ÇAN2 TERMİK A.Ş.
AND ITS SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES FOR THE NINE-MONTH INTERIM ACCOUNTING PERIOD ENDED 30, 09, 2021

CONTENT **Pages**

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR INTERIM PERIOD AS OF 30.09.2021
(Currency is TRY unless otherwise is indicated.)

		Current Period Not Audited Consolidated	**Prior Period Audited Consolidated**
ASSETS	**NOTES**	**30.09.2021**	**31.12.2020**
Current Assets			
Cash and cash equivalents	40	38.435.497	1.203.171
Trade Receivables	6-7	114.160.586	118.131.072
Trade receivables from related parties	*6*	*30.734.001*	*17.359.875*
Trade receivables from third parties	*7*	*83.426.585*	*100.771.197*
Other receivables	6-8	3.487.702	24.657.091
Due from related parties	*6*	*370.293*	*21.798.068*
Due from third parties	*8*	*3.117.409*	*2.859.023*
Inventories	9	193.013.321	127.864.319
Prepaid expenses	10	9.792.674	13.970.747
Assets Related to Current Term Tax	30	38.426	-
Other Current Assets	20	100.426.112	35.165.872
TOTAL CURRENT ASSETS		**459.354.318**	**320.992.272**
Non-current Assets			
Other receivables	8	209.744	209.739
Other receivables from related parties	*6*	-	-
Other receivables from third parties	*8*	*209.744*	*209.739*
Tangible fixed assets	11	2.161.934.168	2.173.562.940
Intangible fixed assets	12	29.932.419	33.575.604
Other intangible fixed assets	*12*	*29.932.419*	*33.575.604*
Right of Use Assets	14	3.465.886	4.491.134
Prepaid expenses	10	3.790.459	2.210.821
Deferred tax assets	30	171.303.887	142.739.441
Other non-current assets	20	69.103.811	78.238.288
Total Current Assets		**2.439.740.374**	**2.435.027.967**
TOTAL ASSETS		**2.899.094.692**	**2.756.020.239**

Consolidated financial statements for the period ending on 30.09.2021 have been approved by the Board of Directors Decision dated 25.10.2021 and numbered 2021/20.

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

		Current Period Not Audited Consolidated	**Prior Period Audited Consolidated**
LIABILITIES	**NOTES**	**30.09.2021**	**31.12.2020**
Short Term Liabilities			
Short term loans	33	60.336.960	46.216.445
Short-term parts of long-term loans	33	254.340.769	280.047.374
Other financial liabilities	33	3.317.082	4.520.746
Trade payables	6-7	185.571.218	184.623.046
Trade payables to related parties	*6*	*468.925*	*652.217*
Trade payables to third parties	*7*	*185.102.293*	*183.970.829*
Employee benefit obligations	19	5.378.235	4.351.445
Other payables	6-8	109.272.342	100.916.227
Other payables to related parties	*6*	*85.775.951*	*90.446.339*
Other payables to third parties	*8*	*23.496.391*	*10.469.888*
Deferred income	10	61.305.637	7.346.258
Short-term Provisions	18-19	5.248.855	4.511.163
Short-term provisions for employee benefits	*19*	*4.263.944*	*3.031.076*
Other short term provisions	*18*	*984.911*	*1.480.086*
Other short term liabilities	20	42.335.551	25.363.407
TOTAL SHORT TERM LIABILITIES		**727.106.649**	**657.896.111**
Long term liabilities	33	1.237.248.635	1.296.196.294
Other payables	6-8	6.339.852	5.550.965
Other payables to related parties	6	-	-
Other payables to third parties	8	6.339.852	5.550.965
Long term provisions	18-19	1.227.797	1.003.472
Long term provisions for employee benefits	*19*	*1.042.753*	*818.428*
Other long term provisions	*18*	*185.044*	*185.044*
Deferred tax liabilities	30	2.431.070	1.996.500
Other long term liabilities	20	1.625.597	920.645
TOTAL LONG TERM LIABILITIES		**1.248.872.951**	**1.305.667.876**

Consolidated financial statements for the period ending on 30.09.2021 have been approved by the Board of Directors Decision dated 25.10.2021 and numbered 2021/20.

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

		Current Period Not Audited Consolidated	Prior Period Audited Consolidated
EQUITY	**NOTES**	**30.09.2021**	**31.12.2020**
Equity of Parent Company		**923.115.092**	**792.456.252**
Paid-in share capital	21	320.000.000	252.410.000
Share premiums/discounts	21	185.339.488	-
Not to be reclassified to profit or loss accumulated other comprehensive income or expenses (-)	3-11	653.292.588	653.292.588
Revaluation and Measurement Gains/Losses	11	654.691.656	654.691.656
The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control	*3-21*	(1.399.068)	*(1.399.068)*
To be Reclassified to profit or loss accumulated other comprehensive income or expenses	21	(398.075)	(457.852)
Other Gains/Losses	*21*	(398.075)	*(457.852)*
Capital Advances	21	-	-
Retained Earnings/Loss	21	(112.788.485)	(150.141.189)
Net Profit/Loss for the Period	21	(122.330.424)	37.352.705
Non-Controlling Interests		-	-
TOTAL EQUITY		**923.115.092**	**792.456.252**
TOTAL RESOURCES		**2.899.094.692**	**2.756.020.239**

Consolidated financial statements for the period ending on 30.09.2021 have been approved by the Board of Directors Decision dated 25.10.2021 and numbered 2021/20.

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

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH INTERIM PERIOD ENDED 30.09.2021
(Currency is TRY unless otherwise is indicated.)

		Current Period Not Audited Consolidated	Prior Period Not Audited Consolidated	Current Period Not Audited Consolidated	Prior Period Not Audited Consolidated
PROFIT OR LOSS	**Notes**	**01.01 - 30.09.2021**	**01.01 - 30.09.2020**	**01.07 - 30.09.2021**	**01.07 - 30.09.2020**
Revenue	22	826.376.117	516.129.703	325.593.480	149.748.466
Cost of sales (-)	23	(614.773.542)	(363.539.389)	(238.654.956)	(114.511.404)
GROSS PROFIT/LOSS		**211.602.575**	**152.590.314**	**86.938.524**	**35.237.062**
General administrative expenses (-)	24	(18.449.237)	(16.299.420)	(4.753.415)	(5.110.227)
Marketing expenses (-)	24	--	(4.159.163)	--	(3.939.616)
Other operating income	25	27.583.064	26.831.395	11.572.137	3.603.696
Other operating expenses (-)	25	(57.419.009)	(27.521.318)	(44.712.672)	8.374.859
OPERATING PROFIT/LOSS		**163.317.393**	**131.441.808**	**49.044.574**	**38.165.774**
Income from investing activities	26	124.647	389.456	--	337.761
Expenses from investing activities	26	--	--	--	--
FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS		**163.442.040**	**131.831.264**	**49.044.574**	**38.503.535**
Financial income	28	119.284.154	236.980.573	71.199.082	184.254.045
Financial expenses (-)	28	(433.209.697)	(591.039.969)	(92.946.052)	(286.367.858)
PROFIT/LOSS BEFORE ONGOING OPERATIONS TAX		**(150.483.503)**	**(222.228.132)**	**27.297.604**	**(63.610.278)**
Ongoing Operations Tax Expense/Income		**28.153.079**	**(37.386.063)**	**27.363.010**	**(36.947.062)**
Period Tax Income/Loss	30	--	--	--	--
Deferred Tax Income/Loss	30	28.153.079	(37.386.063)	27.363.010	(36.947.062)
PROFIT/LOSS FROM ONGOING OPERATIONS		**(122.330.424)**	**(259.614.195)**	**54.660.614**	**(100.557.340)**
PROFIT/LOSS FROM DISCONTINUED OPERATIONS		--	--	--	--
PROFIT/LOSS FOR THE PERIOD		**(122.330.424)**	**(259.614.195)**	**54.660.614**	**(100.557.340)**
Profit/loss distribution for the period					
Non-controlling Shares		--	--	--	--
Parent Company Shares	21	(122.330.424)	(259.614.195)	54.660.614	(100.557.340)
Earnings Per Share					
Earnings per share from continuing operations	31	(0,421048)	(247,808594)	0,188136	(95,984632)
OTHER COMPREHENSIVE INCOME		**59.777**	**(145.599)**	**10.213**	**133.356**
Not to reclassified to profit or loss		**59.777**	**(145.599)**	**10.213**	**133.356**
Tangible assets revaluation losses and earnings	29				
Actuarial losses and earnings calculated under employee benefits	19-29	77.632	(186.665)	13.263	170.969
Tax Effect	19-29	(17.855)	41.066	(3.050)	(37.613)
What to Reclassify as Profit or Loss		--	--	--	--
OTHER COMPREHENSIVE INCOME		**59.777**	**(145.599)**	**10.213**	**133.356**
TOTAL COMPREHENSIVE INCOME		**(122.270.647)**	**(259.759.794)**	**54.670.827**	**(100.423.984)**

Consolidated financial statements for the period ending on 30.09.2021 have been approved by the Board of Directors Decision dated 25.10.2021 and numbered 2021/20.

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

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH INTERIM PERIOD ENDED 30.09.2021
(Currency is TRY unless otherwise is indicated.)

				Other Accumulated Comprehensive Income and Expenses Not to be Reclassified to Profit or Loss				Other Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss	Retained Profits			
	Notes	**Paid-in capital**	**Capital Advances**	**Effect of Mergers Involving Enterprises or Businesses Under Common Control**	**Share Issue Premiums / Discounts**	**Actuarial Loss and Gain**	**Restricted Reserves Allocated from Profit**	**Revaluation and Classification Gains/Losses**	**Previous Years Profit/Loss**	**Net Profit & Loss for the Period**	**Non-Controlling Interests**	**Equities**
January 01, 2020 balance		**97.410.000**	**150.411.415**	**(1.399.068)**	**--**	**(207.514)**	**--**	**654.691.656**	**(2.252.619)**	**(147.888.570)**	**--**	**750.765.300**
Other Comprehensive Income/Expense	19-29	--	--	--	--	(145.599)	--	--	--	--	--	(145.599)
Transfers		150.410.000	(150.410.000)	--	--	--	--	--	(147.888.570)	147.888.570	--	--
Total Comprehensive Income		--	--	--	--	--	--	--	--	--	--	--
Capital Increase	21	4.590.000	--	--	--	--	--	--	--	--	--	4.590.000
Net Profit / Loss for the Period	21	--	--	--	--	--	--	--	--	(259.614.193)	--	(259.614.193)
September 30,2020 balance		**252.410.000**	**1.415**	**(1.399.068)**	**--**	**(353.113)**	**--**	**654.691.656**	**(150.141.189)**	**(259.614.193)**	**--**	**495.595.508**
January 01 2021 balance		**252.410.000**		**(1.399.068)**	**--**	**(457.852)**	**--**	**654.691.656**	**(150.141.189)**	**37.352.705**	**--**	**792.456.251**
Other Comprehensive Income/Expense	19-29	--	--	--	--	59.777	--	--	--	--	--	59.777
Transfers		--	--	--	--	--	--	--	37.352.704	(37.352.705)	--	--
Capital increase	21	67.590.000	--	--	185.339.488	--	--	--	--	--	--	252.929.488
Net Profit / Loss for the Period	21	--	--	--	--	--	--	--	--	(122.330.424)	--	(122.330.424)
September 30, 2021 balance		**320.000.000**	--	**(1.399.068)**	**185.339.488**	**(398.075)**	**--**	**654.691.656**	**(112.788.485)**	**(122.330.424)**	**--**	**923.115.092**

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

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH INTERIM PERIOD ENDED 30.09.2021
(Currency is TRY unless otherwise is indicated.)

	Notes	Current Period Not Audited Consolidated 01.01-30.09.2021	Prior Period Not Audited Consolidated 01.01-30.09.2020
A. CASH FLOWS FROM BUSINESS ACTIVITIES		**102.172.102**	**158.440.626**
Period Profit/Loss		**(122.330.424)**	**(259.614.195)**
Adjustments Related to Reconciliation of Net Profit/Loss for the Period		**185.326.425**	**452.227.924**
Adjustments Regarding Depreciation and Amortization Expenses	11-12-23-24-27	63.454.716	55.257.496
Adjustments Regarding Provisions (Cancellation) of Employee Benefits	19	1.540.171	1.175.923
Corrections Regarding Litigation And/or Penalty Provisions (Annulment)	18	(495.176)	857.384
Deferred Financing Expense from Forward Purchases	7-8	1.756.723	1.610.702
Unearned Finance Income from Futures Sales	7-8	(7.835.780)	(14.034.496)
Adjustments Regarding Interest Expenses	20	42.335.551	10.774.592
Adjustments Related to Interest Income	20	(86.274.245)	(23.313.083)
Adjustments for Unrealized Currency Translation Differences		198.974.342	382.554.410
Adjustments Regarding Tax Expenses/Income	30	(28.129.877)	37.344.996
Changes in Working Capital		**39.116.324**	**(34.027.506)**
Adjustments Regarding Increase/Decrease in Inventories	9	(65.149.002)	(57.319.668)
Increase/Decrease in Trade Receivables from Related Parties	6	(13.374.126)	--
Increase/Decrease in Trade Receivables from Unrelated Parties	7	15.590.248	23.818.755
Decrease (Increase) in Other Receivables from Related Parties	6	21.425.416	94.008.183
Decrease (Increase) in Other Receivables from Unrelated Parties	8	(258.390)	(455.696)
Change in Other Assets	20	30.110.057	101.318.281
Increase (Decrease) in Trade Payables to Related Parties	6	(183.292)	--
Increase (Decrease) in Trade Payables to Non-Related Parties	7	8.958.507	1.457.598
Change in Prepaid Expenses	10	2.598.435	(150.685)
Change in Payables Under Employee Benefits	19	(513.381)	(4.487.879)
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	(4.670.388)	(125.332.778)
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	8	13.824.127	(3.813.412)
Provisions for Employee Benefits	19	1.457.192	1.328.756
Increase (Decrease) in Deferred Revenues	10	53.959.379	(39.066.329)
Change in Other Obligations	20	(24.658.458)	(25.332.632)
Cash Flows from Operations		**102.112.325**	**158.586.225**
Other Loss/Gain	21	59.777	(145.599)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		**(48.230.360)**	**(77.436.504)**
Cash Inflows from Sale of Tangible Fixed Assets	11	124.647	389.456
Cash Outflows Resulting from the Purchase of Tangible Fixed Assets	11	(46.567.964)	(60.787.053)
Cash Outflows from the Purchase of Intangible Assets	12	(541.348)	(17.038.907)
Cash Inflows from Right-of-Use Assets	14	408.330	--
Cash Outflows from Right-of-Use Assets	14	(1.654.025)	--
C. CASH FLOWS FROM FINANCE ACTIVITIES		**(16.709.416)**	**(81.018.951)**
Cash Inflows from Issuance of Shares and Other Equity-Based Instruments	21	252.929.488	4.590.000
Cash Inflows from Loans	33	40.498.511	177.693.881
Cash Outflows Related to Loan Repayments	33	(310.095.384)	(262.561.102)
Cash Outflows from Other Financial Debt Payments	33	(42.031)	(741.730)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**37.232.326**	**(14.829)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**1.203.171**	**2.968.335**
END OF THE PERIOD CASH AND CASH EQUIVALENTS		**38.435.497**	**2.953.506**

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

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY

Çan2 Termik A.Ş.

Çan2 Thermic Inc. (“Company”, “Parent Company”); was established on 27 May 2003 under the title “Çan Kömür ve İnşaat A.Ş”. The title of the company was changed to Çan2 Termik Anonim Şirketi after the Extraordinary General Assembly held on January 19, 2021, registered with the Istanbul Trade Registry Office on January 21, 2021. This change was published in the Turkish Trade Registry Gazette dated January 26, 2021 and numbered 10253. The company is engaged in the establishment, commissioning, leasing of a domestic coal-based electric power generation facility, electric power generation, sales of the produced electric energy and/or capacity to customers. Its center is located in Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul.

The license certificate of the Company for Çan-2 Thermal Power Plant Production Facility with an installed capacity of 340 MWm/330 MWe located in Çan district of Çanakkale province was approved by the decision of the Energy Market Regulatory Authority dated 28.01.2016 and numbered 6083-2, and on 28.01.2016 the Company's license was approved and delivered. Ministry acceptance of Çan-2 Thermal Power Plant was made on 01.08.2018. In addition, regarding the thermal power plant, Industry Registry Certificate dated 10.08.2020 and numbered 720480 and a capacity report valid until 29.07.2022 dated 28.07.2020 and numbered 79 were obtained. As of 30.09.2021, the average number of employees of the Group is 553.

Çan2 Thermic Inc. The application made to the Capital Markets Board for the initial public offering of its shares was approved in the Board's bulletin dated 15.04.2021 and numbered 2021/20, and the public offering of the shares was carried out on 21-22 April 2021 using the "Fixed Price Bookkeeping" method.

Thus, all of the shares with a nominal value of TRY 67.590.000 offered to the public, and TRY 6.759.000 shares with a nominal value offered for additional sale, were sold at a total nominal value of TRY 74,349.000, at the public offering price of TRY 3.90 /share.

The capital of Çan2 Termik A.Ş. as of 30.09.2021 is TRY 320.000.000 and the shareholding structure is as follows:

	30.09.2021	**31.12.2020**
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	76,77%	100%
Public Shares	23,23%	-

Subsidiaries

Yel Enerji Elektrik Üretim Sanayi A.Ş.

Yel Energy Electricity Production Industry Inc. (“Yel Enerji”) was established on 22.10.2007. Yel Enerji was established to engage in the establishment, commissioning, leasing, generation of electrical energy, and sale of the generated electrical energy and/or capacity to customers. As of 30.09.2021, Yel Enerji's investments continue, it has not started its operations yet and has not generated any income. As of 30.09.2021, the average number of employees of Yel Enerji is 2 people.

The mining license numbered IR:17517 in the Bayramiç District of Çanakkale Province was purchased by Yel Energy and the transfer process was completed. Its center is located in Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul.

With the Share Purchase and Sale agreement signed on 20.10.2016, Yel Enerji shareholders transferred all of their shares to Çan Kömür2 Termik A.Ş. at nominal value and Yel Enerji was included in the scope of consolidation.

As of 30.09.2021, Yel Enerji's capital is TRY 600.000 and its shareholding structure is as follows:

	30.09.2021	**31.12.2020**
Çan2 Termik A.Ş.	100%	100%

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

Çan 2 Trakya Kömür Maden A.Ş.

Çan2 Termik A.Ş. became a 100% shareholder of Çan 2 Trakya Kömür Maden A.Ş. ("Çan 2 Thrace") as a founding partner on 18.06.2019 and was included in the consolidation.

Çan 2 Thrace is engaged in purchasing, selling, manufacturing, assembling and importing all kinds of natural stones and mineral ores in finished and semi-finished form. Its center is located in Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul. As of 30.09.2021, the average number of employees of Çan 2 Thrace is 2 people.

The capital of Çan 2 Thrace is TRY 550,000 as of 30.09.2021 and the shareholding structure is as follows:

	30.09.2021	31.12.2020
Çan2 Termik A.Ş.	100%	100%

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a. Fundamentals of Presentation

Applied Accounting Standards

The accompanying interim consolidated financial statements are in accordance with the provisions of the Capital Markets Board ("CMB") "Communiqué on Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué") No. II-14.1 published in the Official Gazette dated 13.06.2013 and numbered 28676. It has been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS"), which was put into effect by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"). TFRSs; It includes Standards and Interpretations published by KGK under the names of Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TMS Interpretations and TFRS Interpretations.

Interim consolidated financial statements have been presented in accordance with the TFRS Taxonomy developed by the POA based on the financial statement examples determined in the Financial Statement Examples and User Guide published in the Official Gazette dated 07.06.2019 and numbered 30794.

Current and Reporting Currency

The Group keeps and prepares its legal books and statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), the accounting principles determined by the tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance. The functional currency of the Group is Turkish Lira ("TL"). These interim consolidated financial statements are presented in TL, which is the functional currency of the Group.

Approval of Interim Consolidated Financial Statements

The interim consolidated financial statements were approved by the Board of Directors and authorized to be published on 19.08.2021. The General Assembly has the authority to change the interim consolidated financial statements.

Adjustment of Financial Statements in High Inflation Periods

Companies operating in Turkey and preparing financial statements in accordance with CMB Accounting Standards do not apply inflation accounting, effective from 01.01.2005, with a decision taken by the CMB on 17.03.2005. In line with the decision taken by the CMB, the preparation and presentation of financial statements according to TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Base of Consolidation

Consolidation is prepared in structure of Çan2 Termik A.Ş. which is parent company. Consolidated financial reports are prepared in accordance with TAS 27 - Consolidated and Separated Financial statements of Turkish accounting standard.

Consolidated financial reports contain all subsidiaries of the parent company.

- It eliminates participation amount at each subsidiary and percentage amount of main partnership which are equivalent to amount in equities of each subsidiary.

- It determines amount of minority percentage in consolidated profit and loss of period and amount of minority percentage determines separately from amount of main subsidiary from amount of net actives of consolidated main subsidiary. The amount of minority percentage from net actives contains; calculated minority percentages in merge date in accordance with TFRS 3; minority percentage from all transactions made after merge date.

- All expenses, income, transactions, and balances incurred of group are eliminated.

- Subsidiary income, expenses and dividends including all balances and transactions are eliminated. Profits and loss which are added to inventory or cost of current and non-current assets due to transactions in subsidiaries are eliminated. Loss in group can show an impairment which should be in account in assets section of consolidated financial reports. The differences which rise during elimination of loss and profits which resulted by transactions in group apply in accordance with TAS 12 “Income Taxes” standard.

- Necessary adjustments are made during preparation of consolidated financial statements when one of subsidiaries needs to use different accounting principles for similar transactions or events.

- The consolidated financial reports of the partnership and subsidiaries are prepared at the same time with financial statements. Accounting policies are accepted for consolidated financial reports, same transactions, and transactions in same condition.

- All income and expenses of a subsidiary take in account consolidated financial reports after acquisition date according to TFRS 3 and this situation continues till the date of partnership lose its control power on subsidiary. When subsidiary sold; the difference between the income resulted by this transaction and the book value of subsidiary will be shown as loss or profit in consolidated comprehensive income statement. About this transaction if there is a currency translation loss or profits which are related directly to equity consider in accordance with “TAS 21 Currency Change Effects”.

- Minority interest can be shown at equities section in consolidated statement of financial position separately from equities amount of partnership. The Group’s loss or profit amount for minority interest should be shown also separately on financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Comparative Information and Restatement of Prior Period Financial Statements

The Group has prepared the interim consolidated statement of financial position dated September 30, 2021, with the consolidated statement of financial position prepared as of December 31, 2020; Interim consolidated comprehensive income statement for the period 1 January – 30 September 2021, consolidated cash flow statement interim consolidated comprehensive income statement prepared as of 1 January – 30 September 2020, cash flow statement; The consolidated statement of changes in equity for the period from 1 January to 30 September 2021 has been prepared in comparison with the 1 January - 30 September 2020 period consolidated statement of changes in shareholders' equity. To comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.
To be comparable with the financial statements dated 30 September 2021, the Group has classified the commercial receivables from related parties amounting to TRY 17,359,875 presented under "Other Receivables from Related Parties" in the statement of financial position dated 31 December 2020, under "Trade Receivables from Related Parties" in the current period. classified. To be comparable with the financial statements dated 30 September 2021, the Group's commercial related party payables amounting to TRY 652.717 presented under "Other Payables to Related Parties" in the statement of financial position dated 31 December 2020 are classified under "Trade Payables to Related Parties" in the current period.

Covid - 19 Outbreak Effects
The Covid-19 epidemic, which spread in the world and Turkey and was declared a pandemic by the World Health Organization in March 2020, and the measures taken against the epidemic, cause disruptions in operations in all countries exposed to the epidemic and adversely affect economic conditions both globally and in our country. . There was no production problem caused by the epidemic at the plant. The effect was reflected in electricity sales prices. Because Yel Enerji, one of the group companies, does not have any activity yet, it has not experienced any impact in this process. In Group Çan II Thermal Power Plant, there was no problem in production due to the Covid-19 outbreak, and it was affected by the reflection on the general electricity prices in the electricity market. The Group has obtained the Covid-19 safe production certificate. There is coal extraction in Çan2 Thrace and since it is an open-pit, no serious impact has been experienced in the production part, but due to the increase in production costs. In terms of the economic effects of the epidemic, the Group management thinks that it will not be exposed to a significant negative impact due to Covid-19 as of the reporting date.

Changes in Accounting Policies

If adjustments on accounting policies are applied retroactive, the group should adjust the previous opening balance in the report. The group should provide comparative data which is presented in accordance with the new accounting policies in terms of current years. Changes in accounting policy need to application for previous periods and also for current period or if group cannot determine the change effect of the financial statements as in cumulative, it wouldn't make any application for previous periods.

b. Changes and Errors in Accounting Estimates
If the effects of the change in accounting estimates create changes in asset, foreign resource or equity items, the book values of the relevant asset, foreign resource or equity item must be corrected at the time of the change. Projecting the impact of a change in accounting forecasting into the financial statements going forward means that the forecast applies to transactions, events, and conditions after the date of the change. Previous period errors are corrected through retroactive rearrangement, except where period-specific or cumulative effects related to the error cannot be calculated.

In the preparation of the consolidated interim financial statements, the Group management is required to make estimates and assumptions that will affect the asset and liability amounts, which determine the possible liabilities and commitments as of the balance sheet date and the amounts of income and expenses as of the reporting period. The results may differ from predictions and assumptions. These estimates and assumptions are regularly reviewed, necessary corrections are made and reflected in the operating results of the relevant period.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

b. Changes and Errors in Accounting Estimates (Continued)

Significant Accounting Evaluations, Estimates and Assumptions

The preparation of financial statements requires the use of estimates and assumptions that may affect the amounts of assets and liabilities reported as of the statement of financial position date, disclosure of contingent assets and liabilities, and the amounts of income and expenses reported during the accounting period. Although these estimates and assumptions are based on the best information of the Group management regarding the current events and transactions, actual results may differ from the assumptions.

In the next financial reporting period, estimates and assumptions that may cause significant changes in the book value of assets and liabilities are stated below:

Inventories: Inventories are examined physically and how long they are in the past, and provisions are made for inventory items that are estimated to be unavailable.

Provisions for employee benefits: Severance pay liability is determined by actuarial calculations based on some assumptions including discount rates, future salary increases and employee turnover rates. Since these plans are long term, these assumptions contain significant uncertainties.

Determination of fair values: Certain estimates are made in the use of observable and unobservable market information used in determining the fair value.

Useful lives of tangible and intangible fixed assets: The Group management makes important assumptions in the determination of the useful lives of tangible and intangible fixed assets, in line with the experience of its technical team and forward-looking marketing and management strategies for special costs.

Facility, machinery, and devices are reflected in the financial statements with their fair values determined in the valuation studies performed as of 31.12.2019 by an independent professional and real estate appraisal company licensed by the Capital Markets Board ("CMB"). The frequency of revaluation studies is determined in a way to ensure that the book values of the revalued tangible fixed assets do not differ significantly from their fair values as of the end of the relevant reporting period. The frequency of revaluation studies depends on the change in the fair values of tangible fixed asset items. In cases where the fair value of a revalued asset is significantly different from its book value, the revaluation study should be repeated, and this study is performed for the entire asset class in which the revalued asset is located as of the same date. On the other hand, it is not deemed necessary to repeat the revaluation studies for tangible fixed assets whose fair value changes are insignificant. As of the current period, there is no need for a re-valuation study

The economic depreciation period of the Çan-2 Thermal Power Plant is based on the determinations made by the technical departments regarding the economic life of the plant during the commissioning period.

Deferred tax assets and liabilities: Deferred tax assets are recorded when it is highly likely to benefit from temporary differences and unused previous year financial losses by earning taxable profit in the future. While determining the amount of deferred tax assets to be recorded, it is necessary to make important estimates and evaluations regarding the taxable profits that may occur in the future

Borrowing costs: The Group has added the borrowing costs of the loans used to finance the construction of power plants to the cost of the power plant, which is considered as qualifying assets.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

c. Going Concern

The group prepared the consolidated financial statements in the interim period based on going concern.

In assessing the continuity of the Enterprise, Group management considers the existing and additional financial resources, refinancing opportunities and the risks and uncertainties on liquidity in the business plan prepared for the foreseeable period. The group prepares its consolidated financial statements with the assumption that the entity will continue its operations in a predictable future and does not foresee a risk to the going concern.

d. Netting/Deduction

Financial assets and liabilities are presented net if the required legal right is already present, the presence of intention is to pay the related assets and liabilities in accordance with the net fair value, or if the acquisition of assets and the fulfillment of obligations are intentional simultaneously.

e. Changes in Financial Reporting Standards

The accounting policies are taken as a basis in the preparation of the financial statements for the interim accounting period ending as of September 30, 2021, have been applied consistently with those used in the previous year, except for the new and amended TFRS standards and TFRYK interpretations valid as of January 1, 2021, which are summarized below. The effects of these standards and interpretations of the Group's financial position and performance are explained in the relevant paragraphs.

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

Indicator Interest Rate Reform - 2nd Stage - Changes to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, POA published the Amendments to the Benchmark Interest Rate Reform – Phase 2- TFRS 9, TAS 39, TFRS 7, TFRS 4, and TFRS 16, which set out temporary exemptions to address the effects of replacing the benchmark interest rate (IBOR) with an alternative reference interest rate on financial reporting. Enterprises will implement these changes for annual periods beginning on or after January 1, 2021. Early application is allowed. The amendments cover the following issues:

Facilitating implementation for changes in the basis for determining contractual cash flows as a result of the IBOR reform

Changes include a facilitating practice for treating contractual changes or changes in cash flows directly required by the reform as changes in a variable interest rate equivalent to a market interest rate movement. Within the scope of this facilitating practice, if the interest rates applicable to financial instruments change as a result of the interest rate reform, the situation is not considered as a derecognition or contract change; instead, it is envisaged that cash flows will continue to be determined using the original interest rates of the financial instrument.

The facilitating application is mandatory for companies applying TFRS 4 Insurance Contracts Standard by providing exemption from TFRS 9 Financial Instruments (and therefore TAS 39 Financial Instruments: Classification and Measurement) standard and for the application of TFRS 16 Leases standard for lease changes originating from IBOR Reform.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Privileges regarding the termination of the Hedge Accounting relationship

- The amendments allow the revisions in the hedge accounting setup and documentation required due to the IBOR reform without terminating the hedging relationship.

- The accumulated amount in the cash flow hedge fund is assumed to be based on the alternative reference interest rate.

- During the alternative interest rate transition period, companies may attempt to reset the accumulated fair value changes in each hedging relationship while evaluating retrospective efficiency tests in accordance with TAS 39.
- The amendments provide an exemption from changing the items identified as the subject of the grouping approach (for example, those that are part of the macro risk hedging strategy) due to the revisions required by the IBOR reform. The relevant exemption allows the hedging strategy to be maintained and continued without termination.

- In the alternative reference interest rate transition, the hedging relationship can be revised more than once. Phase 2 exemptions apply to all revisions made in the hedging relationship arising from the IBOR reform.

Separate identification of risk components

The amendments provide companies with a temporary exemption that, in cases where the alternative reference interest rate is determined as a risk component in the hedging relationship, it will meet the requirement to define risk components separately.

Additional Disclosures

The changes are covered by the TFRS 7 Financial Instruments Disclosures standard; quantitative easing about the business's transition to alternative reference interest rates and how it manages risks arising from the transition, quantitative information about financial instruments that will be affected by the IBOR transition even though the transition has not yet taken place, and if IBOR reform has led to any change in risk management strategy, it requires additional footnote obligations such as the disclosure of this change

These changes are mandatory and early application is allowed. Although the application is retrospective, companies do not need to reorganize previous periods.

This change has not had a significant impact on the Company's financial position or performance.

Amendments to TFRS 16 - Privileges Recognized in Lease Payments Regarding Covid-19

In June 2020, the POA amended the TFRS 16 Leases standard in order to provide an exemption to the lease privileges granted to tenants due to the COVID-19 outbreak to assess whether there was a change in leasing. April 7, 2021, POA amended the extension of the exemption to include concessions that result in a decrease in lease payments that expire on or before June 30, 2022.

Lessee will apply this change in annual accounting periods starting on or after April 1, 2020. Early application is allowed.

In general terms, the Company does not expect a significant impact on the financial statements.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Standards published but not enacted and not early implemented

The new standards, interpretations and amendments published as of the date of approval of the financial statements, but which have not yet entered into force for the current reporting period and have not been implemented by the Company at an early stage, are as follows. Unless otherwise stated, the Company will make the necessary changes that will affect its financial statements and footnotes after the entry into force of the new standards and interpretations.

TFRS 10 and TAS 28 Changes: Asset sales or contributions made by an investor to a subsidiary or business partnership

POA postponed the validity date of the amendments made in TFRS 10 and TAS 28 in December 2017, to be changed depending on the ongoing research project outputs regarding the equity method. However, it still allows early application. The Group will evaluate the effects of these changes after these standards have been finalized.

Changes in TFRS 3 - Changes regarding the References to the Conceptual Framework

In July 2020, the POA made changes to the TFRS operating mergers standard. The amendment was made with the intention of replacing the reference to the old version of the conceptual framework (1989 framework) with the reference to the current version (Conceptual Framework) published in March 2018, without significantly changing the requirements of TFRS 3. However, it added a new paragraph to TFRS 3 to identify contingent assets that do not meet the registration criteria at the date of acquisition. The amendment will apply forward-looking for annual periods beginning on and after January 1, 2022. Early implementation is allowed if the business implements changes to all of the changes in TFRS standards that refer to the conceptual framework (March 2018) at the same time or earlier.

The effects of these changes on the Company's financial position and performance are being evaluated.

Changes in TAS 16 - Making it suitable for the purpose of use

POA made changes in TAS 16 Tangible Fixed Assets standard in July 2020. With the amendment, companies do not allow the deduction of the revenues from the sale of the manufactured products from the cost of the tangible fixed asset item while making a tangible fixed asset suitable for its intended use. Companies will now recognize such sales revenue and related costs in profit or loss. The amendment will be applied for the annual accounting periods starting from January 1, 2022 and after. The amendments can be applied retrospectively only to tangible fixed asset items that are made available at the beginning or after the earliest period in which the company presented the change in comparison with the first accounting period. There is no exemption for first time TFRS applicants.

The effects of these changes on the Company's financial position and performance are being evaluated.

Changes in TAS 37 - Economically disadvantaged contracts-Contract fulfillment costs

POA made changes in TAS 37 Provisions, Contingent Liabilities and Contingent Assets standard in July 2020. The amendment to TAS 37, which will be applied for the annual accounting periods starting from 1 January 2022 and after, has been made to determine the costs to be taken into account when evaluating whether a contract is economically "disadvantaged" or "losing" and includes It includes the application of the approach to be. The changes should be applied retrospectively for contracts in which the entity does not fulfill all its obligations at the beginning of the annual reporting period when the changes are first applied (first application date). Early application is allowed.

The effects of these changes on the Company's financial position and performance are being evaluated.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

TFRS 17 - New Insurance Contracts Standard

In February 2019, the POA published TFRS 17, a comprehensive new accounting standard covering accounting and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that enables both the measurement of the liabilities arising from insurance contracts with current balance sheet values and the recognition of the profit during the period in which the services are provided. Some changes in future cash flow estimates and risk adjustment are also accounted for during the period in which the services are provided. Businesses may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard contains specific guidance for the measurement and presentation of insurance contracts with participation features. TFRS 17 will enter into force in annual accounting periods beginning on or after January 1, 2023, and early application is permitted for businesses that implement TFRS 9 Financial Instruments and TFRS 15 Revenue from Customer Contracts on or before that date. The effects of this standard on the financial position and performance of the Company are being evaluated.

Changes in TAS 1 - Classification of liabilities as short and long term

On March 12, 2020, POA made changes in the standard of "TAS 1 Presentation of Financial Statements". These amendments, which will be effective in the annual reporting periods starting on or after January 1, 2023, bring explanations to the criteria for long- and short-term classification of liabilities. The changes should be applied retrospectively in accordance with TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Early application is allowed.

The effects of this standard on the financial position and performance of the Company are being evaluated.

Annual Improvements - 2018-2020 Period

"Annual Improvements to TFRS standards / 2018-2020 Period" was published by the POA in July 2020, including the following changes:

- TFRS 1- First Application of International Financial Reporting Standards - Participation as First Implementing: The amendment allows a subsidiary to measure accumulated foreign currency translation differences using amounts reported by the parent company. The amendment also applies to the affiliate or joint venture.

- TFRS 9 Financial Instruments - Fees considered in the '10% test for derecognition of financial liabilities: The amendment clarifies the fees an entity takes into account when assessing whether new or changed financial liability terms differ significantly from the original financial liability terms. These fees include only fees paid or received between the debtor and the lender, including the fees paid by the parties on behalf of each other.

- TAS 41 Agricultural Activities - Taxation in determining the fair value: With the amendment made, the provision in paragraph 22 of TAS 41 for not taking into account the cash flows made for taxation in determining the fair value of the assets of the companies within the scope of TAS 41.

All of the improvements made will be applied for the annual accounting periods starting from 1 January 2022 and after. Early application is allowed.

The effects of these improvements on the Company's financial position and performance are being evaluated.

New and revised standards and interpretations published by the international accounting standards authority (IASB) but not published by POA

The new standards, interpretations, and amendments to the existing IFRS standards listed below have been published by IASB but have not yet entered into force for the current reporting period. However, these new standards, interpretations and amendments have not yet been adapted/published by the POA to the TFRS and therefore do not form part of the TFRS. The Company will make the necessary changes to the financial statements and footnotes after these standards and interpretations come into force in TFRS.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Amendments to IAS 8 - Definition of accounting estimates

In February 2021, IASB published amendments to IAS 8 introducing a new definition for "accounting estimates". The amendments published for IAS 8 are valid for annual periods beginning on or after 1 January 2023. The amendments clarify dec distinction between changes in accounting estimates and changes in accounting policies and correction of errors. It also clarifies how businesses will use measurement techniques and inputs to improve their accounting estimates. The amended standard clarifies that the effects of a change in the input or a change in a measurement technique on the accounting forecast are changes in the accounting estimates, if they are not caused by the correction of previous period errors. The previous definition of a change in accounting estimates stated that changes in accounting estimates may be caused by new information or new developments. Therefore, such changes are not considered correction of errors. This aspect of the definition has been preserved by the IASB.

The effects of these improvements on the Company's financial position and performance are being evaluated.

Amendments to IAS 1 and IFRS application statement 2 – Presentation of accounting policies

In February 2021, IASB published amendments to IAS 1 and IFRS Implementation Statement 2 providing guidance and examples for Making Materiality Estimates to help businesses apply materiality estimates to their accounting policy statements. The amendments published in IAS 1 are effective for annual periods beginning on or after 1 January 2023. Due to the fact that there is no definition of the term "significant" in IFRS, the IASB has decided to replace this term with the term "significant" in the context of disclosure of accounting policy information. 'Significant' is a term defined in IFRS and is largely understood by users of financial statements according to UMSK. When assessing the importance of accounting policy information, enterprises need to take into account both the size of transactions, other events or circumstances, and their nature. In addition, examples of situations in which an entity may consider accounting policy information to be important have been added.

The effects of these improvements on the Company's financial position and performance are being evaluated.

Amendments to TAS 12 - Deferred tax on assets and liabilities arising from a single transaction

In May 2021, the IASB published amendments to IAS 12 that narrow the scope of the first accounting exception and thus ensure that the exception is not applied to transactions that cause temporary differences that are equally taxable and deductible. Amendments to IAS 12 are effective for annual periods beginning on or after 1 January 2023. Changes for tax purposes can be downloaded payments on an obligation in cases where such reductions are recognized in the financial statements of obligation (interest and charges) or related entity component (interest and charges) can be associated for tax purposes (whether considering current tax law) clarifies that is a matter of judgment. This reasoning is important in determining whether there is any temporary difference in the inclusion of assets and liabilities in the financial statements for the first time.

The effects of these improvements on the Company's financial position and performance are being evaluated.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

d. Summary of Important Accounting Policies

Related Parties

The group will consider as a related party if one the conditions below are met.

a) If the party directly or indirectly with one or more agent:
 i) Controls the enterprise, controlled by enterprise or is present under the same control with the enterprise (including parent companies, subsidiaries and subsidiaries at the same line of business);
 ii) Has share which allows it to have big impact on the company; or
 iii) Has associated control on the company;
b) If the party is an affiliate of the company;
c) If the party is an business partnership where the group is a party;
d) If the party is a member of the key personnel in the group or Company's main partnership;
e) If the party is a close family member of any person mentioned in the a or d parts;
f) If the party is an enterprise which is controlled, partnered or under important effect or any person mentioned in d) or e) parts has right to vote in important decisions of the party;

The party must have post-employment benefit plans for employees of the entity or an entity that is a related party.

Financial assets

Financial assets are recorded with their appropriate value and expenses directly related to purchase except financial assets reflected to profit or loss of the appropriate value difference and recorded on their appropriate value. In the case of purchase or selling of financial assets which are bound to a contract that has a condition on deliverance date of financial instruments set by the market are recorded at the date of transaction or deducted from records. Financial assets are classified as "financial assets reflected to profit or loss of the realizable value difference", "financial assets kept in hand till its maturity", "marketable financial assets" and credits and receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss; are financial assets held for trading. When a financial asset is acquired for short-term disposal, it is classified in this category. The mentioned financial assets constituting derivative products that are not determined as an effective protection tool against financial risk are also classified as financial assets whose fair value difference is reflected to profit or loss.

Financial assets measured at amortized cost

Financial asset is classified as a financial asset measured at amortized cost if the terms of the contract for the financial asset, which aims to collect the contractual cash flows of the financial asset, lead to cash flows that include only the principal and interest payments arising from the principal balance at certain dates. It is valued at its discounted cost using the effective interest rate method and provision is made for impairment, if any. Interest income from securities held to maturity is recognized as interest income in the period profit / loss.

Financial assets at fair value through other comprehensive income

In cases where the contractual terms of the financial asset aiming at collecting the contractual cash flows of the financial asset and selling the financial asset, and in addition, the terms of the contract for the financial asset led to cash flows that include only principal and interest payments arising from the principal balance at certain dates, the financial asset is the fair value difference reflected in other comprehensive income classified as.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Fair value difference subsequent valuation of financial assets reflected in other comprehensive income is made at their fair value. However, if their fair value cannot be determined reliably, are measured at amortized cost using the internal rate of return method for those with a fixed term; a fixed term fair value are measured using pricing models or discounted cash flow techniques for non. The difference of the fair value of financial assets arising from changes in fair value reflected in other comprehensive income and amortized cost and fair value of securities computed by expressing the difference between the effective interest method, unrealized profits or losses in equity items "in value of financial assets increase / decrease Fund" under the account are shown. Fair value difference if financial assets reflected in other comprehensive income are disposed of, the value generated in equity accounts as a result of fair value application is reflected in profit/loss for the period.

Registration and derecognition of financial assets

The Group reflects the financial assets or liabilities in its consolidated balance sheet if it is a party to the related financial instrument contracts. The Group derecognizes all or part of a financial asset only when it loses control over the rights arising from the contract to which the said assets are subject. The Group derecognizes financial liabilities only if the liability defined in the contract is discharged, canceled or expired.

Impairment / expected loss provision in financial assets

At each reporting date, it is evaluated whether there has been a significant increase in the credit risk of the financial instrument within the scope of impairment since it was first included in the consolidated financial statements. While making this assessment, the change in the default risk of the financial instrument is taken into account. The expected loss allowance estimate is unbiased, weighted according to probabilities, and includes supportable information about past events, current conditions and predictions of future economic conditions.

Except for trade receivables whose registered value is reduced by using a provision account, the impairment of all financial assets is deducted directly from the registered value of the relevant financial asset. If the commercial receivables cannot be collected, the amount in question is deleted from the reserve account. Changes in the allowance account are recognized in the period profit and loss. Except for equity instruments whose fair value difference is reflected in other comprehensive income, if the impairment loss decreases in the next period and is attributable to an event that occurred after the impairment loss was recognized, the previously recognized impairment loss on the date when the impairment is reversed, the investment has never been impaired. It is canceled in the consolidated income statement so as not to exceed the amortized cost amount it will reach.

The increase in the fair value of equity instruments whose fair value difference is reflected in the consolidated other comprehensive income after the impairment is directly accounted in equity.

Interests, dividends, losses and gains

Interest, dividends, losses and gains related to a financial instrument or a financial liability are recognized as income or expense in profit or loss. Distributions to equity instrument holders are accounted for directly in equity. Transaction costs arising from equity transactions are accounted for as a discount from equity. Income taxes on distributions to shareholders of equity instruments and transaction costs arising from equity transactions are accounted for in accordance with TAS 12 Income Taxes. The classification of a financial instrument as a financial liability or equity instrument determines whether interest, dividends, losses and gains on that instrument are recognized as income or expense in profit or loss. Thus, dividend payments on shares that are fully accounted for as liabilities are accounted for as expenses, just like interest on bonds.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Similarly, gains and losses associated with the repurchase or refinancing of financial liabilities are recognized in profit or loss, while the repurchase or refinancing of equity instruments is accounted for as a change in equity. Changes in the fair value of the equity instrument are not reflected in the financial statements. An entity generally incurs various costs in issuing or repurchasing its own equity instruments. These costs may include registration and other regulatory fees, legal, financial and other professional consulting fees, printing costs and stamp duties. Transaction costs arising from equity transactions are accounted for as a deduction from equity as long as there are additional costs incurred directly from those transactions, that is, they do not need to be incurred otherwise. In addition, costs related to abandoned equity transactions are recognized as an expense.

Transaction costs related to the issuance of a composite financial instrument are allocated to the debt and equity components of the instrument in proportion to the distribution of the obtained amounts to the related instrument. Transaction costs associated with multiple transactions (for example, costs associated with simultaneous issuance of some stocks and listings of some other stocks) are allocated to the relevant transactions on the basis of an allocation method that is reasonable and consistent with similar transactions. The amount of transaction costs accounted for as a deduction from equity during the period is disclosed separately in accordance with TAS 1.

Trade Receivables

Trade receivables arising as a result of providing products or services to the buyer are recognized over the amortized value of the amounts to be obtained in the following periods of the receivables recorded at the original invoice value, using the effective interest method. Short-term receivables with no determined interest rate are shown from the invoice amount, if the effect of the original effective interest rate is not too great.

The “simplified approach” is applied within the scope of the impairment calculations of trade receivables that are accounted at amortized cost in the consolidated financial statements and do not contain a significant financing component (with a maturity of less than 1 year). With this approach, in cases where the trade receivables are not impaired for certain reasons (except for the realized impairment losses), the loss allowance for trade receivables is measured at an amount equal to "lifetime expected credit losses".

Following the allocation of a provision for impairment, if all or part of the impaired receivable is collected, the collected amount is deducted from the provision for the impairment allocated and recorded in other income from operating activities.

Cash and Cash Equivalents

Cash and cash equivalents are cash, demand deposits and other highly liquid short-term investments with maturities of 3 or less than 3 months from the date of purchase, immediately convertible into cash, and without significant risk of change in value.

Financial Liabilities

At the time of its initial accounting, a financial liability is measured at its fair value. During the initial accounting of financial liabilities whose fair value difference is not reflected in profit or loss, the transaction costs directly associated with the undertaking of the relevant financial liability are also added to the said fair value. Financial liabilities are accounted at amortized cost using the effective interest method together with the interest expense calculated over the effective interest rate in the following period.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Inventories

Inventories are valued on the basis of the weighted average cost method by considering the cost or the net realizable value, whichever is the lowest. Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. The cost of inventories covers all purchasing costs, conversion costs and other expenses made to bring the inventories into their current state and condition. When net realizable value of inventories is less than their cost, inventories will be valued according to their realizable value and the difference will be record as an item in comprehensive income statement.

In cases where impairment of inventories are no longer valid or net realizable value is increased, impairment of inventories which was recorded as loss in previous comprehensive income statement will be a provision no longer required. The amount of provision no longer required is limited with the amount of provision which was allocated in previous periods. (Note: 9)

Tangible Assets

The Group, in accordance with TAS 16 "Tangible Fixed Assets" standard, based on the fair values determined in the valuation studies carried out by the independent valuation company accredited to the CMB for land and plots, underground and above ground land improvements, buildings, machinery, facilities and devices. It has adopted the "revaluation model" starting from 30 September 2018.

"Peer Comparison Method" and "Cost Approach" were used to determine the fair value of the real estate’s belonging to Çan2 Termik A.Ş, and "Income Capitalization INA analysis" and "Cost Method" were used to determine the fair values of the facilities. Revaluations are made regularly in a way that does not cause the amount to be determined by using the fair value as of the end of the reporting period to differ materially from the carrying value. The frequency of revaluations depends on the changes in the fair values of the items of property, plant and equipment subject to revaluation.

If the fair value of the revalued asset differs significantly from its carrying value, the asset is revalued. Some items of property, plant and equipment whose fair values show significant changes are revalued annually. Items of property, plant and equipment that do not have significant changes in their fair values are subject to revaluation every three or five years.

In Tangible assets, the increases incurred as a result of such revaluation are recorded after the deferred tax effect is clared on the revaluation fund account in the equity group in the balance sheet. The difference between depreciation and amortization (the depreciation reflected in the profit or loss table) and the depreciation and redemption shares calculated on the costs of obtaining these assets is calculated from the values of the revalued assets. After the year deferred tax effect is clear, the revaluation funds are transferred to the accumulated profit/loss. The same application applies to tangible asset outputs.

There is no applicable amortization method for land in the report because of their nature and useful life is unlimited. Tangible fixed assets are amortized with rates below according to their economic useful life.

	Years
Thermal Power Plant	30
Land Improvements	8-50
Buildings	50
Plant, Machinery and Equipment	4-15
Motor Vehicles	5
Furniture and Fixtures	3-15
Special Costs	lease term (in days) or the less than useful life

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

The loss or profit from sales of tangible asset determine with comparison of arranged amounts and collected amounts and it is reflected to income and expense accounts in related period.

Maintenance or repair cost of tangible asset can be recorded as expense under normal conditions. However, in exceptional cases if maintenance and repair are resulted with improvement in tangible assets, the cost in question can be recorded as asset and it will be counted in amortization of related asset with remaining useful life. (Note: 11)

Intangible Assets

Intangible assets are consists of acquisition rights, information systems, computer software and special costs. These elements record on acquisition cost and after the date of acquisition they will amortize by using normal amortization method according to their expected useful life. Expected useful life of intangible assets is like below;

	Years
Rights	3-15
Computer programs	3
Preparation and Development Activities	License or Royalty Contract Duration

In case of decrease in value, the book value of intangible assets can be discounted to its recovered value. Recovered value is the value that whichever is higher between useful value and net selling price. (Note:12)

TFRS 16 “Leases” (as lessee)

At the beginning of a contract, the Group evaluates whether the contract is a lease or whether it contains a lease. If the contract delegates the right to control the use of an asset defined for a price for a specified period, this contract is a lease contract or includes a lease.

The Group considers the following conditions when evaluating whether a contract delegates its right to control the use of a defined asset for a specified period of time:

- The contract contains a defined asset (an asset is defined explicitly or tacitly in the contract),
- A functional part of the asset is physically separate or represents nearly all of the asset's capacity (the asset is not defined if the supplier has a substantial right to substitute the asset for the duration of its use and provides economic benefits from it)
- Have the right to receive almost all of the economic benefits from the use of the defined asset,
- The right to manage the use of the identified asset. The group has the right to manage the use of the asset in the presence of any of the following:

a) The Group has the right to manage and change how and for what purpose the asset will be used during its lifetime, or
b) The decisions regarding how and for what purpose the asset will be used are predetermined:
i. The Group has the right to operate the asset (or to direct others to operate the asset as determined by itself) throughout its lifetime and the supplier has no right to change these operating instructions; or
ii. The Group has designed the asset (or certain features of the asset) to predetermine how and for what purpose the asset will be used during its lifetime.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

After the above-mentioned evaluations, the Group reflects a right of use and a lease obligation in the combined financial statements at the date when the lease actually begins.

Right of use assets

The Group measures the asset's right to use asset at its cost at the date when the rent actually begins. The cost of the right of use asset includes:

a) The first measurement amount of the lease obligation,
b) The amount obtained by deducting all lease incentives received from all lease payments made before or before the lease actually started,
c) The costs incurred by the Group in relation to the initial direct costs incurred by the Group and
d) The restoration of the underlying asset to bring it to the condition required by the terms and conditions of the lease.

While applying the group cost method, the existence of the right to use:
a) Accumulated depreciation and accumulated impairment losses are deducted and
b) Measures over the corrected cost of the lease obligation.

The Group applies depreciation provisions in TAS 16 “Property, Plant and Equipment” while depreciating its asset. In order to determine whether the right of use asset has been impaired and to account for any impairment loss, TAS 36 “Impairment in Assets” standard is applied.

Lease payments that are included in the measurement of the Group's lease liability and that have not been realized at the commencement date of the lease consist of the following:

a) The amount obtained by deducting all kinds of rental incentive receivables from fixed payments,
b) Rent payments made using an index or rate on the date when the first measurement is actually started, which is based on an index or rate,
c) If the tenant shows that the tenant will use an option to terminate the lease, penalties for termination of the lease.

After the lease actually starts, the Group measures the lease obligation as follows:

a) Increases the carrying value to reflect the interest on the lease obligation,
b) Reduces the book value to reflect the rent payments made; and
c) Re-measures the book value to reflect re-evaluations and reconstructions, if any. The Group reflects the re-measurement amount of the lease obligation to its combined financial statements as a correction in the presence of the right to use.

Facilitating applications

Short-term rental contracts with a rental period of 12 months or less and information technology equipment leases determined by the group as low value (mainly printers, laptops, mobile phones, etc.) related contracts, TFRS 16 Leases are evaluated within the scope of the exception recognized by the standard, and payments related to these contracts continue to be accounted for as expenses during the period in which they are formed. (Note: 14)

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Investment Properties

Rather than sell goods and services for use in the production and administrative purposes at normal course of business, lands and buildings which are held in hand to obtain lease or capital gains or to obtain both, can be classified as Investment Properties and they can be recorded as values which comes after deduction of accumulated depreciation from cost according to its cost method except lands. The cost of construction, which construct by the company, of property for investment purposes determine on cost at the date of completion of rehabilitation and construction works. Asset at this date becomes a property for investment purposes and cause of that it transfer to properties account section.

Borrowing Costs

Group reflects borrowing costs as financing cost during credit period in its comprehensive income statement. Financing cost which is sourced from credits is recorded to comprehensive income statement when they occur.

Energy producing plants can be evaluated as a specialty asset depending on conditions. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset can be capitalized as a part of specialty asset's cost by firms. Firms can book the other borrowing costs as an expense in their occurred period

Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset is added to cost of the asset. This kind of borrowing costs is capitalized as a part of specialty asset's cost for a dependable measure and for a possible situation that it can make an economic contribution to company. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset are borrowing costs that will not appear in case that there will be no expense done related to specialty asset.

If a company is get into debt in order to acquire a specialty asset, the borrowing cost amount that will be capitalized will be determined by deducting income that is gained via temporary exploiting aforesaid funds from borrowing cost of the aforesaid borrowing in the related period.

In the case of a company uses a part of the funds that it is get in to debt for general purposes in order to finance a qualifying asset; the borrowing cost amount that can be capitalized; is determined via using capitalizing rate that will be applied to expenses that related asset. This capitalizing rate is the weighted average of the all existing borrowing of the related period to borrowing costs, except the borrowings that is done for acquiring the qualifying asset. The borrowing cost amount that is capitalized for a period, cannot exceed consisted the borrowing cost in related period.

When the all necessary proceedings virtually is completed for asset's intended usage and getting ready for sale, the capitalizing of borrowing costs will end. In the situation of a qualifying asset is completed in parts and every part can be used while other parts Continue to constructing; When the all necessary proceedings virtually is completed for certain part's intended usage and getting ready for sale, the capitalizing of borrowing costs of the related part will end.

In accordance with TAS 23 "borrowing costs", the group has added the principal exchange rate differences of the loans used to finance the construction of the qualifying asset to the capitalisation rate of the assets that are considered to be qualifying assets by taking into consideration the base interest rates prevailing on the date of the borrowings being used as TRY. In the calculation made, the base interest rate was based on the representative interest rate at the date of the renewal of the contracts signed in the current period for all investment credits used if the same loans are used in TRY under the same conditions. (Note: 17)

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Provisions, Contingent Liabilities and Assets

Provisions

Provisions which are present in group as of the statement of financial position date can be accounted in case where there is a legal liability sourced from past or a structural liability and it is highly possible to realize exit of resources to fulfil this liability, there is a reliable estimated amount of liability. In cases where here is more than one a like liability, the need for the possibility of exit of resources which can provide economic profit evaluate by taking in account of all same liabilities in same quality. Even if there is a little possibility to realize exit of resources for a liability in same quality, group allocates provision. Group does not allocate provision for operational loss in future. In cases when the value effect of money is important, amount of provision determine with present value of expenses which will be needed to fulfil liability.

Contingent Liabilities and Assets

Assets and liabilities which are related to the cases whether it will or will not realize one or more than one cases, which are not entirely in group’s control to realize in future, and which are sourced from past, can be accepted as contingent liabilities and assets.

Group does not reflect assets and liabilities related to condition to its records. Contingent liabilities are explained in explanatory notes of financial statements during the possibility of exit for an economic profit is not far and contingent assets are explained in explanatory notes of financial statements if the possibility of enter for economic profit is high.

Employee Benefits

Defined Benefit Plan

Provisions for severance benefit reflect upon to actuarial work according to TAS 19 “employee benefit”.

Liability of severance benefit means value of estimated total provisions for liabilities which will occur in future cause of ending the agreement between group and its personnel for defined reasons according to Turkish Labor Law or retirement of personnel according to related law as of statement of financial position date.

Group calculates severance benefit by predicting discounted net value of deserved benefits or based on the information from group’s experience about fire personnel or quit of the personnel and reflects to its financial statements.

Defined Contribution Proportions

Group has to pay social insurance premium to Social Insurance Intuition. There will be no other liability if the group Continues to pay the premiums. These premiums reflect to personnel expenses in its accrual periods.

Revenue

When the Group fulfills or fulfills a performance obligation by transferring a promised good or service to its customer, revenue is recognized in the consolidated financial statements. An asset is transferred when or when control of an asset falls into the hands of the customer. The Group recognizes revenue in the consolidated financial statements in line with the following 5 basic principles:

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

a) Definition of customer contracts
b) Definition of performance obligations in contracts
c) Determination of the transaction price in the contracts
d) Allocating the transaction price to the performance obligations in the contracts
e) Recognizing revenue when each performance obligation is satisfied.

A contract is considered within the scope of TFRS 15 only if it is legally enforceable, collectible, rights and payment terms for goods and services are identifiable, the contract has a commercial substance, the contract is approved by the parties, and the parties undertake to fulfill their obligations.

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

The Group takes into account the contractual terms and commercial practices to determine the transaction price. The transaction price is the amount the Group expects to be entitled to in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). While making the assessment, it is considered whether the contract includes elements of variable amounts and whether it contains a significant financing component.

In accordance with TFRS 15 “Revenue from contracts with customers”, the Group's performance obligations consist of wholesale electricity sales and ancillary services related to electricity sales. The electricity sold is transmitted to the customer over transmission lines and the customer consumes the Group's benefit from performance simultaneously. Revenue from electricity sales and ancillary services related to electricity sales are recognized at the moment of delivery.

TEİAŞ Electricity Sales Revenue

Contains all sales transactions are made by market participant on the free market reconciled by PMUM (Market Financial Settlement Center) and sales arising from settlement center due to presence of the free market.

Free Consumer Electricity Sales

According to consumer limit is published by EMRA, sales made to all consumers within the definition of free consumer.

Bilateral Agreements Electricity Sales

Physical or service sales to both wholesale companies or private manufacturing companies. Primary Frequency Control (PFC) contains service sales related with power plants liability in relevant legislations to transfer this liability to someone else.

Energy Imbalance

According to legislation, all imbalance receivables and payables are reconciled within responsible party when group companies are merged to create balance group. The responsible party for the balance distributes this amount of compensation to group members. Group imbalance items contains the amount of positive imbalance receivables, negative imbalance payables and zero balance payable/receivable.

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Foreign Currency Translation

Foreign currency transactions realized during the period are translated into Turkish Lira at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are valued at the exchange rates prevailing at the end of the period. Exchange gains or losses arising from the valuation of monetary assets and liabilities denominated in foreign currency are reflected in the profit/loss statement. As of 30.09.2021, the USD buying rate announced by the Central Bank of the Republic of Turkey is TRY 8.8785, (31.12.2020: TRY 7.4194), the EURO buying rate is TRY 10.2933 (31.12.2020: TRY 9.1164), GBP buying exchange rate is TRY 11,9175. (31.12.2020: TRY 10,1142). As of 30.09.2021, USD selling rate announced by the Central Bank of the Republic of Turkey is TRY 8.8945 (31.12.2020: TRY 7.4327), EURO selling rate is TRY 10.3118 (31.12.2020: TRY 9.1329), GBP selling rate exchange rate is TRY 11,9797. (31.12.2020: TRY 10,1669).

Taxes Calculated on Corporate Income

Deffered Tax

Deferred tax is calculated using the statement of financial position liability method. Deferred tax is reflected by taking into account the tax effect of temporary differences between the values of assets and liabilities reflected in the financial statements and the legal tax base. While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Deferred tax receivables and liabilities consist of tax (temporary differences that are deductible or taxable in the future) arising from the differences between the tax and book values of assets and liabilities. Deferred tax receivables and liabilities are recognized regardless of the time when timing differences can be used.

Current Tax

The corporate tax rate in Turkey is 25% for 2021. This rate is the addition of the expenses that are not accepted as deduction in accordance with the tax laws to the commercial income of the corporations. No further tax is paid if the profit is not distributed.

There is no withholding tax on profit shares (dividends) paid to institutions that generate income through a workplace or permanent representative in Turkey and to institutions residing in Turkey. Dividend payments made to those other than these are subject to a 15% withholding tax. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied. According to Turkish tax legislation, financial losses shown on the tax return can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses can not be deducted from last year's profits.

Earnings / Loss Per Share

Earnings / Loss per share, net profit / loss stated in the income statements are calculated by dividing the weighted average number of shares in the market during the reporting period. In case of capital increase from internal sources during the period, the newly found value is considered to be valid as of the beginning of the period while calculating the weighted average of the number of shares. In TMS 33, this issue is mentioned as follows; Ordinary shares may be issued without any change in resources or the number of existing ordinary shares may be reduced. For example:

a. Activation or issue of bonus shares (sometimes called dividends in stock);
b. The presence of a bonus element in another issue; for example, the bonus element in an issue that includes new rights to existing shareholders;
c. Stock split and
d. Consolidation of shares by increasing the par value (consolidation of shares).

2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

In a capitalization or bonus issue or split, ordinary shares are issued without any additional payment to existing shareholders. Therefore, the number of ordinary shares outstanding increases without an increase in resources. The number of ordinary shares outstanding prior to the transaction is adjusted for the proportional change in the number of ordinary shares outstanding if the transaction took place at the beginning of the earliest period presented.

Events After the Reporting Period

Events after the reporting period; It covers all events between the date of the statement of financial position and the date the statement of financial position is authorized for issue, even if they arise after any announcement regarding profit or the public disclosure of other selected financial information.

Group; In case of occurrence of events requiring adjustment after the date of the statement of financial position, the amounts included in the consolidated financial statements are adjusted accordingly. If non-adjusting matters after the date of the statement of financial position affect the economic decisions of users of the financial statements, they are disclosed in the footnotes of the consolidated financial statements.

Statement Of Cash Flow

In the consolidated statement of cash flows, cash flows for the period are classified and reported on the basis of operating, investing and financing activities. Cash flows from operating activities represent the Group's cash flows from electricity sales. Cash flows from investing activities represent the cash flows that the Group uses and generates from its investment activities (fixed assets and financial investments). Cash flows related to financing activities show the resources used by the Group in financing activities and the
repayments of these resources. Cash and cash equivalents include cash and bank deposits, and short-term, highly liquid investments with a maturity of 3 months or less that can be easily converted into cash.

Determination of Fair Value

The Group's various accounting policies and disclosures require the determination of the fair value of both financial and non-financial assets and liabilities. If applicable, additional information on the assumptions used in determining fair values is presented in the asset or liability-specific notes.

Valuation methods by levels are listed as follows.

Level 1: Registered (uncorrected) prices on the active market for Identical Assets or Liabilities;

Level 2: Observable data directly (through prices or indirectly (derived from prices) in terms of assets or liabilities other than the registered prices contained in Level 1;

Level 3: Data on assets or liabilities that are not based on observable market data (data that are not observable)

3. BUSINESS COMBINATIONS

A business combination involving undertakings or businesses under common control is a business combination in which all the combining undertakings or businesses are controlled by the same person or persons before and after the business combination and this control is not temporary.

Goodwill amounting to TRY 1,399,068 arising from the acquisition of jointly controlled enterprises, as an account offsetting under equity on 31.12.2017, as goodwill cannot be included in the financial statements since business combinations under common control are accounted for using the combination of rights method, "Effect of Mergers Containing Joint Controlled Enterprises or Businesses". ” is shown in the account.

The amounts resulting from the merger of enterprises under common control in the "Effect of Mergers Including Joint Controlled Enterprises or Businesses" are shown below;

Company Title	Acquisition Cost	Acquired Equity Share Value	The Effect of Mergers Involving Enterprises or Enterprises Subject to Joint Control
Wind Energy	100.000	(1.299.068)	(1.399.068)
TOTAL	**100.000**	**(1.299.068)**	**(1.399.068)**

4. JOINT VENTURES

None. (31.12.2020: None)

5. SEGMENT REPORTING

	01.01.2021 - 30.09.2021				
THE PROFIT OR LOSS PART	**Mine**	**Energy Production**	**Total**	**The Elimination Effect**	**Consolidated Total**
Revenue	21.557.236	824.797.184	846.354.420	(19.978.303)	826.376.117
Cost of Sales (-)	(29.791.467)	(604.960.378)	(634.751.845)	19.978.303	(614.773.542)
GROSS PROFIT/LOSS	**(8.234.231)**	**219.836.806**	**211.602.575**	--	**211.602.575**
General Administrative Expenses (-)	(1.124.227)	(17.325.010)	(18.449.237)	--	(18.449.237)
Other Income from the Main Activities	14.391	27.568.673	27.583.064	--	27.583.064
Other Expenses from the Main Activities (-)	(1.793.751)	(55.625.258)	(57.419.009)	--	(57.419.009)
OPERATING PROFIT/LOSS	**(11.137.818)**	**174.455.211**	**163.317.393**	--	**163.317.393**
Income from Investment Activities	150.071	(25.424)	124.647	--	124.647
OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSE	**(10.987.747)**	**174.429.787**	**163.442.040**	--	**163.442.040**
Financing Revenues	4.397.893	116.494.502	120.892.395	(1.608.241)	119.284.154
Financing Expenses (-)	(2.887.018)	(431.930.920)	(434.817.938)	1.608.241	(433.209.697)
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX	**(9.476.872)**	**(141.006.631)**	**(150.483.503)**	--	**(150.483.503)**
Ongoing Activities Tax Expense/Income	**(433.481)**	**28.586.559**	**28.153.079**	--	**28.153.079**
Tax Expense/Income for the Period	-	-	-	--	--
Deferred Tax Expense/Income	(433.481)	28.586.559	28.153.079	--	28.153.079
CONTINUED ACTIVITIES PROFIT/LOSS FOR THE PERIOD	**(9.910.353)**	**(112.420.072)**	**(122.330.424)**	--	**(122.330.424)**
DISCONTINUED OPERATIONS PROFIT/LOSS FOR THE PERIOD	--	--	--	--	--
PROFIT/(LOSS)	**(9.910.353)**	**(112.420.072)**	**(122.330.424)**	--	**(122.330.424)**

		30.09.2021			
	Mine	**Energy Production**	**Total**	**The Elimination Effect**	**Consolidated Total**
Current Assets	34.764.607	490.089.120	524.853.724	(65.499.409)	459.354.318
Fixed Assets	35.513.289	2.405.377.085	2.440.890.374	(1.150.000)	2.439.740.374
Total Assets	**70.277.895**	**2.895.466.205**	**2.965.744.100**	**(66.649.409)**	**2.899.094.692**
Short-Term Liabilities	85.765.816	706.840.241	792.606.057	(65.499.410)	727.106.649
Long-Term Liabilities	2.961.102	1.245.911.848	1.248.872.950	--	1.248.872.951
Total Liabilities	**88.726.918**	**1.952.752.089**	**2.041.479.006**	**(65.499.410)**	**1.975.979.600**
Shareholders' Equity	**(18.449.022)**	**942.714.118**	**924.265.092**	**(1.150.000)**	**923.115.092**

5. SEGMENT REPORTING (CONTINUED)

01.01.2020 - 30.09.2020					
THE PROFIT OR LOSS PART	**Mine**	**Energy Production**	**Total**	**The Elimination Effect**	**Consolidated Total**
Revenue	13.695.195	511.277.563	524.972.758	(8.843.055)	516.129.703
Cost of Sales (-)	(13.295.037)	(359.087.407)	(372.382.444)	8.843.055	(363.539.389)
GROSS PROFIT/LOSS	**400.158**	**152.190.156**	**152.590.314**	**--**	**152.590.314**
General Administrative Expenses (-)	(811.688)	(15.490.402)	(16.302.090)	2.670	(16.299.420)
Marketing Expenses (-)	--	(4.159.163)	(4.159.163)	--	(4.159.163)
Other Income from the Main Activities	758.789	26.075.276	26.834.065	(2.670)	26.831.395
Other Expenses from the Main Activities (-)	(4.031.042)	(27.752.865)	(31.783.907)	4.262.589	(27.521.318)
OPERATING PROFIT/LOSS	**(3.683.784)**	**130.863.002**	**127.179.219**	**4.262.589**	**131.441.808**
Income from Investment Activities	--	389.456	389.456	--	389.456
OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSE	**(3.683.784)**	**131.252.458**	**127.568.675**	**4.262.589**	**131.831.264**
Financing Revenues	14.070.334	234.560.462	248.630.796	(11.650.223)	236.980.573
Financing Expenses (-)	(10.498.177)	(587.929.426)	(598.427.603)	7.387.634	(591.039.969)
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX	**(111.627)**	**(222.116.506)**	**(222.228.132)**	**--**	**(222.228.132)**
Ongoing Activities Tax Expense/Income	**(335.258)**	**(37.050.805)**	**(37.386.063)**	**--**	**(37.386.063)**
Deferred Tax Expense/Income	(335.258)	(37.050.805)	(37.386.063)	--	(37.386.063)
CONTINUED ACTIVITIES PROFIT/LOSS FOR THE PERIOD	**(446.885)**	**(259.167.311)**	**(259.614.195)**	**--**	**(259.614.195)**
DISCONTINUED OPERATIONS PROFIT/LOSS FOR THE PERIOD	**--**	**--**	**--**	**--**	**--**
PROFIT/(LOSS)	**(446.885)**	**(259.167.311)**	**(259.614.195)**	**--**	**(259.614.195)**

31.12.2020					
	Mine	**Energy Production**	**Total**	**The Elimination Effect**	**Consolidated Total**
Current Assets	37.007.268	349.698.784	386.706.052	(65.713.781)	320.992.272
Fixed Assets	38.015.659	2.398.162.311	2.436.177.970	(1.150.000)	2.435.027.967
Total Assets	**75.022.927**	**2.747.861.093**	**2.822.884.022**	**(66.863.781)**	**2.756.020.239**
Short-Term Liabilities	81.418.437	642.191.457	723.609.894	(65.713.781)	657.896.112
Long-Term Liabilities	2.128.907	1.303.538.971	1.305.667.878	--	1.305.667.875
Total Liabilities	**83.547.344**	**1.945.730.428**	**2.029.277.772**	**(65.713.781)**	**1.963.563.987**
Shareholder's Equity	**(8.524.417)**	**802.130.669**	**793.606.251**	**(1.150.000)**	**792.456.252**

6. EXPLANATIONS OF RELATED PARTIES

i) Balances with related parties as of 30 September 2021 and 31 December 2020:

a) Trade receivables from related parties:

	30.09.2021	31.12.2020
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	9.890.048	8.578.612
Küçük Enerji Üretim ve Ticaret Ltd. Şti.	4.202.622	3.227.446
Hidro Kontrol Elektrik Üretim A.Ş	5.788.925	5.017.372
Öztay Enerji Elektrik Üretim Sanayi A.Ş	2.225.282	1.924.022
Batı Trakya Madencilik A.Ş.	10.975.152	85.043
Voytron Enerji Elektrik Perakende Satış A.Ş.	1.457.066	--
Suda Maden A.Ş.	566.498	1.152.025
TOTAL	**35.105.593**	**19.984.520**
Deduction: Unaccrued finance income	*(4.371.592)*	*(2.624.645)*
TOTAL	**30.734.001**	**17.359.875**

b) Other receivables from related parties:

	30.09.2021	31.12.2020
Süleyman Sarı	160.750	160.750
Tahsin Yazan	100.000	100.000
Kerem Emir Yazan	79.895	64.509
Odaş Elektrik Üretim San. ve Tic. A.Ş.	--	2.558.267
Ys Madencilik Sanayi ve Tic. Ltd. Şti	24.667	18.193.021
Anadolu Export Maden San. Ve Tic. A.Ş.	--	2.820.475
Burak Altay	7.500	7.500
Kısrakdere Maden A.Ş.	--	474.707
Batı Trakya Madencilik A.Ş.	--	432
Rey Bilişim Hizmetleri Tic. Ltd. Şti.	935	--
TOTAL	**373.747**	**24.379.661**
Deduction: Unaccrued Financing Expenses	*(3.454)*	*(2.581.593)*
TOTAL	**370.293**	**21.798.068**

c) Trade payables to related parties:

	30.09.2021	31.12.2020
Batı Trakya Madencilik A.Ş.	544.758	753.605
TOTAL	**544.758**	**753.605**
Deduction: Unaccrued finance income	*(75.833)*	***(101.388)***
TOTAL	**468.925**	**652.217**

e) Other payables to related parties:

	30.09.2021	31.12.2020
Odaş Elektrik Üretim San. ve Tic. A.Ş.	89.454.021	76.252.856
Voytron Enerji Elektrik Perakende Satış A.Ş.	1.323.318	4.571.253
Suda Maden A.Ş.	4.337.694	1.181.604
Ys Madencilik Sanayi ve Tic. Ltd. Şti	1.406.192	7.287.385
Batı Trakya Madencilik A.Ş.	2.221	--
Küçük Enerji Üretim ve Ticaret Ltd. Şti.	1.212	12.500
Bahattin Özal	12.500	10.307.900
TOTAL	*96.537.158*	*99.613.498*
Deduction: Unaccrued finance income	*(10.761.207)*	*(9.167.159)*
TOTAL	*85.775.951*	*90.446.339*

6. EXPLANATIONS OF RELATED PARTIES (CONTINUED)

ii) Significant sales to and purchases from related parties:

	01 January – September,30 2021	01 January - September 30 2020	01 July - September 30,2021	01 July - September 30,2020
Ys Madencilik Sanayi ve Tic. Ltd. Şti.	--	218.749	--	120.699
Voytron Enerji Elektrik Perakende Satış A.Ş.	3.261.509	9.390.929	--	1.699.965
Odaş Elektrik Üretim San. ve Tic. A.Ş.	577.149	15.177.352	--	1.007.508
Suda Stratejik Metal Dış Ticaret A.Ş.	--	7.782.601	--	2.418.581
Küçük Enerji Üretim ve Ticaret Ltd. Şti.	896.904	357.274	615.806	355.474
Suda Maden A.Ş	6.765.000	395.143	2.085.000	15.600
Hidro Kontrol Elektrik Üretim A.Ş	--	117.672	--	870
Öztay Enerji Elektrik Üretim Sanayi A.Ş	--	81.600	--	20.400
Kısrakdere Maden A.Ş.	--	109.322	--	50.000
Batı Trakya Madencilik A.Ş	719.454	--	461.004	--
Cr Proje Geliştirme Yatırım San. Ve Tic. A.Ş.	--	2.670	--	870
Odaş Doğalgaz Toptan Satış San. Ve Tic. A.Ş.	--	2.670	--	870
Anadolu Export Maden San. Ve Tic. A.Ş.	--	2.670	--	870
TOTAL	**12.220.016**	**33.638.652**	**3.161.810**	**5.691.707**

b) Purchases from related parties

	01 January - 30 September 2021	01 January - 30 September 2020	01 July - 30 September 2021	01 July - 30 September 2020
Voytron Enerji Elektrik Perakende Satış A.Ş.	2.639.027	1.611.353	2.085.815	517.174
Öztay Enerji Elektrik Üretim Sanayi A.Ş	--	49.232	--	20.745
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	--	9.140	--	--
Suda Maden A.Ş.	6.765.000	--	2.085.000	--
Kısrakdere Maden A.Ş.	20.117.330	--	793.680	--
Küçük Enerji Üretim ve Ticaret Ltd. Şti.	71.891	120.272	1.212	29.611
Batı Trakya Madencilik A.Ş	--	2.320.785	--	--
TOTAL	**29.593.248**	**4.110.783**	**4.965.707**	**567.531**

The remuneration and similar benefits provided to senior management for the accounting period ended on 30.09.2021 are as follows:

a) Short-term benefits provided to employees: The total amount of wages and similar benefits provided to members of the Board of Directors and senior managers in the first nine months of the 2021 accounting period is TRY 7,821,599. (2020 is TRY 6,813,191 for the first nine months.)

b) Benefits after leaving work: Severance pay is paid to personnel who qualify for rights recognized by law. No payment is made except for the rights arising from the Labor Code.

c) Other long-term benefits: None**.**

d) Benefits due to dismissal: None.

e) Share-based payments: None**.**

7. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

The details of the Group's trade receivables as of 30.09.2021 and 31.12.2020 are as follows:

Trade receivables

	30 September 2021	**31 December 2020**
Customer current accounts	87.151.938	94.445.170
-Receivables from related parties	35.105.593	19.984.520
-Other receivables	52.046.345	74.460.650
Notes receivable	33.134.604	28.469.877
Doubtful trade receivables	1.500.000	1.500.000
Provision for doubtful trade receivables (-)	(1.500.000)	(1.500.000)
	120.286.542	**122.915.047**
Deduction: Unaccrued Financing Expenses	*(6.125.956)*	*(4.783.975)*
-Receivables from related parties	*(4.371.592)*	*(2.624.645)*
-Other receivables	*(1.754.364)*	*(2.159.330)*
TOTAL	**114.160.586**	**118.131.072**

(*) As of 30.09.2021, all bills receivable amounting to 33.134.604 are from related parties, and the maturity date is 10.04.2022.

The movement table of the provision for doubtful receivables as of 30.09.2021 and 31.12.2020 is as follows:

	30.09.2021	**31.12.2020**
Balance at the Beginning of the Period	1.500.000	1.500.000
Additional Provisions	--	--
Payments (-)	--	--
TOTAL	**1.500.000**	**1.500.000**

Trade Payables

	30 Eylül 2021	**31 Aralık 2020**
Seller Current Accounts	183.072.985	142.655.373
-Related party seller payables	*544.758*	753.605
-Other seller's debts	*182.528.227*	141.901.768
Debt Securities	10.401.109	59.637.404
	193.474.094	**202.292.777**
Deduction: Unaccrued finance income	*(7.902.876)*	*(17.669.731)*
-Trade Payables to Related Parties	*(75.833)*	*(101.388)*
-Trade Payables to Non-Related Parties	*(7.827.043)*	*(17.568.343)*
TOTAL	**185.571.218**	**184.623.046**

8. OTHER RECEIVABLES AND PAYABLES

Short-term Other Receivables

The details of the Group's other short-term receivables are as follows:

	September 30, 2021	December 31, 2020
Other receivables from related parties	*373.748*	*24.379.661*
Other receivables	843.985	2.805.679
Deposits and guarantees given	2.242.323	20.246
Receivables from personnel	33.459	33.460
TOTAL	**3.493.515**	**27.239.046**
Deduction: Unaccrued finance expenses	(5.813)	(2.581.955)
-Other receivables from related parties	*(3.454)*	*(2.581.593)*
-Other receivables	*(2.359)*	*(362)*
TOTAL	**3.487.702**	**24.657.091**

Long-term Other Receivables

The details of the Group's other long-term receivables are as follows:

	30.09.2021	31.12.2020
Deposits and guarantees given	209.744	209.739
TOTAL	**209.744**	**209.739**

Short-term Other Payables

The details of the Group's other short-term payables are as follows:

	September 30, 2021	December 31, 2020
Due to Related Parties	*96.537.158*	*99.613.498*
Other Payables	588.604	259.916
Taxes and Funds Payables	18.983.294	7.486.785
Received Advances	8.422	8.422
Overdue or Installment Tax and Other Liabilities	3.892.165	2.749.459
Other Obligations Payable	32.643	1.653
	120.042.286	**110.119.733**
Deduction: Unaccrued Financial Income	(10.769.944)	(9.203.506)
- Due to related parties	*(10.761.207)*	*(9.167.159)*
- Other payables	*(8.737)*	*(36.347)*
TOTAL	**109.272.342**	**100.916.227**

8. OTHER RECEIVABLES AND PAYABLES (CONTINUED)

Details of taxes and funds payables are as follows:

	30.09.2021	31.12.2020
Value Added Tax	14.172.526	1.240.400
Wage Earners Income Tax Deduction	3.042.261	5.755.161
Other Tax Liabilities	1.768.507	491.224
TOTAL	**18.983.294**	**7.486.785**

Long-term Other Payables

The details of the Group's other long-term payables are as follows:

	30.09.2021	31.12.2020
Publicly Deferred or Installment Debts	6.339.852	5.550.965
TOTAL	**6.339.852**	**5.550.965**

9. INVENTORIES

	September 30, 2021	December 31, 2020
Raw materials and supplies	7.029.876	5.267.734
Semi-finished	90.967.143	60.660.613
Finished goods	82.729.284	53.128.048
Other inventories	12.287.018	8.807.924
TOTAL	**193.013.321**	**127.864.319**

The balance of the initial material and material amount consists of fuel oil purchases, semi-finished product stocks consist of raw coal purchases, product stocks consist of powdered coal and limestone purchases, and other stocks consist of auxiliary production materials and other operating materials and spare parts.

10.PRE-PAID EXPENSES AND DEFERRED INCOME

Short-term Pre-paid Expenses

The details of short-term prepaid expenses are as follows:

	September 30, 2021	December 31, 2020
Advances given for purchases (*)	6.690.103	10.624.213
Expenses related to the upcoming months	3.102.571	3.346.533
TOTAL	**9.792.674**	**13.970.747**

* Order advances given consist of advances given by Çan 2 Termik A.Ş. regarding production activities.

10. PRE-PAID EXPENSES AND DEFERRED INCOME (CONTINUED)

Long-Term Pre-paid Expenses

The details of long-term prepaid expenses are as follows:

	September 30, 2021	December 31, 2020
Expenses for the future years	3.790.459	2.210.821
TOTAL	**3.790.459**	**2.210.821**

Short Term Deferred Incomes

	30.09.2021	31.12.2020
Advances Received (*)	61.305.637	7.346.258
TOTAL	**61.305.637**	**7.346.258**

(*) These are the amounts related to the advances received from EPİAŞ. In the following period, it was closed by offsetting the trade receivables.

11.TANGIBLE FIXED ASSETS

The movement of tangible fixed assets within the accounting period of 01.01.-30.09.2021 is as follows:

	01.01.2021	Addition	Disposal	Transfer	30.09.2021
Cost					
Lands	54.755.175	2.086.644	--	--	56.841.819
Buildings	320.000	--	--	--	320.000
Plant, machinery and equipment	2.262.393.996	14.562.366	(635.593)	--	2.276.320.769
Vehicles	4.011.077	186.416	(65.869)	--	4.131.624
Furniture and fixtures	6.020.196	1.052.987	--	--	7.073.183
Construction in progress	13.746.851	28.873.044	--	--	42.619.895
Research expenses	-	167.381	--	--	167.381
TOTAL	**2.341.247.295**	**46.928.838**	**(701.462)**	**--**	**2.387.474.671**
Accumulated Depreciation					
Buildings	(48.881)	(10.639)	--	--	(59.520)
Plant, machinery and equipment	(164.076.858)	(56.792.817)	150.071	--	(220.719.604)
Vehicles	(1.405.255)	(579.831)	65.869	--	(1.919.218)
Furniture and fixtures	(2.153.362)	(688.803)	--	--	(2.842.165)
TOTAL	**(167.684.356)**	**(58.072.089)**	**215.940**	**--**	**(225.540.503)**
Net Book Value	**2.173.562.940**	**(11.143.251)**	**(485.523)**	**--**	**2.161.934.168**

11. TANGIBLE FIXED ASSETS (CONTINUED)

Appearance of tangible flower plants in the accounting period of 01.01.-31.12.2020:

	01.01.2020	Addition	Disposal	Transfer	31.12.2020
Cost					
Lands	54.087.750	667.425	--	--	54.755.175
Buildings	320.000	--	--	--	320.000
Plant, machinery and equipment	2.179.557.060	82.836.936	--	--	2.262.393.996
Vehicles	2.865.525	1.478.860	(333.308)	--	4.011.077
Furniture and fixtures	3.809.994	2.211.158	(956)	--	6.020.196
Construction in progress	--	13.746.851	--	--	13.746.851
TOTAL	**2.240.640.329**	**100.941.229**	**(334.264)**	**--**	**2.341.247.295**
Accumulated Depreciation					
Buildings	(34.696)	(14.185)	--	--	(48.881)
Plant, machinery and equipment	(90.255.975)	(73.820.883)	--	--	(164.076.858)
Vehicles	(972.250)	(633.395)	200.390	--	(1.405.255)
Furniture and fixtures	(1.531.693)	(622.625)	956	--	(2.153.362)
TOTAL	**(92.794.613)**	**(75.091.088)**	**201.346**	**--**	**(167.684.355)**
Net Book Value	**2.147.845.716**	**25.850.141**	**(132.917)**	**--**	**2.173.562.940**

In accordance with the standard TAS 16 “Tangible Fixed Assets”, group adopted “revaluation model” starting September 30, 2018 by basing on reasonable values detected in revaluation studies by CMB licensed independent valuation company, Lal Gayrimenkul Değerleme ve Müşavirlik A.Ş., for land, underground and aboveground layouts, buildings, machinery, plants and equipment.

As of 30.09.2018, in the 11.10.2018 valuation report, the value of the investment was determined as 1,961,836,045 TRY according to its income (DNA). In the valuation report dated 10.02.2020 prepared by an authorized valuation institution as of 31.12.2019, the value of the investment was determined as 2.085.175.474 TRY according to the income management (DNA). As there is no change in the fair values of tangible fixed assets as of the interim report date, no new valuation study has been carried out.

“Capitalization of Revenues INA analysis” and “Cost Method” were used to determine the fair values of the facility. The said valuations were made by the Valuation Company authorized by the CMB, in accordance with the International Valuation Standards (UDES).

Revaluation fund movements are as follows:

30.09.2021	Plant	Building	Land	Total
01.01.2021 Balance	**615.948.227**	**109.449**	**38.633.980**	**654.691.656**
Revaluation Value Increase (Gross)	--	--	--	--
Revaluation Impairment	--	--	--	--
Deferred Tax	--	--	--	--
Revaluation Amount	**615.948.227**	**109.449**	**38.633.980**	**654.691.656**

11. TANGIBLE FIXED ASSETS (CONTINUED)

31.12.2020	Plant	Building	Land	Total
01.01.2020 Balance	**615.948.227**	**109.449**	**38.633.980**	**654.691.656**
Revaluation Value Increase (Gross)	--	--	--	--
Revaluation Impairment	--	--	--	--
Deferred Tax (*)	--	--	--	--
Revaluation Amount	**615.948.227**	**109.449**	**38.633.980**	**654.691.656**

12.INTANGIBLE FIXED ASSETS

As of 30.09.2021, the details of the Group's intangible assets are as follows:

	01.01.2021	Additions	Disposals	Transfer	30.09.2021
Cost					
Rights	3.643.454	--	--	--	3.643.454
Other Intangible Assets	288.355	11.525	--	--	299.880
Preparation and Development Expenses	35.538.973	529.822	--	--	36.068.795
Total	**39.470.782**	**541.347**	**--**	**--**	**40.012.130**
Accumulated Amortization					
Rights	(1.557.571)	(247.000)	--	--	(1.804.572)
Other İntangible Assets	(278.142)	(2.203)	--	--	(280.346)
Preparation and Development Expenses	(4.059.465)	(3.935.329)	--	--	(7.994.793)
Total	**(5.895.178)**	**(4.184.532)**	**--**	**--**	**(10.079.711)**
Net Book Value	**33.575.604**	**(3.643.185)**	**--**	**--**	**29.932.419**

As of 31.12.2020, the details of the Group's intangible assets are as follows:

	01.01.2020	Additions	Disposals	Transfer	31.12.2020
Cost					
Rights	3.643.454	--	--	--	3.643.454
Other İntangible Assets	288.355	--	--	--	288.355
Preparation and Development Expenses	14.966.325	20.572.648	--	--	35.538.973
Total	**18.898.134**	**20.572.648**	**--**	**--**	**39.470.782**
Accumulated Amortization					
Rights	(1.226.180)	(331.391)	--	--	(1.557.571)
Other Intangible Assets	(276.428)	(1.714)	--	--	(278.142)
Preparation and Development Expenses	(2.033.674)	(2.025.791)	--	--	(4.059.465)
Total	**(3.536.282)**	**(2.358.896)**	**--**	**--**	**(5.895.178)**
Net Book Value	**15.361.852**	**18.213.752**	**--**	**--**	**33.575.604**

12. INTANGIBLE FIXED ASSETS (CONTINUED)

The details of the Group's intangible assets are as follows;

Company/Subsidiary	Intangible Assets/ Preparation and Development Expenses	Amount
Çan 2 Trakya	Preparation and Development Expenses	29.992.308
Çan2 Termik	Çan 2 Thermal Power Plant License Cost	395.642
Çan2 Termik	Preparation and Development Expenses	3.025.247
Çan2 Termik	Computer Software	295.879
Yel Enerji	Mine License Cost	3.247.814
Yel Enerji	Preparation and Development Expenses	3.051.240
Yel Enerji	Computer Software	4.000
Total		**40.012.130**

13.EVALUATING AND RESEARCHING OF MINE RESOURCES

The total amount of preparation and development expenditures capitalized as of 30.09.2021 is as follows.

Subsidiaries	The Amount of Preparation and Development Expenditures
Yel Enerji	3.051.240
Çan2 Termik A.Ş.	3.025.247
Çan2 Trakya	29.992.308
Total	**36.068.795**

At Yel Enerji, the capitalized amount of TRY 3.051.240 as development expenditures is regarding the amount of drilling activities for coal mine license which is IR:17517 number and 1.205,11 hectars located in Bayramiç district in Çanakkale.

Transferring of mine license has realized at July 15, 2015 and preparation and development expenditures have been activated in accordance with the TAS-38 Intangible Assets standard and the accounting policy applied by the Group. Amortization process will be began when intangible assets is ready to use (taken over the license) means required conditions available for management's aim. Therefore, development expenses is capitalized and amortization begun to be calculated.

The amount of preparation and development expenses recorded to assets of Çan2 Kömür consist of land measure, test and drilling, engineering and architectural works, property damage fees, construction equipment rental fees in July 09, 2013. Development costs belong to coal mining area located in Çanakkale, Çan District, Yaylaköy Village with license number IR 17448. The operating rights of coal mining (existed before) obtained by operating agreement called 'royalty agreement'. Total expenditures for coal mining activities are amount of TRY 3.025.247 as of September 30, 2021.

Preparation and Development Expenses of TRY 29.992.308, which are activated in Çan 2 Trakya, are amounts related to coal mine drilling, analysis and geophysical costs in Tekirdag Malkara. Drilling is ongoing and the amortization will begin when the intangible asset is in the position and condition necessary for management to operate as intended.

14.RIGHT OF USE ASSETS

	01.01.2021	Additions	Disposals	Transfer	30.09.2021
Cost – Vehicles					
Right of Use Asset	5.900.470	172.848	--	--	6.073.318
Total	**5.900.470**	**172.848**	**--**	**--**	**6.073.318**
Accumulated Depreciation - Vehicles					
Right of Use Asset	(1.409.337)	(1.198.096)	--	--	(2.607.432)
Total	**(1.409.337)**	**(1.198.096)**	**--**	**--**	**(2.607.432)**
Net Book Value	**4.491.134**				**3.465.886**

	01.01.2020	Additions	Disposals	Transfer	31.12.2020
Cost – Vehicles					
Right of Use Asset	2.044.902	3.855.568	--	--	5.900.470
Total	**2.044.902**	**3.855.568**	**--**	**--**	**5.900.470**
Accumulated Depreciation - Vehicles					
Right of Use Asset	(163.871)	(1.245.466)	--	--	(1.409.337)
Total	**(163.871)**	**--**	**--**	**--**	**(1.409.337)**
Net Book Value	**1.881.031**				**4.491.134**

The Group has consolidated its leasing debts, which represent the operational lease payments which are obliged to pay rent. Details of the group's accounting in accordance with the TFRS 16 Leases standard are described in Note 2.

15.IMPAIRMENT OF ASSETS

As of 30.09.2021 and 31.12.2020, the Group has a decrease in its trade receivables and the impairment amounts are shown in the relevant financial statement items (Note 7).

As of 30.09.2021 and 31.12.2020, there is no impairment of tangible and intangible assets of the Group.

16.GOVERNMENT INCENTIVES

Çan2 Kömür ve İnşaat A.Ş. has Investment Incentive Certificate is 06.02.2015 dated and 117824 numbered, prepared by Ministry of Economy of the Republic of Turkey and General Directorate of Foreign Capital and Incentives Implementation. Mentioned certificate was revised by new numbered 18.09.2017 and C117824 dated. Aforesaid investment is power plant based on domestic coal (Çan 2 Thermic Plant) with 340 MW installed capacitiy and incentive certificate is arranged according to EMRA's ÖN/5117-5/03070 associate license number and dated 10.07.2014

16. GOVERNMENT INCENTIVES (CONTINUED)

The investment incentive certificate has been given for the completely new investment realized in Çanakkale Çan 2nd region and covers the periods 13.08.2014-12.02.2019. With the document, employers' share of Insurance Premium Support, Interest Support, Tax Reduction Rate Support, VAT exemption and Customs Tax exemption incentives are utilized. The total amount of the investment is TRY 801,789,866. An Incentive Closing Visa application was made to the Ministry of Industry and Technology on 02.10.2019 and a completion visa was made within the framework of the provisions of the 24th article of the decision dated 15.06.2012 and numbered 2012/3305 and the 23rd article of the communiqué numbered 2012/1 regarding the implementation of this decision. The decision was notified to us with the letter dated 05.08.2020 and numbered 1777914. The investment contribution rate is calculated at the rate of 40% over the total investment amount before closing the subject of the investment incentive certificate, and a tax reduction of 80% is provided up to the tax to be reached up to TRY 320,715,946. This amount is subject to deferred tax (Note 30).

In addition, an investment incentive certificate with document number 510216 and ID 1013731, dated 08.04.2020, issued by the Ministry of Industry and Technology of the Republic of Turkey. The support class is Regional-Priority Investment and the support elements are VAT Exemption, Interest Support, Tax Reduction, Employer's Insurance Premium Share and Investment Place Allocation. The investment subject to the certificate is a domestic coal-based electricity generation power plant (Çan 2 Thermal Power Plant) with an installed power of 340 MW, and the incentive certificate was issued in accordance with EMRA's Generation License dated 28.01.2016 and numbered UE/6083-2/03428.

17.BORROWING COSTS

None. (None, December 31, 2020).

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other ShortTerm Provisions

	30.09.2021	31.12.2020
Litigation Provisions	984.911	1.480.086
TOTAL	**984.911**	**1.480.086**

Other Long-Term provisions

	30.09.2021	31.12.2020
Other payable and expense provisions	185.044	185.044
TOTAL	**185.044**	**185.044**

At 11th paragraph of TFRS 6 stated: When a company assume the investigation and evaluation of mine resources, it reflects removal and restoration liabilities resulting in given period at financial statement according to TAS 37 - Provisions, Contingent Liabilities and Contingent Assets standard. Accordingly, in the evaluation made by the project manager and the technical team; Inspections are tried to be made in Çanakkale Province Çan District Yayaköy License No:148 field and it will be operated as an enterprise. Extension projects covering this scope have been submitted to the General Directorate of Mining Affairs ("Migem") for approval. After the open operation, it will be switched to closed operation. There will be no stripping work on the surface during the closed operation periods.

Within the scope of the Çan 2 thermal power plant, the area to be picked up in the open operation will be used as an ash storage area as stated in the EIA report. After completing the economic life of the site, it will be arranged with a subsequent location study and afforestation will be abandoned. The estimated cost for terraces and trees will be around TRY 300.000

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

About 150.000 acres will be stripped. Because of the extension project, 100 tree is needed per acres. Due to regional soil structure, the cost of plantation is expected around 2.000 TRY per acres. The total cost for 150 acres is calculated as 150* TRY 2.000 = TRY 300.000. This work will be done after completion of the open operating economic life and will be estimated at the end of 20 years.

Mine Restoration Provision

	30.09.2021	**31.12.2020**
Balance at beginning of period	185.044	185.044
Additional Provision / Payment (-)	--	--
Balance at the end of the period	**185.044**	**185.044**

As of 30.09.2021 reduced amount of TRY 300.000 total cost to present value is TRY 185.044.

Income Tax Provisions for the Period, Net

Since no taxable items were formed during the accounting periods ended on 30.09.2021 and 31.12.2020, no tax provisions were calculated.

Pledges and Mortgages

Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan2 Termik A.Ş. Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. A share pledge agreement has been signed in favor of Kozyatağı Commercial Branch, which pledges all the shares of the partners in Çan2 Termik A.Ş. The total value of the pledge amount is 2,524,100 shares with a nominal value of TRY 100. The agreements will be valid until the obligations secured under the share pledge agreement are fully paid. In addition, Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan2 Termik A.Ş. In return for the loan debt in the General Loan Agreement signed between Çan2 Termik A.Ş. and the Assignment of Receivables and the Movable Pledge Agreement without surrendering the possession. The total amount included in the contract for the Movable Pledge is 244.8 million Euros.

Within the scope of the loan agreement, mortgages from 1st to 8th degrees have been established in favor of Yapı Kredi Bankası A.Ş. and Türkiye Halkbankası A.Ş. The total amount of the mortgages is TRY 2.374.500.000 and 546.900.000 Euro.

Assignment

Yapı Kredi Bank A.Ş. EPİAŞ Transfer of Receivables Agreement with Esenyurt Commercial Branch:

Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch Consortium and Çan2 Termik A.Ş. Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. EPİAŞ Receivables Assignment Agreement was signed in favor of Kozyatağı Commercial Branch. The amount of the assignment is TRY 13.000.000.000 and the period is 2029.

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

Guarantees

Given guarantees by the group are as follow:

	GUARANTEES, PLEDGES, HYPOTHECS	30.09.2021	31.12.2020
A)	Total amount of TRI was given for its own legal entity	10.767.732.639	9.667.409.339
B)	Partnerships includes scope of full consolidation	--	--
C)	Total amount of TRI was given in order to conduct ordinary business and to guarantee third parties debt	--	--
D)	Total Amount of TRI was Other Given	--	--
i)	*Total amount of TRI was given on behalf of main partner*	--	--
ii)	*Total amount of TRI was given to companies except B and C article*	--	--
		--	--
iii)	*Total amount of TRI was given to third parties except C article*	--	--
	TOTAL	**10.767.732.639**	**9.667.409.339**

Received guarantees by the group are as follow:

	30.09.2021	31.12.2020
Received Guarantee Letters	2.856.213	3.430.349
Received Guarantee Cheques	2.087.826	230.000
Received Guarantee Bills	2.509.266	4.061.775
	7.453.305	**7.722.124**

Unfavorable Cases

As of 30.06.2021, there are various trade debt lawsuits and personnel lawsuits filed against the Group.

All of the trade receivable lawsuits filed against the Group require cancellation of the objections made by the Group in the enforcement proceedings initiated against the Group in accordance with Article 67 of the Execution and Bankruptcy Law ("İKK"). These lawsuits are counter-debt lawsuits filed against suppliers, and TRY 1.111.204 provision for litigation expenses has been set aside for trade debt lawsuits. A provision of TRY 558,017 was canceled for the cases that were concluded.

Considering that as of 30.09.2021, the Group has allocated TRY 431.724 in case of expenses, considering that there will be a high probability of losing cases related to the cause of personnel return-to-work cases.

	01.01.-30.09.2021	01.01.-31.12.2020
Balance per period	1.480.086	272.949
Additional Provision	68.606	1.207.137
Cancellations	(563.781)	--
Total	**984.911**	**1.480.086**

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

Favorable Cases:

As of the report date, there are various lawsuits initiated by the Group.

19. EMPLOYEE BENEFITS OBLIGATIONS

a Short Term

Liabilities within the Scope of Employee Benefits

	September 30, 2021	December 31, 2020
Due to personnel	2.784.052	2.711.237
Social security premium payables	2.594.183	1.640.208
TOTAL	**5.378.235**	**4.351.445**

The balance of the debts account to the personnel consists of wages and similar debts to the personnel who have accrued but have not yet been paid, and the balances of social security deductions to be paid are accrued by payroll as of the relevant dates and consist of social security premium liabilities belonging to the employee and employer, which will be declared on the twenty-threeth of the following month and paid by the end of the month.

Provision for Vacation

Between 30.09.2021 and 31.12.2020, the transaction of the provision for vacation is presented below:

	30.09.2021	31.12.2020
Cycles	3.031.076	1.449.426
Provision Allocated During the Period	1.232.868	1.581.650
Total	**4.263.944**	**3.031.076**

b. Long Term

Provision for Severance Pay

In accordance with the existing labor law, companies are obliged to pay a certain amount of severance pay to personnel who leave their jobs due to retirement after serving for at least one year or are terminated for reasons other than resignation and misconduct. The compensation to be paid is the amount of one month's salary for each year of service and as of 30.09.2021, this amount is limited to TRY 8.2284,51 (31.12.2020: TRY 7,117.17).

In accordance with TAS 29 (Employee Benefits), a calculation with actuarial assumptions is required to calculate the obligations of the Group. Using the "Projection Method" in accordance with TAS 29, the Group calculated and reflected the severance pay on the basis of the Group's experience in completing the personnel service period in the past years and qualifying for severance.

The provision for severance is separated by calculating the present value of the possible liability that will have to be paid in the event of the retirement of the employees. Accordingly, actuarial assumptions used to calculate liability as of 30.09.2021 and 31.12.2020 are as follows:

	30.09.2021	31.12.2020
Discount rate	%12,31	%12,31
Estimated increase rate	%9,00	%9,00

19. EMPLOYEES BENEFIT OBLIGATIONS (Continued)

Between 30.09.2021 and 31.12.2020, the transaction of the provision for vacation is presented below:

	September 30, 2021	December 31, 2020
Transfer	818.428	404.978
Payment	678.205	374.363
Interest cost	70.450	51.569
Current service cost	(446.697)	(415.298)
Actuarial gain/(loss)	(77.633)	320.946
Balance	**1.042.753**	**818.428**

20. OTHER ASSETS AND LIABILITIES

Other Current Assets

Other Current Assets as of 30.09.2021 and 31.12.2020 are as follows:

	September 30, 2021	December 31, 2020
Income accruals	86.274.245	20.909.467
Deferred VAT	5.807.290	9.558.645
Work advances	2.997.855	3.242.062
Advances given to personnel	17.462	70.751
Advances given to suppliers	5.318.540	1.384.447
Other Various Current Assets	10.720	500
TOTAL	**100.426.112**	**35.165.872**

The details of income accruals are as follows:

	September 30, 2021	December 31, 2020
Accrued electricity sales income	86.274.245	20.909.467
TOTAL	**86.274.245**	**20.909.467**

Other Short Term Liabilities

	30.09.2021	31.12.2020
Other accrued interest income	42.335.551	25.363.409
Total	**42.335.551**	**25.363.409**

Expense accrual details are as follows:

	30.09.2021	31.12.2020
Accrued electricity purchase cost	39.016.181	24.080.550
Other accrued expenses	3.319.370	1.282.859
Total	**42.335.551**	**25.363.409**

20. OTHER ASSETS AND LIABILITIES (CONTINUED)

As of 30.09.2021 and 31.12.2020, the details of Other Assets are as follows:

Other Tangible Fixed Assets

	September 30, 2021	December 31, 2020
Given advances (*)	69.103.811	78.238.288
TOTAL	**69.103.811**	**78.238.288**

(*) Advances given consist of advances given to contractors and suppliers for investment materials and service procurement for Çan-2 Thermal Power Plant in previous periods.

Other Long Term Liabilities

	30.09.2021	31.12.2020
Accrued expenses(*)	1.625.597	920.645
Total	**1.625.597**	**920.645**

(*) Consists of the interests of insurance and tax debt restructuring installments belonging to the Group.

21. CAPITAL, RESERVES AND OTHER EQUITIES
Paid-in Capital

Paid-in capital structure of the Group as of 30.09.2021 and 31.12.2020 is as follows:

	30.09.2021		31.12.2020	
Shareholder	**Share Amount**	**Rate**	**Share Amount**	**Rate**
Odaş Elektrik Üretim San. Tic. A.Ş.	245.651.000	76,77%	252.410.000	100%
Public Shares	74.349.000	23,23%	--	--
Total	**320.000.000**	**100%**	**252.410.000**	**100%**

Paid-in capital of Çan2 Termik A.Ş. is 320,000,000 Turkish Liras and it is divided into 320,000,000 (Three Hundred and Twenty Million) shares, each with a nominal value of 1 (One) TRY.

Premiums/Discounts Related to Shares

After the capital increase (public offering) on April 21-22, 2021, 67,590,000 shares were sold in Borsa Istanbul A.Ş. at a price higher than the nominal value of TRY 1, and the public offering expenses amounted to TRY 9,441,284. The remaining amount of TRY 185,339,488, after the net portion of the remaining portion, was accounted for as share issue premiums.

	September 30, 2021	December 31, 2020
Stock Issue Premiums	185.339.488	--
TOTAL	**185.339.488**	**--**

21. EQUITY, RESERVES AND OTHER EQUITIES (CONTINUED)

Actuarial gain / loss of funds

Actuarial gain / loss of movement of funds are as follows.

	30.09.2021	31.12.2020
Beginning period balance	**(457.852)**	**(207.514)**
Actuarial Gain/(Loss)	77.632	(320.946)
Deferred Tax Impact	(17.855)	70.608
Period End Balance	**(398.075)**	**(457.852)**

The Effect of Consolidations Involving Companies Subject to Joint Control

The amounts resulting from the merger of enterprises under common control in the "Effect of Mergers Including Joint Controlled Enterprises or Businesses" are shown below;

Corporate Name	Actual Cost	Acquired Equity Share Value	The Impact of Associations Including Enterprises or Enterprises Subject to Joint Control
Yel Enerji	100.000	(1.299.068)	(1.399.068)

All of Undertakings or undertakings or enterprises subject to joint control, both before and after the merger of business with a combined businesses are controlled by the same person or persons that is not a business combination and control, it is temporary.

Merger accounting for business combinations under common control with the method of the rights of goodwill in the financial statements because it wouldn't therefore give place to goodwill arising from the purchase of businesses under common control, 31.12.2017 TRY 1.399.068 the amounts on the date of the shareholders ' equity account under enlisting as “mergers subject to common control with the impact of Undertakings or businesses” in the account is shown.

Capital Advances

None. (31.12.2020: None.).

Parent Shares

In the nine-month period ending on 30.09.2021, the Group has earned a period loss of 122.330.424 TRY (31.12.2020: 37.352.705 TRY Period Profit). All of these amounts belong to the parent company shares and there is no minority share.

Previous Years’ Profit/Loss

Accumulated profit/loss except net profit for the period is shown like below.;

Previous Years’ Profit/Loss	September 30, 2021	December 31, 2020
Previous Years’ Profit/Loss	(150.141.189)	(2.252.619)
Share Percentage Not Resulting in Loss of Control in Subsidiaries. Related Increase / Decrease	--	--
Period profit/(loss)	37.352.704	(147.888.570)
TOTAL	**(112.788.485)**	**(150.141.189)**

22. REVENUE AND COST OF GOODS SOLD

The details of the sales are as follows;

	January 01 - September 30, 2021	January 01 - September 30, 2020	July 01 - September 30, 2021	July 01 - September 30, 2020
Domestic sales	**826.376.117**	**529.268.733**	**325.587.101**	**161.222.865**
Electricity Sales income from TEİAŞ/Epiaş/EÜAŞ	384.241.603	262.821.045	160.105.781	68.286.664
Bilateral Agreements Electricity Sales	408.455.241	253.340.841	139.485.955	85.928.290
Income from Mining Sales	6.437.770	4.752.635	3.756.884	4.347.689
Product Sales From Production	21.890.845	7.851.814	17.261.451	2.417.711
Sales to Group Companies	4.735.562	--	4.735.562	--
Other Incomes	615.096	502.398	241.468	242.511
Sales return	**--**	**(13.139.030)**	**6.379**	**(11.474.399)**
Sales Discounts	**--**	**--**	**--**	**--**
Total	**826.376.117**	**516.129.703**	**325.593.480**	**149.748.466**

The details of cost of sales are as follows;

	July 01, - September 30, 2021	January 01, - September30, 2020	July 01, – September 30, 2021	July 01 , - September 30, 2020
Cost of goods sold (production)	614.773.542	362.168.217	238.654.956	114.591.335
Cost of goods sold (trade)	--	1.274.922	--	(79.931)
Other costs	--	96.250	--	--
TOTAL	**614.773.542**	**363.539.389**	**238.654.956**	**114.511.404**

23. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

The details of the cost of sales for the periods 1 January – 30 September 2021 and 1 January – 30 September 2020 are as follows:

	January 01,- September 30, 2021	January 01, - September 30, 2020	July 01,- September 30, 2021	July 01, - September 30, 2020
Cost of Coal Usage	218.519.991	125.519.202	73.391.371	31.956.375
Imbalance energy amount	103.719.815	46.441.878	58.517.945	9.298.723
The amount of debt of GIB	72.203.505	23.776.104	29.476.070	9.832.576
Depreciation and amortization	59.646.589	52.852.431	19.647.848	17.556.284
Staff expense share	40.684.645	32.968.104	15.402.102	11.141.863
Other Expenses	26.260.732	11.394.866	9.096.760	5.683.677
Market operating fee	14.131.012	3.325.250	3.751.116	323.038
System operating fee	12.938.810	12.838.861	4.292.639	3.924.390
Product Sales Cost From Production	10.370.172	6.978.275	3.616.167	1.286.984
DGP Debit Amount	9.128.889	2.101.978	4.397.414	1.022.793
Fuel Oil Cost Use	8.633.387	4.765.526	4.251.246	1.585.129
Coal Sales Cost	6.918.189	13.198.324	4.560.555	11.843.755
Cost of use Diesel	6.614.843	2.564.947	1.406.165	755.983
Insurance expenses	5.877.033	3.205.408	1.584.182	744.932
Bilateral Agreements Energy Trade Goods Cost	4.766.391	6.779.362	423.102	2.382.341
GOP system purchase	4.764.116	10.169.833	541.830	3.309.905
Maintenance and repair expense	4.676.655	1.528.340	2.699.733	865.275
Limestone Usage Cost	3.113.809	2.620.486	796.659	833.910
Group Companies Imbalance	993.174	160.891	407.498	29.612
TEİAŞ/EPIAS other expenses	756.082	214.656	382.521	133.859
Amount of Retroactive Adjustment	55.703	38.417	12.033	--
Other Cost Fee	--	96.250	--	--
TOTAL	**614.773.542**	**363.539.389**	**238.654.956**	**114.511.404**

24.GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	January 01,- September 30, 2021	January 01, - September 30, 2020	July 01,- September 30, 2021	July 01, - September 30, 2020
Marketing, sales and distribution expenses	--	4.159.163	--	3.939.616
General Administrative Expenses	18.449.237	16.299.420	4.753.415	5.110.227
TOTAL	**18.449.237**	**20.458.583**	**4.753.415**	**9.049.843**

Marketing, sales and distribution expenses

The details of marketing, sales and distribution expenses for the periods 1 January – 30 September 2021 and 1 January - 30 September 2020 are as follows:

	January 01,- September 30, 2021	January 01, - September 30, 2020	July 01,- September 30, 2021	July 01, - September 30, 2020
Costs of Transport	--	4.089.128	--	3.939.616
Personnel expense	--	70.035	--	--
TOTAL	**--**	**4.159.163**	**--**	**3.939.616**

24. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (CONTINUED)

General Administration Expenses

Details of general administration expenses according to their nature 1 January – 30 September 2021, and 1 January – 30 September 2020, periods are as below:

	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Personnel expenses	11.628.765	9.129.116	4.435.565	2.880.797
Amortization expenses	2.737.119	1.975.973	915.345	700.056
Case Provision expenses	767.826	83.884	241.798	4.040
Public offering expenses	-	-	(1.230.227)	-
Consultancy expenses	930.874	1.168.131	322.397	596.963
Other expenses	495.277	2.329.492	68.537	843.899
Tax expenses	1.889.376	1.612.824		84.472
TOTAL	**18.449.237**	**16.299.420**	**4.753.415**	**5.110.227**

25. OTHER OPERATING INCOME AND EXPENSE

Other Operational Income

	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Prior Year Revenues and Profits	9.470.671	176.548	1.835.803	19.587
Exchange Rate Income	9.387.593	5.644.095	6.670.605	--
Other Income and Profits Related to Operations	4.179.717	335.797	4.176.117	78.330
Other Extraordinary Income	3.542.885	5.370.480	2.833.684	131.629
Provisions No Longer Required	563.783	--	558.017	--
Rediscount Interest Income	438.415	15.304.475	(4.502.089)	3.374.150
TOTAL	**27.583.064**	**26.831.395**	**11.572.137**	**3.603.696**

Other Operational Expense

	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Previous Year Expenses and Losses	30.186.582	2.137	28.701.202	(11.454.243)
Other Extraordinary Expenses and Losses	11.576.348	1.475.196	4.381.528	(283.508)
Rediscount interest expense	8.179.559	11.468.148	7.789.400	(806.501)
Exchange rate expense	5.020.367	12.586.199	2.788.103	3.146.743
Idle Capacity Expenses and Losses	679.894	429.092	238.075	147.268
Provision Expenses	--	773.500	--	773.500
Other	1.776.259	787.046	814.364	101.882
TOTAL	**57.419.009**	**27.521.318**	**44.712.672**	**(8.374.859)**

26. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Revenues from investment activities for the periods 1 January - 30 September 2021 and 1 January - 30 September 2020 are as follows:

	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Investing Activity Revenue	124.647	389.456	--	337.761
Investment Activity Expenses	--	--	--	--
TOTAL	**124.647**	**389.456**	**--**	**337.761**

27. EXPENSES CLASSIFIED BY PRINCIPLE TYPES

The breakdown of the Group's classified expenses basis is as follows:

Amortization Expenses	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Cost of sales	59.646.589	52.852.431	19.647.848	17.556.284
General administration expenses	2.737.119	1.975.973	915.345	700.056
Idle Capacity Expenses and Losses	679.895	429.092	238.076	147.268
Transferred to Product Cost	349.138	--	224.016	--
Prior Period Expenses Losses	41.975	--	--	--
TOTAL	**63.454.716**	**55.257.496**	**21.025.286**	**18.403.608**

Personnel expenses	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Cost of sales	40.684.645	32.968.104	13.515.951	10.439.663
General operating expenses	11.628.765	9.129.116	4.435.565	2.880.797
Marketing, sales and distribution expenses	--	70.035	--	--
TOTAL	**52.313.410**	**42.167.255**	**17.951.516**	**13.320.460**

Insurance expenses	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Cost of sales	5.877.033	3.205.408	1.998.869	1.206.386
General administration expenses	--	--	--	--
TOTAL	**5.877.033**	**3.205.408**	**1.998.869**	**1.206.386**

Consultancy expenses	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
General administration expenses	930.874	1.168.131	322.397	596.963
TOTAL	**930.874**	**1.168.131**	**322.397**	**596.963**

28. FINANCIAL EXPENSE AND INCOME

Financial Income

	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Interest income	7.985.597	170.339.838	2.661.326	160.509.311
Rediscount interest income	3.819.687	40.258.019	(813.947)	12.534.986
Foreign exchange profits	107.478.870	26.382.716	69.351.703	11.209.748
TOTAL	**119.284.154**	**236.980.573**	**71.199.082**	**184.254.045**

Financial Expenses

	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Foreign exchange losses	304.540.534	443.489.172	63.061.358	244.710.145
Interest and commission expense	125.624.365	117.802.558	27.830.144	33.908.008
Rediscount Interest Expense	3.044.798	29.748.239	2.054.550	7.749.705
TOTAL	**433.209.697**	**591.039.969**	**92.946.052**	**286.367.858**

29. ANALYSIS OF OTHER COMPREHENSIVE INCOME

The Group's other comprehensive income / (expense) breakdown as of 01.01.-30.09.2021 and 01.01.-30.09.2020 is as follows:

Not reclassified on gain/(loss)	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Actuarial gains/(loss)	77.632	(186.666)	13.263	170.968
Deferred tax revenue/(expense)	(17.855)	41.067	(3.050)	(37.612)
TOTAL	**59.777**	**(145.599)**	**10.213**	**133.356**

30. TAXATION ON INCOME (INCLUDING DEFFERED TAX ASSETS AND LIABILITIES)

Tax income / expenses in the income statement for the period between 01 January - 30 September 2021 and 01 January - 30 September 2020 are summarized below:

	January 01-September 30, 2021	January 01-September 30, 2020	July 01-September 30, 2021	July 01-September 30, 2020
Deferred tax income/ expense	28.153.079	(37.386.063)	27.363.010	(36.947.062)
Deferred tax reflected in equity (*)	(17.855)	41.066	(3.050)	(37.613)
TOTAL	**28.135.224**	**(37.344.997)**	**27.359.960**	**(36.984.675)**

Current Tax

According to the Corporate Tax Code No. 5520, the corporate tax rate is applied as 22% for corporate income for the taxation periods of 2018, 2019 and 2020 and 25% for the taxation period of 2021 in Turkey.

30. TAXATION ON INCOME (INCLUDING DEFFERED TAX ASSETS AND LIABILITIES) (CONTINUED)

Current Period Tax Expense:

As at 30 September 2021 and 31 December 2020, the details and calculation of current period tax liability are as follows:

	September 30, 2021	December 31, 2020
Prepaid taxes and funds	38.426	--
TOTAL	**38.426**	**--**

Deferred Tax

Company calculates deferred tax assets and liabilities with recorded values in statement of financial position items by considering difference effects which occurs as a result of evaluation for values in statement of financial position items and Tax Procedure Law.

These temporary differences are usually caused by the recognition of income and expenses in different reporting periods in accordance with the CMB communiqué and tax laws. Deferred tax assets and liabilities calculated according to the liability method are applied as 20% over temporary differences after 31 December 2008. However, according to the Law No. 7061, which was adopted on 28 November 2017, "some tax laws and some other laws have been amended", Law No. 5520, corporate tax law No. 32. 20% tax rate specified in the first paragraph of the article 2018, 2019 and 2020 tax periods for corporate earnings as 22% for the provision of temporary article is added. In accordance with the provisional Article 13 of the Corporate Tax Code No. 5520, it will be applied at a rate of 25% for corporate earnings in 2021 and 23% for corporate earnings in 2022.

Turkish tax legislation makes possible that the main partner of company can organize tax statement via financial statement of its consolidated subsidiaries and affiliates. Therefore, with company has deferred tax assets and company has deferred liabilities are not net off their tax position. It is stated separately.

The deferred assets and deferred tax liabilities in the consolidated financial statements are reflected as of September 30, 2021 - December 31, 2020 in the following manner:

	September 30, 2021	December 31, 2020
Deferred Tax Assets	171.303.887	142.739.441
Deferred Tax Liabilities	(2.431.070)	(1.996.500)
Total	**168.872.817**	**140.742.941**

30. TAXATION ON INCOME (INCLUDING DEFFERED TAX ASSETS AND LIABILITIES) (CONTINUED)

The breakdown of cumulative temporary differences and the resulting deferred tax assets / (liabilities) provided at 30 September 2021 and 31 December 2020 using the enacted tax rates is as follows:

	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
Deferred Tax Assets / Liabilities	**30.09.2021**	**31.12.2020**	**30.09.2021**	**31.12.2020**
Tax Deduction from Cash Capital Increase (*)	74.148.014	45.957.918	17.054.043	10.110.742
Fixed Assets	(13.802.929)	(22.305.945)	(3.174.674)	(4.907.308)
Severance Indemnities and Provisions	4.163.072	3.352.027	957.507	737.446
Rediscount	(12.541.051)	(19.507.305)	(2.884.442)	(4.291.607)
Reduced Corporate Tax from Investment (**)	--	--	320.715.946	320.715.946
Losses of Previous Periods	--	--	54.329.474	--
TAS 21 Currency Change Effects	(290.175)	--	(63.838)	--
Provisions for Other Payables and Expenses	(171.929.120)	(14.112.622)	(39.543.698))	(3.104.777)
Revaluation	--	--	(178.517.501)	(178.517.501)
TOTAL	**(120.252.189)**	**(6.615.927)**	**168.872.817**	**140.742.941**

(*) A tax advantage of TRY 10.110.742 has been provided within the scope of the incentives related to the capital increases realized by the Group in the previous periods.

(**) Group's investment plant II. It is located in the region, but it is stated in the Special Conditions section of the Special Conditions of the YTB that the investment subject to the document is among the priority investments and will benefit from the 5th region supports. Accordingly, the Investment Contribution Rate is 40% and the Reduced Corporate Tax Rate is 80%. Accordingly, it will be possible to benefit from the reduced corporate tax application regarding the income obtained from the investment of TRY 320.715.946, which is 40% of the total investment of TRY 801.789.865.

31. EARNING PER SHARE

	January 01- September 30, 2021	January 01- September 30, 2020	July 01- September 30, 2021	July 01- September 30, 2020
Net profit /(loss)	(122.330.423)	(259.614.194)	54.660.614	(100.557.340)
Weighted average number of ordinary share	290.537.692	1.047.640	290.537.692	1.047.640
Profit/(loss) per share with nominal value of 1 TRY	**(0,421048)**	**(247,808593)**	**0,188136**	**(95,984632)**

32. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES

Prepared financial tables before the period of January 01,2005, in order to show change of purchasing power of TRY, inflations adjustments were made using general wholesale price index under TAS 29. In this standard, financial tables prepared with currency on the high inflation periods, conditioning using adjustment coefficient, financial statements of Money expressed in terms of current purchasing power is predicted.

33. FINANCIAL INSTRUMENTS

Short-Term Financial Liabilities

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

Short-Term Financial Liabilities

	September 30, 2021	December 31, 2020
Bank loans	60.336.960	46.216.445
Installments of principal and interest of loans	254.340.769	280.047.374
Other Financial Liabilities	3.317.082	4.520.746
Short-Term Financial Liabilities - Net	**317.994.811**	**330.784.565**

Long-Term Financial Liabilities

	September 30, 2021	December 31, 2020
Bank loans	1.237.248.635	1.296.196.294
Long-Term Financial Liabilities - Net	**1.237.248.635**	**1.296.196.294**

	September 30, 2021	December 31, 2020
Other Financial Liabilities (*)	3.317.082	4.520.746
Total	**3.317.082**	**4.520.746**

The maturity of the Group's loans and interest rates are as follows:

Loan Repayment Table

Long-Term Loans Liabilities	September 30, 2021	December 31, 2020
2021	-	-
2022	119.287.345	242.506.824
2023	224.183.614	213.691.081
2024	191.779.509	181.432.128
2025	168.580.973	476.433.218
2026	150.979.076	48.373.129
2027	135.243.184	41.537.217
2028	121.159.169	35.615.994
2029	108.585.882	30.531.773
2030	17.449.883	26.074.930
Total	**1.237.248.635**	**1.296.196.294**

Long-Term Loans Liabilities	September 30, 2021	December 31, 2020
1-2 Year	-	-
2-3 Year	119.287.345	242.506.824
3-4 Year	224.183.614	213.691.081
4-5 Year	191.779.509	181.432.128
5 Year and Plus	701.998.167	658.566.261
Total	**1.237.248.635**	**1.296.196.294**

33. FINANCIAL INSTRUMENTS (CONTINUED)

	Annual interest rate %		Exchange Value		TRY	
	September 30, 2021	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**
TRY Loans	7,5-24%	7,5-29%	--	--	14.299.155	6.000.000
EURO Loans	5,5%-7%	5,5%-7%	4.464.575	4.464.575	46.037.805	40.216.445
Short-term Loans			**--**	**--**	**60.336.960**	**46.216.445**
EURO Loans	5,5%-7%	5,5%-7%	19.637.868	24.411.753	202.501.770	219.898.628
TRY Loans	7,5-24%	7,5-29%	--	--	51.838.999	60.148.746
Short-term payments and interests of loans					**254.340.769**	**280.047.374**
Total short-term loans			**--**	**--**	**314.677.729**	**326.263.819**
EURO Loans	5,5%-7%	5,5%-7%	106.829.254	127.604.668	1.101.601.900	1.149.450.087
TRY Loans	7,5-24%	7,5-29%	--	--	135.646.735	146.746.207
Total long-term loans					**1.237.248.635**	**1.296.196.294**

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

Credit Risk

As of September 30, 2021, the credit risks of the Group arising from the financial instrument are as follows:

30.09.2021	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	**30.734.001**	**83.426.585**	**370.293**	**3.327.153**	**38.433.770**	**--**	**81.124.835**
- Maximum amount of risk exposed - Part of the risk covered by guarantees	--	--	--	2.382.841	--	--	--
A. Net value of financial assets neither due nor impaired	30.734.001	83.426.585	370.293	944.312	38.433.770	--	81.124.835
B. Conditions renegotiated, otherwise to be classified as past due or impaired	--	--	--	--	--	--	--
C. Past due but not impaired	--	--	--	--	--	--	--
D. Net book value of Impaired assets	--	1.500.000	--	--	--	--	--
-Past due (gross book value)	--	(1.500.000)	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--	--	--

* In determining the amount, the increase in credit reliability such as guarantees received are not taken into account.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (CONTINUED)

Credit risk exposure as types of financial instruments are shown in the table below.

31.12.2020	**Receivables**				Bank Deposits
	Trade Receivables		**Other Receivables**		
	Related Parties	Other Parties	**Related** Parties	Other Parties	
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	**17.359.875**	**100.771.197**	**21.798.068**	**3.068.763**	**1.201.444**
- Maximum amount of risk exposed - Part of the risk covered by guarantees	--	--	--	229.990	--
A. Net value of financial assets neither due nor impaired	17.359.875	100.771.197	21.798.068	2.838.773	1.201.444
B. Conditions renegotiated, otherwise to be classified as past due or impaired	--	--	--	--	--
C. Past due but not impaired	--	--	--	--	--
D. Net book value of Impaired assets	--	1.500.000	--	--	--
-Past due (gross book value)	--	(1.500.000)	--	--	--
-Impairment (-)	--		--	--	--
- Part covered by guarantees	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--
-Impairment (-)	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--

In determining the amount, factors that increase credit reliability, such as the guarantees received, were not taken into account.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity Risk

Main responsibility relevant with liquidity risk management belongs to Board of Directors. The board short of the Group management has built an appropriate liquidity risk management for medium and long term funding and liquidity requirements. The Group manages liquidity risk by following forecast and actual cash flows regularly and ensuring the continuation of adequate of funds and reserves by matching the maturity profiles of financial assets and liabilities.

In this context, taken care to compatible maturity of receivables and payables, net working capital management objectives are being put in order to protect short-term liquidity and kept at a certain level of balance sheet ratios.

Medium and long- term liquidity management is done according to the group's cash flow projections based on the dynamics of financial markets and industry, cash flow cycle is monitored and tested according to various scenarios.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market Risk

Market risk is the changes that will occur in interest rates, exchange rates or the value of securities that will adversely affect the Group.

Currency risk

Currency Position				
	30.09.2021			
	TRY Equivalent (Functional Currency)	**USD**	**EUR**	**GBP**
1. Trade Receivables	27.252.875	3.035.383	29.458	--
2a. Monetary financial assets (including cash and cash equivalents)	966.912	216	93.730	17
2b. Non-monetary financial assets	13.002.951	510.310	798.100	21.572
3. Other	--	--	--	--
4. Current Assets (1+2+3)	**41.222.737**	**3.545.909**	**921.289**	**21.588**
5. Trade Receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--
9. Total Assets (4+8)	**41.222.737**	**3.545.909**	**921.289**	**21.588**
10. Trade payables	(27.101.153)	(1.134.682)	(1.649.443)	--
11. Financial Liabilities	(248.539.575)	--	(24.102.443)	--
12a. Monetary financial liabilities	--	--	--	--
12b. Non-monetary financial liabilities	--	--	--	--
13. Short Term Liabilities (10+11+12)	**(275.640.728)**	**(1.134.682)**	**(25.751.886)**	**--**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	(1.101.601.899)	--	(106.829.254)	--
17. Long Term Liabilities (14+15+16)	**(1.101.601.899)**	**--**	**(106.829.254)**	**--**
18. Total Liabilities (13+17)	**(1.377.242.627)**	**(1.134.682)**	**(132.581.140)**	**--**
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	--	--	--	--
19a. Amount of Hedge Total Asset	--	--	--	--
19b. Amount of Hedge Total Liabilities	--	--	--	--
20. Net Foreign Currency asset/ (liabilities) Position (9-18+19)	**(1.336.019.890)**	**2.411.228**	**(131.659.851)**	**21.588**
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.349.022.840)	1.900.918	(132.457.951)	17
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	--	--	--	--
23. Export	--	--	--	--
24. Import	--	--	--	--

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency Position				
	31.12.2020			
	TRY Equivalent (Functional Currency)	**USD**	**EUR**	**GBP**
1. Trade Receivables	24.839.499	3.383.897		--
2a. Monetary financial assets (including cash and cash equivalents)	32.725	4.224	129	56
2b. Non-monetary financial assets	29.530.173	950.595	2.501.409	2.000
3. Other	--	--	--	--
4. Current Assets (1+2+3)	**54.402.397**	**4.338.717**	**2.501.538**	**2.056**
5. Trade Receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-current assets (5+6+7)	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**54.402.397**	**4.338.717**	**2.501.538**	**2.056**
10. Trade payables	(51.286.624)	(479.727)	(5.110.759)	(173.775)
11. Financial Liabilities	(260.115.072)	--	(28.876.328)	--
12a. Monetary financial liabilities	--	--	--	--
12b. Non-monetary financial liabilities	--	--	--	--
13. Short Term Liabilities (10+11+12)	**(311.401.696)**	**(479.727)**	**(33.987.087)**	**(173.775)**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	(1.149.450.087)	--	(127.604.668)	--
17. Long Term Liabilities (14+15+16)	**(1.149.450.087)**	**--**	**(127.604.668)**	**--**
18. Total Liabilities (13+17)	**(1.460.851.783)**	**(479.727)**	**(161.591.755)**	**(173.775)**
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	--	--	--	--
19a. Amount of Hedge Total Asset	--	--	--	--
19b. Amount of Hedge Total Liabilities	--	--	--	--
20. Net Foreign Currency asset/ (liabilities) Position (9-18+19)	**(1.406.449.386)**	**3.858.990**	**(159.090.217)**	**(171.719)**
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.435.979.559)	2.908.395	(161.591.626)	173.831
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	--	--	--	--
23. Export	**--**	**--**	**--**	**--**
24. Import	**--**	**--**	**--**	**--**

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
30.09.2021				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	2.893.473	(2.893.473)	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	**2.893.473**	**(2.893.473)**	**--**	**--**
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(157.991.821)	157.991.821	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- Net Effect of EURO (4+5)	**(157.991.821)**	**157.991.821**	**--**	**--**
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	25.906	(25.906)	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
9- Net Effect of GBP (7+8)	**25.906**	**(25.906)**	**--**	**--**
TOTAL (3+6+9)	**(155.072.442)**	**155.072.442**	**--**	**--**

Sensitivity Analysis of Foreign Exchange Position				
31.12.2020				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	5.665.384	(5.665.384)	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	**5.665.384**	**(5.665.384)**	**--**	**--**
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(286.613.753)	286.613.753	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- Net Effect of EURO (4+5)	**(286.613.753)**	**286.613.753**	**--**	**--**
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	(341.508)	341.508	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
9- Net Effect of GBP (7+8)	**(341.508)**	**341.508**	**--**	**--**
TOTAL (3+6+9)	**(281.289.877)**	**281.289.877**	**--**	**--**

35. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION)

Fair Value

Fair value is defined as price between willing parties who are into making a sale or purchase.

Financial assets and liabilities in foreign currency are converted to market prices at statement of financial position date.

Methods and assumptions below are used to predict fair value of each financial instrument in case when it is possible to determine fair value of these instruments.

Financial Assets

The fair value of certain financial assets carried at cost, including cash at banks, marketable securities plus the respective accrued interest are considered to approximate their respective carrying values. The carrying values of the trade receivables net of provisions for uncollectible receivables are considered to approximate their fair values.

Financial Liabilities

Values of monetary liabilities and trade payables are considered close to their fair value because of short term nature. Bank loans are stated with their discounted cost and transaction cost will be added to initial cost of loans. Book value of loans is considered close to its fair value because of updates in changed market conditions and interest rates. Book value of trade payables is considered as close to its fair value cause of being short termed.

The fair value of financial assets and liabilities are determined as follows:

First Level: Financial assets and liabilities are appreciated from stock price traded in active market for similar assets and liabilities.

Second Level: Financial assets and liabilities are appreciated from inputs used determining observable price in the market as direct or indirect with the exception of the price is stated in first level.

Third Level: Financial assets and liabilities are appreciated from inputs based on unobservable data in the market in determining the fair value of an asset or liability.

The Group management considers that the book values of financial instruments reflect their fair values.

Derivative Financial Instruments (Futures Agreements)

The Group does not engage in derivative transactions in the foreign exchange markets.

Financial Liabilities

Due to the short-term nature of trade payables and other monetary liabilities, their fair values are considered to approximate their carrying values. Bank loans are expressed at discounted cost and transaction costs are added to the initial cost of the loans. Since the interest rates on them are updated by taking into account the changing market conditions, it is considered that the current values of the loans represent the value they carry. Due to their short-term nature, the fair values of trade payables are expected to be close to their carrying values.

36. SUBSEQUENT EVENTS

None.

37. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None.

38. EXPLANATION TO CASH FLOW STATEMENT

The movements in the cash flow statement that do not create cash inflows and outflows by years are as follows:

		Current period Unaudited consolidated	Past period Unaudited consolidated
A. CASH FLOWS FROM OPERATING ACTIVITIES	**Notes References**	**01.01-30.09.2021**	**01.01-30.09.2020**
		102.172.101	**158.440.626**
Profit/Loss For The Period		**(122.330.424)**	**(259.614.193)**
Adjustments Related to Reconciliation of Net Profit/Loss for the Period		**185.326.425**	**452.227.924**
Adjustments Regarding Depreciation and Amortization Expenses	11-12-23-24-27	63.454.716	55.257.496
Adjustments for Impairment (Cancellation) of Receivables	7	-	-
Adjustments Regarding Provisions (Cancellation) of Employee Benefits	19	1.540.171	1.175.923
Corrections Regarding Litigation and Penalty Provisions (Cancellation)	18	(495.176)	857.384
Adjustments Regarding of Provisions Set aside in accordance with Sectoral Requirements	18	-	0
Deferred Financing Expense from Forward Purchases	7-8	1.756.723	1.610.702
Unearned Finance Income from Futures Sales	7-8	(7.835.780)	(14.034.496)
Adjustments Regarding Interest Expenses	20	42.335.551	10.774.592
Adjustments Related to Interest Income	20	(86.274.245)	(23.313.083)
Adjustments for Unrealized Currency Translation Differences		198.974.340	382.554.410
Adjustments Regarding Impairment Reversal of Tangible Fixed Assets		0	-
Adjustments Regarding Tax Expenses/Income	30	(28.129.877)	37.344.996
Changes in Working Capital		**39.116.324**	**(34.027.506)**
Adjustments Regarding Increase/Decrease in Inventories	9	(65.149.002)	(57.319.668)
Increase/Decrease in Trade Receivables from Related Parties		(13.374.126)	-
Increase/Decrease in Trade Receivables from Unrelated Parties	7	15.590.248	23.818.755
Decrease (Increase) in Other Receivables from Related Parties)	6	21.425.416	94.008.183
Decrease (Increase) in Other Receivables from Unrelated Parties)	8	(258.390)	(455.696)
Change in Other Assets	20	30.110.057	101.318.281
Increase (Decrease) in Trade Payables to Related Parties		(183.292)	-
Increase (Decrease) in Trade Payables to Non-Related Parties)	7	8.958.507	1.457.598
Change in Prepaid Expenses	10	2.598.435	(150.685)
Change in Payables Under Employee Benefits	19	(513.381)	(4.487.879)
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	(4.670.388)	(125.332.778)
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties)	8	13.824.127	(3.813.412)
Provisions for Employee Benefits	19	1.457.192	1.328.756
Increase (Decrease) in Deferred Revenues)	10	53.959.379	(39.066.329)
Change in Other Obligations	20	(24.658.457)	(25.332.632)
Cash Flows from Operations		**102.112.325**	**158.586.225**
Other Loss/Gain	21	59.777	(145.599)

39. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE

The details of the Group's shareholders' equity as of 30.09.2021 and 31.12.2020 are disclosed in Note 21.

40. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

	30.09 2021	31.12 2020
Bank	38.433.770	1.201.444
-Demand deposit	*7.117.967*	*1.117.416*
-Term deposit	*31.315.803*	*84.028*
Other literals	1.727	1.727
TOTAL	**38.435.497**	**1.203.171**

As of 30.09.2021, the Group has no blocked deposits (31.12.2020: None). Information on the Group's time deposit account for the period 30.09.2021 and 31.12.2020 is as follows:

Time Deposit Currency	Time	Interest rate	30.09.2021 TRY	31.12.2020 TRY
TRY	27.09.2021	16,00%	95.752	--
TRY	1.10.2021	16,00%	6.000.000	--
TRY	1.10.2021	17,50%	25.000.000	--
TRY	1.10.2021	16,00%	220.000	--
TRY	1.10.2021	18,12%	51	--
TRY	15.03.2021	14,00%	--	84.028
			31.315.803	**84.028**

41. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)

This financial data, that is calculated as an income before finance, tax and depreciation is an indication of measured income without taking notice of finance, tax, expenses that are not required cash outflows, depreciation and redemption expenses of the company. This financial data also specified in the financial statements by some investors due to use in the measurement of the company's ability to repay the loans and/or additional loan. However, EBITDA should not be considered independently from financial statements. Also, EBITDA should not evaluate as an alternative to net income(loss), net cash flow derived from operating, investing and financing activities, financial data obtained from investing and financial activities or prepared according to IAS / IFRS, or other inputs obtained from financial instruments such as, business operating performance. This financial information should be evaluated together with other financial inputs that are contained in the statement of cash flow.

As the date of September 31, 2020 the amount of interest, tax, profit before depreciation is TRY 255.579.020. (01.01-30.09.2020: 186.960.136 TRY)