

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

**Interim Condensed Consolidated Financial Statements  
As at and For The Nine - Month Period Ended  
30 September 2021**

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

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**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Interim condensed consolidated statement of financial position**  
**as at 30 September 2021**

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

		<b>Unaudited</b>	<b>Audited</b>
	<b>Notes</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>ASSETS</b>			
<b>Current Assests</b>			
Cash and Cash Equivalents	3	1,104,864,138	145,525,078
Trade Receivables		22,905,010	54,936,204
- <i>Due from Related Parties</i>	5	209,363	505,386
- <i>Due from Third Parties</i>	6	22,695,647	54,430,818
Other Receivables		19,907,981	95,261,788
- <i>Due from Related Parties</i>	5	10,303,973	54,715,013
- <i>Due from Third Parties</i>	7	9,604,008	40,546,775
Inventories	8	9,050,140	8,526,379
Other Current Assets		16,658,423	21,068,090
<b>Total Current Assets</b>		<b>1,173,385,692</b>	<b>325,317,539</b>
<b>Non-Current Assets</b>			
Other Receivables		2,300,252	2,009,915
Property, Plant and Equipments	9.1	11,567,078,092	11,812,559,374
Right of Use Assets	9.2	14,299,170	12,692,371
Intangible Assets	10	299,155,111	304,154,447
Other Non-current Assets		36,056,005	13,964,544
<b>Total Non-Current Assets</b>		<b>11,918,888,630</b>	<b>12,145,380,651</b>
<b>TOTAL ASSETS</b>		<b>13,092,274,322</b>	<b>12,470,698,190</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 2021**

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

		<b>Unaudited</b>	<b>Audited</b>
	<b>Notes</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-term Liabilities of Long-term Financial Liabilities	13	496,310,358	742,297,806
Lease Liabilities	13	3,293,750	5,163,541
Trade Payables		32,135,782	49,644,359
- Due to Related Parties	5	5,101,926	2,134,935
- Due to Third Parties	6	27,033,856	47,509,424
Other Payables		3,330,335	78,278,640
- Due to Related Parties	5	-	8,080,612
- Due to Third Parties	7	3,330,335	70,198,028
Liabilities for Employee Benefits	12	1,366,904	1,766,566
Current Provisions		14,830,308	16,252,613
- Short-term Provisions for Employee Benefits	11.1	4,204,126	3,188,285
- Other Short-term Provisions	11.1	10,626,182	13,064,328
Other Current Liabilities		31,658,418	14,063,067
<b>Total Current Liabilities</b>		<b>582,925,855</b>	<b>907,466,592</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities	13	6,049,622,387	4,186,643,526
Lease Liabilities	13	10,497,652	11,219,215
Other Payables		69,965,626	64,061,421
- Due to Related Parties	5	69,965,626	64,061,421
Non-current Provisions		11,144,558	8,122,907
- Long-Term Provisions for Employee Benefits	11.4	11,144,558	8,122,907
Deferred Tax Liabilities		1,206,684,573	1,400,332,535
<b>Total Non-current Liabilities</b>		<b>7,347,914,796</b>	<b>5,670,379,604</b>
<b>TOTAL LIABILITIES</b>		<b>7,930,840,651</b>	<b>6,577,846,196</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 2021**

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>Notes</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>EQUITY</b>		
Paid-in Capital	705,000,000	700,000,000
Share Premium / Discount	91,418,338	51,319,818
Restricted Reserves	1,523,866	1,523,866
<b>Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods</b>	6,304,557,114	6,480,576,181
- Gains on Revaluation of Property, Plant and Equipment	6,301,936,319	6,477,727,452
- Actuarial (Losses)/Gains on Defined Benefit Plans	2,620,795	2,848,729
<b>Other Comprehensive Income that may be reclassified to loss or profit in subsequent periods</b>	(784,580,139)	-
- Reserve of (Losses) Gains on Cash Flow Hedge	(784,580,139)	-
Accumulated Losses	(1,164,776,738)	(773,286,902)
Net Profit / (Loss) for the Period	8,291,230	(567,280,969)
<b>Equity Attributable to Equity Holders of the Parent</b>	<b>5,161,433,671</b>	<b>5,892,851,994</b>
<b>Total Equity</b>	<b>5,161,433,671</b>	<b>5,892,851,994</b>
<b>Total Equity and Liabilities</b>	<b>13,092,274,322</b>	<b>12,470,698,190</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 month period ended 30 September 2021 and 2020**

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

	Notes	Unaudited		Unaudited	
		1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
<b>Loss or Profit Statement</b>					
Revenue	4	906,156,962	276,502,838	1,117,720,381	289,187,591
Cost of Sales (-)		(519,593,729)	(177,851,355)	(436,720,320)	(152,126,899)
<b>Gross Profit</b>		<b>386,563,233</b>	<b>98,651,483</b>	<b>681,000,061</b>	<b>137,060,692</b>
General Administrative Expenses (-)		(70,713,577)	(17,544,277)	(92,173,372)	(21,905,390)
Selling and Marketing Expenses (-)		-	-	(69,577)	(14,992)
Other Operating Income		4,874,319	92,686	2,615,901	(611,605)
Other Operating Expenses (-)		(6,697,447)	(5,223,540)	(13,450,716)	(7,791,047)
<b>Operating Profit</b>		<b>314,026,528</b>	<b>75,976,352</b>	<b>577,922,297</b>	<b>106,737,658</b>
Gains from Investing Activities		2,110,586	561,929	9,516,451	1,483,495
Loss of Investment Accounted Under Equity Method (-)		-	-	(7,293,727)	-
<b>Net Investing Activity Gain</b>		<b>2,110,586</b>	<b>561,929</b>	<b>2,222,724</b>	<b>1,483,495</b>
Finance Income		108,155,827	35,968,581	82,229,120	57,761,705
Finance Expense (-)		(395,866,038)	(146,736,463)	(1,674,266,127)	(798,561,773)
<b>Net Finance Expense</b>		<b>(287,710,211)</b>	<b>(110,767,882)</b>	<b>(1,592,037,007)</b>	<b>(740,800,068)</b>
<b>Gain / (Loss) Before Tax</b>		<b>28,426,903</b>	<b>(34,229,601)</b>	<b>(1,011,891,986)</b>	<b>(632,578,915)</b>
<b>Tax (Expense) / Income</b>		<b>(20,135,673)</b>	<b>(13,455,041)</b>	<b>210,795,313</b>	<b>135,131,353</b>
- Current Tax Expense (-)		(17,581,616)	(17,581,616)	-	-
- Deferred Tax (Expense) / Income		(2,554,057)	4,126,575	210,795,313	135,131,353
<b>Net Income / (Loss) for the Period</b>		<b>8,291,230</b>	<b>(47,684,642)</b>	<b>(801,096,673)</b>	<b>(497,447,562)</b>
<b>Gain / (Loss) Attributable To:</b>					
Equity Holders of the Parent		8,291,230	(47,684,642)	(801,096,673)	(497,447,562)
<b>Gain / (Loss) Earnings per share</b>					
- (Loss) Earnings Per Share		0.01	(0.07)	(1.15)	(0.71)
<b>Other Comprehensive Income</b>					
- that will not be Reclassified to Loss or Profit in Subsequent Periods		(227,934)	1,131,484	1,085,186	(1)
- Actuarial (Losses)/Gains on Defined Benefit Plans		(284,918)	1,414,355	1,356,483	(1)
- Tax Related to Other Comprehensive Income that will not be Reclassified to Loss or Profit		56,984	(282,871)	(271,297)	-
- that may be Reclassified to Loss or Profit in Subsequent Periods		(784,580,139)	(97,752,321)	-	-
- Reserve of (Losses) Gains on Cash Flow Hedge		(980,725,174)	(122,190,401)	-	-
- Tax Related to Other Comprehensive Income that will be Reclassified to Loss or Profit		196,145,035	24,438,080	-	-
<b>Other Comprehensive Income</b>		<b>(784,808,073)</b>	<b>(96,620,837)</b>	<b>1,085,186</b>	<b>(1)</b>
<b>Total Comprehensive Income</b>		<b>(776,516,843)</b>	<b>(144,305,479)</b>	<b>(800,011,487)</b>	<b>(497,447,563)</b>
Equity Holders of the Parent		(776,516,843)	(144,305,479)	(800,011,487)	(497,447,563)

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 2021 and 2020**

(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 Premium / Discount (***)	Restricted Reserves	Gains on Revaluation of Property, Plant and Equipment	Actuarial Gains/(Losses) on Defined Benefit Plans	Investments Accounted by the Equity Method	Reserve of Gains (Losses) on Cash Flow Hedge	Effect of Carve-out Transactions	Accumulated Losses (*)	Net (Loss) / Profit for the Period	Equity Holders of the Parent	Total Non-Controlling Interests	Total Equity
<b>Balance as of 1 September 2020</b>	<b>700,000,000</b>	<b>1,359,974,498</b>	<b>1,523,866</b>	<b>4,620,295,700</b>	<b>66,198</b>	<b>49,255,423</b>	-	<b>217,330,952</b>	<b>(1,956,908,153)</b>	<b>(571,112,310)</b>	<b>4,420,426,174</b>	-	<b>4,420,426,174</b>
Transfer of Carve-out Effect to Accumulated Losses (Note 2)	-	-	-	-	-	-	-	(217,330,952)	217,330,952	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	(571,112,310)	571,112,310	(801,096,673)	-	(801,096,673)
Net Loss for the Period	-	-	-	-	-	-	-	-	-	(806,083,831)	(801,096,673)	-	(801,096,673)
Other Comprehensive Income / (Expense)	-	-	-	-	1,085,186	-	-	-	-	-	1,085,186	-	1,085,186
<b>Total Comprehensive Income</b>	-	-	-	-	<b>1,085,186</b>	-	-	-	-	<b>(806,083,831)</b>	<b>(800,011,487)</b>	-	<b>(800,011,487)</b>
Share Premium (*)	-	(1,310,500,000)	-	-	-	-	-	-	1,310,500,000	-	-	-	-
Effect of Sale of Associate	-	1,845,320	-	-	-	(47,744,350)	-	-	47,744,350	-	1,845,320	-	1,845,320
Depreciation Transfers Related to Revaluation of Property, Plant and Equipment	-	-	-	(169,903,100)	-	(1,511,073)	-	-	171,414,173	-	-	-	-
<b>Balance as of 30 September 2020</b>	<b>700,000,000</b>	<b>51,319,818</b>	<b>1,523,866</b>	<b>4,450,392,600</b>	<b>1,151,384</b>	-	-	-	<b>(781,030,988)</b>	<b>(806,083,831)</b>	<b>3,622,260,007</b>	-	<b>3,622,260,007</b>
	-	-	-	(1,593,483)	-	-	-	-	-	-	-	-	-
<b>Balance as of 1 September 2021</b>	<b>700,000,000</b>	<b>51,319,818</b>	<b>1,523,866</b>	<b>6,477,727,452</b>	<b>2,848,729</b>	-	-	-	<b>(773,286,902)</b>	<b>(567,280,969)</b>	<b>5,892,851,994</b>	-	<b>5,892,851,994</b>
Transfers	-	-	-	-	-	-	-	-	(567,280,969)	567,280,969	-	-	-
Net Income for the Period	-	-	-	-	-	-	-	-	-	8,291,230	8,291,230	-	8,291,230
Other Comprehensive Income / (Expense)	-	-	-	-	(227,934)	-	(784,580,139)	-	-	-	(784,808,073)	-	(784,808,073)
<b>Total Comprehensive (Expense) / Income</b>	-	-	-	-	<b>(227,934)</b>	-	<b>(784,580,139)</b>	-	-	<b>8,291,230</b>	<b>(776,516,843)</b>	-	<b>(776,516,843)</b>
Capital Increase (**)	5,000,000	-	-	-	-	-	-	-	-	-	5,000,000	-	5,000,000
Share Premium (***)	-	40,098,520	-	-	-	-	-	-	-	-	40,098,520	-	40,098,520
Depreciation Transfers Related to Revaluation of Property, Plant and Equipment	-	-	-	(175,791,133)	-	-	-	-	175,791,133	-	-	-	-
<b>Balance as of 30 September 2021</b>	<b>705,000,000</b>	<b>91,418,338</b>	<b>1,523,866</b>	<b>6,301,936,319</b>	<b>2,620,795</b>	-	<b>(784,580,139)</b>	-	<b>(1,164,776,738)</b>	<b>8,291,230</b>	<b>5,161,433,671</b>	-	<b>5,161,433,671</b>

(\*) In accordance with the third sub article of article numbered 519 of Turkish Commercial Code, The Group Management decided to transfer the share premiums amounting to TL 1,310,500,000 to offset accumulated losses with general assembly decision taken on 26 February 2020.

(\*\*) With the decision of the Board of Directors dated 26 April 2021 and numbered 11, the Company's issued capital increased by TL 5,000,000 in cash and was registered with the Turkish Trade Registry Gazette dated 10 June 2021 and numbered 10346.

(\*\*\*) 5,000,000 shares of the Company with a nominal value of 1 TL were offered to the public on 29 April 2021 and were sold at TL 9.9 per share. The amount of TL 5,000,000 was used in the capital increase and the remaining portion was recorded in the "Share Premium/ (Discounts)" account. Expenses amounting to TL 4,401,480 incurred within the scope of initial public offering was deducted from Share Premium/ (Discount) within the scope of IAS 32.

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 2021 and 2020**  
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

Notes	1 January - 30 September 2021	1 January - 30 September 2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>806,277,674</b>	<b>879,401,176</b>
<b>Net Income / (Loss) for the Period</b>	<b>8,291,230</b>	<b>(801,096,673)</b>
<i>Adjustment to Reconcile Net (Loss) / Income</i>	<b>724,636,544</b>	<b>1,703,476,130</b>
Adjustment Related to Amortization and Depreciation	9-10 329,972,512	267,345,120
Adjustment Related to Provisions	6-11 1,742,083	3,125,755
Adjustment Related to Incomes / (Expenses) of Interest, Net	327,107,810	287,935,684
Adjustment Related to Tax Income / (Expense)	20,135,673	(209,121,504)
Adjustment Related to Income or (Loss) of Investments Accounted Under Equity Method	-	7,293,727
Adjustment Related to Exchanges Differences	47,789,052	1,356,413,799
Adjustment Related to Gains of Sales of Tangible & Intangible Assets, Net	(1,135,315)	(3,534,160)
Other Adjustments to Reconcile Net (Loss) / Income	(975,271)	(5,982,291)
<b>Change in Working Capital</b>	<b>73,716,430</b>	<b>(22,631,593)</b>
Adjustment Related to Increase / (Decrease) in Trade Receivables	31,970,069	41,672,276
Adjustment Related to Increase / (Decrease) in Other Receivables	55,509,641	10,285,200
Adjustment Related to Increase / (Decrease) in the Inventories	274,712	4,109,884
Adjustment Related to Increase / (Decrease) in Trade Payables	(17,508,578)	(15,768,608)
Adjustment Related to Increase / (Decrease) in Tax refunds paid	-	43,044
Adjustment Related to Increase / (Decrease) in Other Payables	1,955,695	(66,843,105)
Adjustment Related to Increase / (Decrease) in Liabilities for Employee Benefits	1,514,891	3,869,716
<b>Cash Flows From Operations</b>	<b>806,644,204</b>	<b>879,747,864</b>
Employee Termination Benefit Paid	11.4 (366,530)	(346,688)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(136,341,812)</b>	<b>(102,976,413)</b>
Interest Received	4,343,902	2,008,922
Inflow Related to Sales of Tangible and Intangible Assets	2,182,640	5,238,615
Outflow Related to Purchase of Tangible and Intangible Assets	9-10 (78,048,354)	(45,403,950)
Outflow Related to Payment of Debts to the Privatization Administration	(64,820,000)	(64,820,000)
<b>C. CASH FLOWS FROM FINANCIAL ACTIVITIES</b>	<b>289,403,198</b>	<b>(285,706,671)</b>
Cash Inflow Related to Proceeds from Borrowings	13 6,207,944,950	77,784,000
Cash Outflow Related to Repayment of Borrowings	13 (5,707,089,212)	(161,356,151)
Cash Outflow Related to Lease Liabilities	(7,488,090)	(4,870,503)
Cash Inflow / (Outflow) Related to Repayment of Related Party, net	(8,080,612)	-
Cash Inflow Related to Sale of the Entity's Own Share	40,098,520	-
Capital Increase	5,000,000	-
Interest Paid	13 (240,982,358)	(197,264,017)
<b>NET INCREASE / (DECREASE) CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>959,339,060</b>	<b>490,718,092</b>
<b>D. CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD</b>	<b>145,525,078</b>	<b>136,532,816</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>	<b>1,104,864,138</b>	<b>627,250,908</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 2021**

(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.

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”), bioenergy (“BIO”) 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 2021 and 31 December 2020, the Group's subsidiaries (“subsidiaries”) and their main business activities are as follows:

Subsidiaries	Location	Main Activities	Ownership Percentage	
			30 September 2021	31 December 2020
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%

The Group sold its 50% share in Yalova RES Elektrik Üretim A.Ş. (“Yalova”) to Aydem Holding on 30 June 2020. The Group does not have any associates as of 30 September 2021 and 31 December 2020.

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**for the nine-month period ended 30 September 2021**

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

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

As of 30 September 2021 and 31 December 2020, the number of employees of the Company and its subsidiaries and its associate are as shown in the table below:

The Company, its subsidiaries and associate	30 September 2021	31 December 2020
Aydem Yenilenebilir	541	519
Sarı Perakende	-	-
Ey-Tur	-	-
Başat	-	-
<b>Toplam</b>	<b>541</b>	<b>519</b>

**Laws / regulations affecting the business activities**

The Group is subject to the regulations and communiques issued by the Energy Market (EMRA) and obliged to carry out electricity generation and sales activities in accordance with the Electricity Market Law No.6446 dated 14 March 2013.

**List of Shareholders**

As of 30 September 2021 and 31 December 2020, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

Shareholders	30 September 2021		31 December 2020	
	TL	%	TL	%
Aydem Enerji Yatırımları A.Ş.	574,975,010	81.56%	699,975,010	81.56%
Publicly Traded	130,000,000	18.44%	-	-
Others	24,990	0.00%	24,990	0.00%
<b>Total</b>	<b>705,000,000</b>	<b>100%</b>	<b>700,000,000</b>	<b>100%</b>

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

**Approval of consolidated financial statements:**

The interim condensed consolidated financial statements prepared as of 30 September 2021 were authorized for publication by the Board of Directors on 8 November 2021. The General Assembly have the right to amend the interim condensed consolidated financial statements.

**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)

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

**2.1 Basic principles of presentation**

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) as issued by the International Accounting Standards Board (IASB).

In accordance with the IFRS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, “Interim Financial Reporting”. In this respect, the Group preferred to present its interim condensed consolidated financial statements as of September 30, 2021. The Group’s interim condensed consolidated financial statement does not include all disclosures and notes that should be included at year-end financial statements. Therefore, the interim condensed consolidated financial statements should be examined together with the 31 December 2020 year-end consolidated financial statements.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for power plants classified within property, plant and equipment that have been measured at fair value.

The Company 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. The interim condensed 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 IFRS.

**2.2 Basis of preparation of consolidated financial statements before January 1, 2020 and transition to consolidated financial statements**

After the restructuring of the Group in 2019, the main and sole activity of Aydem Yenilenebilir became the renewable energy generation. Aydem Yenilenebilir has terminated its operations in the power plant construction business in 2019 by selling the assets of the business to third parties and transferred the solar panel production business to a subsidiary of its ultimate parent through a spin-off transaction. In order to present the consolidated financial position and the results of operations solely of the renewable energy generation comparatively for the year 2019, the Group management decided to prepare the consolidated financial statements on a carve-out basis. Restructuring of the Group completed in 2019. Carve-out preparation assumptions and judgements stated below are totally related with the consolidated financial statements prepared before 1 January 2020.

Accordingly, the former subsidiaries of the Group; Yatağan Termik Enerji Üretim A.Ş. (“Yatağan”), Çates Elektrik Üretim A.Ş. (“Çates”), Panobel Elektrik Gereçleri A.Ş. (“Panobel”), Bereket Havacılık A.Ş. (“Havacılık”), MNA Enerji Üretim Mühendislik Sanayi ve Ticaret A.Ş. (“MNA”) and Temiz Enerji Teknolojileri Araştırma ve Geliştirme A.Ş. (“Temiz”) whose main activities were not the renewable energy have been excluded from and have not been consolidated in the accompanying consolidated financial statements. These subsidiaries have been transferred to Aydem Holding on 22 December 2017, 29 December 2017, 31 August 2019, 19 September 2019, 1 February 2019 and, 31 August 2019, respectively.

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

**2.2 Basis of preparation of consolidated financial statements before January 1, 2020 and transition to consolidated financial statements (continued)**

Additionally, the solar panel production (“Parla”) and construction business (“EPC”) which were operating within Aydem Yenilenebilir legal entity have been excluded from the consolidated financial statements through the allocation of items relating to the financial position and income statement based on the accounting records of the Company retrospectively. All revenues and costs as well as assets and liabilities which can be directly associated with these businesses are excluded from the consolidated financial statements. Since these were not previously reportable segments, some assumptions are used for the allocation and thus any difference between assets and liabilities transferred and the income statement items other than directly identifiable revenues and expenses, is recognised in consolidated statement of changes in equity.

Below are the assumptions and judgements used for the allocation of items regarding the Parla and EPC businesses:

- Cash and cash equivalents could not be allocated among the businesses and all cash outstanding is included in the consolidated financial statements.
- The carrying values of all trade and other receivables related to Parla and EPC have been identified and excluded from consolidated financial statements.
- The carrying values of all inventories related to Parla and EPC have been identified and excluded from consolidated financial statements.
- The carrying values of all property, plant and equipments and intangible assets of Parla and EPC have been identified and excluded from consolidated financial statements.
- The carrying values of all trade and other payables due to third parties have been identified and excluded from consolidated financial statements.
- Assets and financial liabilities arising from financial lease transactions related to Parla business have been identified and excluded from consolidated financial statements.
- Tax balances and charges could not be allocated among the businesses and therefore are all included in the consolidated financial statements.
- All revenues and cost of sales related to Parla and EPC businesses have been identified through the cost/profit centers in the accounting system and excluded from consolidated financial statements.

The difference between the identified assets and liabilities of Parla and EPC businesses in excess of the identified accumulated profit or loss has been recognized in the “Effect of carve-out Transactions” under equity which amounts to TL 217,330,952 as of 31 December 2019.

The assumptions and judgements stated above are totally related with the carve-out consolidated financial statements prepared before 1 January 2020. Since the restructuring of the Group has been completed as of 31 December 2019, the necessity to prepare the financial statements on a carve-out basis has been terminated starting from the first financial statements presented with the earliest period of 1 January 2020. Accordingly, the effect of carve-out transactions under equity amounting to TL 217,330,952 has been transferred to accumulated losses account as at 1 January 2020.

In that context, the accompanied interim consolidated financial statements of the Group are prepared on a consolidated basis.

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

### **2.3 Basis of Consolidation**

Interim condensed consolidated financial statements include the financial statements of the company and its subsidiaries as of 30 September 2021. 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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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.

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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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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 IFRS 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 IFRS 9. Other contingent consideration that is not within the scope of IFRS 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.

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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.

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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 IFRS 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 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.



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

**2.4 Going Concern**

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

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

The accounting policies adopted in preparation of the consolidated financial statements as at September 30, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2021. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

**i) The new standards, amendments and interpretations which are effective as at January 1, 2021 are as follows:**

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16,
- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform,
- Relief from discontinuing hedging relationships,
- Separately identifiable risk components,
- Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 30 June 2021

The Group is in the process of assessing the impact of the amendments on 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 IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Proceeds before intended use
- Amendments to IAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- IFRS 17 - The new Standard for insurance contracts
- Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Annual Improvements – 2018–2020 Cycle

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

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

**2.6 Summary of significant accounting policies**

Preparation of consolidated financial statements in accordance with IFRS requires the use of certain assumptions and significant accounting estimates that will affect the consolidated financial statements and explanatory notes on assets and liabilities, contingent assets and liabilities and income and expense items. Although these estimates are based on management's best estimates of current events and actions, actual results may differ from estimates made. Complicated assumptions and estimates that require more advanced interpretation can have a significant impact on the financial statements. The assumptions and significant accounting estimates used in the preparation of the three-month interim condensed consolidated financial statements that ended as of 30 September 2021 did not change from those used in the previous year.

**Property, plant and equipment**

*Accounting and measurement*

The Group, has adopted the revaluation method in accordance with IAS 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.

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 equipments consisting of the power plant as of 31 December 2020 and performed a detailed impairment analysis as of 30 September 2021. The Renewable Energy Group consist of power plants below:

- Çırakdamı HPP, Dereli HPP, Kızıldere GPP, Arnaz WPP, Arova WPP, Söke WPP, Bereket I-II HPP, Dalaman I-V HPP, Gökyar HPP, Feslek HPP, Koyulhisar HPP, LFG Bio Power Plant (“BPP”), Mentaş HPP, Toros HPP, Göктаş I-II HPP, Aksu HPP and Akıncı HPP.

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.

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

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

The estimated useful lives of the significant property, plant and equipments as of 30 September 2021 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.

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 equipments, 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 licenses and computer softwares.

**Right to Operate Licences**

The 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 Softwares**

Computer softwares 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.

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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.

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

**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 IAS 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. AYDEM has outstanding USD debt due to power plant investments. The company also experiences significant sales revenue in USD.

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 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 loan payments. Moreover, the forecasted USD inflows vs scheduled USD loan 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 loans. The Company is implementing Hedge Accounting under IFRS 9 to reflect its economic hedges onto financial reporting:

<b>Hedge Accounting Component</b>	<b>Definition</b>
<b>Hedged Item</b>	Forecasted future USD cash inflows due to FIT incentive
<b>Hedging Instrument</b>	USD denominated loans
<b>Hedged Risk</b>	Foreign exchange risk of forecasted future USD cash inflows due to FIT incentive

As of designation date 2 August 2021, the amount of forecasted revenue under FIT is USD 764,514,572 where as the total notional of the USD denominated loans is USD 750,000,000.

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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:

- Effective portion of the fair value of the hedging instrument (USD denominated loans) is deferred 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
- Realized hedged item and hedging instruments are included in revenue and debt payments in the periods they are recognized
- Gains and losses deferred in OCI, remain in OCI until realization the cash flows associated with hedged item occur. If the cash flows do not occur or will not occur, then the corresponding ‘previously effective’ figures from OCI are recycled to consolidated statement of profit or loss.

As of 30 September 2021, the hedge relationship has been measured as %97,356 effective. Accordingly, the foreign exchange losses incurred between the designation date and the closing date amounting to TL 980,725,174 has been treated as follows:

<b>Foreign Exchange Losses relating to USD Loans</b>	<b>20 March – 30 September 2021</b>
<b>Recognized in OCI</b>	TL 980,725,173
<b>Recognized in profit or loss (ineffective portion)</b>	TL 23,058,823
<b>Total</b>	TL 1,003,783,996

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.

**2.8 Seasonal changes in the operations**

The operations of the Group are not subject to seasonal fluctuations.

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**3 Cash and Cash Equivalents**

	<b>30 September 2021</b>	<b>30 September 2020</b>
Cash	7,584	-
Cash at Banks	1,104,856,554	145,525,078
- Demand Deposits	4,957,954	19,600,621
- Time Deposits	1,099,898,600	125,924,457
	<b>1,104,864,138</b>	<b>145,525,078</b>

As of 30 September 2021, the interest rate of the Group’s term TL denominated time deposits amounting is between 17.50% to 18.32% (31 December 2020: between 12% to 17.31%); US Dollars denominated time deposits amounting interest rate is between 0.05% to 1.40% (31 December 2020: between 0.15% to 1%).

**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 BIO. The Group management considers that it is appropriate to report the segments based on this aggregation, to monitor the financial performance.

The reportable segments of the Group are monitored based on the electricity generation type of power plants by the Group management. The decision making related to funding allocation and requirements are also managed based on these projects. 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.

The accounting policies adopted by each of the reportable segments are consistent with IFRS 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 2021</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>BIO Power Plant</b>	<b>Other (*)</b>	<b>Unallocated (**)</b>	<b>Consolidated</b>
Segment Assets	10,564,087,391	1,142,485,499	5,793,115	259,536	4,983,583	1,374,665,199	13,092,274,323
Segment Liabilities	6,389,138,300	509,044,964	2,715,828	925,604	3,055	1,029,012,900	7,930,840,651
<b>31 December 2020</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>BIO Power Plant</b>	<b>Other (*)</b>	<b>Unallocated (**)</b>	<b>Consolidated</b>
Segment Assets	10,752,460,036	1,201,419,000	10,130,000	807,000	4,938,360	500,943,794	12,470,698,190
Segment Liabilities	5,882,723,054	449,806,823	2,772,812	925,604	7,816	241,610,087	6,577,846,196

Segment assets are composed of its power plants and segment liabilities are composed of its financial liabilities.

(\*) Includes assets and liabilities of Sari Perakende whose main business activity is trading of electricity.

(\*\*) 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**

<b>1 January - 30 September 2021</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>BIO Power Plant</b>	<b>Total Renewable Energy</b>	<b>Unallocated (*)</b>	<b>Consolidated</b>
Revenues	643,189,223.0	234,724,868.0	4,751,723.0	1,270,156.0	883,935,970.0	22,220,992	906,156,962
- Revenues from Feed in Tariff (FIT)	517,635,922	234,724,868	-	1,270,156	753,630,946	-	753,630,946
- Other than FIT (*)	125,553,301	-	4,751,723	-	130,305,024	22,220,992	152,526,016
Cost of Sales (-)	(394,892,640)	(133,429,503)	(8,349,028)	(1,863,143)	(538,534,314)	18,940,585	(519,593,729)
Operational Expenses (-) (including Other expense and income)	(2,563,206)	(571,596)	(57,967)	(109,539)	(3,302,308)	(69,234,397)	(72,536,705)
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>245,733,377</b>	<b>100,723,769</b>	<b>(3,655,272)</b>	<b>(702,526)</b>	<b>342,099,348</b>	<b>(28,072,820)</b>	<b>314,026,528</b>
Add-back, Depreciation & Amortization Expenses (-)	252,455,788	68,458,554	4,344,831	582,798	325,841,971	4,130,541	329,972,512
<b>Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (**)</b>	<b>498,189,165</b>	<b>169,182,323</b>	<b>689,559</b>	<b>(119,728)</b>	<b>667,941,319</b>	<b>(23,942,279)</b>	<b>643,999,040</b>
Gains from Investing Activities	-	-	-	-	-	2,110,586	2,110,586
Finance Income	-	-	-	-	-	108,155,827	108,155,827
Finance Expense (-)	-	-	-	-	-	(395,866,038)	(395,866,038)
Tax Income / (Expense)	-	-	-	-	-	(20,135,673)	(20,135,673)
Depreciation & Amortization Expenses (-)	(252,455,788)	(68,458,554)	(4,344,831)	(582,798)	(325,841,971)	(4,130,541)	(329,972,512)
<b>Net Income for the Period</b>							<b>8,291,230</b>

(\*) Revenues mainly consist of carbon emission trade amounting to TL 18,726,805 (Emission trade is a mechanism that provides economic incentives to reduce the emissions of greenhouse gases that cause global warming). General administration expenses mainly consist of personnel expenses.

(\*\*) 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)**

<b>1 January - 30 September 2020</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>BIO Power Plant</b>	<b>Total Renewable Energy</b>	<b>Unallocated (*)</b>	<b>Consolidated</b>
Revenues	924,122,359.0	182,815,020.0	4,528,057.0	2,281,257.0	1,113,746,693.0	3,973,688	1,117,720,381
- Revenues from Feed in Tariff (FIT)	804,441,058	182,815,020	4,528,057	2,281,257	994,065,392	-	994,065,392
- Other than FIT (*)	119,681,301	-	-	-	119,681,301	3,973,688	123,654,989
Cost of Sales (-)	(320,965,484)	(103,228,411)	(4,490,394)	(8,941,053)	(437,625,342)	905,022	(436,720,320)
Operational Expenses (-) (including Other expense and income)	(9,002,663)	(2,288,243)	(402,200)	(3,671,916)	(15,365,022)	(87,712,742)	(103,077,764)
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>594,154,212</b>	<b>77,298,366</b>	<b>(364,537)</b>	<b>(10,331,712)</b>	<b>660,756,329</b>	<b>(82,834,032)</b>	<b>577,922,297</b>
Add-back, Depreciation & Amortization Expenses (-)	194,874,246	58,886,225	2,368,497	7,912,346	264,041,314	3,303,806	267,345,120
<b>Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (**)</b>	<b>789,028,458</b>	<b>136,184,591</b>	<b>2,003,960</b>	<b>(2,419,366)</b>	<b>924,797,643</b>	<b>(79,530,226)</b>	<b>845,267,417</b>
Gains from Investing Activities	-	-	-	-	-	9,516,451	9,516,451
Loss of Investment Accounted Under Equity Method (-)	-	(7,293,727)	-	-	(7,293,727)	-	(7,293,727)
Finance Income	-	-	-	-	-	82,229,120	82,229,120
Finance Expense (-)	-	-	-	-	-	(1,674,266,127)	(1,674,266,127)
Tax Income / (Expense)	-	-	-	-	-	210,795,313	210,795,313
Depreciation & Amortization Expenses (-)	(194,874,246)	(58,886,225)	(2,368,497)	(7,912,346)	(264,041,314)	(3,303,806)	(267,345,120)
<b>Net Loss for the Period</b>							<b>(801,096,673)</b>

(\*) General administration expenses mainly consist of personnel expenses, consultancy expenses and information technologies cyber security services and management fees.

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

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**5 Related party disclosures**

**5.1 Related party balances**

As of 30 September 2021 and 31 December 2020, short-term trade receivables due from related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
ADM Elektrik Dağıtım A.Ş. ("Adm EDAŞ") (1)	-	505,386
Other	209,363	-
	<b>209,363</b>	<b>505,386</b>

As of 30 September 2021 and 31 December 2020, short-term other receivables due from related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Aydem Holding A.Ş. (Aydem Holding) (1) (*)	10,303,973	49,829,532
Entek (2)	-	4,885,481
	<b>10,303,973</b>	<b>54,715,013</b>

(\*) As of 30 September 2021, it consists of receivables related to the sale of 50% shares belonging to Yalova Karacabey.

As of 30 September 2021 and 31 December 2020, short-term trade payables due to related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Aydem Holding (1) (**)	2,275,933	873,742
Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") (1) (***)	1,645,275	1,038,196
GDZ Enerji Yatırımları A.Ş. ("GDZ Enerji") (1)	973,772	218,710
Other	206,946	4,287
	<b>5,101,926</b>	<b>2,134,935</b>

(\*\*) Consists of personnel services, management fees which reflected and common expense invoices related to the public offering and the consultancy service for Eurobond.

(\*\*\*) Consists of payables related to electricity operations.

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**5 Related party disclosures (continued)**

**5.1 Related party balances (continued)**

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

(1) Parent company and its subsidiaries.

(2) Other group companies and other persons controlled by the shareholders of the parent company.

The executive management team of the Group is comprised of general manager and directors. For the three month periods ended 30 September 2021 and 2020, the sum of short-term benefits, such as remuneration and attendance fees, provided to key management executives personnel is as follows:

As of 30 September 2021 and 31 December 2020, short-term other payables due to related parties are as follows:

	30 September 2021	31 December 2020
Bereket Tedarik (1)	-	2,618,811
Zeki Atilla AKALIN (2) (*)	-	5,461,801
	-	<b>8,080,612</b>

(\*) As of 31 December 2020, the balance consist of the payables arising from the acquiring the non-controlling shares at Karhes from Zeki Atilla AKALIN. Short term other payables due to related parties paid in 2021.

As of 30 September 2021 and 31 December 2020 long-term other payables to related parties are as follows:

	30 September 2021	31 December 2020
Aydem EPSAŞ (1) (*)	69,965,626	64,061,421
	<b>69,965,626</b>	<b>64,061,421</b>

(\*\*) Consist of Acquisition of Düzce through under common control business transaction. The payment term is 27 June 2029 according to agreement signed between the Aydem Yenilenebilir and Aydem EPSAŞ.

**5.2 Related party transactions**

For the year ended 30 September 2021 and 2020, income and expense transactions with related parties are as follows:

Electricity Sales and Other Sales	1 January - 30 September 2021	1 January - 30 September 2020
Aydem EPSAŞ (1) (*)	31,235,704	21,949,919
Holdco (1) (**)	5,936,451	
Entek (2)	401,941	751,201
Parla Solar Hücre ve Panel Üretim A.Ş. (Parla) (1)	124,101	249,093
Gediz EPSAŞ (1)	19,872	89,922,263
Diğer	751,829	1,535,745
	<b>38,467,493</b>	<b>114,408,221</b>

(\*) Consist of imbalance and group savings invoices issued by Aydem Yenilenebilir.

(\*\*) Consists of legal consultancy reflection invoices within the scope of public offering.

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**5 Related party disclosures (continued)**

**5.2 Related party transactions (continued)**

<b>Purchase of Electricity and Services</b>	<b>1 January - 30 September 2021</b>	<b>1 January - 30 September 2020</b>
Aydem Holding (1) (*)	25,453,199	35,157,342
Aydem EPSAŞ (1) (**)	24,120,648	25,377,832
GDZ Enerji (1)	3,645,504	1,843,142
Parla Solar Hucre ve Panel Üretim A.Ş. (Parla) (1)	3,420,606	8,919
Adm EDAŞ (1)	2,705,209	4,388,641
Entek Elektrik İnşaat A.Ş. ("Entek") (2)	1,174,256	7,874
Holdco (1)	755,405	-
Yeni Filo A.Ş.(2)	699,515	1,042,659
Aydem Yapı Gayrimenkul A.Ş. (2)	-	125,549
Diğer	39,068	30,975
	<b>62,013,410</b>	<b>67,982,933</b>

(\*) The amount consists of management fee charged by Aydem Holding. Management fee aroused from the restructuring and law consultancy given by Aydem Holding.

(\*\*) The group consists of imbalance, electricity bill and head office rent expenses.

<b>Finance Income</b>	<b>1 January - 30 September 2021</b>	<b>1 January - 30 September 2020</b>
Aydem Holding (1)	5,953,766	-
Diğer	38,652	314,908
	<b>5,992,418</b>	<b>314,908</b>

<b>Finance Expenses</b>	<b>1 January - 30 September 2021</b>	<b>1 January - 30 September 2020</b>
Aydem Holding (1)	331,036	-
Gediz EPSAŞ (1)	-	734,148
Other	20,082	15,056
	<b>351,118</b>	<b>749,204</b>

<b>Benefits to key management personnel</b>	<b>1 January - 30 September 2021</b>	<b>1 January - 30 September 2020</b>
Benefits to key management personnel	6,532,991	3,644,187
	<b>6,532,991</b>	<b>3,644,187</b>

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**6 Trade receivables and payables**

**Short term trade receivables**

As of 30 September 2021 and 31 December 2020, the Group's short-term trade receivables are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Trade Receivables due from Related Parties (Note 5)	209,363	505,386
Trade Receivables due from Third Parties	27,533,054	59,207,100
	<b>27,742,417</b>	<b>59,712,486</b>
Less: Allowances for Doubtful Trade Receivables	(4,837,407)	(4,776,282)
	<b>22,905,010</b>	<b>54,936,204</b>

As of 30 September 2021, the average term of trade receivables is approximately 20-30 days (2020: 20-30 days)

As of 30 September 2021 and 31 December 2020, short-term trade receivables consist of the following items:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Income Accruals related to Electricity Sales (*)	17,929,383	41,781,414
Trade Receivables related to Electricity Sales	4,975,627	13,154,790
Doubtful Trade Receivables	4,837,407	4,776,282
Allowances for Doubtful Trade Receivables (-)	(4,837,407)	(4,776,282)
	<b>22,905,010</b>	<b>54,936,204</b>

(\*) It consists of the Company's unbilled receivables arising from the electricity sales.

The movement of provisions for doubtful receivables for the period ended 30 September 2021 and 30 September 2020 are as follows:

<b>Provisions for Doubtful Trade Receivable</b>	<b>2021</b>	<b>2020</b>
<b>Opening Balance</b>	4,776,282	4,715,147
Current Provision	77,809	100,392
Provisions No Longer Required	(16,684)	(19,789)
<b>Closing Balance</b>	<b>4,837,407</b>	<b>4,795,750</b>

The Group's exposure to credit risk is explained in Note 14.

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

**Short term trade receivables (continued)**

As of 30 September 2021 and 31 December 2020, The aging analysis of trade receivables are as follows:

						Past due but not impaired	Total past due but not impaired
	Total	Neither past due nor impaired	>30 days	30-60 days	60-90 days	>90 days	
30 September 2021	22,905,010	18,782,050	183,087	133,629	156,569	3,649,675	4,122,960
31 December 2020	54,936,204	50,431,842	386,076	119,405	2,918	3,995,963	4,504,362

**Short term trade payables**

As of 30 September 2021 and 31 December 2020, the Group's short-term trade payables are as follows:

	30 September 2021	31 December 2020
Trade Payables due from Related Parties (Note 5)	5,101,926	2,134,935
Trade Payables from Third Parties	27,033,856	47,509,424
	<b>32,135,782</b>	<b>49,644,359</b>

As of 30 September 2021, the average payment term of trade payables due to third parties is approximately 30-90 days (2020: 30-90 days)

As of 30 September 2021 and 31 December 2020, short-term trade payables from third parties consist of the following items:

	30 September 2021	31 December 2020
Trade Payables	22,429,586	37,947,884
Expense Accruals	4,604,270	9,557,352
Other Trade Payables	-	4,188
	<b>27,033,856</b>	<b>47,509,424</b>

The Group's exposure to liquidity and foreign currency risks related to its trade payables is explained in Note 14.

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**7 Other receivables and payables**

**Other short-term receivables**

As of 30 September 2021 and 31 December 2020, the Group's short-term other receivables are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Other Receivables due from Related Parties (Note 5)	10,303,973	54,715,013
Other Receivables due from Third Parties	9,604,008	40,546,775
	<b>19,907,981</b>	<b>95,261,788</b>

As of 30 September 2021 and 31 December 2020, short-term other receivables from third parties consist of the following items:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Receivables from Tax Administration	6,393,119	12,772,312
Receivables arising from sale of subsidiaries	2,352,150	6,573,207
Deposits & Guarantees Given	671,106	93,935
Other Receivables	187,633	152,058
Income Accruals related to Insurance Compensations (*)	-	20,955,263
	<b>9,604,008</b>	<b>40,546,775</b>

(\*) This amount includes the compensation income accrual related to the loss of revenue due to the accident occurred in Göktaş-II power plant in 2019. All receivables were collected in 2021.

**Other long-term receivables**

As of 30 September 2021 and 31 December 2020, other long term receivables from third parties consist of the following items:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Other Receivables due from Third Parties	2,300,252	2,009,915
	<b>2,300,252</b>	<b>2,009,915</b>



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

**Other short-term payables**

As of 30 September 2021 and 31 December 2020, the Group's short-term other payables are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Other Payables due to Related Parties (Note 5)	-	8,080,612
Other Payables due to Third Parties	3,330,335	70,198,028
	<b>3,330,335</b>	<b>78,278,640</b>

As of 30 September 2021 and 31 December 2020, other short-term payables to third parties consist of the following items:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Short-Term Payables to Privatization Administration	-	68,891,350
Deposits and Guarantees Taken	245,623	245,620
Other Payables	3,084,712	1,061,058
	<b>3,330,335</b>	<b>70,198,028</b>

Details of payables to Privatization Administration is below:

Currency	Nature of payables	Maturity	30 September 2021	30 September 2020
TL	Payables to Privatization Administration	May 2021	-	68,891,350
<b>Total</b>			<b>-</b>	<b>68,891,350</b>

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## 8 Inventories

As of 30 September 2021 and 31 December 2020, inventories are composed of spare parts for property, plant and equipments:

	30 September 2021	30 September 2020
Spare Parts (*)	9,050,140	8,349,581
Advances Given	-	176,798
	<b>9,050,140</b>	<b>8,526,379</b>

(\*) Inventories consist of spare parts used in the maintenance of power plants.

As of 30 September 2021, there is no insurance coverage on the Group's inventories (31 December 2020: None).

As of 30 September 2021, there are no inventories presented as collateral for liabilities (31 December 2020: None).

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

### 9.1 Property, plant and equipments

Three month periods ending 30 September 2021 and 30 September 2020, 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 2020</b>	<b>12,983,687</b>	<b>11,985,730,101</b>	<b>97,104,923</b>	<b>30,844,044</b>	<b>12,126,662,755</b>
Additions	--	47,532,350	--	458,624	47,990,974
Disposals	--	--	--	(3,804,463)	(3,804,463)
<b>Cost or Valuation as of 30 September 2020</b>	<b>12,983,687</b>	<b>12,033,262,451</b>	<b>97,104,923</b>	<b>27,498,205</b>	<b>12,170,849,266</b>
<b>Accumulated Depreciation as of 1 January 2020</b>	<b>--</b>	<b>(2,556,418,662)</b>	<b>--</b>	<b>(15,573,551)</b>	<b>(2,571,992,213)</b>
Additions	--	(259,080,600)	--	(2,272,495)	(261,353,095)
Disposals	--	--	--	2,100,008	2,100,008
<b>Accumulated Depreciation as of 30 September 2020</b>	<b>--</b>	<b>(2,815,499,262)</b>	<b>--</b>	<b>(15,746,038)</b>	<b>(2,831,245,300)</b>
<b>Net book value as of 30 September 2020</b>	<b>12,983,687</b>	<b>9,217,763,189</b>	<b>97,104,923</b>	<b>11,752,167</b>	<b>9,339,603,966</b>
	Land	Power Plants(*)	Construction in Progress	Other	Total
<b>Cost or Valuation as of 1 January 2021</b>	<b>12,983,687</b>	<b>15,095,201,257</b>	<b>123,107,545</b>	<b>24,629,419</b>	<b>15,255,921,908</b>
Additions	40,000	75,249,102	185,528	3,514,120	78,988,750
Disposals	--	(1,975,458)	--	(328,929)	(2,304,387)
Transfers	--	--	(589,613)	575,619	(13,994)
<b>Cost or Valuation as of 30 September 2021</b>	<b>13,023,687</b>	<b>15,167,885,288</b>	<b>123,293,073</b>	<b>28,390,229</b>	<b>15,332,592,277</b>
<b>Accumulated Depreciation as of 1 January 2021</b>	<b>--</b>	<b>(3,430,267,259)</b>	<b>--</b>	<b>(13,095,275)</b>	<b>(3,443,362,534)</b>
Additions	--	(320,881,257)	--	(2,527,456)	(323,408,713)
Disposals	--	967,445	--	289,617	1,257,062
<b>Accumulated Depreciation as of 30 September 2021</b>	<b>--</b>	<b>(3,750,181,071)</b>	<b>--</b>	<b>(15,333,114)</b>	<b>(3,765,514,185)</b>
<b>Net book value as of 30 September 2021</b>	<b>13,023,687</b>	<b>11,417,704,217</b>	<b>123,293,073</b>	<b>13,057,115</b>	<b>11,567,078,092</b>

(\*) In 2021, rehabilitation investments were made in order to increase the durability of the power plant structures, to maintain the operation and environmental safety, and to reduce the impact of possible efficiency losses, the powerhouse protection wall, transmission channel rehabilitation, river basin arrangement, spillway evacuation projects.

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

**9.1 Property, plant and equipments (continued)**

As of 30 September 2021, there are pledges and mortgages on property, plant and equipments of the Group amounting to TL - and USD - in original currencies (31 December 2020: TL 3,172,003,251 and USD 730,000,000 in original currencies) in favor of lenders.

Total depreciation expense of property, plant and equipments amounting to TL 320,881,257 (30 September 2020: TL 259,080,600) has been reflected to cost of sales and amounting to TL 2,527,456 (30 September 2020: TL 2,272,495) 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.

**9.2 Right of uses**

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

As of 30 September 2021, movements in right of use assets during the period are as follows:

<b>Cost or Valuation as of 1 January 2021</b>	<b>21,244,253</b>
Additions	2,048,832
<b>Cost or Valuation as of 30 September 2021</b>	<b>23,293,085</b>
<b>Accumulated Depreciation as of 1 January 2021</b>	<b>(8,551,882)</b>
Additions	(442,033)
<b>Accumulated Depreciation as of 30 September 2021</b>	<b>(8,993,915)</b>
<b>Net book value as of 30 September 2021</b>	<b>14,299,170</b>

As of 30 September 2020, movements in right of use assets during the period are as follows:

<b>Cost or Valuation as of 1 January 2020</b>	<b>14,805,900</b>
Additions	4,651,458
<b>Cost or Valuation as of 30 September 2020</b>	<b>19,457,358</b>
<b>Accumulated Depreciation as of 1 January 2020</b>	<b>(2,464,860)</b>
Additions	(509,659)
<b>Accumulated Depreciation as of 30 September 2020</b>	<b>(2,974,519)</b>
<b>Net book value as of 30 September 2020</b>	<b>16,482,839</b>

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**10. Other 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 reduction.

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 IFRS 16. On the other hand, the Agreement is not accounted within the scope of IFRIC 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. Other intangible assets (continued)**

As of 30 September 2021 and 30 September 2020, movements of intangible assets are as follows

	<b>Licences</b>	<b>Operating rights</b>	<b>Softwares</b>	<b>Total</b>
<b>Cost as of 1 January 2021</b>	<b>3,211,232</b>	<b>324,100,000</b>	<b>3,992,066</b>	<b>331,303,298</b>
Additions	1,108,436	-	-	1,108,436
Transfers	13,994	-	-	13,994
<b>Cost as of 30 September 2021</b>	<b>4,333,662</b>	<b>324,100,000</b>	<b>3,992,066</b>	<b>332,425,728</b>
<b>Accumulated Depreciation as of 1 January 2021</b>	<b>(717,449)</b>	<b>(24,217,962)</b>	<b>(2,213,440)</b>	<b>(27,148,851)</b>
Additions	(912,008)	(4,960,714)	(249,044)	(6,121,766)
<b>Accumulated Depreciation as of 30 September 2021</b>	<b>(1,629,457)</b>	<b>(29,178,676)</b>	<b>(2,462,484)</b>	<b>(33,270,617)</b>
<b>Net book value as of 30 September 2021</b>	<b>2,704,205</b>	<b>294,921,324</b>	<b>1,529,582</b>	<b>299,155,111</b>
	<b>Licences</b>	<b>Operating rights</b>	<b>Softwares</b>	<b>Total</b>
<b>Cost as of 1 January 2020</b>	<b>2,640,114</b>	<b>324,100,000</b>	<b>5,651,829</b>	<b>332,391,943</b>
Additions	1,893,944	-	170,490	2,064,434
<b>Cost as of 30 September 2020</b>	<b>4,534,058</b>	<b>324,100,000</b>	<b>5,822,319</b>	<b>334,456,377</b>
<b>Accumulated Depreciation as of 1 January 2020</b>	<b>(1,684,727)</b>	<b>(17,603,676)</b>	<b>(3,776,830)</b>	<b>(23,065,233)</b>
Additions	(327,624)	(4,960,714)	(194,028)	(5,482,366)
<b>Accumulated Depreciation as of 30 September 2020</b>	<b>(2,012,351)</b>	<b>(22,564,390)</b>	<b>(3,970,858)</b>	<b>(28,547,599)</b>
<b>Net book value as of 30 September 2020</b>	<b>2,521,707</b>	<b>301,535,610</b>	<b>1,851,461</b>	<b>305,908,778</b>

Amortization expense of intangible assets amounting to TL 4,960,714 (30 September 2020: 4,960,714 TL) has been reflected to cost of sales, amortization expense of intangible assets amounting to TL 1,161,052 (30 September 2020: 521,652) 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 2021 and 31 December 2020, the breakdown of short-term provisions are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Provision for Litigations	10,626,182	13,064,328
Short-term Provisions for Employee Benefits	4,204,126	3,188,285
	<b>14,830,308</b>	<b>16,252,613</b>

Other short-term provisions consist of provisions for ongoing litigations of the Group. The movement table is as follows:

<b>Litigation Provisions Movement</b>	<b>2021</b>	<b>2020</b>
<b>Opening Balance</b>	13,064,328	11,931,184
Net change in provision within the period	(2,438,146)	358,445
<b>Closing Balance</b>	<b>10,626,182</b>	<b>12,289,629</b>

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

<b>Unused vacation provision movement</b>	<b>2021</b>	<b>2020</b>
<b>Opening Balance</b>	3,188,285	2,775,902
Net change in provision within the period	1,015,841	645,985
<b>Closing Balance</b>	<b>4,204,126</b>	<b>3,421,887</b>

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

**11.2 Contingent liabilities**

As of 30 September 2021 and 31 December 2020, the Group's collateral / pledge / mortgage (“CPM”) balances are as follows:

		30 September 2021	30 September 2020
	Currency	TL Amount	TL Amount
A. Guarantees given in the name of its own legal personality (*)	TL	-	3,172,003,251
	US Dollars	-	5,358,565,000
B. Guarantees given on behalf of the fully consolidated companies	TL	-	-
	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>8,530,568,251</b>

(\*) On June 26, 2019, the Company signed a common terms agreement (“CTA”) with six creditors to restructure its outstanding loans and standardize the common terms applicable to nine of its outstanding facility agreements. The loans with respect to Çırakdamı HPP, Dereli HPP and Göktaş HPPs were also restructured on 26 December 2019 and the terms of the CTA became applicable to the loans related to these power plants as well. The CTA was amended and restated on 26 December 2019 and Türkiye Garanti Bankası A.Ş. acceded to the CTA as a creditor. The Company has signed the following security documents as collateral of the CTA: (i) share pledge agreement, (ii) assignment of trade receivable agreement including receivables from EPIAŞ, (iii) account pledge agreement. According to the CTA, a commercial enterprise pledge on all of Company’s movable properties and a mortgage on all of Company’s immovable properties will be established in favor of 7 creditors. However, these agreements are not executed yet. Until the establishment of the new mortgage and commercial enterprise pledge, current mortgages and commercial enterprise pledges shall be valid. Also, a loss-payee clause entitles the lenders to collect all compensation payments under the insurance contracts of the Company.

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. For instance, 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. The exchange of petitions phase has been completed, and all necessary objections and evidence have been filed by both us and Yatağan. A preliminary examination hearing was held on January 21, 2021, and it was decided to proceed with the investigation phase of the case. The date for the first hearing has been set as April 1, 2021. At the lawsuit dated June 24, 2021, The court was decided to examine the commercial books and records of the parties with the participation of expert experts on September 6, 2021 that issue a report as a result of the examination, and the next lawsuit date was determined as December 2, 2021. Even if the lawsuit is concluded against Yatağan, the management of the company does not think that it will bear any liability or make any payments due to being the guarantor of the firm.

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

**11.3 Letters of guarantees received and guarantees given**

		30 September 2021	30 September 2020
	Currency	TL Equivalent	TL Equivalent
Letters of Guarantees given (*)	TL	94,699,886	139,858,365
Letters of Guarantees given (*)	US Dollars	-	4,080,290
<b>Total</b>		<b>94,699,886</b>	<b>143,938,655</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. Guarantees given to Privatization Administration was cancelled due to the last installment paid on 5 May 2021.

		30 September 2021	30 September 2020
	Currency	TL Equivalent	TL Equivalent
Letters of Guarantees received (**)	TL	10,468,274	9,816,338
Letters of Guarantees received (**)	EURO	1,295,070	146,378
Letters of Guarantees received (**)	US Dollars	680,934	565,219
<b>Total</b>		<b>12,444,278</b>	<b>10,527,935</b>

(\*\*) The guarantees received are the guarantees taken against the risk of not providing the services to be obtained from the suppliers.

**11.4 Long term provisions**

As of 30 September 2021 and 31 December 2020, the long-term provisions are as follows:

	30 September 2021	31 December 2020
Provisions for Retirement Pay Liability	11,144,558	8,122,907
	<b>11,144,558</b>	<b>8,122,907</b>
<b>Provisions for Retirement Pay Liability</b>	<b>2021</b>	<b>2020</b>
<b>Opening Balance</b>	8,122,907	8,521,011
Service Cost	1,966,056	1,359,041
Interest Cost	1,137,207	681,681
Retirement Payments Paid	(366,530)	(194,866)
Actuarial Loss / (Gain)	284,918	(1,627,781)
<b>Closing Balance</b>	<b>11,144,558</b>	<b>8,739,086</b>



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

IFRS 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 2021 and 31 December 2020 are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Expected interest in the coming years %	14	13.5
Expected inflation in the coming years %	9.70	9.5
Discount rate %	3.92	3.65

**12 Liabilities for employee benefits**

As of 30 September 2021 and 31 December 2020, short-term payables related to employee benefits are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Social Security Withholdings Payable	1,366,904	1,766,566
	<b>1,366,904</b>	<b>1,766,566</b>

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**13 Financial liabilities**

As of 30 September 2021 and 31 December 2020, the details of financial liabilities are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Short-term Bank Loans	-	742,297,806
Current portion of issued debt instruments	496,310,358	-
<b>Total Short-term Financial Liabilities</b>	<b>496,310,358</b>	<b>742,297,806</b>
Long-term Bank Loans	-	4,186,643,526
Long term issued debt instruments	6,049,622,387	-
<b>Total Long-term Financial Liabilities</b>	<b>6,049,622,387</b>	<b>4,186,643,526</b>
<b>Total Financial Liabilities</b>	<b>6,545,932,745</b>	<b>4,928,941,332</b>

(\*) The Group on the Irish Stock Exchange issued 750,000,000 USD 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. 000 USD bond. 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 will be used within the next 3 years in line with the target of doubling the Company's installed power.

The repayments of the loan and debt instruments agreements according to their original maturities as of 30 September 2021 and 31 December 2020 are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
To be paid within a 3-12 months	496,310,358	742,297,806
To be paid in 1-2 year	456,603,960	541,422,089
To be paid in 2-3 year	421,154,255	366,375,926
To be paid in 3-4 year	1,352,453,286	764,931,680
To be paid in 4-5 year	1,170,676,814	558,572,710
To be paid over 5 year	2,648,734,072	1,955,341,121
	<b>6,545,932,745</b>	<b>4,928,941,332</b>

The repayments of the lease liabilities according to their original maturities as of 30 September 2021 and 31 December 2020 are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
To be paid within a year	3,293,750	5,163,541
To be paid in 1-2 years	3,293,750	5,163,541
To be paid over 2 years	7,203,902	5,455,028
	<b>13,791,402</b>	<b>15,782,110</b>

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**13 Financial liabilities (continued)**

As of 30 September 2021 and 31 December 2020, terms and conditions of financial liabilities are as follows:

			30 September 2021	
Currency	Average Effective Annual Interest Rate Range	Maturity Range for the latest payment	Short-term	Long-term
US Dollars	7.75%	2027	496,310,358	6,049,622,387
			<b>496,310,358</b>	<b>6,049,622,387</b>
			31 December 2020	
Currency	Average Effective Annual Interest Rate Range	Maturity Range for the latest payment	Short-term	Long-term
US Dollars	3 Months Libor + 5.25%, 6 Months Libor + 4.5% - 7.25%	2029-2030	713,677,877	4,125,359,468
EUR	3 Months Euribor + 5.25%, 6 Months Euribor + 4.5% -	2023-2024	28,619,929	61,284,058
			<b>742,297,806</b>	<b>4,186,643,526</b>

**Lease Liabilities**

	2021	2020
<b>Lease Liabilities - Opening</b>	<b>16,382,756</b>	<b>12,202,101</b>
Additions	2,048,832	4,651,458
Accretion of interest	2,847,904	2,120,585
Payments	(7,488,090)	(4,870,503)
<b>Lease Liabilities - Closing</b>	<b>13,791,402</b>	<b>14,103,641</b>
Current	3,293,750	3,035,072
Non-current	10,497,652	11,068,569
<b>Total Lease Liabilities</b>	<b>13,791,402</b>	<b>14,103,641</b>

The movement of financial liabilities for the period ended 30 September 2021 and 2020 is as follows:

	2021	2020
<b>1 January</b>	<b>4,928,941,332</b>	<b>4,363,999,234</b>
Cash inflow	6,207,944,950	77,784,000
Repayment of financial liabilities	(5,707,089,212)	(161,356,151)
Interest accrual	328,603,808	287,824,021
Interest paid	(240,982,358)	(197,264,017)
Exchange rate differences	1,028,514,225	1,356,413,799
<b>30 June</b>	<b>6,545,932,745</b>	<b>5,727,400,886</b>

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**14 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 counterparty will fail to fulfill 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 2021 and 31 December 2020 are as follows:

30 September 2021	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>	209,363	22,695,647	10,303,973	11,904,260	1,104,864,138
- Secured part of the maximum credit risk exposures via collateral etc.	-	-	-	-	-
<b>A. Net Book Value of Financial Assets those are neither overdue nor Impaired</b>	209,363	18,572,687	10,303,973	11,904,260	1,104,864,138
<b>B. Net Book Value of Assets that are Overdue but not Impaired</b>	-	4,122,960	-	-	-
<b>C. Net Book Value of Impaired Financial Assets</b>	-	-	-	-	-
- Overdue (Gross Carrying Amount)	-	4,837,407	-	-	-
- Impairment Amount (-)	-	(4,837,407)	-	-	-
- 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>	-	-	-	-	-

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

**Credit risk (continued)**

31 December 2020	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>	505,386	54,430,818	54,715,013	42,556,690	145,525,078
- Secured part of the maximum credit risk exposures via collateral etc.	-	-	-	-	-
<b>A. Net Book Value of Financial Assets those are neither overdue nor Impaired</b>	505,386	49,926,456	54,715,013	42,556,690	145,525,078
<b>B. Net Book Value of Assets that are Overdue but not Impaired</b>	-	4,504,362	-	-	-
<b>C. Net Book Value of Impaired Financial Assets</b>	-	-	-	-	-
- Overdue (Gross Carrying Amount)	-	4,776,282	-	-	-
- Impairment Amount (-)	-	(4,776,282)	-	-	-
- 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>	-	-	-	-	-

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

**Liquidity risk**

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 2021 and 31 December 2020, the maturity of financial liabilities including estimated interest payments according to the payment schedule is as follows:

<b>30 September 2021</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	6,545,932,745	9,271,847,335	--	526,588,720	4,606,282,095	4,138,976,520
Financial Lease Liabilities (IFRS 16)	13,791,402	65,425,436	3,010,287	974,089	7,107,082	54,333,978
Other Long Term Payables to Related Parties	69,965,626	174,329,348	--	--	--	174,329,348
Trade Payables to Related Parties	5,101,926	5,101,926	5,101,926	--	--	--
Trade Payables to Third Parties	27,033,856	27,033,856	4,866,094	22,167,762	--	--
<b>Total</b>	<b>6,661,825,555</b>	<b>9,543,737,901</b>	<b>12,978,307</b>	<b>549,730,571</b>	<b>4,613,389,177</b>	<b>4,367,639,846</b>

<b>31 December 2020</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	4,928,941,332	6,749,221,079	-	780,489,756	2,746,679,514	3,222,051,809
Financial Lease Liabilities (IFRS 16)	16,382,756	62,475,633	1,425,411	4,306,119	27,748,631	28,995,472
Other Long Term Payables to Related Parties	64,061,421	174,329,348	-	-	-	174,329,348
Payables to Privatization Administration	68,891,350	71,302,000	-	71,302,000	-	-
Trade Payables to Related Parties	2,134,935	2,134,935	384,288	1,750,647	-	-
Trade Payables to Third Parties	47,509,424	52,103,170	43,551,474	8,551,696	-	-
<b>Total</b>	<b>5,127,921,218</b>	<b>7,111,566,165</b>	<b>45,361,173</b>	<b>866,400,218</b>	<b>2,774,428,145</b>	<b>3,425,376,629</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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**14 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 2021 and 31 December 2020, the foreign currency position of the Group arises from foreign currency assets and liabilities stated in the table below.

	<b>30 September 2021</b>		
	<b>Original Amounts</b>		
	<b>Total</b>		
	<b>TL Equivalent</b>	<b>US Dollars</b>	<b>EUR</b>
<b>Assets</b>			
Cash and Cash Equivalents	1,095,469,148	123,707,651	144,013
Trade Receivables from Third Parties	1,927	212	5
Other Receivables from Related Parties	10,303,973	1,165,173	-
Other Receivables from Third Parties	35,881	-	3,479
<b>Total Assets</b>	<b>1,105,810,929</b>	<b>124,873,036</b>	<b>147,497</b>
<b>Liabilities</b>			
Short-term and Long-term Financial Liabilities	(6,545,932,745)	(740,213,805)	-
Short-term Trade Payables to Third Parties	(9,969,441)	(694,306)	(371,308)
Short-term Other Payables to Third Parties	(170,437)	(19,273)	-
Short-term Trade Payables to Related Parties	(5,518)	-	(535)
<b>Total Liabilities</b>	<b>(6,556,072,623)</b>	<b>(740,927,384)</b>	<b>(371,308)</b>
<b>Foreign Currency Liability Position</b>	<b>(5,450,261,694)</b>	<b>(616,054,348)</b>	<b>(223,811)</b>
<b>Amounts subject to cash flow hedge accounting (*)</b>	<b>5,748,145,000</b>	<b>650,000,000</b>	<b>-</b>
<b>Net foreign currency position after cash flow hedge</b>	<b>297,883,306</b>	<b>33,945,652</b>	<b>(223,811)</b>

(\*) Please refer to Note 2.7.

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

	<b>31 December 2020</b>		
	<b>Original Amounts</b>		
	<b>Total</b>		
	<b>TL Equivalent</b>	<b>US Dollars</b>	<b>EUR</b>
<b>Assets</b>			
Cash and Cash Equivalents	129,819,629	17,681,394	3,259
Trade Receivables from Third Parties	7,412,298	770,180	195,250
Other Receivables from Related Parties	49,829,531	6,788,302	-
<b>Total Assets</b>	<b>187,061,458</b>	<b>25,239,876</b>	<b>198,509</b>
<b>Liabilities</b>			
Short-term and Long-term Financial Liabilities	(4,928,941,332)	(659,224,487)	(9,980,571)
Short-term Trade Payables to Third Parties	(5,451,276)	(144,588)	(487,342)
Short-term Other Payables to Third Parties	(141,473)	(19,273)	-
Short-term Other Payables to Related Parties	(5,461,801)	-	(606,335)
<b>Total Liabilities</b>	<b>(4,939,995,882)</b>	<b>(659,388,348)</b>	<b>(11,074,248)</b>
<b>Foreign Currency Liability Position</b>	<b>(4,752,934,424)</b>	<b>(634,148,472)</b>	<b>(10,875,739)</b>
<b>Net Foreign Currency Liability Position</b>	<b>(4,752,934,424)</b>	<b>(634,148,472)</b>	<b>(10,875,739)</b>

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.



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

<b>Exchange rate sensitivity analysis table</b>		
<b>30 September 2021</b>		
	<b>Increase in Value of foreign currency</b>	<b>Decrease in value of foreign currency</b>
If TL gains / loses 10% against US dollar		
1- TL net assets / liabilities	(544,795,342)	544,795,342
2- TL hedged portion (-)	574,814,500	(574,814,500)
<b>3- TL net effect (1 + 2)</b>	<b>30,019,158</b>	<b>(30,019,158)</b>
If the TL gains / loses 10% against the Euro	-	-
4- TL net assets / liabilities	(231,379)	231,379
5- TL hedged portion (-)	-	-
<b>6- Net effect of TL (4 + 5)</b>	<b>(231,379)</b>	<b>231,379</b>
<b>Total (3 + 6)</b>	<b>29,787,779</b>	<b>(29,787,779)</b>

<b>Exchange rate sensitivity analysis table</b>		
<b>30 September 2020</b>		
	<b>Increase in Value of foreign currency</b>	<b>Decrease in value of foreign currency</b>
If TL gains / loses 10% against US dollar		
1- TL net assets / liabilities	(465,496,686)	465,496,686
2- TL hedged portion (-)	-	-
<b>3- TL net effect (1 + 2)</b>	<b>(465,496,686)</b>	<b>465,496,686</b>
If the TL gains / loses 10% against the Euro	-	-
4- TL net assets / liabilities	(9,796,757)	9,796,757
5- TL hedged portion (-)	-	-
<b>6- Net effect of TL (4 + 5)</b>	<b>(9,796,757)</b>	<b>9,796,757</b>
<b>Total (3 + 6)</b>	<b>(475,293,443)</b>	<b>475,293,443</b>

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**14 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 2021 and 31 December 2020 net financial liabilities / equity ratios are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Total financial liabilities	6,545,932,745	4,928,941,332
Cash and Cash Equivalents	(1,104,864,138)	(145,525,078)
Net Financial Liabilities	5,441,068,607	4,783,416,254
Equity	5,161,433,671	5,892,851,994
Net Financial Liabilities / Equity Ratio	<b>105.42%</b>	<b>81.17%</b>

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

**Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

*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. .

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**15 Earnings per share**

The calculation of basic and diluted Earnings per share for the year ended 30 September 2021; was based on the profit / (loss) attributable to ordinary shareholders of TL 8,291,230 (30 September 2020: TL (801,096,673)) and a weighted average number of ordinary shares outstanding of 702,830,222 (year ended 30 September 2020: 700,000,000), as follows:

	<u>30 September 2021</u>	<u>30 September 2020</u>
Numerator:		
Income / (Loss) for the period attributable to owners of the Company	8,291,230	(801,096,673)
Denominator:		
Weighted average number of shares	702,833,333	700,000,000
<b>Basic and diluted profit /(loss) per share (full TL)</b>	<u><u>0.01</u></u>	<u><u>(1.14)</u></u>

2021	Number of shares	Time weighting (days)	Weighted average
Outstanding ordinary shares as of 1 January 2021 (Par Value: TL 1)	700,000,000	117	81,900,000,000
29 April 2021: Capital Increase	5,000,000		
29 April to 30 September 2021 (Par Value: TL 1)	705,000,000	153	107,865,000,000
Weighted average for the period		<u>270/270</u>	<u>702,833,333</u>

2020	Number of shares	Time weighting (days)	Weighted average
Outstanding ordinary shares as of 1 January 2020 (Par Value: TL 1)	700,000,000		
1 January to 30 September 2020 (Par Value: TL 1)	700,000,000	270	700,000,000
Weighted average for the period		<u>270/270</u>	<u>700,000,000</u>

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**16 Merger of entities under common control and acquisition of non-controlling interests**

**Disposal of investment accounted by the equity method (Yalova)**

Aydem Yenilenebilir sold the 50% shares of Yalova on 30 June 2020 for a consideration of TL 38,316,320 to Aydem Holding A.Ş. As of 30 September 2020, the Group obtained a valuation report for Yalova from an independent valuation expert indicating a fair value of TL 36,471,000.

The Company recognised the transaction on basis of the fair value and the difference between the consideration amount and fair value of the associate disposed has been recognised in equity. The difference between the fair value of the associate and its carrying value has been recognised in profit or loss.

Sales Price	38,316,320
Gain on sale of shares in associate recognised in equity (Effect of Business Combination of Entities Under Common Control)	1,845,320
Fair value	36,471,000
Derecognized Net Asset	(31,536,921)
Gain on sale of shares of associate recognised in profit or loss	4,934,079
Total gain on sale of shares in associate	6,779,399

**17 Events after the reporting period**

- Aydem Renewables received the "A1 Advanced" rating with 65 points in the Environmental, Social and Governance (ESG) performance ranking conducted by the independent rating agency Moody's/Vigeo Eiris. In addition, Aydem Renewables also ranked first among 54 companies in the world ranking of the "Developing Markets" category.

- The Company won the privatization tender of Akköprü HPP with a capacity of 115 MW, which was held on 23 September 2021. With the participation of Akköprü HPP in firm's portfolio, Company's installed power will increase from 1020 MW to 1135 MW, growing by 11%.