ESENBOĞA ELEKTRİK ÜRETİM A.Ş.

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

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

	Notes	Unaudited Current Period 30 September 2020	Audited Previous Period 31 December 2019
ASSETS			
Current Assets		**120.039.534**	**21.214.102**
Cash and Cash Equivalents	6	11.742.963	16.689.156
Trade Receivables	10	8.912.758	3.642.744
Other Trade Receivables	10	8.912.758	3.642.744
Other Receivables	11	5.522	8.130
Other Receivables	11	5.522	8.130
Inventories	13	15.295.359	-
Prepaid Expenses	14	460.186	91.181
Assets Related to Current Period Tax	12	-	3.965
Other Current Assets	25	83.622.746	778.926
Current Assets		**120.039.534**	**21.214.102**
Non-Current Assets		**467.072.478**	**382.704.777**
Other Receivables		2.423	226.281
Other Receivables	11	2.423	226.281
Investment Properties	11	1.465.000	1.425.000
Property, Plant and Equipment	18	465.361.221	380.874.427
Intangible Assets	19	166.044	173.237
Goodwill	20	79.243	79.243
Other Intangible Fixed Assets	19	86.801	93.994
Prepaid Expenses	7	77.790	5.832
TOTAL ASSETS		**587.112.012**	**403.918.880**

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

LIABILITIES	**Notes**	**Unaudited Current Period 30 September 2020**	**Audited Previous Period 31 December 2019**
Current Liabilities		**130.388.158**	**114.992.546**
Borrowings	6	-	88
Current Portion of Long Term Borrowings	6	42.984.832	27.854.079
Trade Payables		36.995.979	75.182.263
Due to Related Parties	8	36.005.250	5.940.200
Other Trade Payables	8	990.729	69.242.063
Employee Benefit Obligations	24	205.093	128.832
Other Payables		6.057.800	11.423.008
Other Payables to Related Parties	9	6.057.800	11.405.184
Other payables	9	-	17.825
Deferred Income	7	40.189.875	-
Provisions		34.386	-
Provisions for Employee Benefits		34.386	-
Other Current Liabilities	25	3.920.193	404.275
Short Term Liabilities		**130.388.158**	**114.992.546**
NON-CURRENT LIABILITIES		**234.948.984**	**145.080.011**
Borrowings	8	176.100.160	101.709.611
Provisions		131.570	-
Provisions for Employee Benefits	15	131.570	-
Deferred Tax Liabilities	34	58.717.254	43.370.400
EQUITIES		**221.774.870**	**143.846.323**
Parent's Equity		**221.774.870**	**143.846.323**
Paid-in Capital	26	40.000.000	40.000.000
The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control	26	17.518.803	17.518.803
Other Accumulated Comprehensive Income / Expenses that not to be Reclassified to Profit or Loss		73.101.910	12.426.215
Gains/Losses on Re-measurement of Defined Benefit Plans	26	(19.956)	-
Increase on Revaluation of Property, Plant and Equipment	26	73.121.866	12.426.215
Retained Earnings	26	70.472.389	1.458.237
Profit/Loss for the Period	26	20.681.768	72.443.069
Non-Controlling Interests		-	-
TOTAL LIABILITIES AND EQUITY		**587.112.012**	**403.918.880**

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

	Notes	Unaudited 1 January -30 September 2020	Unaudited 1 July - 30 September 2019	Unaudited 1 January - 30 September 2019	Unaudited 1 January - 30 September 2019
PROFIT OR LOSS					
Revenue	5	124.698.133	79.318.900	10.470.143	4.723.116
Cost of Sales (-)	5	(49.228.630)	(41.279.877)	(9.173.653)	(2.912.996)
GROSS PROFIT/LOSS		**75.469.503**	**38.039.023**	**1.296.490**	**1.810.120**
General Administrative Expenses (-)	28-29	(1.691.997)	(757.517)	(204.056)	(48.076)
Other Income from Operating Activities	30	1.803.765	1.272.595	2.291.515	2.222.640
Other Expenses from Operating Activities (-)	30	(130.220)	(13.929)	(151.093)	(68.005)
OPERATING PROFIT/LOSS		**75.451.051**	**38.540.172**	**3.232.856**	**3.916.680**
Income from Investing Activities	33	11.226.695	214.709	-	-
Expenses from Investing Activities (-)	33	(15.193)	-	-	-
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE		**86.662.553**	**38.754.881**	**3.232.856**	**3.916.680**
Finance Income	31	1.939.417	1.629.554	760.510	262.410
Finance Expense (-)	32	(69.686.518)	(37.070.689)	(9.192.097)	(403.078)
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX		**18.915.452**	**3.313.746**	**(5.198.731)**	**3.776.012**
Tax (Expense)/ Income from Continued Operations		1.766.316	223.929	(413.330)	(236.835)
Deferred Tax Income/ (Expense)	34	1.766.316	223.929	(413.330)	(236.835)
PROFIT/LOSS FOR THE PERIOD FROM CONTINUED OPERATIONS		**20.681.768**	**3.537.675**	**(5.612.061)**	**3.539.177**
PROFIT/LOSS FOR THE PERIOD		**20.681.768**	**3.537.675**	**(5.612.061)**	**3.539.177**
Distribution of Profit/Loss for the Period					
Equity Holders of the Parents	26	20.681.768	3.537.675	(5.612.061)	3.539.177
		20.681.768	**3.537.675**	**(5.612.061)**	**3.539.177**
Earning Per Share					
Earning per Share from Continued Operations	35	**0,52**	**0,09**	**(112,24)**	**70,78**

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

	Notes	Unaudited 1 January -30 September 2020	Unaudited 1 July - 30 September 2019	Unaudited 1 January - 30 September 2019	Unaudited 1 January - 30 September 2019
PROFIT/ (LOSS) FOR THE PERIOD		**15.217.390**	**2.517.159**	**10.432.113**	**7.751.722**
OTHER COMPREHENSIVE INCOME:					
Not to be Reclassified to Profit or Loss		88.494.236	(230.387)	136.682	-21.228
Increase/Decrease In Revaluation Of Property, Plant And Equipment		113.747.467	-	-	-
Defined Benefit Plans Re-Measurement Gain / (Loss)		-	-	-	-
Not To be Re-Classified in Profit or Loss Other Comprehensive Income Tax		(228.788)	(230.838)	175.233	(27.215)
Tax Income/ (Expense) for the Period		(25.024.443)	451	-38.551	5.987
Deferred Tax Income/ (Expense)		-	-	-	-
OTHER COMPREHENSIVE INCOME		**88.494.236**	**(230.387)**	**136.682**	**(21.228)**
TOTAL COMPREHENSIVE INCOME		**81.388.663**	**3.466.594**	**84.869.284**	**33.942.610**
Distribution of Total Comprehensive Income:		**81.388.663**	**3.466.594**	**84.869.284**	**33.942.610**
Non-controlling Share	26				
Equity Holders of the Parent	26	81.388.663	3.466.594	84.869.284	33.942.610

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

	Notes	1 January –30 September 2020	1 January –30 September 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		**(85.414.288)**	**527.442**
Net Cash Flows From Operating Activities			
Profit/ (Loss) For The Period		**20.681.768**	**(5.612.061)**
Adjustments for;		**(106.096.056)**	**6.139.503**
Depreciation And Amortization Expenses	*12*	3.065.656	3.298.293
Fair Value Losses (Gains)		(323.148)	(30.660)
Inventories	*9*	(15.295.359)	-
Changes in Trade Receivables	*6*	(5.270.014)	(979.484)
Changes in Other Receivables	*7*	2.607	-
Changes in Trade Payables	*6*	(38.186.284)	(399.126)
Changes in Other Payables	*7*	(5.365.208)	-
Other Adjustments For Profit / Loss Reconciliation		(44.725.142)	4.259.481
Tax Refunds/Payments		835	-
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(5.345.459)**	**760.510**
Proceeds from sale of property, plant and equipment and intangible assets	18-19	(7.284.876)	
Interest Income	26	1.939.417	760.510
C. CASH FLOWS FROM FINANCING ACTIVITIES		**102.423.859**	**(1.213.098)**
Cash inflows Due To Borrowings		133.682.466	13.350.000
Cash Outflows Due To Repayment Of Borrowings		(19.066.336)	(9.451.871)
Interest Paid	26	(12.192.271)	(5.111.227)
NET DECREASE(INCREASE) IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY TRANSLATIONS (A+B+C)		**11.664.112**	**74.853**
D. FOREIGN CURRENCY TRANSLATION EFFECTS ON CASH AND CASH EQUIVALENTS			
GROSS INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS (A+B+C+D)		**11.664.112**	**74.853**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**78.851**	**46.853**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E)		**11.742.963**	**121.706**

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

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			Other Accumulated Comprehensive Income/ (Expense) not to be Reclassified to Profit or Loss			Retained Earnings			
	Paid-in Capital	The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control	Defined Benefit Plans Remeasurement Gain / (Losses)	Property, Plant and Equipment Revaluation Fund	Profit or Loss for the Previous Period	Net Profit or Loss for the Period	**Parent's Equity**	Non-Controlling Interests	**Total Equity**
Balance as of January 1, 2019	**50.000**	**17.547.633**	**-**	**12.959.027**	**(12.552)**	**937.975**	**31.482.084**	-	**31.482.084**
Total Comprehensive Income	-	-	-	-	-	72.443.069	**72.443.069**	-	**72.443.069**
Net Profit/Loss for the Period	-	-	-	-	-	72.443.069	**72.443.069**		**72.443.069**
Transfers	-	-	-	-	937.975	(937.975)			-
Capital Increases or Reductions	39.950.000	-	-	-	-	-	**39.950.000**		**39.950.000**
Increase/Decrease due to Other Changes	-	(28.830)	-	(532.813)	532.813	-	(28.830)	-	(28.830)
Balance as of December 31, 2019	**40.000.000**	**17.518.803**	**-**	**12.426.215**	**1.458.237**	**72.443.069**	**143.846.323**	-	**143.846.323**
Balance as of January 1, 2020	**40.000.000**	**17.518.803**	**-**	**12.426.215**	**1.458.237**	**72.443.069**	**143.846.323**	-	**143.846.323**
Total Comprehensive Income	-	-	(19.956)	60.695.651	69.014.152	20.681.768	150.371.614	-	150.371.614
Net Profit/Loss for the Period	-	-	-	-	-	20.681.768	20.681.768		20.681.768
Other Comprehensive Income	-	-	(19.956)	60.695.651	-	-	60.675.695		60.675.695
Transfers	-	-	-	-	72.443.069	(72.443.069)	-	-	-
Increase/Decrease due to Other Changes	-	-	-	-	(3.428.917)	-	(3.428.917)		(3.428.917)
Balance as of September 30, 2020	**40.000.000**	**17.518.803**	**(19.956)**	**73.121.866**	**70.472.389**	**20.681.768**	**221.774.870**	-	**221.774.870**

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

NOTE 1 ORGANIZATION AND OPERATIONS OF THE COMPANY

Esenboğa Elektrik Üretim A.Ş. was established as Naturel 1 Enerji Ticaret Limited Şirketi in Kahramanmaraş as announced in the Trade Registry Gazette numbered 748 dated 2 September 2015, the new trade name Naturel Yenilenebilir Enerji Ticaret A.Ş. with the title of Margün 8 Energy Industry and Trade Limited Company.

As announced in the Trade Registry Gazette dated 11.05.2016 and numbered 1244, the company became an Incorporated Company by way of a change in its type and the new title was changed to Margün 8 Enerji Sanayi ve Ticaret Anonim Şirketi. The company changed its title with the decision of the General Assembly dated 08.01.2019 and its new title became Esenboğa Elektrik Üretim Anonim Şirketi. It was announced in the Trade Registry Gazette numbered 1454 dated 16 January 2019.
As of 30 September, 2020, Esenboğa Elektrik Üretim A.Ş., a 100% subsidiary of Naturel Yenilenebilir Enerji Ticaret A.Ş., has a paid-in capital of 40.000.000 TL for 40.000.000 nominal shares.

The company operates in the field of power plant establishment, commissioning, electricity generation and sale of generated electricity, and turnkey Solar Power Plant contracting business in order to generate electricity from Renewable Energy Sources, especially Solar Energy.

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

The company has 15 employees as of 30 September, 2020 (December 31, 2019: 0).

Subsidiaries

Esenboğa Elektrik Üretim A.Ş. has 30 subsidiaries as of September 30, 2020. All companies operate in the field of energy generation. The company and its subsidiaries will be specified as the Group in the report. Its subsidiaries as of 30 September 2020 are summarized below.

The subsidiaries of the company subject to consolidation are as follows;

	Ownership Rate / Power of Control	
Name of the Entity	**30 September 2020**	**31 December 2019**
Energes 1 Elektrik Ürt. Dan. San. Ve Tic. A.Ş.	%100	%100
Energes 9 Elektrik Ürt. Dan. San. Ve Tic. A.Ş.	%100	%100
Berrak Ges 1 Elektrik Ürt. San. Tic. A.Ş.	%100	%100
Margün Enerji Ürt. San. Ve Tic. A.Ş.(*)	%100	%100
Snl Enerji Ürt. San. Ve Tic. A.Ş.	%100	%100
Ysf Enerji Ürt. San. Ve Tic. A.Ş.	%100	%100
Margün 13 Enerji San. Ve Tic. A.Ş.	%100	%100
Ased Danışmanlık İnşaat Enerji Üretim Ve Tic. A.Ş.(**)	%100	%100
Gül1ges Enerji Tarım İnşaat San. Ve Tic.Ltd.Şti.(**)	%100	%100
Gül2ges Enerji Tarım İnşaat San. Ve Tic.Ltd.Şti.(**)	%100	%100
Gül3ges Enerji Tarım İnşaat San. Ve Tic.Ltd.Şti.(**)	%100	%100
Gül5ges Enerji Tarım İnşaat San. Ve Tic.Ltd.Şti.(**)	%100	%100
Gül6ges Enerji Tarım İnşaat San. Ve Tic.Ltd.Şti.(**)	%100	%100
Gül7ges Enerji Tarım İnşaat San. Ve Tic.Ltd.Şti.(**)	%100	%100

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

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

Gül8ges Enerji Tarım İnşaat San. Ve Tic.Ltd.Şti.(**)	%100	%100
Sarıges Enerji İnşaat Akaryakıt San. Ve Tic.Ltd.Şti.(**)	%100	%100
Maviges Enerji Tekstil İthalat İhracat San. Ve Tic.Ltd. Şti.(**)	%100	%100
Er2ges Enerji Tarım İnşaat San. Ve Tic. A.Ş.(**)	%100	%100
Er3ges Enerji Tarım İnşaat San. Ve Tic. A.Ş.(**)	%100	%100
Er4ges Enerji Tarım İnşaat San. Ve Tic. A.Ş.(**)	%100	%100
Er5ges Enerji Tarım İnşaat San. Ve Tic. A.Ş.(**)	%100	%100
Bozok Güneş Enerjisi San.Ve Tic. A.Ş.(**)	%100	%100
Çapanoğlu Güneş Enerjisi San.Ve Tic. A.Ş.(**)	%100	%100
Desti Güneş Enerjisi San.Ve Tic. A.Ş.(**)	%100	%100
Sorgun Güneş Enerjisi San.Ve Tic. A.Ş.(**)	%100	%100
Yozgat Güneş Enerjisi San.Ve Tic. A.Ş.(**)	%100	%100
Ramges Elektrik Üretim A.Ş.(**)	%100	%100
Serra Güneş Enerjisi Üretim A.Ş.(**)	%100	%100
Şevval Güneş Enerjisi Üretim A.Ş.(**)	%100	%100

(*) The company was started to be consolidated in 2019.

(**) Subsidiaries are acquired in 2019.

As of 31.12.2019, Esenboğa Elektrik Üretim Anonim Şirketi acquired the following companies and included in the consolidation:

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

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

Margün 13 Enerji Sanayi ve Ticaret Anonim Şirketi ("Margün 13") was established on 27 November 2015 in Kahramanmaraş. It was purchased by Esenboğa Elektrik Üretim Anonim Şirketi on 24.12.2018.

SNL Enerji Üretim Sanayi ve Ticaret Anonim Şirketi ("SNL Enerji") was established on 22 October 2012 in Kahramanmaraş. It was purchased by Esenboğa Elektrik Üretim Anonim Şirketi on 24.12.2018.

YSF Enerji Üretim Sanayi ve Ticaret Anonim Şirketi ("YSF Enerji") was established on 22 October 2012 in Kahramanmaraş. It was purchased by Esenboğa Elektrik Üretim Anonim Şirketi on 24.12.2018.

Energes 1 Elektrik Ürt. Dan. San. Ve Tic. A.Ş. ("Energes1") was established in Ankara on 05.05.2015. It was purchased by Esenboğa Elektrik Üretim Anonim Şirketi on 25.06.2018.

Energes 9 Elektrik Ürt. Dan. San. Ve Tic. A.Ş.(''Energes9'') established in Ankara on 25.08.2015. It was purchased by Esenboğa Elektrik Üretim Anonim Şirketi on 25.06.2018.

Berrakges 1 Elektrik Ürt.Dan.San.ve Tic.A.Ş.(''Berrakges1'') was established in Ankara on 05.05.2015. It was purchased by Esenboğa Elektrik Üretim Anonim Şirketi on 25.06.2018.

Power Plants started to energy production in September 2017. Solar Energy Power Plants belonging to SNL Enerji, YSF Enerji,Berrak GES 1 Enerji, ENERGES 1 Enerji, ENERGES 9 Enerji companies started production in May 2018.

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic Principles Regarding Presentation

a) Preparation of Financial Statements

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

Consolidated financial statements are presented in accordance with the TFRS Taxonomy developed on the basis of the financial statement samples specified in the Financial Statement Examples and User Guide published in the Official Gazette dated September 7, 2019 and numbered 30794 by Public Oversight Authority ("POA").

b) Adjustment of Financial Statements in Hyperinflation Periods

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

c) Basis of Measurement

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

• derivative financial instruments,

• financial investments,

• Lands and parcels, underground and above ground landscapes, buildings and plant machinery and equipments within tangible assets.

Fair value measurement principles are explained in Note 2.6 (iii).

d) Functional and Reporting Currency

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

The Group's valid currenciy 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 FINANCIAL STATEMENTS (cont'd)

(ii) Acquisitions from jointly controlled business interests

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

(iii) Subsidiaries

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

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

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

(iv) Lose of Control

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

(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.

e) 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.

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

e) Foreign Currency (cont'd)

Transactions in foreign currency (cont'd)

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

	30.09.2020	30.09.2019	31.12.2019
Avro/TL	7,8080	6,1836	6,6506
ABD Doları/TL	9,1281	5,6591	5,9402
TL/ABD Doları	0,1280	0,1617	0,1683

2.2 Declaration of Confirmity to TFRS

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

2.3 Changes in Accounting Policies

The accompanying consolidated financial statements are prepared in accordance with the requirements

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

Reviewed consolidated financial statements dated 30.09.2020 should be read together with the audited 31 December 2019 and reviewed 30 September 2019 consolidated financial statements and their attached footnotes.

Group continued to apply the exact policies and accounting estimates stated as in the consolidated financial statements on December 31, 2019.

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

2.4 Standards issued but not yet effective and not early adopted

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

Updated Conceptual Framework

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Amendments to TAS 1 and TAS 8 - Definition of Material

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

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

TFRS 3 Amendments to Business Combinations - Definition of Business

As the accounting of acquisition of a operation or asset group changes depending on whether the acquired group is a operation group or an asset, the definition of the "business" is important. The definition of the "business" under TFRS 3 Business Combinations was changed. Together with this change:

- Confirming that an enterprise should include inputs and a process; It has been clarified that the process must be essential and that the process and inputs must contribute significantly to the creation of outputs.
- The definition of business has been simplified by focusing on the definition of goods and services offered to customers and other income from ordinary activities.
- An optional test has been added to facilitate the process of deciding whether a company acquires a business or a group of assets.

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

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

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

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

These issues are:

• The provision regarding the high probability of transactions,
• Prospective evaluations,
• Retrospective evaluations and
• They are separately identifiable risk components.

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of significant accounting policies

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

a) Revenue

<u>General model for revenue recognition</u>

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

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

(a) Identifying the contract with customers

(b) Identifying the performance obligations

(c) Determining the transaction price

(d) Allocating the transaction price to performance obligations

(e) Revenue recognition

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

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

The group takes into account the contract terms and commercial practices in order to determine the transaction price. Transaction price is the price that the Group expects to deserve in return for transferring the promised goods or services to the customer, excluding the amounts collected on behalf of third parties (for example some sales taxes). While evaluating, it is considered whether the contract includes elements of variable amounts and a significant financing component.

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

b) Financial instruments

i) Recognition and initial measurement

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

ii) Classification and subsequent measurement

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

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
• it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
• the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

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

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

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

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

Transferring financial assets to third parties in transactions that are not eligible for derecognition are not considered as sales for this purpose, consistent with the Group's continuous recognition 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 the financial asset when it is included in the financial statements for the first time. Interest consists of the time value of money, the credit risk of the principal balance for a given time period, other key lending risks and costs (for example, liquidity risk and management costs), and the profit margin.

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

In evaluating whether contractual cash flows are "only principal and interest payments", the Group takes into account the terms of the contract of the relevant instrument. Whether the financial asset contains a contractual requirement that could change the timing or amount of contractual cash flows to a degree that would prevent it from meeting this definition is included in the assessment. In making these assessments, the Group takes into account the following:

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

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

• early payment and extension options; and

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

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

In addition, for a financial asset purchased at a premium or discount over the contractual nominal value, prepayments, which largely reflect the contractual nominal value and accrued (but not paid) interest (prepaid amounts may include a reasonable consideration since the contract is terminated before maturity). A contractual requirement that permits or necessitates is accounted for in accordance with the criterion of "principal and interest payments only" if the fair value of the prepayment feature is insignificant at initial recording.
Since the principal is the present value of the expected cash flows, trade receivables and other receivables pass the "principal and interest payments only" test. These receivables are managed in accordance with the business model based on collection. The following accounting policies are valid for the subsequent measurements of financial assets:

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Financial Liabilities

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

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

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

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

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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

v. Derivative financial instruments and hedge 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 FINANCIAL STATEMENTS (cont'd)

Cash Flow Hedge

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

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

The change in the fair value of the forward value of the forward foreign exchange purchase and sale contracts ("forward element") is accounted as a hedge fund as a separate component in equity as hedging cost.
A protected forecast transaction; in case a non-financial asset or liability is subsequently included in the financial statements, the amount accumulated in the hedge fund and the hedging cost are directly included in the initial cost of the non-financial asset or liability.
For all other hedged forecast transactions, the amount accumulated in the hedge fund and the hedging cost are classified from the hedge fund to profit or loss in the periods or periods when the hedged estimated future cash flows affect profit or loss.

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

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

vi. Non-derivative financial assets

Financial instruments

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

– financial assets measured at amortized cost

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

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

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

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

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

Measurement of ECLs

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

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

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Credit-impaired financial assets

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

If there is no reasonable expectation to recover a more cash flow from the financial asset, the gross amount of the financial asset is deducted from the records. This situation generally occurs when the Group determines that the debtor does not have sufficient cash flow generating income sources or assets to pay back the amounts subject to write-off. However, derecognised financial assets may still be subject to sanction activities imposed by the Group to recover overdue receivables.

Financial assets are deducted from the records if there is no recovery expectation (such as the debtor does not make any repayment plans with the Group). For trade receivables, other receivables, other assets and contract assets that have been derecognised, the Group continues to engage in sanction activities in order to recover the receivables. Recovery amounts are recognized in profit or loss.

Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories 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.

d) Inventories

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

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

e) Related parties

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:

(i) Has control or joint control over the reporting entity;
(ii) Has significant influence over the reporting entity; or
(iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity,

(b) 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,

(iv) 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,

(v) The entity is controlled or jointly controlled by a person identified in (a),
(vi) 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).

(i) 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 lands, underground and overland plants, buildings and plants, machinery and equipment included in property, plant and equipment and chose the revaluation model as its accounting policy in accordance with TAS 16 Tangible Assets. 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 aboveground land improvements, 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 plots, underground and aboveground land improvements, 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.

The material removed during stripping in the mine production phase consists of a mixture of coal and waste. Some of the stripping costs incurred when the ore waste rate is low provides the advantage of facilitating access to ore that can be used in coal production and to a greater amount of coal to be mined in the future. The Group recognizes the costs incurred as stripping work assets under tangible assets as stripping work assets only when it is likely to obtain future economic benefits related to stripping work, when it is able to recognize the easier-to-access part of the coal bed and when the related stripping costs can be measured reliably. For a given amount of ore produced, it determines to what extent additional activities are carried out to generate future benefit by using the distribution key created by comparing the predicted mineral content of the ore expected to be mined with the mine content in the ore extracted.

Although some incidental activities may occur simultaneously with the production stripping work, these activities are not included in the cost of the stripping work as they are not necessary to continue the production stripping work as planned.

(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.

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 lands, 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.

After initial recognition, stripping work is monitored over the amount found as a result of deducting the depreciation amount and impairment losses from its cost in the same way as the current asset it is a part of. The stripping work asset is systematically depreciated according to the production amount method throughout the expected useful life of the defined part of the ore deposit, which is easier to access as a result of stripping work.

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

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

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

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

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

g) Intangible fixed assets

(i) Recognition and measurement

Other Intangible fixed assets

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 cost

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

(iii) Redemption

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

h) Leasing Transactions

(i) As a lessee

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

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

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

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

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

The Group determines the alternative borrowing interest rate by considering interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.
Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments (including essentially fixed payments);

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

– Amounts expected to be payable under a residual value guarantee; and,

– In the event that it is reasonably certain that the purchase option will be used, the penalty for termination of the lease, if the usage price of this option and the duration of the lease indicate that the Group will use an option to terminate the lease.

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

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

Short-term leases and low-value leases

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

i) 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.

j**) Employee Benefits**

(i) Short term benefits to employees

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

(ii) Other long-term employee benefits

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

k) 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.

l) 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) Finance Income and Finance Expense

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

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

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

n) 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.

o) Tax

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

(i) Current tax

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

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

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

(ii) Deferred tax

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

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

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

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

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

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

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

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

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 Important Accounting Valuation, Assumptions and Estimates

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

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

(i) Assumptions and Estimates

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

(ii) Measurement of fair values

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

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

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

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

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

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

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (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 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

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

Property, plant and equipment

The land and parcels, plant, machine and equipment and vehicles included in property,plant and equipment are indicated at their valued amounts in the financial statements, and the important assumptions used in the fair value calculation are specified in Footnote 18. Valuation of the related property,plant and equipment was made by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. that is an independent valuation company, as of 30 September 2020.

NOTE 3 BUSINESS COMBINATION

	30.09.2020	**31.12.2019**
COMPANY	Companies purchased from GİRİŞİM	Companies purchased from GİRİŞİM
TRANSFERED PRICE	20.774.128	17.345.384
NET ASSET VALUE	98.181.172	98.181.176
NEGATIVE GOODWILL	(77.407.044)	(80.835.792)

On 31.12.2019, 22 companies were purchased from Girişim Elektrik A.Ş. for 22.920.000 USD, but a contract was made that all debts of the purchased companies will be deducted from the purchase price. A negative goodwill profit amounting to 80,835,792 TL that occurred on 31.12.2019 was recorded. Later, 11.011.987 TL debt was deducted and finally on 30.06.2020 Girişim Elektrik A.Ş. The debt of Margün A.Ş. to Girişim Elektrik A.Ş., amounting to TL 3.428.748, has been settled in agreement.

GOODWILL

COMPANY	ENERGES 1	ENERGES 9	BERRAK GES
TRANSFERED PRICE	55.000	287.950	55.000
NET ASSET VALUE	41.428	239.725	37.554
GOODWILL	13.572	48.225	17.446

NOTE 4 JOINT VENTURE

None (31.12.2019 none).

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

NOTE 5: SEGMENT REPORTING

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

	01 January – 30 September 2020			
	Electric Power Generation	**Energy Construction Business**	**Elimination**	**Total**
Sales Revenue	45.495.554	80.052.579	(850.000)	124.698.133
Cost of Sales(-)	(9.650.506)	(40.428.124)	850.000	(49.228.630)
Gross Profit (Loss) From Business Operations	**35.845.048**	**39.624.455**	**-**	**75.469.503**
GROSS PROFIT (LOSS)	**35.845.048**	**39.624.455**	**-**	**75.469.503**
General Administration Expenses (-)	(1.691.997)	-	-	(1.691.997)
Other Operating Income	1.803.765	-	-	1.803.765
Other Operating Expense (-)	(130.220)	-	-	(130.220)
OPERATING PROFIT/LOSS	**35.826.597**	**39.624.455**	**-**	**75.451.051**
Income From Investing Activities	11.226.695			11.226.695
Expense From Investing Activities (-)	(15.193)			(15.193)
Finance Income	1.939.417	-	-	1.939.417
Finance Expense (-)	(69.686.520)	-	-	(69.686.518)
PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	**(20.709.004)**	**39.624.455**	**-**	**18.915.452**

	July 1st -September 30th 2020			
	Electric Power Generation	**Energy Construction Business**	**Elimination**	**Total**
Sales Revenue	14.267.074	65.901.826	(850.000)	79.318.900
Cost of Sales(-)	(4.333.589)	(37.796.288)	850.000	(41.279.877)
Gross Profit (Loss) From Business Operations	**9.933.485**	**28.105.538**	**-**	**38.039.023**
GROSS PROFIT (LOSS)	**9.933.485**	**28.105.538**	**-**	**38.039.023**
General Administration Expenses (-)	(757.517)	-	-	(757.517)
Other Operating Income	1.272.595	-	-	1.272.595
Other Operating Expense (-)	(13.929)	-	-	(13.929)
OPERATING PROFIT/LOSS	**10.434.634**	**28.105.538**	**-**	**38.540.172**
Income From Investing Activities	214.709	**-**	**-**	214.709
Expense From Investing Activities (-)	-	**-**	**-**	-
Finance Income	1.629.554	-	-	1.629.554
Finance Expense (-)	(37.070.689)	-	-	(37.070.689)
PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	**(24.791.793)**	**28.105.538**	**-**	**3.313.746**

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

NOTE 5 SEGMENT REPORTING (cont'd)

	January 1st- September 30th 2019			
	Electric Power Generation	**Energy Construction Business**	**Elimination**	**Total**
Sales Revenue	10.470.143			10.470.143
Cost of Sales(-)	(9.173.653)			(9.173.653)
Gross Profit (Loss) From Business Operations	**1.296.490**	**-**	**-**	**1.296.490**
GROSS PROFIT (LOSS)	**1.296.490**	**-**	**-**	**1.296.490**
General Administration Expenses (-)	(204.056)			(204.056)
Other Operating Income	2.291.515			2.291.515
Other Operating Expense (-)	(151.093)			(151.093)
OPERATING PROFIT/LOSS	**3.232.586**	**-**	**-**	**3.232.586**
Income From Investing Activities				-
Expense From Investing Activities (-)				-
Finance Income	760.510			760.510
Finance Expense (-)	(9.192.097)			(9.192.097)
PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	**(5.198.731)**	**-**	**-**	**(5.198.731)**

	July 1st- September 30th 2019			
	Electric Power Generation	**Energy Construction Business**	**Elimination**	**Total**
Sales Revenue	4.723.116	-	-	4.723.116
Cost of Sales(-)	(2.912.996)	-	-	(2.912.996)
Gross Profit (Loss) From Business Operations	**1.810.120**	**-**	**-**	**1.810.120**
GROSS PROFIT (LOSS)	**1.810.120**	**-**	**-**	**1.810.120**
General Administration Expenses (-)	(48.076)	-	-	(48.076)
Other Operating Income	2.222.640	-	-	2.222.640
Other Operating Expense (-)	(68.005)	-	-	(68.005)
OPERATING PROFIT/LOSS	**3.916.680**	**-**	**-**	**3.916.680**
Income From Investing Activities	-	**-**	**-**	-
Expense From Investing Activities (-)	-	**-**	**-**	-
Finance Income	262.410	-	-	262.410
Finance Expense (-)	(403.078)	-	-	(403.078)
PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	**3.776.012**	**-**	**-**	**3.776.012**

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

NOTE 6 CASH AND CASH EQUIVALENTS

	30.09.2020	31.12.2019
Cash	**31.125**	**130.622**
TL	31.125	130.622
Bank Accounts	**11.711.838**	**16.558.534**
Demand Deposit	**322.797**	**16.558.534**
TL	235.906	3.314.021
EURO	77.013	13.242.830
USD	9.878	1.684
Repo (overnight/breach maturity)	**11.389.041**	**-**
TL	7.369.653	-
EURO	4.019.388	
Total	**11.742.963**	**16.689.156**

There are no blocked deposits.

NOTE 7 FINANCIAL INVESTMENTS

None (31.12.2019 none).

NOTE 8 LOANS AND BORROWINGS

	30.09.2020	31.12.2019
Short Term Borrowings		
Bank Loans	-	88
Current Portion of Long-Term Loans	42.984.832	27.854.079
Total	**42.984.832**	**27.854.167**

	30.09.2020	31.12.2019
Long Term Borrowings		
Bank Loans	176.100.160	101.709.611
Total	**176.100.160**	**101.709.611**

Short Term Bank Loans (*)

		Original Currency		Carrying Amount		Average Interest Rate	
		30.09.202	31.12.2019	30.09.2020	31.12.2019	30.09.2020	31.12.201
Bank Loans/TL	TL	-	88	-	88	0,00%	0,00%
Bank	EURO	3.076.308	2.483.241	28.080.849	16.515.040	4,82%	6,50%
Bank Loans/USD	USD	1.908.809	1.908.865	14.903.984	11.339.039	8,40%	6,89%
	TOTAL			**42.984.832**	**27.854.167**		

Long Term Bank Loans (*)

		Original Currency		Carrying Amount		Average Interest Rate	
		30.09.2020	31.12.2019	30.09.2020	31.12.2019	30.09.2020	31.12.201
Bank Loans/TL	TL	-	-	-	-	0,00%	0,00%
Bank Loans/AVRO	EURO	14.539.476	9.407.483	132.717.793		4,82%	6,50%
Bank Loans/USD	USD	5.556.143	6.589.711	43.382.368		8,40%	6,89%
	TOTAL			**176.100.160**	**101.709.61**		

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

NOTE 8 LOANS AND BORROWINGS (cont'd)

The payment amounts and terms of the short and long term installment loans of the company are as follows.

	30.09.2020	31.12.2019
Payable within 1 year	42.984.832	27.854.167
Payable within 1-2 years	39.655.817	25.116.885
Payable within 2-3 years	35.709.889	22.953.119
Payable within 3-4 years	29.189.017	19.471.057
Payable within 4-5 years	26.295.044	15.727.057
Payable within 5-6 years	22.196.446	13.599.041
Payable within 6-7 years	16.563.215	4.842.452
Payable within 7-8 years	6.490.732	-
TOTAL	**219.084.992**	**129.563.777**

NOTE 9 DEFERRED INCOME

	30.09.2020	31.12.2019
Received advances	40.189.875	-
	40.189.875	**-**

NOTE 10- TRADE RECEIVABLES AND PAYABLES

Short Term Trade Receivables

	30.09.2020	31.12.2019
Trade Receivables (*)	8.951.982	3.650.583
Discount of Notes Receivables (-)	(4.890)	-
Discount of Other Trade Receivables(-)	(34.334)	(7,839)
	8.912.758	**3.642.744**

(*) 947.540 TL of the trade receivables is receivables of Esenboğa Elektrik Üretim A.Ş.'s Öncü Mutfak Esyaları Sanayi ve Ticaret Ltd. Şti., 2.305.495 TL from Enerjisa A.Ş., 2.161.564 TL from Meram Elektrik Perakende A.Ş., 1.463.146 TL from CK Çamlıbel Elektrik Perakende A. Ş. and the receivables of 1.274.238 TL from Osmangazi Elektrik Perakende Satış A.Ş.

Current Trade Payables

	30.09.2020	31.12.2019
Trade Payables	1.353.100	69.244.534
Due to Related Parties	36.005.250	5.940.200
Discount of Due to Related Parties (-)	(349.482)	-
Discount of Notes Payable	(11.403)	(2,471)
	36.997.466	**75.182.263**

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

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

NOTE 11 OTHER RECEIVABLES AND PAYABLES

Other Current Receivables	30.09.2020	31.12.2019
Other Receivables	5.522	8,128
	5.522	**8,128**

Other Long Term Receivables	30.09.2020	31.12.2019
Deposits and Guarantees Given	1.985	225,843
Deposits and Guarantees Given to Third Parties	438	438
	2.423	**226,281**

Other Short Term Payables	30.09.2020	31.12.2019
(*) Payables to Shareholders	6.057.800	11.405.184
Other Payables	-	629
Other Miscellaneous Payables	-	17,196
	6.057.800	**11.423.008**

(*)The balance arises from the non-commercial payables to Naturel Yenilenebilir Enerji Ticaret A.Ş., which is the shareholder of Esenboğa Elektrik Üretim A.Ş.

NOTE 12 CURRENT PERIOD TAX ASSETS

Short Term Assets Related to Current Period Tax	30.09.2020	31.12.2019
Prepaid Taxes	5.749	3.965
	5.749	**3.965**

NOTE 13 INVENTORIES

	30.09.2020	31.12.2019
Trade Goods	15.295.359	-
Total	**15.295.359**	**-**

NOTE 14 PREPAID EXPENSES

Short-Term Prepaid Expenses	30.09.2020	31.12.2019
Advances given	1.570	350
Prepaid expenses	458.616	90.831
	460.186	**91,181**

Long-Term Prepaid Expenses	30.06.2020	31.12.2019
Prepaid expenses	77.790	5.832
	77.790	**5,832**

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

NOTE 15 PROVISIONS

Short-Term Provisions	30.09.2020	31.12.2019
Short-Term Provisions for Employee Benefits	34.386	-
	34.386	**-**

Long-Term Provisions	30.09.2020	31.12.2019
Long-Term Provisions for Employee Benefits	131.787	-
	131.787	**-**

NOTE 16 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

None (31.12.2019 none).

NOTE 17 INVESTMENT PROPERTY

	01.01.2020	Addition	Disposal	Transfer	Revaluation Increase/Decrease	30.09.2020
Land and Parcels (*)	1.425.000	-	-	-	40.000	1.465.000
	1.425.000	**-**	**-**	**-**	**40.000**	**1.465.000**

	01.01.2019	Addition	Disposal	Transfer	Change in Consolidation	31.12.2019
Land and Parcels (*)	-	1.425.000	-	-	-	1.425.000
	-	**1.425.000**	**-**	**-**	**-**	**1.425.000**

The respective land is the land owned by Energes 1 A.Ş. which is located in Ankara, Kahramankazan County, Çalta Neighbourhood, Doruktarla District, 120 Block 3 Parcel. Since the land is leased to Berrakges A.Ş. and Energes9 A.Ş., it is classified to investment properties.

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

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

30.09.2020

Costs	1.01.2020	Addition	Disposal	Transfers	Revaluation	30.09.2020
Land	22.301.710	7.284.876	-	1.194.360	6.595.617	37.376.563
Machinery, Plant and Equipments	367.239.480	-	-	(1.394.360)	70.589.444	436.434.564
Construction in Progress	15.017	-	-	-	-	15.017
	389.556.207	**7.284.876**	**0**	**-200.000**	**77.185.061**	**473.826.144**

Accumulated Depreciation	1.01.2020	Addition	Disposal	Transfesr	Revaluation	30.09.2020
Machinery, Plant and Equipments	4.385.720	3.058.463	-	-	1.020.740	8.464.923
	4.385.720	**3.058.463**	**-**	**-**	**1.020.740**	**8.464.923**
Net Book Value	**385.170.487**	**4.226.413**	**-**	**(200.000)**	**76.164.321**	**465.361.221**

31.12.2019

Costs	01.01.2019	Addition	Disposal	Transfer	Revaluation	Acquisiton (*)	31.12.2019
Land	-					17.976.561	17.976.561
Machinery, Plant and Equipment	106.469.382	-	-	-1.319.759	-114.623	262.204.480	367.239.480
Furniture and Fixtures	-					26.633	26.633
Construction in Progess	2.454					15.017	17.471
	106.471.836	**-**	**-**	**-**	**-114.623**	**280.222.691**	**385.260.144**

Accumulated Depreciation	01.01.2019	Addition	Disposal	Transfer	Revaluation	Acquisition(*)	31.12.2019
Machinery, Plant and Equipment	1.319.759	4.385.720	-	-1.319.759	-	-	4.385.720
	1.319.759	**4.385.720**	**-**	**-**	**-**	**-**	**4.385.719**
Net Book Value	**105.152.076**	**-4.385.720**	**-**	**-1.319.759**	**-114.623**	**280.222.691**	**380.874.427**

(*) As of 31.12.2019, Margün Enerji A.Ş., a subsidiary of Esenboğa Elektrik Üretim A.Ş., purchased 22 companies from Girişim Elektrik A.Ş. (The acquired companies are mentioned in Note 1) and SPPs has been valued by Anreva Gayrimenkul Değerleme A.Ş. on 31.12.2019.

The purchased Solar Power Plants are determined its fair value as TL 73.719.547 with the valuation report on 30.06.2020 by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.

As being valid from the presentation of the consolidated financial statements dated December 31, 2018, the Lands and Parcels, Buildings, Vehicles and Electricity Generation Facilities under the Group's property,plant and equipment items were reported at revalued amounts. 2018 and 2019 valuation studies for the power plants were carried out by Anreva Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. 30 June 2020 valuation studies for the power plants were carried out by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. The Group reflected the increase in value resulting from the revaluation to its consolidated financial statements. There is a pledge on the Group's real estates at TL 156,049,730. The high pledge amounts are due to the pricing policies of the banks.

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

NOTE 19 INTANGIBLE ASSETS

Costs	1.01.2020	Addition	Disposal	Transfer	30.09.2020
Goodwill	79.243	-	-	-	79.243
Other Intangible Assets	95.900	-	-	-	95.900
	175.143	**-**	**-**	**-**	**175.143**

Accumulated Depreciation	1.01.2020	Addition	Disposal	Transfer	30.09.2020
Other Intangible Fixed Assets	1.906	7.193	-	-	9.099
	1.906	**7.193**	**-**	**-**	**9.099**
Net Book Value	**173.237**	**(7.193)**	**-**	**-**	**166.044**

	31.12.2019				
Costs	**01.01.2019**	**Addition**	**Disposal**	**Transfer**	**31.12.2019**
Goodwill	79.243	-	-	-	79.243
Other Intangible Assets	-	95.900	-	-	95.900
	79.243	**95.900**	**-**	**-**	**175.143**

Accumulated Depreciation	01.01.2019	Addition	Disposal	Transfer	31.12.2019
Other Intangible Assets (*)	-	1.906	-	-	1.906
	-	**1.906**	**-**	**-**	**1.906**
Net Book Value	**79.243**	**93.994**	**-**	**-**	**173.237**

* Other intangible assets are comprised of computer programs.

NOTE 20 GOODWILL

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

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

NOTE 21 PAYABLES RELATED TO CURRENT PERIOD TAX

None (31.12.2019 none).

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

NOTE 22-23 COMMITMENTS AND CONTINGENCIES

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

* The ratio of the other CPM's given by the company to the company's equity is 0% as of 30.09.2020. (0% as of 31/12/2019)

NOTE 24 EMPLOYEE BENEFITS

Short-Term Payables	**30.09.2020**	**31.12.2019**
Payables to Employees	59.483	66.326
Taxes Payables	112.397	308
Social Security Withholdings Payable	33.212	30.733
Overdue, Deferred Social Security Tax and Other Liabilities	-	31,465
	205.093	**128.832**

Long-Term Payables	**30.09.2020**	**31.12.2019**
Provisions for Employee Termination Benefits	131.570	-
	131.570	**-**

	01 January -30 September 2020
Discount Rate	4,35%
Prediction of the Probability of Retirement	100,00%

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

NOTE 24 EMPLOYEE BENEFITS (cont'd)

Movement Table of Provisions for Employee Termination Benefits:

	30.09.2020	31.12.2019
Service Expense	111.691	-
Interest Expense	10.157	-
Payments during the period	(15.863)	
Actuarial Difference	25.585	-
Closing Balance	**131.560**	**-**
Tax Effect	**(5.628)**	**-**
Net Actuarial Loss / Earnings	**19.956**	**-**

Retirement Plans
None (12.2019 none).

NOTE 25 OTHER ASSETS AND LIABILITIES

Short Term Other Assets	**30.09.2020**	**31.12.2019**
Receivables / Income Accrual from Sales with Uninvoices (*)	74.919.652	414.574
Deferred VAT	8.440.666	121.352
Job Advances	19.758	243
Job Advances to Related Parties	242.670	-
	83.622.746	**778.926**

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

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

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

Other Current Liabilities	**30.09.2020**	**31.12.2019**
Expense Accruals	3.123.528	149.995
Other Taxes	796.665	253.653
Deposits and Guarantees Received	-	626
	3.920.193	**404.275**

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

NOTE 26 EQUITY

A- Paid in Capital	**%**	**30.09.2020**	**31.12.2019**
Naturel Yenilenebilir Enerji Ticaret A.Ş.	100,00%	40.000.000	40.000.000
		40.000.000	**40.000.000**

C- The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control	**30.09.2020**	**31.12.2019**
	17.518.803	17.518.803
CAPITAL	**17.518.803**	**17.518.803**

D- Increase in Revaluation of Property, Plant and Equipment

	30.09.2020	**31.12.2019**
Esenboğa Revaluation	93.745.982	15.930.813
Esenboğa Revaluation Deferred Tax Effect	(20.624.116)	(3.504.598)
Esenboğa Revaluation	**73.121.866**	**12.426.215**

	30.09.2020	**31.12.2019**
Increase on Revaluation of Property, Plant and Equipment	**73.121.866**	**12.426.215**

E- Gain/Losses on Remeasurement of Defined Benefit Plans

	30.09.2020	**31.12.2019**
Gain/Losses on Remeasurement of Defined Benefit Plans	(25.585)	-
Tax Effect of Gain/Losses on Remeasurement of Defined Benefit Plans	5.629	-
	19.956	**-**

H-NET PROFIT/LOSS

	30.09.2020	**31.12.2019**
Profit or Loss for the Previous Period	70.472.389	1.458.026
Net Profit or Loss for the Period	20.681.768	72.443.069
Total Profit/Loss	**91.154.157**	**73.901.095**

J- OTHER COMPREHENSIVE INCOME THAT NOT TO BE RECLASSIFIED TO PROFIT OR LOSS

	30.09.2020	**31.12.2019**
Not to Be Reclassified to Profit or Loss		
Increase/Decrease in Revaluation of Property, Plant and Equipment	77.854.937	15.930.813
Gain/Losses on Remeasurement of Defined Benefit Plans	(25.585)	-
Tax Effect of Gain/Losses on Remeasurement of Defined Benefit Plans	5.629	-
Deferred Tax Income/(Expense)	(17.128.086)	(3.504.598)
	60.706.895	**12.426.215**

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

NOTE 27 SALES AND COST OF SALES

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Sales Revenues	124.955.920	79.599.883	10.470.144	4.723.116
Other Sales Income	42.214	19.018	-	-
Cost of Merchandise Sold	(26.863.738)	(24.231.902)	(201.157)	(201.157)
Cost of Services Rendered	(22.362.303)	(17.045.386)	(8.972.498)	(2.711.841)
GROSS PROFIT / LOSS	**75.772.092**	**38.341.612**	**1.296.490**	**1.810.119**

NOT.28 EXPENSES BY NATURE

A-GENERAL ADMINISTRATION EXPENSE

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Advocacy and Consultancy Expenses	355.889	99.786	37.262	17.073
Notary and Chamber of Commerce Expenses	111.891	26.484	32.729	11.274
Rent Expense	143.544	40.294	7.063	2.188
Electricity Expense	311.675	66.174	52.318	12.542
Stamp Duty and SCT	198.144	164.467	7.945	2.126
Telephone and Internet Expenses	19.684	8.185	3.203	1.281
Other Expenses	420.956	396.193	63.537	1.593
Termination Benefit	95.828	(34.627)	-	-
Provision expenses	34.386	(9.439)	-	-
Total	**1.691.997**	**757.517**	**204.056**	**48.076**

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

NOTE 29– OTHER OPERATING INCOME AND EXPENSE

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Foreign Exchange Gains	1.386.752	869.318	35.734	5.520
Previous Period's Income and Gains	31.496	30.764	-	-
Discount Interest Income	370.094	358.268	38.402	-
Other Gains and Profits	406	8	2.217.379	2.217.119
Other Ordinary Income and Gains	15.017	14.237	-	-
	1.803.765	**1.272.595**	**2.291.515**	**2.222.640**

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Previous Period's Expenses and Losses	74.786	16.481	67.849	67.849
Discount Interest Expense	36.882	(6.939)	69.061	-
Other Expenses and Losses	18.552	4.387	14.183	156
Expenses and Losses From Other Activities	**130.220**	**13.929**	**151.093**	**68.005**

NOT 30 FINANCE INCOME

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Interest Income	1.939.417	1.629.554	760.510	262.410
Total Finance Income	**1.939.417**	**1.629.554**	**760.510**	**262.410**

NOT 31 FINANCE EXPENSE

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Foreign Exchange Losses	3.445.947	1.005.150	3.051	3.051
Foreign Exchange Losses from Bank Loans	54.048.300	32.716.223	4.077.819	(3.018)
Finance Expenses	12.192.271	3.349.316	5.111.227	403.045
Total Finance Expense	**69.686.518**	**37.070.689**	**9.192.097**	**403.078**

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

NOTE 32 INCOME AND EXPENSE FROM INVESTING ACTIVITIES

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Profit On Sale Of Marketable Securities (*)	11.226.695	214.709	-	-
Total Income From Investment Activities	**11.226.695**	**214.709**	**-**	**-**

(*) The Group acquired 22 companies from Girişim Elektrik Taahhüt San. A.Ş., which are explanied in Note 1, together with 20 SPP facilities on 31.12.2019. 9 of them are in Nevşehir, 6 in Yozgat, 2 in Bilecik and 3 in Afyon. Explanations were made to KAP on 30.12.2019 regarding the purchase. These companies were consolidated and included in the financial statements as of 31.12.2019 within the scope of TFRS 3 business combinations. The purchase price is 22.920.000 USD in total, and all debts within the company would be deducted from the purchase price. As a result of the agreements made with Girişim Elektrik A.Ş., it has been revealed that the debts of the purchased companies are higher. Accordingly, debts were deducted from the purchase price, as a result, the purchase cost of 22 companies decreased and the difference was reported in the income from investing activities.

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Loss on sale of property, plant and equipment	15.193	-	-	-
Total Expenses From Investment Activities	**15.193**	**-**	**-**	**-**

NOT 33 DEFERRED TAX ASSETS AND LIABILITIES

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

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

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period provided that they do not exceed 5 years. The declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised.
The main components of tax expenses as of 30 September 2020 and 31 December 2019 are as follows:

	30.09.2020	31.12.2019
Prepaid Taxes	-	3.965
Total	**-**	**3.965**

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

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Deferred Tax Income	2.646.565	81.891	4.690	1.169
Deferred Tax Expense	(880.249)	142.038	(418.020)	(238.004)
Total Tax Income / Expense	**1.766.316**	**223.929**	**(413.330)**	**(236.835)**

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

NOT 33 DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

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

	Accumulated Temporary Difference		Deferred Tax Asset/(Liability)	
	30.09.2020	31.12.2019	30.09.2020	31.12.2019
Rediscount Interest Expense(Deferred Finance Expense)	(34.304)	(7.839)	7.547	1.725
Rediscount Interest Income(Deferred Finance Income)	(10.597)	(2.471)	(2.331)	(544)
Adjustments Related to Fixed Assets	303.734.068	210.647.596	(66.821.495)	(46.342.471)
Provisions for Employee Termination Benefits	131.570	-	28.945	-
Adjustments Related to Credits	(108.569)	298.100	(23.885)	65.582
Others	(131.786)	-	(28.993)	-
Financial Losses	40.614.790	14.613.479	8.122.958	2.905.308
Total	**344.195.172**	**225.628.688**	**(58.717.254)**	**(43.370.400)**

	30.09.2020	30.06.2019
Beginning of Period	(43.370.572)	(43.370.572)
Deferred Tax Income/(Expense)	1.766.316	1.524.935
Other Comprehensive Income Tax Effect	(17.112.998)	(17.125.052)
Total	**(58.717.254)**	**(58.970.689)**

NOT 34 EARNINGS PER SHARE

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

	01 January-30 September 2020	01 July-30 September 2020	01 January-30 September 2019	01 July-30 September 2019
Net Period Profit/Loss	20.681.768	3.537.675	(5.612.061)	3.539.177
Number of Shares with a Nominal Value of 1 TL	40.000.000	40.000.000	50.000	50.000
Earnings/Losses Per Share	**0,52**	**0,09**	**(112.24)**	**70.78**

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

NOT 35 RELATED PARTY DISCLOSURES

	January 1st – September 30th, 2020							
	Assets				Liabilities			
	Current		Non-current		Current		Non-current	
Balances with Related Parties	**Trade**	**Other**	**Trade**	**Other**	**Trade**	**Other**	**Trade**	**Other**
Partners								
Naturel Yenilenebilir Enerji Ticaret A.Ş.	-	-	-	-	36.005.250	6.057.800	-	-
	-	**-**	**-**	**-**	**36.005.250**	**6.057.800**	**-**	**-**

	January 1st – September 30th, 2020							
Business transactions with related parties	**Stock Purchases**	**Sales of Goods**	**Interest Income**	**Interest Expense**	**Rent Income**	**Rent Expense**	**Sales of Fixed Asset**	**Others**
Partners								
Naturel Yenilenebilir Enerji A.Ş.	-	-	-	668.617	-	-	-	15.037.970
	-	**-**	**-**	**668.617**	**-**	**-**	**-**	**15.037.970**

	January 1st – September 30th, 2019							
	Assets				Liabilities			
	Current		Non-current		Current		Non-current	
Balances with Related Parties	**Trade**	**Other**	**Trade**	**Other**	**Trade**	**Other**	**Trade**	**Other**
Partners								
Naturel Yenilenebilir Enerji Ticaret A.Ş.	-	-	-	-	5.940.200	11.405.184	-	-
	-	**-**	**-**	**-**	**5.940.200**	**11.405.184**	**-**	**-**

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

NOTE 36 THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

STATEMENT OF FOREIGN EXCHANGE POSITION						
	30.09.2020			31.12.2019		
	TL Amount (Functional Currency)	USD	EURO	TL Amount (Functional Currency)	USD	EURO
1.Trade Receivables	3.677.247	470.959	-			
2.Financial Assets	4.106.645	1.312	448.768	1.578	266	-
2a.Monetary Financial Assets (Including Cash,Bank accounts)	4.106.645	1.312	448.768	1.578	266	-
3.Others	1.597.418		175.000			
4.Current Assets (1+2+3)	9.381.310	472.271	623.768	1.578	266	-
9.Total Assets (4+8)	9.381.310	472.271	623.768	1.578	266	-
11.Financial Liabilities	42.984.832	1.908.809	3.076.308	27.854.079	1.908.865	2.483.241
13.Short Term Liabilities (10+11+12)	42.984.832	1.908.809	3.076.308	27.854.079	1.908.865	2.483.241
15.Financial Liabilities	176.100.160	5.556.143	14.539.476	101.709.611	6.589.711	9.407.483
17. Long Term Liabilities (14+15+16)	176.100.160	5.556.143	14.539.476	101.709.611	6.589.711	9.407.483
18.Total Liabilities (13+17)	219.084.992	7.464.952	17.615.784	129.563.690	8.498.576	11.890.724
20. Net Foreign Currency Asset/ (Liability) Position (9-18+19)	(209.703.682)	(6.992.681)	(16.992.016)	-129.562.112	-8.498.310	-11.890.724
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(211.301.100)	(6.992.681)	(17.167.016)	-129.562.112	-8.498.310	-11.890.724

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

NOTE 37 FINANCIAL INSTRUMENTS

A-Capital Risk Management

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

The capital structure of the company consists of debts including the credits disclosed in Note 8 and equity items including paid capital, share premiums, growth funds, capital reserves, restricted profit reserves and previous year profit / loss as explained in Note 26.

The risks associated with each capital class together with the capital cost of the Company are evaluated by the Company's senior management. During these examinations, the senior management evaluates the risks associated with each capital class together with the capital cost and submits those who are subject to the decision of the Board of Directors to the Board of Directors. Based on the evaluations of the senior management and the Board of Directors, the Company optimizes its capital diversification by acquiring new debt, repaying existing debt and / or capital increase. The general strategy of the company does not differ from the previous period. The company monitors its capital adequacy by using the net debt / equity ratio. This ratio is found by dividing net debt by total capital.

Net debt is calculated by subtracting cash and cash equivalents from the total debt amount (including short and long-term loans, trade and other debts shown in the balance sheet).

	30.09.2020	**31.12.2019**
Total Payables	262.138.771	216.169.049
Minus:Cash and Cash Equivalences	**11.742.963**	**16.689.156**
Net Payable	250.395.808	199.479.893
Total Equity	221.774.870	143.846.323
NET RATIO OF PAYABLE/EQUITY	**1,13**	**1,39**

B.Important Accounting Policies

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

C.GOALS IN FINANCIAL RISK MANAGEMENT

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

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

NOTE 37 FINANCIAL INSTRUMENTS (cont'd)

D. MARKET RISK

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

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

Interest Rate Risk Management:

The company borrows at fixed and variable interest rates, mainly with fixed interest rates. Interest rates regarding the liabilities of the company are explained in footnote 8

.

Statement of Interest Position

	30.09.2020	31.12.2019
Fixed Rate Financial Instruments		
Financial Liabilities	219.084.992	129.563.777
Variable Rate Financial Instruments	-	-
Financial Liabilities	-	-
Total Liabilities	**219.084.992**	**129.563.777**

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

	30.09.2020	31.12.2019
Financial Liabilities	219.084.992	129.563.777
Variable Rate Financial Instruments		
Cash and Cash Equivalents	11.742.963	16.689.156
Trade Receivables	8.912.758	3.642.744

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

NOTE 37 FINANCIAL INSTRUMENTS (cont'd)

Currency Risk Management

There is a natural balance between the company's income and expenses in terms of exchange rate risk, and this balance is tried to be preserved by taking into account forecasts and market conditions.
As of 30 September 2020 and 31 December 2019, if TL changed by 10% against USD, Euro and other foreign currencies at the same time and all other variables remained constant, as a result of the net exchange difference / loss arising from assets and liabilities in these currencies, the period net profit / loss before tax;

Exchange Rate Sensitivity Analysis Table
Current Period

	30.09.2020 Profit/Loss		**31.12.2019 Profit/Loss**	
LIABILITIES MEASURED OVER PRINCIPAL	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case 10% change in USD against TL:				
1-USD net liability	(5.459.886)	5.459.886	(5.048.166)	5.048.166
2-Part of hedged from US Dollar risk (-)	-		-	-
3-USD Net Effect (1+2)	**(5.459.886)**	**5.459.886**	**(5.048.166)**	**5.048.166**
In case 10% change in EURO against TL:				
4-EURO net liability	(15.670.224)	15.670.224	(7.908.045)	7.908.045
5-Part of hedged from EURO risk (-)	-		-	
6-EURO Net Effect (4+5)	**(15.670.224)**	**15.670.224**	**(7.908.045)**	**7.908.045**
7-TL effect (not affected by exchange rate)		-		-
TOTAL (3+6+7)	**(21.130.110)**	**21.130.110**	**(12.956.211)**	**12.956.211**

Credit risks exposed by types of financial instruments:
30.09.2020

	Trade Receivables Related Party	**Trade Receivables Other Party**	**Other Receivables Related Party**	**Other Receivables Other Party**
The maximum credit risk exposed as of the reporting date (A+B+C+D+E) (1)	**-**	**8.912.758**	**-**	**5.523**
A. Net book value of financial assets that are neither due nor impaired. (2)	-	8.912.758	-	5.523

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

NOTE 37 FINANCIAL INSTRUMENTS (cont'd)

31.12.2019

	Trade Receivables Related Party	Trade Receivables Other Party	Other Receivables Related Party	Other Receivables Other Party
The maximum credit risk exposed as of the reporting date (A+B+C+D+E) (1)	**-**	**3.642.744**	**8.130**	**226.281**
A. Net book value of financial assets that are neither due nor impaired. (2)	-	3.642.744	8.130	226.281

30.09.2020

As Per the Terms of Agreement

	Book Value	Cash Outflows Total (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non-Derivative Financial Liabilities						
Bank loans with certain maturities	219.084.991	219.084.991	10.812.608	32.172.225	130.849.767	45.250.392
Trade Payables	36.995.979	36.995.979	36.995.979	-	-	-
Other Payables	6.057.800	6.057.800	6.057.800	-	-	-

30.09.2020

Expected

	Book Value	Cash Outflows Total (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non-Derivative Financial Liabilities						
Bank loans with certain maturities	219.084.991	219.084.991	10.812.608	32.172.225	130.849.767	45.250.392
Trade Payables	36.995.979	36.995.979	36.995.979	-	-	-
Other Payables	6.057.800	6.057.800	6.057.800	-	-	-

31.12.2019

As Per the Terms of Agreement

	Book Value	Cash Outflows Total (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non-Derivative Financial Liabilities						
Bank loans with certain maturities	129.563.690	129.563.690	-	27.854.079	83.268.118	18.441.493
Bank loans with uncertain terms	88	88	88	-	-	-
Trade Payables	75.182.264	75.182.264	75.182.264	-	-	-
Other Payables	11.423.008	11.423.008	11.423.008	-	-	-

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

NOTE 37 FINANCIAL INSTRUMENTS (cont'd)

31.12.2019	Book Value	Expected Cash Outflows Total (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non-Derivative Financial Liabilities						
Bank loans with certain maturities	129.563.690	129.563.690	-	27.854.079	83.268.118	18.441.493
Bank loans with uncertain terms	88	88	88	-	-	-
Trade Payables	75.182.264	75.182.264	75.182.264	-	-	-
Other Payables	11.423.008	11.423.008	11.423.008	-	-	-

Fair value of financial instruments

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

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

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

Monetary Assets

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

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

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

Monetary Liabilities

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

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

Fair value estimation:

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

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

NOTE 38 SUBSEQUENT EVENTS

The Initial Public Offering of Esenboğa Elektrik Üretim A.Ş., has been completed as of today through Metro Yatırım.

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

NOTE 39 OTHER ISSUES

None.