17,473
Insurance income	248,117	4,940	-	-
Other incomes	1,869,426	410,055	985,397	10,127
Total	**413,788,752**	**65,273,834**	**72,554,607**	**2,320,369**

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

(*) This amount consists of foreign exchange income, applied according to "IFRS 9 Cash Flow Hedge".

Expenses from operating activities

	1 January-30 September 2022	1 January-30 September 2021	1 July-30 September 2022	1 July -30 September 2021
Foreign exchange gain on balance sheet items	(96,718,381)	(16,145,048)	(11,829,956)	(2,254,194)
Previous period expenses and losses	(346,077)	(30,300)	(303,325)	897,775
Discount expenses	-	(713)	-	-
Other expenses	(1,734,134)	(215,044)	(1,283,775)	(143,946)
Total	**(98,798,592)**	**(16,391,105)**	**(13,417,056)**	**(1,500,365)**

NOTE 16 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The (net) details of income/expenses from investment activities are as follows:

	1 January-30 September 2022	1 January-30 September 2021	1 July-30 September 2022	1 July -30 September 2021
Negative goodwill	-	653,519,790	-	-
Property, plant and equipment sales profits	90,436	-	-	-
Total	**90,436**	**653,519,790**	**-**	**-**

NOTE 17 - INCOME AND EXPENSES FROM FINANCING ACTIVITIES

The details of income/expenses (net) from financing activities are as follows:

	1 January-30 September 2022	**1 January-30 September 2021**	**1 July-30 September 2022**	**1 July - 30 September 2021**
Income from foreign currency linked deposit	209,235,511	-	-	-
Foreign currency linked deposit (Note 4)	18,016,205	-	79,006,517	
interest income/expenses from related parties (net)	4,836,686	2,739,106	(10,918)	(5,974,229)
Time deposit interest income	1,318,288	5,142,365	754,240	3,406,088
Discounted loan interest income	497,530	5,466,375	-	(5,909,938)
Foreign exchange gains/expenses arising from bank loans (net)	(262,179,777)	(125,837,312)	(111,105,557)	(7,941,049)
Loan interest expenses	(68,966,135)	-	8,224,004	-
Bank commission expenses	(2,413,859)	(1,253,220)	485,020	(158,511)
Letter of guarantee commission expenses	(929,422)	(356,216)	(529,861)	(42,005)
Other financial expenses	(111,219)	(6,781)	(34,674)	(4,045)
Total	**(100,696,192)**	**(114,105,683)**	**(23,211,229)**	**(16,623,689)**

NOTE 18 - TAX ASSETS AND LIABILITIES

Current tax liabilities

	30 September 2022	31 December 2021
Balance Sheet		
Current corporation tax liabilities	-	-
Less: Prepaid taxes and fund (-)	(558,348)	(1,058,742)
Tax provision in the balance sheet	**(558,348)**	**(1,058,742)**

Deferred tax income

Tax income/ (expense)	1 January- 30 September 2022	1 January- 30 September 2021
Current corporation tax liabilities	-	-
Deffered tax income/ (expense)	6,266,728	543,165
	6,266,728	**543,165**

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 30 September 2022 is 20%. (2021:25%)

Deferred tax

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

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.

According to IAS 12 Income taxes article 48; "Current and deferred tax assets and liabilities are generally measured using applicable tax rates (and tax laws). However, in some cases, government disclosures about tax rates (and tax laws) can have a significant impact on enactment, and enactment may occur several months after the announcement. In such cases, tax assets and liabilities are calculated by taking into account the declared tax rates (or laws). According to this paragraph, "Exchange rate protected deposit tax exemption" has been applied to the ongoing financial statements as of 30 September 2022,

For calculation of deferred tax asset and liabilities, the rate of 20% (2021: 23%) is used for companies domiciled in Turkey.

As of 30 September 2022 and 31 December 2021, the cumulative temporary differences and the deferred tax assets/ (liabilities) prepares using the applicable tax rates are as follows:

	Cumulative Temporary Difference		Deferred Tax Asset/ (Liability)	
	2022/3	**2021**	**2022/3**	**2021**
Negative goodwill	-	654,213,050	-	(31,075,120)
Company combinations goodwill adjustment	-	(116,264,989)	-	22,090,348
Write off expense	(6,600)	(281,459)	1,452	53,480
Tangible and intangible fixed asset depreciation adjustment	(39,673,263)	3,627,848	7,937,044	(834,383)
Tangible and intangible fixed asset adjustment	(182,560,428)	(174,785,448)	36,696,046	33,237,735
Unused vacation provision	(465,315)	(83,554)	106,778	16,711
Subsidiaries adjustment	110,050,900	(66,413,741)	(5,227,418)	3,154,653
Revaluation of tangible assets	3,284,087,219	3,284,087,219	(154,268,220)	(154,268,220)
IFRS 15 adjustment	148,427,221	82,626,904	(8,700,468)	(17,791,340)
Severance pay provision	(529,613)	(100,528)	105,923	23,121
Expenses accruals	105,581	(204,067)	(27,498)	41,764
Currency protected time deposit tax adjustment	-	(69,193,097)	-	16,455,206
Adjustment of currency differences	(8,330,330)	(5,188,120)	1,841,850	1,084,493
Financial harm	(127,929,308)	(127,929,308)	24,306,569	24,306,569
Cash flow hedges	(707,446,378)	(414,824,887)	113,253,402	54,729,104
Deffered tax (liabilities) -net			**16,025,460**	**(48,775,879)**

18 - TAX ASSETS AND LIABILITIES (CONT'D)

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

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

NOTE 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 - 30 September 2022	**1 January - 30 September 2021**
Net profit/ (loss)	446,365,031	701,637,214
Number of shares	410,000,000	410,000,000
Earnings/(loss) per share (TL)	**1.09**	**1.71**

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

a) Financial Risk Factors

Foreign currency risk management

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

	30 September 2022	31 December 2021
Foreign currency assets	630,545,336	898,814,222
Foreign currency liabilities	(1,340,476,757)	(1,220,916,488)
Net foreign currency position	**(709,931,421)**	**(322,102,266)**

30 September 2022	USD	Euro	TL Equivalent
1, Trade receivables	-	-	-
2a. Monetary financial assets, (cash and banks account included)	33,555,180	504,260	630,545,336
	-	-	-
2b. Non monetary financial assets	-	-	-
3, Other	-	-	-
4, Current assets (1+2+3)	**33,555,180**	**504,260**	**630,545,336**
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)	**33,555,180**	**504,260**	**630,545,336**
10, Trade payables	-	-	-
11, Financial liabilities	(3,210,867)	(14,522,239)	(322,887,244)
12a. Other monetary liabilities	-	-	-
12b. Other non monetary liabilities	-	-	-
13, Current liabilities (10+11+12)	**(3,210,867)**	**(14,522,239)**	**(322,887,244)**
14, Trade payables	-	-	-
15, Financial liabilities	**(6,964,969)**	**(48,987,422)**	**(1,017,589,513)**
16a. Other monetary liabilities	-	-	-
16b. Other non monetary liabilities	-	-	-
17, Non-current liabilities (14+15+16)	**(6,964,969)**	**(48,987,422)**	**(1,017,589,513)**
18, Total liabilities (13+17)	**(10,175,836)**	**(63,509,661)**	**(1,340,476,757)**
19, Net assets of off balance sheet derivative items (liability) position (19a - 19b)	4,168,658	11,875,927	292,621,491
19a. Total amount of assets hedged			
19b. Total amount of liabilities hedged	4,168,658	11,875,927	292,621,491
20, Net foreign assets / (liability) position	-	-	-
(9-18+19)	27,548,001	(51,129,475)	(417,309,929)
21, Net foreign currency asset / (liability) position	-	-	-
(=1+2a+5+6a-10-11-12a-14-15-16a)	23,379,344	(63,005,401)	(709,931,420)

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

b) Financial Risk Factors (cont'd)

Foreign currency risk management (cont'd)

31 December 2021	USD	Euro	TL Equivalent
1, Trade receivables	-	-	-
2a. Monetary financial assets, (cash and banks account included)	54,887,350	2,963,384	776,301,174
2b. Non monetary financial assets	-	-	-
3, Other	-	78,081	1,177,985
4, Current assets (1+2+3)	**54,887,350**	**3,041,465**	**777,479,158**
5, Trade receivables	9,103,088	-	121,335,064
6a. Monetary financial assets	-	-	-
6b. Non monetary financial assets	-	-	-
7, Other	-	-	-
8, Non-current assets (5+6+7)	**9,103,088**	-	**121,335,064**
9, Total assets (4+8)	**63,990,438**	**3,041,465**	**898,814,222**
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)	59,143,109	(48,691,688)	53,721,608
21, Net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	36,061,424	(69,373,229)	(565,950,379)

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

b) Financial Risk Factors (cont'd)

Foreign currency risk management (cont'd)

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

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

Exchange Rate Sensitivity Analysis Table

30 September 2022		
	Profit / (Loss)	
	Appreciation of foreign currency	Appreciation of foreign currency
Appreciation of USD against TL by 20%		
1- USD denominated net assets/liabilities	102,030,635	(102,030,635)
2- USD hedged portion (-)		--
3- Net effect of USD	102,030,635	(102,030,635)
Appreciation of EUR against TL by 20%		
4- EUR denominated net assets/liabilities	(185,492,621)	185,492,621
5- EUR hedged portion (-)	--	--
6- Net effect of EUR	(185,492,621)	185,492,621
Total	**(83,461,986)**	**83,461,986**

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	157,663,700	(157,663,700)
2- USD hedged portion (-)	-	-
3- Net effect of USD	157,663,700	(157,663,700)
Appreciation of EUR against TL by 20%	-	-
4- EUR denominated net assets/liabilities	(146,919,378)	146,919,378
5- EUR hedged portion (-)	-	-
6- Net effect of EUR	(146,919,378)	146,919,378
Total	**10,744,322**	**(10,744,322)**

NOTE 21 - EVENTS AFTER REPORTING PERIOD

None.