

**Aydem Yenilenebilir Enerji  
Anonim Őirketi and Its Subsidiaries**

**Interim Condensed Consolidated Financial Statements  
As At and For The Nine – Month Period Ended  
30 September 2023**

# **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

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		Unaudited	Audited
	Notes	30 September 2023	31 December 2022
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	3	1,519,004,151	1,293,793,214
Financial investments	18	286,267,593	355,344,664
Trade receivables		1,761,768,626	1,304,097,762
- <i>Due from related parties</i>	5	1,731,373,865	1,232,399,579
- <i>Due from third parties</i>	6	30,394,761	71,698,183
Other receivables		93,791,576	65,474,749
- <i>Due from related parties</i>	5	79,650,335	35,007,156
- <i>Due from third parties</i>	7	14,141,241	30,467,593
Inventories	8	11,860,978	8,961,584
Prepaid expenses	17	51,586,225	20,098,838
Other current assets	13.1	23,781	51,062
<b>Total current assets</b>		<b>3,724,302,930</b>	<b>3,047,821,873</b>
<b>Non-current assets:</b>			
Other receivables		3,261,670	1,551,818
- <i>Other receivables due from third parties</i>	7	3,261,670	1,551,818
Property, plant and equipment	9.1	32,217,233,808	31,516,128,533
Right of use assets	9.2	146,915,950	119,616,453
Intangible assets	10	288,430,012	293,108,113
Investment properties		-	10,131,324
Prepaid expenses	17	226,651,613	390,314,940
Other non-current assets	13.2	32,858,971	11,032,099
<b>Total non-current assets</b>		<b>32,915,352,024</b>	<b>32,341,883,280</b>
<b>Total assets</b>		<b>36,639,654,954</b>	<b>35,389,705,153</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement of financial position as at 30 September 2023

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

		Unaudited	Audited
	Notes	30 September 2023	31 December 2022
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Short-term portion of long-term financial liabilities	14.1	1,373,318,948	1,005,910,538
Lease liabilities	14.2	17,802,660	5,439,020
Trade payables		437,366,084	475,174,256
- <i>Due to related parties</i>	5	11,329,908	7,724,157
- <i>Due to third parties</i>	6	426,036,176	467,450,099
Liabilities for employee benefits	12	5,898,826	3,332,249
Other payables		236,074	235,708
- <i>Due to third parties</i>	7	236,074	235,708
Current provisions		52,190,926	35,058,175
- <i>Provisions for employee benefits</i>	11.1	37,340,842	22,597,724
- <i>Other short-term provisions</i>	11.1	14,850,084	12,460,451
Other current liabilities	13.3	85,527,190	72,995,119
<b>Total current liabilities</b>		<b>1,972,340,708</b>	<b>1,598,145,065</b>
<b>Non-current liabilities:</b>			
Financial liabilities	14.1	17,048,042,003	12,181,302,520
Lease liabilities	14.2	41,021,674	25,138,096
Other payables		47,612,498	40,210,706
- <i>Due to related parties</i>	5	47,612,498	40,210,706
Non-current provisions		72,206,626	34,742,233
- <i>Provisions for employee benefits</i>	11.4	72,206,626	34,742,233
Deferred tax liabilities	20	3,780,897,315	4,431,914,609
<b>Total non-current liabilities</b>		<b>20,989,780,116</b>	<b>16,713,308,164</b>
<b>Total liabilities</b>		<b>22,962,120,824</b>	<b>18,311,453,229</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement of financial position as at 30 September 2023

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

	Unaudited	Audited
Notes	30 September 2023	31 December 2022
<b>EQUITY</b>		
Paid-in capital	705,000,000	705,000,000
Share premiums	186,171,649	186,171,649
Treasury shares	(83,423,193)	-
Restricted reserves	84,947,059	1,523,866
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	20,461,652,630	21,091,055,621
- <i>Gains on revaluation of property, plant and equipment</i>	20,502,037,485	21,105,254,202
- <i>Actuarial losses on defined benefit plans</i>	(40,384,855)	(14,198,581)
Other comprehensive income that may be reclassified to loss or profit in subsequent periods	(6,265,176,899)	(5,228,688,835)
- <i>Reserve of losses on cash flow hedge</i>	(6,265,176,899)	(5,228,688,835)
Accumulated gains/(losses)	842,983,147	(694,880,978)
Net profit/(loss) for the period	(2,254,620,263)	1,018,070,601
<b>Equity attributable to equity holders of the parent</b>	<b>13,677,534,130</b>	<b>17,078,251,924</b>
<b>Total equity</b>	<b>13,677,534,130</b>	<b>17,078,251,924</b>
<b>Total equity and liabilities</b>	<b>36,639,654,954</b>	<b>35,389,705,153</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement of profit or loss and other comprehensive income for the nine-months period ended 30 September 2023

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

		Unaudited 1 January – 30 September 2023	Unaudited 1 July – 30 September 2023	Unaudited 1 January – 30 September 2022	Unaudited 1 July – 30 September 2022
	Notes				
<b>LOSS OR PROFIT STATEMENT</b>					
Revenue		3,635,985,307	1,296,511,274	3,001,470,038	967,633,778
Cost of sales		(1,872,071,205)	(662,669,673)	(1,037,778,521)	(331,225,407)
<b>Gross profit</b>		<b>1,763,914,102</b>	<b>633,841,601</b>	<b>1,963,691,517</b>	<b>636,408,371</b>
General administrative expenses		(356,167,697)	(70,270,029)	(110,080,988)	(38,331,410)
Other operating income		566,411,867	261,588,692	371,665,175	159,604,629
Other operating expenses		(39,791,536)	4,508,097	(6,485,413)	(1,905,507)
<b>Operating profit</b>		<b>1,934,366,736</b>	<b>829,668,361</b>	<b>2,218,790,291</b>	<b>755,776,083</b>
Gains from investing activities		347,038,588	50,180,891	4,951,528	717,414
<b>Profit before net finance expense</b>		<b>2,281,405,324</b>	<b>879,849,252</b>	<b>2,223,741,819</b>	<b>756,493,497</b>
Finance income	19	633,710,237	143,510,941	549,093,123	255,922,477
Finance expenses	19	(5,555,084,532)	(1,861,098,861)	(1,522,126,949)	(760,408,138)
<b>Net finance expenses</b>		<b>(4,921,374,295)</b>	<b>(1,717,587,920)</b>	<b>(973,033,826)</b>	<b>(504,485,661)</b>
<b>(Loss)/Gain before tax</b>		<b>(2,639,968,971)</b>	<b>(837,738,668)</b>	<b>1,250,707,993</b>	<b>252,007,836</b>
<b>Tax expense</b>		<b>385,348,708</b>	<b>139,215,066</b>	<b>(344,835,249)</b>	<b>(79,202,959)</b>
- Current tax expenses		-	-	-	-
- Deferred tax income/(expenses)	20	385,348,708	139,215,066	(344,835,249)	(79,202,959)
<b>Net profit/(loss) for the period</b>		<b>(2,254,620,263)</b>	<b>(698,523,602)</b>	<b>905,872,744</b>	<b>172,804,877</b>
<b>(Loss)/Gain attributable to Equity holders of the parent</b>		<b>(2,254,620,263)</b>	<b>(698,523,602)</b>	<b>905,872,744</b>	<b>172,804,877</b>
<b>(Loss)/Gain earnings per share</b>					
- (Loss)/Gain earnings per share	16	(3.22)	(1.00)	1.29	0.25
<b>OTHER COMPREHENSIVE INCOME/(LOSS) STATEMENT</b>					
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>		<b>(26,186,274)</b>	<b>(7,471,176)</b>	<b>(11,098,127)</b>	<b>(6,860,677)</b>
- Actuarial losses on defined benefit plans		(32,732,843)	(9,338,970)	(14,413,152)	(9,116,339)
- Tax related to other comprehensive income that will not be reclassified to loss or profit		6,546,569	1,867,794	3,315,025	2,255,662
<b>Other comprehensive income that may be reclassified to loss or profit in subsequent periods</b>		<b>(1,036,488,064)</b>	<b>326,916,145</b>	<b>(2,269,543,970)</b>	<b>(632,406,982)</b>
- Reserve of losses on cash flow hedge		(1,295,610,080)	408,645,181	(2,836,929,963)	(790,508,727)
- Tax related to other comprehensive income that will be reclassified to loss or profit		259,122,016	(81,729,036)	567,385,993	158,101,745
<b>Other comprehensive income</b>		<b>(1,062,674,338)</b>	<b>319,444,969</b>	<b>(2,280,642,097)</b>	<b>(639,267,659)</b>
<b>Total comprehensive income</b>		<b>(3,317,294,601)</b>	<b>(379,078,633)</b>	<b>(1,374,769,353)</b>	<b>(466,462,782)</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement changes in equity

for the nine-month period ended 30 September 2023

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

					Other comprehensive income that will not be reclassified to (loss) or profit	Other comprehensive income that will be reclassified to (loss) or profit				
	Paid-in capital	Share premiums	Treasury shares	Restricted reserves	Gains on revaluation of property, plant and equipment	Actuarial (losses)/gains on defined benefit plans	Reserve of (losses)/gains on cash flow hedge	Accumulated gains/(losses)	Net profit/(loss) for the period	Total equity
<b>Balance as of 1 January 2022</b>	<b>705,000,000</b>	<b>91,418,338</b>	-	<b>1,523,866</b>	<b>13,225,881,526</b>	<b>2,782,668</b>	<b>(3,000,188,096)</b>	<b>(1,102,866,722)</b>	<b>(120,291,640)</b>	<b>9,803,259,940</b>
Transfers	-	-	-	-	-	-	-	(120,291,640)	120,291,640	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	905,872,744	905,872,744
Other comprehensive income/(loss)	-	-	-	-	-	(11,098,127)	(2,269,543,970)	-	-	(2,280,642,097)
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-	<b>(11,098,127)</b>	<b>(2,269,543,970)</b>	-	<b>905,872,744</b>	<b>(1,374,769,353)</b>
Capital increase	-	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	(47,208,198)	47,208,198	-	-	-	(47,208,198)	-	(47,208,198)
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	-	(387,820,549)	-	-	387,820,549	-	-
<b>Balance as of 30 September 2022</b>	<b>705,000,000</b>	<b>91,418,338</b>	<b>(47,208,198)</b>	<b>48,732,064</b>	<b>12,838,060,977</b>	<b>(8,315,459)</b>	<b>(5,269,732,066)</b>	<b>(882,546,011)</b>	<b>905,872,744</b>	<b>8,381,282,389</b>
<b>Balance as of 1 January 2023</b>	<b>705,000,000</b>	<b>186,171,649</b>	-	<b>1,523,866</b>	<b>21,105,254,202</b>	<b>(14,198,581)</b>	<b>(5,228,688,835)</b>	<b>(694,880,978)</b>	<b>1,018,070,601</b>	<b>17,078,251,924</b>
Transfers	-	-	-	-	-	-	-	1,018,070,601	(1,018,070,601)	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	(2,254,620,263)	(2,254,620,263)
Other comprehensive income/(loss)	-	-	-	-	-	(26,186,274)	(1,036,488,064)	-	-	(1,062,674,338)
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-	<b>(26,186,274)</b>	<b>(1,036,488,064)</b>	-	<b>(2,254,620,263)</b>	<b>(3,317,294,601)</b>
Acquisition of own shares *	-	-	(83,423,193)	83,423,193	-	-	-	(83,423,193)	-	(83,423,193)
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	-	(603,216,717)	-	-	603,216,717	-	-
<b>Balance as of 30 September 2023</b>	<b>705,000,000</b>	<b>186,171,649</b>	<b>(83,423,193)</b>	<b>84,947,059</b>	<b>20,502,037,485</b>	<b>(40,384,855)</b>	<b>(6,265,176,899)</b>	<b>842,983,147</b>	<b>(2,254,620,263)</b>	<b>13,677,534,130</b>

\* The Company has planned to make its own share repurchase transactions in order to protect its shareholders, to contribute to the formation of a stable share price in line with its real value, and to preserve the confidence in the Company, in line with the CMB's statements on 14 February 2022, dated 21 July 2016, 25 July 2016 and 23 March 2020. It has been unanimously approved by the Board of Directors and the maximum number of shares that can be repurchased has been determined as 20,000,000 with a nominal value of TL 20,000,000. The Company Management has evaluated that it will not have any consequences against the Company and the investors and that the use of the Company's existing resources for repurchase will not affect the Company's cash needs. In this context, the fund to be allocated for repurchase has been determined as a maximum of TL 170,000,000, to be met from the cash generated from the Company's activities and its current resources.

Within the scope of the share buyback transactions initiated by the decision of the Board of Directors, 6,105,026 shares have been bought back in the amount of TL 83,423,193 by our Company for the period ended 30 September 2023. The total amount of purchases provided from the internal resources of the company is 83,423,193 TL and its share in the Company's capital is 0.8660%. The Company has shown TL 83,423,193 in the "Repurchased Shares (-)" account, which was paid in connection with the repurchase of shares.

In accordance with Article 520 of the Law No. 6102, the Company has set aside a reserve fund for the shares bought back in an amount that meets the acquisition value. Since these reserves are dissolved when the repurchased shares are transferred or cancelled, they are shown in the "Restricted Reserves Set aside from Profit" item.

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim consolidated statement of cash flows  
for the nine-month period ended 30 September 2023  
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

Notes	Unaudited 1 January- 30 September 2023	Unaudited 1 January- 30 September 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>3,253,442,926</b>	<b>2,392,955,822</b>
<b>Net profit/(loss) for the period</b>	<b>(2,254,620,263)</b>	<b>905,872,744</b>
<b>Net profit/(loss) for the period adjustment to reconcile</b>	<b>5,691,552,019</b>	<b>2,358,343,871</b>
Adjustment related to amortization and depreciation	933,038,999	575,180,155
Adjustment related to provisions	26,613,772	3,538,750
Adjustment related to incomes / expenses of interest, net	669,778,276	569,234,991
Adjustment related to tax income / expense	(385,348,708)	344,835,249
Adjustment related to exchanges differences	4,605,170,357	870,297,491
Adjustment related to gains of sales of tangible and intangible assets, net	(165,102,469)	(3,763,107)
Other adjustments to reconcile net loss / income	7,401,792	(979,658)
<b>Change in working capital</b>	<b>(178,674,501)</b>	<b>(858,448,583)</b>
Related to increase / decrease in restricted accounts	224,190,388	(97,679,308)
Related to increase / decrease in trade receivables	(457,606,007)	(1,105,224,427)
Related to increase / decrease in other receivables	80,349,670	(15,774,065)
Related to increase / decrease in the inventories	(2,899,394)	(544,706)
Related to increase / decrease in trade payables	(37,808,172)	299,296,083
Related to increase / decrease in other payables	12,532,437	60,277,553
Related to increase / decrease in liabilities for employee benefits	2,566,577	1,200,287
Taxes paid	-	(11,721,077)
Employee termination benefit paid	(4,814,329)	(1,091,133)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,201,457,488)</b>	<b>(971,080,878)</b>
Interest received	243,487,274	192,075,288
Inflow related to sales of tangible and intangible assets	211,140,205	5,038,654
Outflow related to purchase of tangible and intangible assets	(1,508,760,273)	(1,168,194,820)
Cash inflows arising from acquisition of shares or debt instruments of other businesses or funds	485,562,775	-
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds	(632,887,469)	-
<b>C. CASH FLOWS FROM FINANCIAL ACTIVITIES</b>	<b>(1,826,774,501)</b>	<b>(1,682,076,228)</b>
Cash inflow related to proceeds from borrowings	14.1 (499,507,889)	(656,200,016)
Cash outflow related to lease liabilities	14.2 (25,004,522)	(92,335,024)
Other cash inflow / outflow	-	2,171,135
Cash outflows for the acquisition of own shares	(83,423,193)	(47,208,198)
Interest paid	14.1 (1,218,838,897)	(888,504,125)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>225,210,937</b>	<b>(260,201,284)</b>
<b>D. CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD</b>	<b>1,293,793,214</b>	<b>1,525,592,118</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>	<b>1,519,004,151</b>	<b>1,265,390,834</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2023

(Amounts expressed in Turkish Lira (“TL”), unless otherwise indicated)

### 1 Organization and nature of operations of the Group

Aydem Yenilenebilir Enerji Anonim Şirketi (“Aydem Yenilenebilir” or “the Company”) was established on 6 July 1995 as Bereket Enerji Üretim Otoprodüktör Grubu Sanayi ve Ticaret Anonim Şirketi. The Company first changed its corporate name to Bereket Enerji Üretim Anonim Şirketi on 21 May 2004 and then on 27 December 2019, the Company changed again its corporate name to Aydem Yenilenebilir Enerji Anonim Şirketi. In 2019, the Company has been restructured in a way that it operates solely in renewable energy generation business. In relation to the restructuring process, Aydem Yenilenebilir has merged with all of its subsidiaries which are operating in renewable energy generation business and disposed the non-relevant operations and subsidiaries and became a pure renewable energy generation Company. The Company has started to be traded on Borsa Istanbul as of 29 April 2021.

In these consolidated financial statements, Aydem Yenilenebilir, its subsidiaries and its associate are referred to together as “the Group”.

Aydem Yenilenebilir generates electricity from local renewable sources. The Group installed its first hydroelectric power plant (“HPP”) on the Bereket Çayı stream and continues to generate electricity with hydro, wind (“WPP”), solar power plant (“SPP”) and geothermal (“GPP”) in different regions of the country.

The address of the registered office of the Group is as follows:

Adalet Mah. Hasan Gönüllü Bulvarı No:15/1 Merkezefendi, Denizli.

As of 30 September 2023 and 31 December 2022, the Group's subsidiaries (“subsidiaries”) and their main business activities are as follows:

Subsidiaries	Location	Main Activities	Ownership Percentage	
			30 September 2023	31 December 2022
Ey-Tur Enerji Elektrik Üretim ve Ticaret Ltd. Şti. (“Ey-tur”) /HPP	Kağızman/Kars	Electricity generation by hydropower	100%	100%
Başat Elektrik Üretim ve Ticaret Ltd. Şti. (“Başat”) / HPP	Üzümlü/Erzincan	Electricity generation by hydropower	100%	100%
Sarı Perakende Enerji Satış ve Ticaret A.Ş. (“Sarı Perakende”)	İzmir	Trading of electricity	100%	100%
Akköprü Yenilenebilir Enerji A.Ş. (“Akköprü HPP”) *	Muğla	Electricity generation by hydropower	100%	100%

\* Akköprü HPP was established on 15 October 2021. The Group was awarded the Akköprü HPP with a capacity of 115 MW in the tender held by The Republic of Turkey Prime Ministry Privatization administration on 23 September 2021. However, the tender was cancelled on 19 January 2022 with the President's Decision and this decision was notified to Company on 24 January 2022.

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements

for the nine-month period ended 30 September 2023

(Amounts expressed in Turkish Lira (“TL”), unless otherwise indicated)

### 1 Organization and nature of operations of the Group (*continued*)

As of 30 September 2023 and 31 December 2022, the number of employees of the Company and its subsidiaries and its associate are as shown in the table below:

The Company and its subsidiaries	30 September 2023	31 December 2022
Aydem Yenilenebilir	565	556
Sarı Perakende	-	-
Ey-Tur	-	-
Başat	-	-
Akköprü	-	-
<b>Total</b>	<b>565</b>	<b>556</b>

#### Laws and regulations affecting the business activities

The Group is subject to the regulation and board decisions communiques issued by the Energy Market Regulatory Authority (EMRA) and obliged to carry out electricity generation and sales activities in accordance with the Electricity Market Law No.6446 dated 14 March 2013 which entered into force with the Official Gazette No.28603 dated 30 March 2013.

#### List of shareholders

As of 30 September 2023 and 31 December 2022, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

Shareholders	30 September 2023		31 December 2022	
	TL	%	TL	%
Aydem Enerji Yatırımları A.Ş.*	574,975,680	%81.56	574,975,680	%81.56
Publicly traded	130,000,000	%18.44	130,000,000	%18.44
Others	24,320	%0.00	24,320	%0.00
<b>Total</b>	<b>705,000,000</b>	<b>%100</b>	<b>705,000,000</b>	<b>%100</b>

\* Aydem Enerji Yatırımları A.Ş. is controlled by Aydem Holding A.Ş.

As of 29 April 2021, the company started to be traded on Borsa Istanbul - Star Market.

#### Approval of consolidated financial statements:

Consolidated financial statements prepared as of 30 September 2023 were approved for publication by the Board of Directors on 7 November 2023. The General Assembly have the right to amend the consolidated financial statements.

## **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

Notes to the interim condensed consolidated financial statements

for the nine-month period ended 30 September 2023

(Amounts expressed in Turkish Lira (“TL”), unless otherwise indicated)

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## **2 Basis of presentation of consolidated financial statements**

### **2.1 Basic principles of presentation**

The accompanying interim condensed consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) as set out in the Communiqué numbered II-14.1 “Communiqué on Principles of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The consolidated financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Financial Statements and User Guide published in the Official Gazette numbered 31973 on 4 October 2022.

The Group and its subsidiaries and associate maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance.

Consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions except for the revaluated power plants, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TFRS.

### **2.2 Functional and presentation currency**

The Group has presented its consolidated financial statements in TL, which is the functional currency of the Company and its subsidiaries as well as its associate.

Foreign currency transactions are translated into the functional currency (currencies other than TL) using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

## **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

Notes to the interim condensed consolidated financial statements

for the nine-month period ended 30 September 2023

(Amounts expressed in Turkish Lira (“TL”), unless otherwise indicated)

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## **2 Basis of presentation of consolidated financial statements (*continued*)**

### **2.3 Basis of Consolidation**

Consolidated financial statements include the financial statements of the company and its subsidiaries as of 30 September 2023. Subsidiaries are companies over which the Group has direct or indirect control over their operations. Control is provided if the Group meets the following conditions:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights
- Events and conditions that may indicate whether the Group has the power to decide on management of operations (including voting at previous general assembly meetings)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

## **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

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(Amounts expressed in Turkish Lira (“TL”), unless otherwise indicated)

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### **2 Basis of presentation of consolidated financial statements (*continued*)**

#### **2.3 Basis of Consolidation (*continued*)**

##### ***i) Business combinations***

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of TFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with TFRS 9. Other contingent consideration that is not within the scope of TFRS 9 is measured at fair value at each reporting.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

##### ***ii) Subsidiaries:***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

## **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

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### **2 Basis of presentation of consolidated financial statements (*continued*)**

#### **2.3 Basis of consolidation (*continued*)**

##### **iii) *Associates:***

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Associates are accounted for equity method in the consolidated financial statements. Under equity method, investment in an associate is initially recognised at cost. After initial recognition, Group's share of the profit or loss of the investee, is recorded to the financial statements by increasing or decreasing the net book value. Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss within operating profit when the associate's main course of business is renewable energy generation and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

##### **iv) *Non-controlling interests***

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

## **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

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### **2 Basis of presentation of consolidated financial statements (*continued*)**

#### **2.3 Basis of consolidation (*continued*)**

##### **v) *Partial share purchase and sale transactions with non-controlling interests***

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Accordingly, in the case of additional share purchases from and sales to non-controlling interests, the difference between the acquisition cost and the carrying amount of the net assets of the subsidiary in proportion to the acquired interest is recognized in equity. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

##### **vi) *Acquisition of companies under common control***

For the accounting of business combinations under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with carrying values of historical TFRS financial statements, which were prepared for the purpose of consolidation of the ultimate parents' consolidated financial statements. The financial statements of the acquired entities have been consolidated from the beginning of the financial year in which the business combination occurs. Prior period financial statements have been restated in the same manner for comparability purposes. As a result of these transactions, no goodwill or negative goodwill has been calculated. Any difference between the consideration paid and the share capital of the acquired entity are accounted under equity as "Share Premium / Discount".

##### **vii) *Eliminations***

During the preparation of the consolidated financial statements, unrealized gains and losses arising from intra-group transactions between entities included in the consolidated financial statements, intra-group balances and intra-group transactions are eliminated. Gains and losses arising from the transactions between the associate and the parent company and the consolidated subsidiaries of the parent company and jointly controlled entities are offset against the parent company's interest in the associate. Unrealized losses are eliminated in the same manner as unrealized gains, unless there is evidence of impairment.

##### **viii) *Loss of control***

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### **2.4 Going Concern**

The consolidated financial statements have been prepared in accordance with the going concern principle.

## **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

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## **2 Basis of presentation of consolidated financial statements (*continued*)**

### **2.5 The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as of 30 September 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

#### **i) The new standards, amendments and interpretations which are effective as of January 1, 2023**

- Amendments to TAS 8 – Definition of Accounting Estimates
- Amendments to TAS 1 – Disclosure of Accounting Policies
- Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

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

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

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- TFRS 17 – The new Standard for insurance contracts
- Amendments to TAS 1– Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to TAS 7 and TFRS 7 – Disclosures: Supplier Finance Arrangements

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

#### **iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)**

The following amendments to IAS 12 as well as IAS 7 and IFRS 7 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company / the Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

- Amendments to IAS 21 – Lack of exchangeability

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

## **2 Basis of presentation of consolidated financial statements (*continued*)**

## **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

Notes to the interim condensed consolidated financial statements  
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### **2.6 Summary of significant accounting policies**

#### **Related Parties**

A related party is a person or entity that is related to the entity that is preparing its financial statements.

- a) 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.
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - 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.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. 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.
  - vi. The entity is controlled or jointly controlled by a person identified in (a).
  - vii. 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).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements  
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(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

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## 2 Basis of presentation of consolidated financial statements (*continued*)

### 2.6 Summary of significant accounting policies (*continued*)

#### **Property, plant and equipment**

##### *Accounting and measurement*

The Group, has adopted the revaluation method in accordance with TAS 16 for its entire power plants. Power plants are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Other tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Construction in progress is also stated at cost, net of accumulated impairment losses, if any. An investment in a power plant is classified as construction in progress during the physical construction process; when completed, it is transferred to the power plant class (Note 9.1) and recognized at fair value.

The frequency of revaluations depends on the changes in the fair values of property, plant and equipment subject to revaluation. The Group revalued the property, plant and equipment consisting of the power plant as of 31 December 2022 and performed a detailed impairment analysis as of 30 September 2023. The Renewable Energy Group consist of power plants below:

- Çırakdamı HPP, Dereli HPP, Kızıldere GPP, Uşak WPP, Yalova WPP, Söke WPP, Bereket I-II HPP, Dalaman I-V HPP, Gökyar HPP, Feslek HPP, Koyulhisar HPP, Mentaş HPP, Toros HPP, Göктаş I-II HPP, Aksu HPP, Akıncı HPP and Uşak SPP.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated using the straight-line method over property, plant and equipment. Land is not depreciated on the basis that it has an indefinite life. Purchase costs are accounted by separating the land and building components in the purchases of buildings, including land.

The estimated useful lives of the significant property, plant and equipment as of 30 September 2023 are as follows:

	<u>Years</u>
Power plants	20-49

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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## **2 Basis of presentation of consolidated financial statements (*continued*)**

### **2.6 Summary of significant accounting policies (*continued*)**

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Repair and maintenance costs are recognised in profit or loss as incurred.

A class of power plant is a grouping of assets of a similar nature and used in an entity’s operations and contains land, buildings, machinery and equipment, furniture and fixtures.

Expenses for the repair of property, plant and equipment are normally charged as expense. They are, however, capitalized if they result in an enlargement or substantial improvement of the respective assets.

#### **Intangible assets**

##### ***Accounting and measurement***

Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets comprise rights to operate licences and computer software.

##### **Right to Operate Licences**

The Adıgüzel HPP and Kemer HPP operating licences which has been obtained through Transfer of Operating Rights Agreement (“Agreement”) with the Privatization Administration and the Electricity Generation Corporation (“EÜAŞ”) are accounted as intangible assets.

##### **Computer Software**

Computer software are recognized at acquisition cost and amortized on a straight-line basis over their estimated useful lives of 3-15 years. Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount.

##### ***Subsequent costs***

Subsequent costs are capitalized only if they have an impact that increases the future economic benefits of the intangible assets to which they relate. All other expenditures are recognized in profit or loss when incurred.

##### ***Amortization***

Intangible assets are recognized in profit or loss on a straight-line basis over their estimated useful lives starting from the date they are ready for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and, where appropriate, adjusted.

The estimated useful lives in the current periods are as follows:

	<b><u>Years</u></b>
Right to Operate Licences	12-49
Computer Software	3-15

## **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

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## **2 Basis of presentation of consolidated financial statements (*continued*)**

### **2.6 Summary of significant accounting policies (*continued*)**

#### **Financial liabilities**

Non-derivative financial liabilities of the Group comprised of "borrowings", "trade payables" and "other payables" in the statement of financial position

##### *i. Borrowings*

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

##### *ii. Borrowing costs*

If financing costs arising from the loans are associated with acquisition or construction of qualifying assets, they are included in cost value of qualifying assets. Qualifying assets refer to assets which require a long time to be available for use or sales as intended. Other borrowing costs are accounted in statement of profit or loss in the period they occur.

##### *iii. Trade and other payables*

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **2.7 Cash flow hedge transactions**

For a hedge of foreign currency risk, the foreign currency component of a non-derivative financial asset or liability may be designated, as a hedging instrument. The foreign currency risk component of a non-derivative financial instrument is determined in accordance with TAS 21.

Accordingly, starting from 20 March 2021, the Company hedge the spot risk of highly probable forecast sales that are denominated in USD with its financial liability in the same foreign currency.

While the Company's functional currency is TRY, the company is exposed to FX risks due to its finances and operations. The Company has outstanding USD debt due to power plant investments. The company also generates significant sales revenue in USD.

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements

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## 2 Basis of presentation of consolidated financial statements (*continued*)

### 2.7 Cash flow hedge transactions (*continued*)

The source of USD denominated revenue is sales of electricity generated via renewable power plants. Such production is incentivized in Turkey through a feed-in tariff mechanism (Council of Ministers Decree No.2013/5625). The kWh sale price of generated electricity is guaranteed in USD prices, whereas the amount of future renewable generation remains uncertain and depends on climate conditions and/or operational risks. The feed-in tariff (“FIT”) revenues are calculated on a daily basis, and are aggregated at monthly intervals. This enables the Company to classify expected future revenues as a monthly stream of forecasted USD cash inflows for risk management purposes.

The Company’s foreign currency risk management objective is to rely on natural currency hedges due to operations. It achieves this feat by aligning its forecasted USD inflows and its USD bond payments. Moreover, the forecasted USD inflows vs scheduled USD bond repayments constitute a hedged portfolio that allows a Cash Flow Hedge Accounting relationship to reduce the Company’s income statement volatility. In particular, the Company associates its forecasted future USD cash inflows due to renewable-generated electricity sales, with its outstanding USD bonds. The Company is implementing Hedge Accounting under TFRS 9 to reflect its economic hedges onto financial reporting:

Hedge Accounting Component	Definition
Hedged Item	Forecasted future USD cash inflows due to FIT incentive (Including non-FIT forecasted sales until 31 December 2023)
Hedging Instrument	USD denominated financial borrowings
Hedged Risk	Foreign exchange risk of forecasted future USD cash inflows due to FIT incentive (Including non-FIT forecasted sales until 31 December 2023)

As of 30 September 2023, the amount of forecasted revenue under FIT and bilateral agreements are USD 424,602,289 whereas the total notional of the outstanding USD denominated bonds is USD 680,532,000. The Group designates USD 580,532,000 of this amount as part of its rebalanced hedge accounting relationship, per TFRS 9 6.2.4 (c). Due to under-hedged nature of the hedged-item, the Company achieves 1:1 hedge ratio with the hedging instrument at all times by way of re-balancing, in line with TFRS 9, 6.4.1.c.iii.

The maturity breakdown of the designated layer of the hedging instrument notional as of 30 September 2023 is provided below;

Payment Date	Principal Payment Amount
February 2025	58,053,200
August 2025	58,053,200
February 2026	58,053,200
August 2026	58,053,200
February 2027	348,319,200
Total	580,532,000

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## **2 Basis of presentation of consolidated financial statements (*continued*)**

### **2.7 Cash flow hedge transactions (*continued*)**

The accounting treatment applied with respect to the cash flow hedge is as follows:

- The portion of the foreign exchange gain or loss of the hedging instrument (USD denominated bonds) that is determined to be an effective hedge is recognised in other comprehensive income (“OCI”), until the accompanying hedged item (forecasted USD cash inflows) occurs.
- Any ineffective portion of the hedge is recognized each reporting period in consolidated statement of profit or loss as “Finance Expenses – Foreign Exchange losses”.
- The hedged item, revenue, is recognised in accordance with TFRS 15 and the settlement of the hedging instrument is realised through the repayments of the bond.
- Gains and losses deferred in OCI, remain in OCI until the cash flows associated with the hedged item occur. At the time when a forecast sale occurs, the respective amount of foreign exchange gain/loss is reclassified from OCI to profit or loss (within financial expense – “Finance Expenses – Foreign Exchange losses transferred from equity (cash flow hedge)”) as a reclassification adjustment in the same periods during which the hedged expected forecasted sales affect profit or loss.
- If the cash flows are not expected to occur, then the corresponding ‘previously effective’ foreign exchange gain/loss in OCI are recycled immediately to consolidated statement of profit or loss as “Finance Expenses – Foreign Exchange losses transferred from equity (cash flow hedge)”.

As of 30 September 2023, the hedge relationship has been measured as %68.34 effective. As a result of the sensitivity analysis performed on the forecasted revenue figures, the Group concluded that the 10% increase/decrease in the forecasts do not have a significant effect on the evaluation of the hedge effectiveness tests.

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## **2 Basis of presentation of consolidated financial statements (*continued*)**

### **2.8 Significant accounting judgments, estimates and assumptions**

The preparation of consolidated financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### *Judgements:*

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Note 5 – Trade receivables

Note 9 – Property, plant and equipment

Note 11 – Provisions

Note 2.7 – Cash flow hedge transactions

Note 20 – Taxation on income

#### *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. The assumptions underlying estimates and estimates are constantly monitored. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### **2.9 Revenue**

The operations of the Group entities are regulated under Electricity Market Law No. 6446, the Regulation on Electricity Market License of EMRA, the Electricity Market Balancing and Settlement Regulation ("BSR") and other related legislative provisions.

Electricity sales is recognised as revenue at the time of electricity delivery, on an accrual basis. In the case of revenue from feed-in-tariff ("FIT"), sale of electricity is recorded based upon output delivered at rates specified under FIT. In the case of revenue from other than FIT, sale of electricity is again recorded based upon output delivered but at market rates.

With EMRA's board decision dated March 17, 2022 and numbered 10866, "Procedures and Principles Regarding the Determination and Implementation of Resource Based Support Fee" was published. Pursuant to this decision, the Maximum Settlement Price (MSP) has been determined for the resource types used in the generation of electricity and is applied as a ceiling price in the electricity sales price for power plants not covered by FIT. The MSP is updated on a monthly basis by taking into account the commodity prices that are inputs to energy production and other parameters deemed appropriate by the Board in addition to one or more of the inflation and exchange rate parameters.

The MSP mechanism has been expired on 1 October 2023.

## **Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

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### **2 Basis of presentation of consolidated financial statements (*continued*)**

#### **2.9 Revenue (*continued*)**

The company, related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") and Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") sells electricity to companies within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

#### **2.10 Seasonal changes in operations**

The Group's activities are not subject to seasonal fluctuations.

#### **2.11 Adjustment of financial statements during periods of high inflation**

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 30 September 2023 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of 30 September 2023.

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for the nine-month period ended 30 September 2023

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### 3 Cash and Cash Equivalents

As of September 30, 2023 and December 31, 2022, cash and cash equivalents are as follows:

	30 September 2023	31 December 2022
Cash at banks	1,519,001,536	1,293,791,887
- <i>Time deposits</i>	1,510,262,444	1,228,366,841
- <i>Demand deposits</i>	8,739,092	65,425,046
Cash	2,615	1,327
	<b>1,519,004,151</b>	<b>1,293,793,214</b>

As of 30 September 2023, the interest rate of the Group’s term TL denominated time deposits amounting is between 5% to 37% (31 December 2022: between 5% and 15%); US Dollars denominated time deposits amounting interest rate is between 0.01% to 10% (31 December 2022: between 0.05% and 9.9%), Euro denominated time deposits amounting interest rate is between 2% (31 December 2022: 3%).

### 4 Segment reporting

#### 4.1 Statement of financial position

Financial information is provided on a power plant-by-power plant basis to members of executive management, which collectively comprise the chief operating decision maker. The information provided to the members of the executive management includes results or operation, valuation gains and losses on power plants, assets and liabilities of each power plant. The individual properties are also monitored based on type of power plants such as Hydro, Wind, Geothermal and Solar. The Group management considers that it is appropriate to report the segments based on this aggregation, to monitor the financial performance.

Group management assesses segment performance over earnings before interest, tax, depreciation and amortization (“EBITDA”). EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

Company management preferred to use EBITDA in the evaluation of department performances in terms of comparability with companies in the same sector. EBITDA is not a measure of financial performance defined in TFRS. It may not be comparable to similar indicators defined by other companies.

The accounting policies adopted by each of the reportable segments are consistent with TFRS’ used in preparation of consolidated financial statements of the Group. The detailed information regarding the reporting segments of Group is presented below:

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### 4 Segment reporting (*continued*)

#### 4.1 Statement of financial position (*continued*)

<b>30 September 2023</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>Solar Power Plant</b>	<b>Other</b>	<b>Unallocated *</b>	<b>Consolidated</b>
Segment assets	25,431,573,854	4,186,517,742	-	1,718,313,428	171,432,572	5,131,817,358	36,639,654,954
Segment liabilities	16,413,796,134	2,228,852,340	-	1,444,094,968	255,587	2,875,121,794	22,962,120,823

  

<b>31 December 2022</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>Solar Power Plant</b>	<b>Other</b>	<b>Unallocated *</b>	<b>Consolidated</b>
Segment assets	26,032,830,327	3,315,002,028	5,597,558	-	1,602,187,661	4,434,087,579	35,389,705,153
Segment liabilities	12,394,160,828	967,100,706	1,049,065	-	2,934	4,949,139,696	18,311,453,229

\* Includes assets and liabilities which are not attributable to a reportable segment such as cash, trade receivables, other assets, trade payables, other liabilities, tax assets and liabilities, etc.

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### 4 Segment reporting (continued)

#### 4.2 Statement of profit or loss

1 January- 30 September 2023	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Total Renewable Energy	Unallocated *	Consolidated
<b>Revenues</b>	<b>2,811,799,008</b>	<b>669,613,459</b>	<b>16,968,288</b>	<b>137,604,552</b>	<b>3,635,985,307</b>	-	<b>3,635,985,307</b>
- Revenues from Feed in Tariff (FIT)	747,714,127	413,919,580	-	-	1,161,633,707	-	1,161,633,707
- Other than FIT	2,064,084,881	255,693,879	16,968,288	137,604,552	2,474,351,600	-	2,474,351,600
Cost of Sales	(1,245,823,778)	(520,626,853)	(28,073,879)	(61,855,588)	(1,856,380,098)	(15,691,107)	(1,872,071,205)
Operational Expenses/Income (incl. Other Expense and Income)	422,443,282	101,388,085	2,440,864	20,949,008	547,221,239	(376,768,605)	170,452,634
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>1,988,418,512</b>	<b>250,374,691</b>	<b>(8,664,727)</b>	<b>96,697,972</b>	<b>2,326,826,448</b>	<b>(392,459,712)</b>	<b>1,934,366,736</b>
Add-back, Depreciation & Amortization Expenses	642,004,675	221,135,891	8,231,660	38,915,760	910,287,986	22,751,013	933,038,999
<b>Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **</b>	<b>2,630,423,187</b>	<b>471,510,582</b>	<b>(433,067)</b>	<b>135,613,732</b>	<b>3,237,114,434</b>	<b>(369,708,699)</b>	<b>2,867,405,735</b>
Gains from Investing Activities	-	-	-	-	-	347,038,588	347,038,588
Finance Income	-	-	-	-	-	633,710,237	633,710,237
Finance Expense	-	-	-	-	-	(5,555,084,532)	(5,555,084,532)
Tax Expense	-	-	-	-	-	385,348,708	385,348,708
Depreciation & Amortization Expenses	(642,004,675)	(221,135,891)	(8,231,660)	(38,915,760)	(910,287,986)	(22,751,013)	(933,038,999)
<b>Net Profit for the Period</b>							<b>(2,254,620,263)</b>

\* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Operational income is mainly composed of foreign exchange income related to trading activities.

\*\* EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

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### 4 Segment reporting (continued)

#### 4.2 Statement of profit or loss (continued)

1 January- 30 September 2022	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	BIO Power Plant	Total Renewable Energy	Unallocated	Consolidated
<b>Revenues</b>	<b>2,436,583,548</b>	<b>552,230,014</b>	<b>7,009,779</b>	<b>1,263,115</b>	<b>2,997,086,456</b>	<b>4,383,582</b>	<b>3,001,470,038</b>
- Revenues from Feed in Tariff (FIT)	1,818,005,994	552,230,014	-	1,263,115	2,371,499,123	-	2,371,499,123
- Other than FIT	618,577,554	-	7,009,779	-	625,587,333	4,383,582	629,970,915
Cost of Sales	(732,313,800)	(296,348,931)	(13,429,644)	(1,353,549)	(1,043,445,924)	5,667,403	(1,037,778,521)
Operational Expenses/Income (incl. Other Expense and Income)	289,513,528	64,215,557	814,405	124,712	354,668,202	(99,569,428)	255,098,774
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>1,993,783,276</b>	<b>320,096,640</b>	<b>(5,605,460)</b>	<b>34,278</b>	<b>2,308,308,734</b>	<b>(89,518,443)</b>	<b>2,218,790,291</b>
Add-back, Depreciation & Amortization Expenses	429,136,128	128,876,121	6,517,575	60,700	564,590,524	10,589,631	575,180,155
<b>Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **</b>	<b>2,422,919,404</b>	<b>448,972,761</b>	<b>912,115</b>	<b>94,978</b>	<b>2,872,899,258</b>	<b>(78,928,812)</b>	<b>2,793,970,446</b>
Gains from Investing Activities	-	-	-	-	-	4,951,528	4,951,528
Finance Income	-	-	-	-	-	549,093,123	549,093,123
Finance Expense	-	-	-	-	-	(1,522,126,949)	(1,522,126,949)
Tax Expense	-	-	-	-	-	(344,835,249)	(344,835,249)
Depreciation & Amortization Expenses	(429,136,128)	(128,876,121)	(6,517,575)	(60,700)	(564,590,524)	(10,589,631)	(575,180,155)
<b>Net Loss for the Period</b>							<b>905,872,744</b>

\* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Most of operational income is composed of foreign exchange income related to trading activities.

\*\* EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

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### 5 Related party disclosures

Aydem Holding A.Ş. ("Aydem Holding") is the ultimate parent company and controlling party of the Group.

Transactions with related parties are classified according to the following groups and include all related party disclosures in this note.

1. Ultimate parent and its subsidiaries
2. Other companies controlled by the shareholders of Aydem Holding and other key persons.

Since the transactions between the Group and its subsidiaries, which are related parties of the Group, are eliminated during consolidation, they are not disclosed in this note.

The shareholders, key management personnel and members of the Board of Directors, their families and partners and entities controlled by the ultimate shareholders are considered and referred to as related parties in the consolidated financial statements. The Group companies have carried out various transactions with related parties during their operations.

Trade receivables from related parties generally arise from sale of electricity. Trade payables to related parties generally arise from the electricity purchases. The company, related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") and Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") sells electricity to companies within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

Other receivables from related parties arise from sale of subsidiary shares. At the end of each quarter period for other receivables and payables interest is accrued using market interest rates, which are determined using the Group external cost of borrowing.

#### 5.1 Related party balances

As of 30 September 2023 and 31 December 2022, short-term trade receivables due from related parties are as follows:

	30 September 2023	31 December 2022
Aydem EPSAŞ <sup>(1)</sup>	1,233,540,075	949,963,628
Gediz EPSAŞ <sup>(1)</sup>	497,408,296	282,352,136
Other	425,494	83,815
	<b>1,731,373,865</b>	<b>1,232,399,579</b>

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### 5 Related party disclosures (*continued*)

#### 5.1 Related party balances (*continued*)

As of 30 September 2023 and 31 December 2022, short-term other receivables due from related parties are as follows:

	30 September 2023	31 December 2022
Aydem Holding A.Ş. ("Aydem Holding") <sup>(1)</sup> *	79,650,335	35,007,156
	<b>79,650,335</b>	<b>35,007,156</b>

\* Mainly consists of receivables related to the sale of 50% shares belonging to Yalova Karacabey.

Investment advance given to Parla Solar <sup>(1)</sup>, a related company, for hybrid SPP projects and classified under long term prepaid expenses is TL 182,630,670 (December 31, 2022: TL 210,931,967).

As of 30 September 2023 and 31 December 2022, short-term trade payables due to related parties are as follows:

	30 September 2023	31 December 2022
Aydem Holding <sup>(1)</sup>	7,490,676	5,768,758
GDZ Enerji Yatırımları A.Ş. ("GDZ Enerji") <sup>(1)</sup>	2,493,839	1,570,045
Adm EDAŞ <sup>(1)</sup>	1,230,357	318,801
Other	115,036	66,553
	<b>11,329,908</b>	<b>7,724,157</b>

As of 30 September 2023 and 31 December 2022 long-term other payables to related parties are as follows:

	30 September 2023	31 December 2022
Aydem EPSAŞ <sup>(1)</sup> *	47,612,498	40,210,706
	<b>47,612,498</b>	<b>40,210,706</b>

\* Consists of acquisition of Düzce WPP through under common control business transaction. The payment term is 27 June 2029 according to agreement signed between the Group and Aydem EPSAŞ.

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### 5 Related party disclosures (*continued*)

#### 5.2 Related party transactions

For the period ended 30 September 2023 and 2022, income and expense transactions with related parties are as follows:

<b>Electricity Sales and Other Sales</b>	<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
Gediz EPSAŞ <sup>(1) *</sup>	2,312,478,328	1,873,480,541
Aydem EPSAŞ <sup>(1) *</sup>	1,534,241,259	1,609,927,035
Parla Solar <sup>(1) **</sup>	81,972,454	604,981
Adm EDAŞ <sup>(1)</sup>	3,142,566	4,208,558
Other	227,442	682,374
	<b>3,932,062,049</b>	<b>3,488,903,489</b>

\* Consists of electricity sales within the bilateral agreements.

\*\* Includes the sale amount of investment property. Gain on sale amounting to TL 71.477.856 is recognized in income from investing activities.

In the period ending on 30 September 2023, since the spot electricity market price was higher than MSP and the sales price of FIT, the difference was paid to Enerji Piyasaları İşletme A.Ş. (“EPIAŞ”).

<b>Purchase of Electricity and Services</b>	<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
Aydem Holding <sup>(1)</sup>	186,300,145	30,671,834
Aydem EPSAŞ <sup>(1)</sup>	93,716,133	24,369,607
GDZ Enerji <sup>(1)</sup>	16,906,023	7,798,889
Adm EDAŞ <sup>(1)</sup>	11,106,302	4,740,105
Yeni Filo A.Ş. <sup>(2)</sup>	789,966	571,453
Other	53,191	106,962
	<b>308,871,760</b>	<b>68,258,850</b>

<b>Other Income</b>	<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
Aydem EPSAŞ <sup>(1) *</sup>	249,581,965	89,014,242
Gediz EPSAŞ <sup>(1) *</sup>	183,914,952	294,730,847
Aydem Holding <sup>(1)</sup>	2,220,931	2,122,261
Parla <sup>(1)</sup>	-	688,701
Other	11,162	34,381
	<b>435,729,010</b>	<b>386,590,432</b>

\* Consists of net foreign exchange income and late interest income regarding trade receivables.

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### 5 Related party disclosures (continued)

#### 5.2 Related party transactions (continued)

The executive management of the Group is comprised of general manager and directors. For the period ended 30 September 2023 and 2022, the sum of short-term benefits, such as remuneration and attendance fees, provided to key management executives personnel is as follows:

	1 January- 30 September 2023	1 January- 30 September 2022
Benefits to key management personnel	16,806,054	7,170,317
	<b>16,806,054</b>	<b>7,170,317</b>

### 6 Trade receivables and payables

#### Short term trade receivables

As of 30 September 2023 and 31 December 2022, the Group's short-term trade receivables are as follows:

	30 September 2023	31 December 2022
Trade receivables due from related parties (Note 5)	1,731,373,865	1,232,399,579
Trade receivables due from third parties	37,487,665	78,855,944
	<b>1,768,861,530</b>	<b>1,311,255,523</b>
Less: Allowances for doubtful trade receivables	(7,092,904)	(7,157,761)
	<b>1,761,768,626</b>	<b>1,304,097,762</b>

As of 30 September 2023 and 31 December 2022, short-term receivables consist of the following items:

	30 September 2023	31 December 2022
Trade receivables related to electricity sales *	1,743,506,626	1,265,631,949
Income accruals related to electricity sales **	18,262,000	38,465,813
Doubtful trade receivables	7,092,904	7,157,761
Allowances for doubtful trade receivables	(7,092,904)	(7,157,761)
	<b>1,761,768,626</b>	<b>1,304,097,762</b>

\* Consists of electricity sales and ancillary income within the bilateral agreements.

\*\* Consists of the Group's unbilled receivables arising from the electricity sales.

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### 6 Trade receivables and payables (*continued*)

#### Short term trade receivables (*continued*)

The movement of provisions for doubtful receivables for the period ended 30 September 2023 and 2022 are as follows:

	2023	2022
<b>Opening balance (1 January)</b>	<b>7,157,761</b>	<b>6,410,754</b>
Current provision	-	31,194
Provisions no longer required	(64,857)	(72,646)
<b>Closing balance (30 September)</b>	<b>7,092,904</b>	<b>6,369,302</b>

#### Short term trade payables

As of 30 September 2023 and 31 December 2022, the Group's short-term trade payables are as follows:

	30 September 2023	31 December 2022
Trade payables from third parties	426,036,176	467,450,099
Trade payables due from related parties (Note 5)	11,329,908	7,724,157
	<b>437,366,084</b>	<b>475,174,256</b>

As of 30 September 2023 and 31 December 2022, short-term trade payables from third parties consist of the following items:

	30 September 2023	31 December 2022
Trade payables	346,232,168	121,796,794
Expense accruals	79,797,682	345,651,089
Other trade payables	6,326	2,216
	<b>426,036,176</b>	<b>467,450,099</b>

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### 7 Other receivables and payables

#### Other short-term receivables

As of 30 September 2023 and 31 December 2022, the Group's short-term other receivables are as follows:

	30 September 2023	31 December 2022
Other receivables due from related parties (Note 5)	79,650,335	35,007,156
Other receivables due from third parties	14,141,241	30,467,593
	<b>93,791,576</b>	<b>65,474,749</b>

As of 30 September 2023 and 31 December 2022, short-term other receivables from third parties consist of the following items:

	30 September 2023	31 December 2022
Receivables from tax administration	13,995,762	30,401,201
Deposits & guarantees given	145,479	66,392
	<b>14,141,241</b>	<b>30,467,593</b>

#### Other long-term receivables

As of 30 September 2023 and 31 December 2022, other long-term receivables from third parties consist of the following items:

	30 September 2023	31 December 2022
Other receivables due from third parties	3,261,670	1,551,818
	<b>3,261,670</b>	<b>1,551,818</b>

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### 7 Other receivables and payables (*continued*)

#### Other short-term payables

As of 30 September 2023 and 31 December 2022, the Group's short-term other payables are as follows:

	30 September 2023	31 December 2022
Other payables due to third parties	236,074	235,708
	<b>236,074</b>	<b>235,708</b>

As of 30 September 2023 and 31 December 2022, other short-term payables to third parties consist of the following items:

	30 September 2023	31 December 2022
Deposits and guarantees taken	235,714	235,708
Other payables	360	-
	<b>236,074</b>	<b>235,708</b>

### 8 Inventories

As of 30 September 2023 and 31 December 2022, inventories are composed of spare parts for property, plant and equipment:

	30 September 2023	31 December 2022
Spare parts *	11,860,978	8,961,584
	<b>11,860,978</b>	<b>8,961,584</b>

\* Inventories consist of spare parts used in the maintenance of power plants and consumable materials.

As of 30 September 2023, there is no insurance coverage on the Group's inventories (31 December 2022: None).

As of 30 September 2023, there are no inventories presented as collateral for liabilities (31 December 2022: None).

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### 9 Property, plant and equipment and right of use assets

#### 9.1 Property, plant and equipment

The ending 30 September 2023 and 2022, movements of property, plant and equipment are as follows:

	Land	Power plants	Construction in progress *	Other	Total
<b>Cost or valuation as of 1 January 2023</b>	<b>2,937,363</b>	<b>43,364,984,854</b>	<b>675,761,964</b>	<b>31,627,864</b>	<b>44,075,312,045</b>
Additions	-	39,445,548	1,601,587,121	2,600,391	1,643,633,060
Disposals **	-	(268,676)	(35,624,029)	(71,790)	(35,964,495)
Transfers	-	1,097,189,457	(1,097,189,457)	-	-
<b>Cost or valuation as of 30 September 2023</b>	<b>2,937,363</b>	<b>44,501,351,183</b>	<b>1,144,535,599</b>	<b>34,156,465</b>	<b>45,682,980,610</b>
<b>Accumulated depreciation as of 1 January 2023</b>	<b>-</b>	<b>(12,541,351,856)</b>	<b>-</b>	<b>(17,831,656)</b>	<b>(12,559,183,512)</b>
Additions	-	(905,325,772)	-	(1,295,602)	(906,621,374)
Disposals	-	43,884	-	14,200	58,084
<b>Accumulated depreciation as of 30 September 2023</b>	<b>-</b>	<b>(13,446,633,744)</b>	<b>-</b>	<b>(19,113,058)</b>	<b>(13,465,746,802)</b>
<b>Net book value as of 30 September 2023</b>	<b>2,937,363</b>	<b>31,054,717,439</b>	<b>1,144,535,599</b>	<b>15,043,407</b>	<b>32,217,233,808</b>

\* Mainly consists of investments regarding hybrid solar and capacity increase.

Borrowing costs of TL 138,187,487 were capitalized during the period under TAS 23.

\*\* Includes the cost of sale of Horsunlu geothermal operation license. The sales price is TL 126,193,605 and the gain on sale amounting to TL 90,569,576 is recognized in income from investing.

	Land	Power plants	Construction in progress	Other	Total
<b>Cost or valuation as of 1 January 2022</b>	<b>13,023,687</b>	<b>27,629,016,119</b>	<b>214,362,885</b>	<b>189,612,607</b>	<b>28,046,015,298</b>
Additions	30,000	446,478,449	10,924,006	710,004,431	1,167,436,886
Disposals	-	(1,494,009)	(102,080)	(411,469)	(2,007,558)
Transfers	-	515,696,203	141,344,128	(657,040,331)	-
<b>Cost or valuation as of 30 September 2022</b>	<b>13,053,687</b>	<b>28,589,696,762</b>	<b>366,528,939</b>	<b>242,165,238</b>	<b>29,211,444,626</b>
<b>Accumulated depreciation as of 1 January 2022</b>	<b>-</b>	<b>(7,580,743,992)</b>	<b>-</b>	<b>(15,809,317)</b>	<b>(7,596,553,309)</b>
Additions	-	(559,629,810)	-	(1,468,666)	(561,098,476)
Disposals	-	672,296	-	59,715	732,011
<b>Accumulated depreciation as of 30 September 2022</b>	<b>-</b>	<b>(8,139,701,506)</b>	<b>-</b>	<b>(17,218,268)</b>	<b>(8,156,919,774)</b>
<b>Net book value as of 30 September 2022</b>	<b>13,053,687</b>	<b>20,449,995,256</b>	<b>366,528,939</b>	<b>224,946,970</b>	<b>21,054,524,852</b>

As of 30 September 2023, there are pledges and mortgages on property, plant and equipment of the Group amounting to USD 1,248,750,000 in original currencies (31 December 2022: USD 1,248,750,000 in original currencies) in favor of lenders.

Total depreciation expense of property, plant and equipment amounting to TL 905,325,772 (30 September 2022: TL 559,629,810) has been reflected to cost of sales and amounting to TL 1,295,602 (30 September 2022: TL 1,468,666) has been reflected to general administration expense.

The Group determined that the power plants constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property and as also mentioned in Note 2, elected to use revaluation method for such assets.

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### 9 Property, plant and equipment and right of use assets (*continued*)

#### 9.2 Right of uses

The Group has lease contracts for various items of plant, machinery, vehicles, land right of use and other equipment used in its operations.

For the period then ended as of 30 September 2023, movements of right of uses is as follows:

<b>Cost as of 1 January 2023</b>	<b>137,325,864</b>
Additions	45,724,321
<b>Cost as of 30 September 2023</b>	<b>183,050,185</b>
<b>Accumulated depreciation as of 1 September 2023</b>	<b>(17,709,411)</b>
Additions	(18,424,824)
<b>Accumulated depreciation as of 30 September 2023</b>	<b>(36,134,235)</b>
<b>Net book value as of 30 September 2023</b>	<b>146,915,950</b>

For the period then ended as of 30 September 2022, movements of right of uses is as follows:

<b>Cost as of 1 January 2022</b>	<b>35,251,135</b>
Additions	89,802,724
<b>Cost as of 30 September 2022</b>	<b>125,053,859</b>
<b>Accumulated depreciation as of 1 January 2022</b>	<b>(7,448,596)</b>
Additions	(7,199,741)
<b>Accumulated depreciation as of 30 September 2022</b>	<b>(14,648,337)</b>
<b>Net book value as of 30 September 2022</b>	<b>110,405,522</b>

Total depreciation expense of right of uses amounting to TL 14,611,373 (30 September 2022: None) has been reflected to cost of sales and amounting to TL 3,813,451 (30 September 2022: TL 7,199,741) has been reflected to general administration expense.

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### **10 Intangible assets**

As of 5 May 2017, the Company has signed a Transfer of Operating Rights Agreement (“Agreement”) with the Privatization Administration and the Electricity Generation Corporation (“EÜAŞ”) for Adıgüzel and Kemer Hydroelectric Plants. According to the agreement, the Company obtained the operating rights of the plants for 49 years and is responsible for the transfer of EÜAŞ at the end of the period in a complete and a functional state. During the contract period, the Company has to carry out all the maintenance, repairs and improvements which are necessary to ensure the convenience and efficiency of the plants for the generation activity, at their own expense. The Company is responsible for any damages and losses that may occur in the generation facilities in general referred as “Power Plants”. During the contact period; the Company has to perform all kinds of additional facilities, the investment for rehabilitation and development in accordance with the legislation, and will obtain the approval of EÜAŞ during the works and procedures to be carried out within this framework. In addition, the company must obtain approval from EÜAŞ in case it wants to make investments and transactions for capacity changes.

As of the transfer date, it is EÜAŞ’s responsibility to monitor and solve the administrative, legal disputes regarding the ownership of the immovable on which plants are located and the immovable in use, that are available now or will arise after the transfer date and all responsibilities and obligations arising from this matter.

Intangible assets related to agreements are amortized until the end of the related contract period.

Although the Company has the right to obtain substantially all of the economic benefits from use of the asset, it does not have the right to manage the use of power plants according to Article 7 of the contract signed with the EÜAŞ. Therefore, the contract has not been considered as a lease contract under TFRS 16, On the other hand, the Agreement is not accounted within the scope of TFRIC 12 Service Concession Agreements because although the residual interest of the power plants belongs to EÜAŞ, EÜAŞ does not control at what price electricity will be sold.

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### 10 Intangible assets (*continued*)

As of 30 September 2023 and 2022, movements of intangible assets are as follows:

	Licences	Operating rights	Softwares	Total
<b>Cost as of 1 January 2023</b>	<b>9,722,805</b>	<b>324,100,000</b>	<b>3,992,066</b>	<b>337,814,871</b>
Additions	2,883,541	-	431,159	3,314,700
<b>Cost as of 30 September 2023</b>	<b>12,606,346</b>	<b>324,100,000</b>	<b>4,423,225</b>	<b>341,129,571</b>
<b>Accumulated depreciation as of 1 September 2023</b>	<b>(4,417,976)</b>	<b>(37,450,201)</b>	<b>(2,838,581)</b>	<b>(44,706,758)</b>
Additions	(2,772,253)	(4,962,214)	(258,334)	(7,992,801)
<b>Accumulated depreciation as of 30 September 2023</b>	<b>(7,190,229)</b>	<b>(42,412,415)</b>	<b>(3,096,915)</b>	<b>(52,699,559)</b>
<b>Net book value as of 30 September 2023</b>	<b>5,416,117</b>	<b>281,687,585</b>	<b>1,326,310</b>	<b>288,430,012</b>
	Licences	Operating rights	Softwares	Total
<b>Cost as of 1 January 2022</b>	<b>5,959,379</b>	<b>324,100,000</b>	<b>3,992,066</b>	<b>334,051,445</b>
Additions	757,934	-	-	757,934
<b>Cost as of 30 September 2022</b>	<b>6,717,313</b>	<b>324,100,000</b>	<b>3,992,066</b>	<b>334,809,379</b>
<b>Accumulated depreciation as of 1 September 2022</b>	<b>(1,772,050)</b>	<b>(30,833,915)</b>	<b>(2,545,470)</b>	<b>(35,151,435)</b>
Additions	(1,689,730)	(4,960,714)	(231,494)	(6,881,938)
<b>Accumulated depreciation as of 30 September 2022</b>	<b>(3,461,780)</b>	<b>(35,794,629)</b>	<b>(2,776,964)</b>	<b>(42,033,373)</b>
<b>Net book value as of 30 September 2022</b>	<b>3,255,533</b>	<b>288,305,371</b>	<b>1,215,102</b>	<b>292,776,006</b>

Amortization expense of intangible assets amounting to TL 4,962,214 (30 September 2022: TL 4,960,714) has been reflected to cost of sales and amounting to TL 3,030,587 (30 September 2022: TL 1,921,224) has been reflected to general administrative expenses.

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### 11 Provisions, contingent assets and liabilities

#### 11.1 Short-term provisions

As of 30 September 2023 and 31 December 2022, the breakdown of short-term provisions are as follows:

	30 September 2023	31 December 2022
Short-term provisions for employee benefits	37,340,842	22,597,724
Provision for litigations	14,850,084	12,460,451
	<b>52,190,926</b>	<b>35,058,175</b>

Short-term provisions for employee benefits consist of unused vacation days provisions. The current period movement table is as follows:

	2023	2022
<b>Opening balance (1 January)</b>	<b>7,516,794</b>	<b>3,586,337</b>
Net change in provision within the period	7,842,476	4,032,967
<b>Closing balance (30 September)</b>	<b>15,359,270</b>	<b>7,619,304</b>

Movement of premium provisions for the current period as follows:

	2023	2022
<b>Opening balance (1 January)</b>	<b>15,080,930</b>	<b>2,919,735</b>
Net change in provision within the period	6,900,642	1,580,264
<b>Closing balance (30 September)</b>	<b>21,981,572</b>	<b>4,499,999</b>

Other short-term provisions consist of provisions for ongoing litigations of the Group.

The movement table is as follows:

	2023	2022
<b>Opening balance (1 January)</b>	<b>12,460,451</b>	<b>14,137,022</b>
Net change in provision within the period	2,389,633	(6,024,727)
<b>Closing balance (30 September)</b>	<b>14,850,084</b>	<b>8,112,295</b>

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### 11 Provisions, contingent assets and liabilities (*continued*)

#### 11.2 Contingent liabilities

As of 30 September 2023 and 31 December 2022, the Group's collateral/pledge/mortgage (“CPM”) balances are as follows:

		30 September 2023	31 December 2022
	Currency	TL Amount	TL Amount
A. Guarantees given in the name of its own legal personality*	TL	-	-
	US Dollars	34,186,654,125	23,349,502,125
B. Guarantees given on behalf of the fully consolidated companies	TL	-	-
C. Total amount of CPM's given to other 3rd parties for the purpose of carrying out their ordinary commercial activities	TL	-	-
D. Other guarantees	TL	-	-
i. Guarantees given on behalf of the majority shareholder		-	-
ii. Guarantees given to on behalf of other group companies which are not in scope of B and C.	TL	-	-
iii. Guarantees given on behalf of third parties which are not in scope of C.		-	-
<b>Total</b>		<b>34,186,654,125</b>	<b>23,349,502,125</b>

\* On 2 December 2021, within the scope of the Eurobond, movable pledge was established on the Company's movable assets to form the guarantee of the bond issuance.

The Company are subject to litigation and regulatory proceedings in the normal course of the business. From time to time, The Company may be a party to legal proceedings, including, but not limited to, personal injury claims, commercial disputes, regulatory or administrative actions and employment matters. These proceedings may be brought by, among others, current, former or prospective employees, suppliers, governmental agencies or other third parties.

- Administrative fines and other administrative sanctions for all structures, with the decision of the Dalaman, Ortaca and Köyceğiz Municipal Committees, for alleged violation of the reconstruction legislation due to the absence of a building permit for Dalaman HPP 1-2-3-4-5 and Gökyar HPPs, Since these administrative actions are against the law and HPPs are public investments, they are exempt from construction permits. For this reason, lawsuits have been filed by the Company to the Administrative Courts for the cancellation of the transactions. As a result of the proceedings conducted by the courts, in 95 of these cases, the court decisions regarding the cancellation of the transaction in favor of the Company were notified to the Company, the court was decided one case rejected the transaction. Of the decisions given for the annulment of the aforementioned administrative transactions, i.n only 1 case, the request for annulment was rejected. Of the decisions on the annulment of administrative actions, 13 are under appeal at the Council of State and in 95 cases the annulment decisions have been finalized. The Company does not foresee any legal and financial risk in the form of any payment or penalty due to the administrative sanction decisions of the municipalities that have been decided to be cancelled.

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### **11 Provisions, contingent assets and liabilities (*continued*)**

#### **11.2 Contingent liabilities (*continued*)**

- The Company provided a guarantee to one of the affiliates, Yatağan Termik Enerji Üretim A.Ş., ("Yatağan") a subsidiary of Aydem Holding, with respect to certain work that GE Enerji Endüstri Ticaret ve Servis A.Ş. ("GE") had contracted to perform for Yatağan. A dispute has arisen between Yatağan and GE, and as a result GE has initiated a lawsuit against Yatağan and the Company, seeking EUR 9.7 million in damages. During the litigation process, petitions and evidence regarding the claims and defences were submitted to the court by the parties. It was decided to examine the commercial books and records of the parties with the participation of experts. According to the "Settlement Agreement" signed between the parties on January 2, 2019, GE's balance receivable was determined as EUR 9.5 million and EUR 500,000 of this amount was paid by Yatağan. The report has been objected and an additional report is in progress. In this case, there is a possibility of an unfavorable decision in terms of EUR 9 million and accrued interest. The next lawsuit will be held on 21 December 2023. Even if the case is decided unfavorably, since the payment will be made by Yatağan, it is not considered that the Company will incur any liability as a guarantor.

- Within the scope of the authority granted by the Electricity Market Law, EMRA has decided on the Procedures and Principles Regarding the Determination and Implementation of Resource Based Support Fee ("Procedures and Principles") dated 17 March 2022 and numbered 10866. With the Board Decision dated 29 March 2022 and numbered 10887, amendments were made to the Procedures and Principles. Accordingly, it has been ruled that fixed price and approved bilateral agreements entered into the market management system, which is an operating system where all contracts in the market are entered for 1 February and later, before 8 March 2022 may be exempted if they are submitted to Enerji Piyasaları İşletme A.Ş. ("EPIAŞ") together with the information and documents specified in the Procedures and Principles. According to the regulation, the bilateral agreements that are included in the scope of exemption will not be subject to the support price debt amount application. Following the Company's exemption application, which was duly submitted in due time within the scope of the Procedures and Principles, after the necessary information and documents were examined by EPIAŞ, the Company was notified by official letter that the Company's exemption application was accepted. In the following period, the Company performed the bilateral agreement transactions regarding the exemption in accordance with the relevant Procedures and Principles. At the end of the first 6-month implementation period of April - September 2022, with EMRA's Board Decision dated 29 September 2022 and numbered 11269, paragraph 1 of Article 7 of the Procedures and Principles was amended to enter into force on 1 October 2022. With the amended version of the article, the term "fixed price bilateral agreements" has been extended to include agreements up to the final consumer. On 13 January 2023, EMRA Board Decision dated 12 January 2023 and numbered 11574-13 was notified to the Company. In the aforementioned Board Decision, it was stated that it was determined that the Company had unjustly failed to pay the support fee debt amounts amounting to TL 264,859,740 in the April-September 2022 period and it was decided to collect these amounts. Taking into account the precedent decisions in this regard, the Company reserves its legal rights with the assessment that if this retroactive decision is cancelled, the unlawful administrative action will be eliminated retroactively. In accordance with the agreements, the Company will reflect the additional costs that may arise regarding the transactions made within the scope of bilateral agreements to Gediz Elektrik Perakende Satış A.Ş., one of the group companies.

As of 30 September 2023, in accordance with the EMRA Board Decision dated 12 January 2023 and numbered 11574-13, the Company has made refund to EPIAŞ amounting to TL 294,057,399 (including late fee and VAT) and reflected the same amount to Gediz EPSAŞ in accordance with the bilateral agreement. There is no impact on the financial statements related to this issue.

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### 11 Provisions, contingent assets and liabilities (*continued*)

#### 11.3 Letters of guarantees received and guarantees given

		30 September 2023	31 December 2022
	Currency	TL equivalent	TL equivalent
Guarantees given *	TL	257,686,174	85,560,503
<b>Total</b>		<b>257,686,174</b>	<b>85,560,503</b>

\* Guarantees given, in general, are comprised of the letters of guarantees given to the several institutions and organizations within the operations of the Group (to Energy Market Regulatory Authority (“EMRA”), Turkish Electricity Transmission Company (“TEİAŞ”), privatization administration and to the judicial authorities for some of the on-going lawsuits.

		30 September 2023	31 December 2022
	Currency	TL equivalent	TL equivalent
Guarantees received *	TL	19,277,625	18,973,478
Guarantees received *	EURO	4,551,170	9,809,833
Guarantees received **	US Dollars	2,782,148,869	1,918,251,978
		<b>2,805,977,664</b>	<b>1,947,035,289</b>

\* Guarantees received against the risk of failure to provide the services to be received from suppliers.

\*\* Letters of guarantees received from Aydem EPSAŞ and Gediz EPSAŞ for electricity trade and regarding power plant investments.

#### 11.4 Long term provisions

As of 30 September 2023 and 31 December 2022, the long-term provisions are as follows:

	30 September 2023	31 December 2022
Provisions for retirement pay liability	72,206,626	34,742,233
	<b>72,206,626</b>	<b>34,742,233</b>

As of 30 September 2023 and 2022, movements of provisions for retirement pay liability are as follows:

	2023	2022
<b>Opening balance (1 January)</b>	<b>34,742,233</b>	<b>11,543,311</b>
Service cost	4,925,695	1,521,429
Interest cost	4,620,184	2,470,269
Retirement payments paid	(4,814,329)	(1,091,133)
Actuarial loss/(gain)	32,732,843	14,413,152
<b>Closing balance (30 September)</b>	<b>72,206,626</b>	<b>28,857,028</b>

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### 11 Provisions, contingent assets and liabilities (*continued*)

TFRS require actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly, the following actuarial assumptions have been used in the calculation of the total liability. Related rates have been presented by considering the weighted average of actuarial assumptions of the subsidiaries within the scope of consolidation.

The main actuarial assumptions used as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Expected interest in the coming years %	9.40	22
Expected inflation in the coming years %	6.50	20
Expected probability of leaving without compensation in the coming years %	2.72	2.50

### 12 Liabilities for employee benefits

As of 30 September 2023 and 31 December 2022, short-term payables related to employee benefits are as follows:

	30 September 2023	31 December 2022
Social security withholdings payable	5,543,285	3,126,943
Payables to personnel	355,541	205,306
	<b>5,898,826</b>	<b>3,332,249</b>

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### 13 Other current, non-current assets and other liabilities

#### 13.1 Other Current Assets

As of 30 September 2023 and 31 December 2022, other current assets are as follows:

	30 September 2023	31 December 2022
Advances to personnel	12,635	45,621
Short-term deferred value added tax ("VAT")	11,146	5,441
	<b>23,781</b>	<b>51,062</b>

#### 13.2 Other Non-Current Assets

As of 30 September 2023 and 31 December 2022, other non-current assets are as follows:

	30 September 2023	31 December 2022
Long-term deferred VAT	32,858,971	11,032,099
	<b>32,858,971</b>	<b>11,032,099</b>

#### 13.3 Other Short Term Liabilities

As of 30 September 2023 and 31 December 2022, other liabilities are as follows:

	30 September 2023	31 December 2022
Taxes and funds payable	80,408,744	72,974,936
Other	5,118,446	20,183
	<b>85,527,190</b>	<b>72,995,119</b>

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### 14 Financial liabilities

#### 14.1 Issued bond liabilities

As of 30 September 2023 and 31 December 2022, terms and conditions of financial liabilities are as follows:

30 September 2023					
Currency	Effective interest rate	Maturity for the latest payment	Original currency amount	Short-term	Long-term
USD	8.75%	2027	672,884,641	1,373,318,948	17,048,042,003
				<b>1,373,318,948</b>	<b>17,048,042,003</b>
31 December 2022					
Currency	Effective interest rate	Maturity for the latest payment	Original currency amount	Short-term	Long-term
USD	8.75%	2027	705,262,674	1,005,910,538	12,181,302,520
				<b>1,005,910,538</b>	<b>12,181,302,520</b>

The Group on the Irish Stock Exchange issued USD 750,000,000 with a maturity of 5.5 years, coupon payments every 6 months, principal and coupon payments at maturity, annual fixed interest rate of 7.75%, on 2 August 2021. With the amount obtained through the bond issuance, the entire loan debt of the Company to the banks has been repaid, and the remaining amount is going to be used for the investments in line with the Company's growth strategy.

Between 11 May 2022 and 12 July 2023, USD 69,468,000 of the said bond was buyback transactions and the related amount was accounted for by deducting the amortized cost using the effective interest rate and the total bond amount.

The repayments of the bond and debt instruments agreements according to their original maturities as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
To be paid within 3 months	-	520,615,252
To be paid within a 3-12 months	1,373,318,948	485,295,286
To be paid in 1-2 year	4,452,646,714	920,593,710
To be paid in 2-3 year	3,858,924,881	2,950,830,050
To be paid in 3-4 year	8,736,470,408	2,549,518,310
To be paid in 4-5 year	-	5,760,360,450
	<b>18,421,360,951</b>	<b>13,187,213,058</b>

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### 14 Financial liabilities (*continued*)

#### 14.1 Issued bond liabilities (*continued*)

The movement of financial liabilities for the period ended 30 September 2023 and 2022 is as follows:

	2023	2022
<b>Opening balance (1 January)</b>	<b>13,187,213,058</b>	<b>10,056,394,409</b>
Repayment of financial liabilities *	(499,507,889)	(656,200,016)
Interest accrued in the period	913,526,754	756,508,528
Interest paid	(1,218,838,897)	(888,504,125)
Exchange rate differences accrued in the period	4,621,169,735	870,297,491
Exchange rate differences subjected to cash flow hedge, accounted in OCI	1,417,798,190	2,836,929,963
<b>Closing balance (30 September)</b>	<b>18,421,360,951</b>	<b>12,975,426,250</b>

\* Repurchase amount related to bond issuance.

#### 14.2 Lease liabilities

The repayments of the lease liabilities according to their original maturities as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
To be paid within a year	17,802,660	5,439,020
To be paid in 1-5 years	12,248,964	4,581,869
To be paid over 5 years	28,772,710	20,556,227
	<b>58,824,334</b>	<b>30,577,116</b>

For the period then ended as of 30 September 2023 and 2022, movements of lease of uses is as follows:

	2023	2022
<b>Lease Liabilities (1 January)</b>	<b>30,577,116</b>	<b>29,878,263</b>
Additions	45,724,321	37,989,641
Accretion of interest	7,527,419	3,233,449
Payments	(25,004,522)	(41,565,842)
<b>Lease Liabilities (30 September)</b>	<b>58,824,334</b>	<b>29,535,511</b>

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### 15 Nature and level of risks arising from financial instruments

#### Financial instruments and financial risk management

The Group may be exposed to the following risks depending on the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note provides information on the Group's exposure to the risks outlined above, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

#### Credit risk

Credit risk is the risk that a customer or a counterparty will fail to fulfil its obligations under the contract and is mainly attributable to customer receivables. The carrying values of financial assets represent the maximum exposure to credit risk.

The maximum credit risk the Group is exposed to as of 30 September 2023 and 31 December 2022 are as follows:

30 September 2023	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
<b>Maximum exposure to credit risk as of reporting date (A+B+C+D+E)</b>	1,731,373,865	30,394,761	79,650,335	17,402,911	1,519,004,151
- Secured part of the maximum credit risk exposures via collateral etc.	1,731,373,865	-	-	-	-
<b>A. Net book value of financial assets those are neither overdue nor impaired</b>	436,655,896	30,394,761	79,650,335	17,402,911	1,519,004,151
<b>B. Net book value of assets that are overdue but not impaired</b>	1,294,717,969	-	-	-	-
<b>C. Net book value of impaired financial assets</b>	-	-	-	-	-
- Overdue (gross carrying amount)	-	7,092,904	-	-	-
- Impairment amount (-)	-	(7,092,904)	-	-	-
- Secured portion covered with guarantees,etc	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees,etc	-	-	-	-	-
<b>D. Off-balance sheet items including risk</b>	-	-	-	-	-

### 15 Nature and level of risks arising from financial instruments(continued)

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**

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for the nine-month period ended 30 September 2023

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**Credit risk(continued)**

31 December 2022	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
<b>Maximum exposure to credit risk as of reporting date (A+B+C+D+E)</b>	1,232,399,579	71,698,183	35,007,156	32,019,411	1,293,793,214
- Secured part of the maximum credit risk exposures via collateral etc.	1,232,399,579	-	-	-	-
<b>A. Net book value of financial assets those are neither overdue nor impaired</b>	670,675,497	71,698,183	35,007,156	32,019,411	1,293,793,214
<b>B. Net book value of assets that are overdue but not impaired</b>	561,724,082	-	-	-	-
<b>C. Net book value of impaired financial assets</b>	-	-	-	-	-
- Overdue (gross carrying amount)	-	7,157,761	-	-	-
- Impairment amount (-)	-	(7,157,761)	-	-	-
- Secured portion covered with guarantees,etc	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees,etc	-	-	-	-	-
<b>D. Off-balance sheet items including risk</b>	-	-	-	-	-

**15 Nature and level of risks arising from financial instruments (continued)**

**Liquidity risk**

## Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

### Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023

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Liquidity risk is the risk that the Group will not be able to meet its financial liabilities in the future. The Group's liquidity risk is managed by providing sufficient financing facilities from various financial institutions in a way that does not harm or damage the Group's reputation in order to fund the current and future debt requirements under normal conditions or in crisis situations.

As at 30 September 2023 and 31 December 2022, the maturity of financial liabilities including estimated interest payments according to the payment schedule is as follows:

<b>30 September 2023</b>	<b>Book value</b>	<b>Contractual cash outflow</b>	<b>0-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>
<b>Non-derivative financial liabilities</b>						
Financial liabilities	18,421,360,951	22,962,362,925	-	1,443,880,831	21,518,482,094	-
Financial lease liabilities (TFRS 16)	58,824,334	162,266,362	4,706,005	21,977,003	40,484,832	95,098,522
Other long term payables to related parties	47,612,498	174,329,348	-	-	-	174,329,348
Trade payables to related parties	11,329,908	11,329,908	11,329,908	-	-	-
Trade payables to third parties	426,036,176	1,406,218,194	1,401,488,371	4,729,823	-	-
<b>Total</b>	<b>18,965,163,867</b>	<b>24,716,506,737</b>	<b>1,417,524,284</b>	<b>1,470,587,657</b>	<b>21,558,966,926</b>	<b>269,427,870</b>

<b>31 December 2022</b>	<b>Book Value</b>	<b>Contractual cash outflow</b>	<b>0-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>
<b>Non-derivative financial liabilities</b>						
Financial liabilities	13,187,213,058	17,221,233,439	524,642,623	510,162,847	16,186,427,969	-
Financial lease liabilities (TFRS 16)	30,577,116	131,957,842	2,163,394	9,782,596	21,874,312	98,137,540
Other long term payables to related parties	40,210,706	174,329,348	-	-	-	174,329,348
Trade payables to related parties	7,724,157	7,724,157	7,724,157	-	-	-
Trade payables to third parties	467,450,099	467,450,106	460,753,097	6,697,009	-	-
<b>Total</b>	<b>13,733,175,136</b>	<b>18,002,694,892</b>	<b>995,283,271</b>	<b>526,642,452</b>	<b>16,208,302,281</b>	<b>272,466,888</b>

### Market risk

Market risk; The risk of changes in the money market, such as exchange rates, interest rates or the prices of instruments traded in the securities markets, may change the Group's income or the value of its financial assets. Market risk management aims to optimize return while controlling market risk exposure within acceptable limits.

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### 15 Nature and level of risks arising from financial instruments (*continued*)

#### Currency risk

While the Group’s functional currency is Turkish Lira, the Group is exposed to foreign exchange risks. The Group has outstanding US Dollar debt instruments due to power plant investments. The Group also realizes significant USD indexed sales within the scope of the Feed-in Tariff.

As of 30 September 2023 and 31 December 2022, the foreign currency position of the Group arises from foreign currency assets and liabilities stated in the table below.

	30 September 2023		
	TL Equivalent	US Dollars	Original Amounts EUR
<b>Assets</b>			
Cash and cash equivalents	459,250,329	16,003,964	727,325
Financial investments	286,267,584	10,456,614	-
Other receivables from related parties	79,650,335	2,909,421	-
Trade receivables from related parties	1,731,373,865	63,242,606	-
<b>Total Asset</b>	<b>2,556,542,113</b>	<b>92,612,605</b>	<b>727,325</b>
<b>Liabilities</b>			
Short-term and long-term financial liabilities	(18,421,360,951)	(672,884,641)	-
Short-term trade payables to third parties	(282,800,401)	(9,952,313)	(356,139)
<b>Total liabilities</b>	<b>(18,704,161,352)</b>	<b>(682,836,954)</b>	<b>(356,139)</b>
<b>Foreign currency liability position</b>	<b>(16,147,619,239)</b>	<b>(590,224,349)</b>	<b>371,186</b>
<b>Amounts subject to cash flow hedge accounting *</b>	<b>15,893,050,404</b>	<b>580,532,000</b>	<b>-</b>
<b>Net foreign currency position after cash flow hedge</b>	<b>(254,568,835)</b>	<b>(9,692,349)</b>	<b>371,186</b>
<b>31 December 2022</b>			
	TL Equivalent	US Dollars	Original Amounts EUR
<b>Assets</b>			
Cash and cash equivalents	829,339,997	43,337,246	953,462
Financial investments	345,804,691	18,493,911	-
Trade receivables from third parties	474	20	5
Other receivables from related parties	35,007,144	1,872,210	-
Trade receivables from related parties	1,227,369,555	65,621,301	18,198
<b>Total assets</b>	<b>2,437,521,861</b>	<b>129,324,688</b>	<b>971,665</b>
<b>Liabilities</b>			
Short-term and long-term financial liabilities	(13,187,213,058)	(705,262,674)	-
Short-term trade payables to third parties	(86,669,170)	(3,953,674)	(639,189)
<b>Total liabilities</b>	<b>(13,273,882,228)</b>	<b>(709,216,348)</b>	<b>(639,189)</b>
<b>Foreign currency liability position</b>	<b>(10,836,360,367)</b>	<b>(579,891,660)</b>	<b>332,476</b>
<b>Amounts subject to cash flow hedge accounting *</b>	<b>11,222,925,341</b>	<b>600,211,000</b>	<b>-</b>
<b>Net foreign currency position after cash flow hedge</b>	<b>386,564,974</b>	<b>20,319,340</b>	<b>332,476</b>

\* Please refer to Note 2.7.

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### 15 Nature and level of risks arising from financial instruments (*continued*)

#### Currency risk (*continued*)

##### Sensitivity analysis

The Group is mainly exposed to foreign currency risk in USD Dollars. The following table details the Group's sensitivity to a 10% increase and decrease in US Dollars and Euro, 10% is the rate used to report the exchange rate risk within the Group to the executives and this rate indicates the possible change in the exchange rates expected by the management. The sensitivity analysis covers only foreign currency denominated monetary items at the end of the year and shows the effects of the 10% increase in foreign exchange rates of these items at the end of the year excluding tax effects. A positive value indicates an increase in profit or loss and other equity items.

<b>Exchange rate sensitivity analysis table</b>		
<b>30 September 2023</b>		
	<b>Increase in value of foreign currency</b>	<b>Decrease in value of foreign currency</b>
If TL gains/losses 10% against US dollar		
1- TL net assets / liabilities	(1,615,839,494)	1,615,839,494
2- TL hedged portion (-)	1,589,305,040	(1,589,305,040)
<b>3- TL net effect (1 + 2)</b>	<b>(26,534,454)</b>	<b>26,534,454</b>
If the TL gains/losses 10% against the Euro		
4- TL net assets / liabilities	1,077,570	(1,077,570)
5- TL hedged portion (-)	-	-
<b>6- Net effect of TL (4 + 5)</b>	<b>1,077,570</b>	<b>(1,077,570)</b>
<b>Total (3 + 6)</b>	<b>(25,456,884)</b>	<b>25,456,884</b>

<b>Exchange rate sensitivity analysis table</b>		
<b>31 December 2022</b>		
	<b>Increase in value of foreign currency</b>	<b>Decrease in value of foreign currency</b>
If TL gains/losses 10% against US dollar		
1- TL net assets / liabilities	(1,084,298,824)	1,084,298,824
2- TL hedged portion (-)	1,122,292,534	(1,122,292,534)
<b>3- TL net effect (1 + 2)</b>	<b>37,993,710</b>	<b>(37,993,710)</b>
If the TL gains/losses 10% against the Euro		
4- TL net assets / liabilities	662,788	(662,788)
5- TL hedged portion (-)	-	-
<b>6- Net effect of TL (4 + 5)</b>	<b>662,788</b>	<b>(662,788)</b>
<b>Total (3 + 6)</b>	<b>38,656,498</b>	<b>(38,656,498)</b>

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### 15 Nature and level of risks arising from financial instruments (*continued*)

#### Capital risk managements

In managing capital, the Group's objectives are to maintain the Group's ability to continue to operate in order to maintain an optimal capital structure to provide returns to shareholders, benefits to other shareholders, and to reduce capital costs.

In order to maintain or adjust the capital structure, the Group determines the amount of dividend payable to shareholders.

The Group monitors capital on the basis of the net financial debt / equity ratio. Net financial debt is calculated by deducting cash and cash equivalents from total financial debt.

As of 30 September 2023 and 31 December 2022, net financial liabilities/equity ratios are as follows:

	30 September 2023	31 December 2022
Total financial liabilities *	18,421,360,951	13,187,213,058
Cash and cash equivalents	(1,805,271,744)	(1,649,137,878)
Net financial liabilities	16,616,089,207	11,538,075,180
Equity	13,677,534,130	17,078,251,924
	<b>121.48%</b>	<b>67.56%</b>

\* Includes issued bond liabilities (Note 14.1).

#### Fair value of financial instruments

When measuring the fair value of an asset or liability, the Company uses market observable inputs. Fair value measurements are categorised into different levels of the fair value hierarchy based on the information used in the valuation techniques described below.

- Level 1: Quoted prices (unadjusted) in markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the information used to measure the fair value of an asset or liability can be categorised into a different level of the fair value hierarchy, that fair value is categorised into the same level of the fair value hierarchy that includes the least significant information for the overall measurement.

The Company recognises transfers between levels in the fair value hierarchy at the end of the reporting period in which the change occurs.

Fair value is the amount that would be realised in a sale transaction between two parties willing to exchange a financial asset, other than in a forced sale or liquidation, and is most readily measurable at fair value.

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### **15 Nature and level of risks arising from financial instruments (*continued*)**

#### **Fair value of financial instruments (*continued*)**

The Company has generally assumed that the carrying amounts of financial instruments with short remaining maturities or financial instruments that are initially recognised close to the reporting date approximate their fair values. It is also assumed that the fair value of foreign currency assets and liabilities within financial instruments, which are translated into Turkish Lira at the year-end exchange rate, approximates their carrying value.

However, since it is necessary to use judgement to determine the estimated fair value, fair value measurements may not reflect the values that may occur in current market conditions. Therefore, apart from the aforementioned assumptions, inputs that are not based on observable market data for financial assets or liabilities (unobservable inputs), which are used by the Company management in the use of judgement in fair value analysis, have been assessed within the scope of the classification defined as level 3 of the valuation method for the comparative fair value analysis of long-term financial liabilities.

As at 31 December 2022, the Company's central assets are measured at fair value determined by an independent professional valuation company using other valuation techniques that include direct or indirect observable inputs (Level 3).

#### *Financial assets*

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectability are estimated to be their fair values.

#### *Financial liabilities*

The carrying values of trade payables are estimated to be their fair values since they are short term and leasing liabilities are estimated to be their fair values assuming that there is no significant change in the market prices of similar leases with the same maturity.

#### *Derivative instruments*

The Company uses derivative financial instruments (mainly foreign currency forward contracts) to hedge its foreign currency risk. Derivative financial instruments are measured at fair value at the contract date and remeasured at fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in the statement of profit or loss in the period in which they arise.

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### 16 Earnings per share

The calculation of basic and diluted Earnings per share for the period ended 30 September 2023 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares as follows:

	30 September 2023	30 September 2022
Numerator:		
Income / (loss) for the period attributable to owners of the company	(2,254,620,263)	905,872,744
Denominator:		
Weighted average number of shares	701,017,963	700,803,466
<b>Basic and diluted profit /(loss) per share (full TL)</b>	<b>(3.22)</b>	<b>1.29</b>
<b>30 September 2023</b>	<b>Number of shares</b>	<b>Time weighting (days)</b>
Outstanding ordinary shares as of 1 January 2023 (Par Value: TL 1)	705,000,000	10
Outstanding ordinary shares as of 11 January 2023	704,800,000	13
Outstanding ordinary shares as of 24 January 2023	704,100,000	24
Outstanding ordinary shares as of 17 February 2023	704,050,000	5
Outstanding ordinary shares as of 22 February 2023	703,740,000	40
Outstanding ordinary shares as of 3 April 2023	703,440,000	1
Outstanding ordinary shares as of 4 April 2023	703,240,000	1
Outstanding ordinary shares as of 5 April 2023	703,140,000	1
Outstanding ordinary shares as of 6 April 2023	703,040,000	1
Outstanding ordinary shares as of 7 April 2023	702,940,000	3
Outstanding ordinary shares as of 10 April 2023	702,840,000	1
Outstanding ordinary shares as of 11 April 2023	702,740,000	6
Outstanding ordinary shares as of 17 April 2023	702,640,000	1
Outstanding ordinary shares as of 18 April 2023	702,540,000	1
Outstanding ordinary shares as of 19 April 2023	702,490,000	6
Outstanding ordinary shares as of 25 April 2023	740,420,000	1
Outstanding ordinary shares as of 26 April 2023	702,220,000	7
Outstanding ordinary shares as of 3 May 2023	701,920,000	6
Outstanding ordinary shares as of 9 May 2023	701,420,000	1
Outstanding ordinary shares as of 10 May 2023	700,920,000	1
Outstanding ordinary shares as of 11 May 2023	699,920,000	1
Outstanding ordinary shares as of 12 May 2023	698,920,000	42
Outstanding ordinary shares as of 23 June 2023	698,420,000	97
<b>Weighted average for the period</b>	<b>701,017,963</b>	<b>270 / 270</b>

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### 16 Earnings per share (*continued*)

30 September 2022	Number of shares	Time weighting (days)
Outstanding ordinary shares as of 1 January 2022 (Par Value: TL 1)	705,000,000	47
Outstanding ordinary shares as of 17 February 2022	704,800,000	4
Outstanding ordinary shares as of 21 February 2022	704,100,000	1
Outstanding ordinary shares as of 22 February 2022	704,050,000	1
Outstanding ordinary shares as of 23 February 2022	703,740,000	6
Outstanding ordinary shares as of 1 March 2022	703,240,000	8
Outstanding ordinary shares as of 9 March 2022	702,740,000	2
Outstanding ordinary shares as of 11 March 2022	702,576,498	5
Outstanding ordinary shares as of 16 March 2022	702,376,498	7
Outstanding ordinary shares as of 23 March 2022	701,876,498	15
Outstanding ordinary shares as of 7 April 2022	701,696,498	4
Outstanding ordinary shares as of 11 April 2022	701,396,498	2
Outstanding ordinary shares as of 13 April 2022	700,896,498	5
Outstanding ordinary shares as of 18 April 2022	700,596,498	7
Outstanding ordinary shares as of 25 April 2022	700,396,498	23
Outstanding ordinary shares as of 18 May 2022	700,196,498	7
Outstanding ordinary shares as of 25 May 2022	699,896,498	15
Outstanding ordinary shares as of 9 June 2022	699,596,498	7
Outstanding ordinary shares as of 16 June 2022	699,566,498	14
Outstanding ordinary shares as of 5 July 2022	699,266,498	85
<b>Weighted average for the period</b>	<b>700,803,466</b>	<b>270 / 270</b>

### 17 Prepaid expenses

As of 30 September 2023 and 31 December 2022, short term prepaid expenses as follows:

	30 September 2023	31 December 2022
Advances given for purchase orders	30,558,373	15,636,037
Prepaid expense for the following months	20,803,161	3,941,919
Job advances	224,691	520,882
	<b>51,586,225</b>	<b>20,098,838</b>

As of 30 September 2023 and 31 December 2022, long term prepaid expenses as follows:

	30 September 2023	31 December 2022
Advances given	226,651,613	390,314,940
	<b>226,651,613</b>	<b>390,314,940</b>

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### 18 Financial investments

As of 30 September 2023 and 31 December 2022, financial investments are as follows:

	30 September 2023	31 December 2022
Restricted accounts	121,644,787	345,804,691
- Interest reserve account related to Eurobond *	121,644,787	345,804,691
Currency protected deposits **	164,622,806	9,539,973
	<b>286,267,593</b>	<b>355,344,664</b>

\* The Company shall, so long as any Note remains outstanding, fund the interest reserve account on a monthly basis and maintain the required balance given the amount of upcoming interest payment. The amount standing in the account will gradually increase and finally be equal to debt service amount on the date of debt service.

\*\* Includes fair value accrual amounting to TL 7,930,762 and recognized in income from investment activities.

### 19 Financial income and expense

The details of finance income for the year ended 30 September 2023 and 2022 is as follows:

	1 January- 30 September 2023	1 January- 30 September 2022
Foreign exchange income arising from financing activities	467,988,248	357,017,835
Income arising from Eurobond buy-back	73,008,252	-
Interest income	58,931,976	190,531,844
Interest income from related parties	19,937,848	1,267,301
Income from derivative transactions	10,402,200	-
Other	3,441,713	276,143
	<b>633,710,237</b>	<b>549,093,123</b>

The details of financial expenses for the year ended 30 September 2023 and 2022 is as follows:

	1 January- 30 September 2023	1 January- 30 September 2022
Foreign exchange losses arising from financing activities *	(2,640,827,894)	(870,297,491)
Foreign exchange losses transferred from equity *	(2,102,529,954)	(122,320,001)
Bond interest expenses	(795,777,228)	(520,480,946)
Bank commission and other expenses	(8,422,037)	(4,226,760)
Right of use obligations interest expenses (Note 14.2)	(7,527,419)	(4,801,751)
	<b>(5,555,084,532)</b>	<b>(1,522,126,949)</b>

\* Includes unrealised foreign exchange losses amounting to TL 4,287,580,725 related to Eurobond payable for the period 2025-2027, for which there is no principal payment obligation in the current period.

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### 20 Taxation on income

#### *Deferred tax liabilities*

The movement of deferred tax liability is as follows:

	2023	2022
<b>Opening balance (1 January)</b>	<b>4,431,914,609</b>	<b>2,485,110,016</b>
Recognized in other comprehensive income	(265,668,586)	(570,701,018)
Recognised in profit or loss	(385,348,708)	344,835,249
<b>Closing balance (30 September)</b>	<b>3,780,897,315</b>	<b>2,259,244,247</b>

As of 30 September 2023 and 31 December 2022, the breakdown of deferred tax liabilities is as follows:

	30 September 2023	31 December 2022
Provisions for retirement pay liability	16,193,779	7,132,405
Provision for litigation	2,970,018	2,492,091
Rediscount on payables	(3,746,815)	(5,227,173)
Amortized cost adjustment for financial borrowings	(68,076,756)	(42,954,215)
Property, plant and equipment and intangible assets	184,943,323	104,562,764
Increase in value of tangible assets	(5,635,330,226)	(5,635,330,226)
Effect of capitalized borrowing costs in profit or loss statement	763,763,187	595,558,355
Deferred tax asset from carry forward tax losses	909,364,098	529,756,057
Expensing of foreign exchange differences related to advances	30,201,891	-
Other	18,820,186	12,095,333
	<b>(3,780,897,315)</b>	<b>(4,431,914,609)</b>

### 21 Events after the reporting period

Within the scope of the repurchase buy-back decision taken by our Board of Directors on May 11, 2022, Eurobonds with a total nominal value of USD 6,425,000 were repurchased between October 1, 2023 and November 7, 2023