

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

**Interim Condensed Consolidated Financial Statements  
As at For The Three - Months Period Ended 31 March 2022**

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

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**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Interim condensed consolidated statement of financial position as at 31 March 2022**  
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

		<b>Not Audited</b>		<b>Audited</b>
	<b>Notes</b>	<b>31 March 2022</b>	<b>31 December 2021</b>	
<b>ASSETS</b>				
<b>Current Assests</b>				
Cash and Cash Equivalents	3	1,340,900,847	1,525,592,118	
Financial Assets		1,679,966	2,704,681	
Trade Receivables		869,769,969	147,835,801	
- <i>Due from Related Parties</i>	5	852,023,572	127,311,860	
- <i>Due from Third Parties</i>	6	17,746,397	20,523,941	
Other Receivables		33,848,647	22,946,045	
- <i>Due from Related Parties</i>	5	25,759,226	15,530,259	
- <i>Due from Third Parties</i>	7	8,089,421	7,415,786	
Inventories	8	9,628,313	10,334,700	
Other Current Assets	16	34,665,987	31,065,113	
<b>TOTAL CURRENT ASSETS</b>		<b>2,290,493,729</b>	<b>1,740,478,458</b>	
<b>Non-Current Assets</b>				
Other Receivables		2,905,365	2,740,754	
- <i>Other Receivables due from Third Parties</i>		2,905,365	2,740,754	
Property, Plant and Equipments	9,1	20,365,887,086	20,449,461,989	
Right of Use Assets	9,2	40,283,075	27,802,539	
Intangible Assets	10	297,046,114	298,995,009	
Other Non-current Assets		11,271,808	11,878,138	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,717,393,448</b>	<b>20,790,878,429</b>	
<b>TOTAL ASSETS</b>		<b>23,007,887,177</b>	<b>22,531,356,887</b>	

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

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Interim condensed consolidated statement of financial position as at 31 March 2022**  
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

	Notes	Not Audited		Audited
		31 March 2022	31 December 2021	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Short-term Liabilities of Long-term Financial Liabilities	13	844,973,493		763,819,958
Lease Liabilities	9.2	7,527,434		4,734,769
Trade Payables		190,300,392		68,147,916
- Due to Related Parties	5	3,797,739		4,124,009
- Due to Third Parties	6	186,502,653		64,023,907
Other Payables		3,767,447		600,562
- Due to Third Parties	7	3,767,447		600,562
Liabilities for Employee Benefits	12	1,997,740		1,362,799
Current Provisions		20,255,946		20,643,094
- Short-term Provisions for Employee Benefits	10	7,294,815		6,506,072
- Other Short-term Provisions	10	12,961,131		14,137,022
Other Current Liabilities	16	72,538,032		17,324,105
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,141,360,484</b>		<b>876,633,203</b>
<b>Non-Current Liabilities</b>				
Financial Liabilities	13	10,012,712,780		9,292,574,451
Lease Liabilities	9.2	22,512,208		25,143,494
Other Payables		39,030,302		37,092,472
- Due to Related Parties	5	39,030,302		37,092,472
Non-current Provisions		19,290,623		11,543,311
- Long-Term Provisions for Employee Benefits	11.4	19,290,623		11,543,311
Deferred Tax Liabilities		2,413,343,460		2,485,110,016
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>12,506,889,373</b>		<b>11,851,463,744</b>
<b>TOTAL LIABILITIES</b>		<b>13,648,249,857</b>		<b>12,728,096,947</b>

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

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Interim condensed consolidated statement of financial position as at 31 March 2022**  
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

	<b>Not Audited</b>	<b>Audited</b>
<b>Notes</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
<b>EQUITY</b>		
Paid-in Capital	705,000,000	705,000,000
Share Premium / Discount	91,418,338	91,418,338
Treasury Stocks (-)	(23,958,443)	-
Restricted Reserves	25,482,309	1,523,866
<b>Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods</b>	13,099,934,981	13,228,664,194
- Gains on Revaluation of Property, Plant and Equipment	13,100,201,387	13,225,881,526
- Actuarial Gains / (Losses) on Defined Benefit Plans	(266,406)	2,782,668
<b>Other Comprehensive Income that may be reclassified to loss or profit in subsequent periods</b>	(3,724,940,872)	(3,000,188,096)
- Reserve of (Losses) Gains on Cash Flow Hedge	(3,724,940,872)	(3,000,188,096)
Accumulated Losses	(1,121,436,666)	(1,102,866,722)
Net Income / (Loss) for the Period	308,137,673	(120,291,640)
<b>TOTAL EQUITY</b>	<b>9,359,637,320</b>	<b>9,803,259,940</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,007,887,177</b>	<b>22,531,356,887</b>

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

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Interim condensed consolidated statement of profit or loss and other comprehensive**  
**income for the three-months period ended 31 March 2022 and 2021**

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

		Not Audited	Not Audited
	Notes	1 January - 31 March 2022	1 January - 31 March 2021
<b>Loss or Profit Statement</b>			
Revenue	4	848,818,889	257,292,468
Cost of Sales (-)		(320,470,187)	(173,615,211)
<b>Gross Profit</b>		<b>528,348,702</b>	<b>83,677,257</b>
General Administrative Expenses (-)		(41,597,787)	(23,190,016)
Other Operating Income		1,799,135	4,563,549
Other Operating Expenses (-)		(510,873)	(565,186)
<b>Operating Profit</b>		<b>488,039,177</b>	<b>64,485,604</b>
Gains from Investing Activities		3,860,147	677,177
<b>Profit Before Net Finance (Expense) / Income</b>		<b>491,899,324</b>	<b>677,177</b>
Finance Income		196,030,901	65,331,852
Finance Expense (-)		(269,608,645)	(103,922,204)
<b>Net Finance Expense</b>		<b>(73,577,744)</b>	<b>(38,590,352)</b>
<b>(Loss) / Gain Before Tax</b>		<b>418,321,580</b>	<b>26,572,429</b>
<b>Tax Expense</b>		<b>(110,183,907)</b>	<b>(3,665,154)</b>
<i>Deferred Tax Expense</i>		<i>(110,183,907)</i>	<i>(3,665,154)</i>
<b>Net Income for the Period</b>		<b>308,137,673</b>	<b>22,907,275</b>
<b>Profit Attributable To:</b>			
Equity Holders of the Parent		308,137,673	22,907,275
<b>Earnings / (Loss) per share</b>			
- Earnings / (Loss) per share		0.44	0.03
<b>Other Comprehensive Income</b>			
- that will not be Reclassified to Loss or Profit in Subsequent Periods		(3,049,074)	622,340
- Actuarial (Losses)/Gains on Defined Benefit Plans		(3,811,343)	777,925
- Tax Related to Other Comprehensive Income that will not be Reclassified to Loss or Profit		762,269	(155,585)
- that may be Reclassified to Loss or Profit in Subsequent Periods		(724,752,776)	(539,221,288)
- Reserve of (Losses) Gains on Cash Flow Hedge		(905,940,970)	(674,026,610)
- Tax Related to Other Comprehensive Income that will be Reclassified to Loss or Profit		181,188,194	134,805,322
<b>Other Comprehensive Income</b>		<b>(727,801,850)</b>	<b>(538,598,948)</b>
<b>Total Comprehensive Income</b>		<b>(419,664,177)</b>	<b>(515,691,673)</b>
<b>Total Comprehensive Income (Loss) Attributable To:</b>			
Equity Holders of the Parent		(419,664,177)	(515,691,673)

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

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Interim condensed consolidated statement changes in equity**  
**for the three-months period ended 31 March 2022 and 2021**  
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

						Other Comprehensive Income that will not be Reclassified to (Loss) or Profit	Other Comprehensive Income that will be Reclassified to (Loss) or Profit					
	Paid-in Capital	Share Premium / Discount	Treasury Stocks (-) (*)	Restricted Reserves (**)	Gains on Revaluation of Property, Plant and Equipment	Actuarial (Losses)/Gains on Defined Benefit Plans	Reserve of (Losses) Gains on Cash Flow Hedge	Accumulated Losses (*)	Net Income / (Loss) for the Period	Equity Holders of the Parent	Total Equity	
<b>Balance as of 1 January 2021</b>	700,000,000	51,319,818	-	1,523,866	6,477,727,452	2,848,729	-	(773,286,902)	(567,280,969)	5,892,851,994	5,892,851,994	
Transfers	-	-	-	-	-	-	-	(567,280,969)	567,280,969	-	-	
Net Income / (Loss) for the Period	-	-	-	-	-	-	-	-	22,907,275	22,907,275	22,907,275	
Other Comprehensive Income / (Expense)	-	-	-	-	-	622,340	(539,221,288)	-	-	(538,598,948)	(538,598,948)	
<b>Total Comprehensive Income</b>	-	-	-	-	-	622,340	(539,221,288)	-	22,907,275	(515,691,673)	(515,691,673)	
Depreciation Transfers Related to Revaluation of Property, Plant and Equipment	-	-	-	-	(57,223,602)	-	-	57,223,602	-	-	-	
<b>Balance as of 31 March 2021</b>	700,000,000	51,319,818	-	1,523,866	6,420,503,850	3,471,069	(539,221,288)	(1,283,344,269)	22,907,275	5,377,160,321	5,377,160,321	
<b>Balance as of 1 January 2022</b>	705,000,000	91,418,338	-	1,523,866	13,225,881,526	2,782,668	(3,000,188,096)	(1,102,866,722)	(120,291,640)	9,803,259,940	9,803,259,940	
Transfers	-	-	-	-	-	-	-	(120,291,640)	120,291,640	-	-	
Net Income / (Loss) for the Period	-	-	-	-	-	-	-	-	308,137,673	308,137,673	308,137,673	
Other Comprehensive Income / (Expense)	-	-	-	-	-	(3,049,074)	(724,752,776)	-	-	(727,801,850)	(727,801,850)	
<b>Total Comprehensive (Expense) / Income</b>	-	-	-	-	-	(3,049,074)	(724,752,776)	-	308,137,673	(419,664,177)	(419,664,177)	
Acquisition of Own Shares (*) (**)	-	-	(23,958,443)	23,958,443	-	-	-	(23,958,443)	-	(23,958,443)	(23,958,443)	
Depreciation Transfers Related to Revaluation of Property, Plant and Equipment	-	-	-	-	(125,680,139)	-	-	125,680,139	-	-	-	
<b>Balance as of 31 March 2022</b>	705,000,000	91,418,338	(23,958,443)	25,482,309	13,100,201,387	(266,406)	(3,724,940,872)	(1,121,436,666)	308,137,673	9,359,637,320	9,359,637,320	

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

The total amount of purchases provided from the internal resources of the company is 23,958,443 TL corresponding to 3,123,502 shares, and its share in the Company's capital is 0,4430%. The Company has shown TL 23,958,443 in the "Treasury Stocks (-)" account, which was paid related to the repurchase of shares.

(\*\*) In accordance with Article 520 of the Law No. 6102, the Company has set aside a reserve fund for the shares bought back in an amount that meets the acquisition value. Since these reserves are dissolved when the treasury stocks are transferred or canceled, they are shown as "Restricted Reserves".

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

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Interim consolidated statement of cash flows**  
**for the three-months period ended 31 March 2022 and 2021**  
(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

		<b>Not Audited</b>	<b>Not Audited</b>
	<b>Notes</b>	<b>1 January - 31 March 2022</b>	<b>1 January - 31 March 2021</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Income / (Loss) for the Period</b>		<b>308,137,673</b>	<b>22,907,275</b>
<i>Net Income / (Loss) for the Period Adjustment to Reconcile</i>		<b>587,821,359</b>	<b>195,023,211</b>
Adjustment Related to Amortization and Depreciation	9-10	194,619,658	107,001,294
Adjustment Related to Provisions		3,303,473	2,422,538
Adjustment Related to Incomes / (Expenses) of Interest, Net		207,693,860	96,597,977
Adjustment Related to Tax Income / (Expense)		110,183,907	3,665,154
Adjustment Related to Exchanges Differences		73,646,882	(16,174,246)
Adjustment Related to Gains of Sales of Tangible & Intangible Assets, Net		(3,556,489)	(42,223)
Adjustment to Related Party to Interest Incomes / Expenses from Related Parties		(7,762)	(150,755)
Other Adjustments to Reconcile Net (Loss) / Income		1,937,830	1,703,472
<b>Change in Working Capital</b>		<b>(546,513,709)</b>	<b>15,979,390</b>
Adjustment Related to Increase / (Decrease) in Trade Receivables		(721,633,091)	(8,897,120)
Adjustment Related to Increase / (Decrease) in Other Receivables		(12,135,112)	8,048,244
Adjustment Related to Increase / (Decrease) in the Inventories		(100,544)	(707,344)
Adjustment Related to Increase / (Decrease) in Trade Payables		122,478,746	12,250,305
Adjustment Related to Increase / (Decrease) in Other Payables		61,359,236	445,036
Adjustment Related to Increase / (Decrease) in Liabilities for Employee Benefits		3,517,056	4,840,269
<b>Cash Flows From Operations</b>		<b>349,445,323</b>	<b>233,909,876</b>
Taxes Paid		(5,860,539)	-
Employee Termination Benefit Paid	11.4	(55,729)	(394,341)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received		4,093,813	813,664
Inflow Related to Sales of Tangible and Intangible Assets	9	3,609,382	84,446
Outflow Related to Purchase of Tangible and Intangible Assets	9-10	(107,174,285)	(30,890,050)
<b>C. CASH FLOWS FROM FINANCIAL ACTIVITIES</b>			
Cash Outflow Related to Lease Liabilities	13	(15,986,085)	(2,445,890)
Cash Inflow / (Outflow) Related to Repayment of Related Party, net		(326,270)	(5,088,362)
Cash Outflows for the Acquisition of Own Shares		(23,958,443)	-
Interest Paid	13	(388,478,438)	-
<b>NET INCREASE / (DECREASE) CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(184,691,271)</b>	<b>195,989,343</b>
<b>D. CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD</b>		<b>1,525,592,118</b>	<b>145,525,078</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>		<b>1,340,900,847</b>	<b>341,514,421</b>

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



**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**for the three – months period ended 31 March 2022**

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

**1. Organization and nature of operations of the Group**

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

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

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

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

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

As of 31 March 2022 and 31 December 2021, the Group's subsidiaries (“subsidiaries”) and their main business activities are as follows:

Subsidiaries	Location	Main Activities	Ownership Percentage	
			31 March 2022	31 December 2021
Ey-Tur Enerji Elektrik Üretim ve Ticaret Ltd. Şti. (“Ey-tur”) /HPP	Kağızman/Kars	Electricity generation by hydropower	100%	100%
Başat Elektrik Üretim ve Ticaret Ltd. Şti. (“Başat”) / HPP	Üzümlü/Erzincan	Electricity generation by hydropower	100%	100%
Sarı Perakende Enerji Satış ve Ticaret A.Ş. (“Sarı Perakende”)	İzmir	Trading of electricity	100%	100%
Akköprü Yenilenebilir Enerji A.Ş. (“Akköprü HPP”) (*)	Muğla	Electricity generation by hydropower	100%	100%

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

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**for the three – months period ended 31 March 2022**

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

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

As of 31 March 2022 and 31 December 2021, the number of employees of the Company and its subsidiaries and its associate are as shown in the table below:

The Company and its subsidiaries	31 March 2022	31 December 2021
Aydem Yenilenebilir	531	537
Sarı Perakende	-	-
Ey-Tur	-	-
Başat	-	-
Akköprü	-	-
<b>Total</b>	<b>531</b>	<b>537</b>

**Laws / regulations affecting the business activities**

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

**List of Shareholders**

As of 31 March 2022 and 31 December 2021, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

Shareholders	31 March 2022		31 December 2021	
	TL	%	TL	%
Aydem Enerji Yatırımları A.Ş.	574,975,680	81.56%	574,975,010	81.56%
Publicly Traded	130,000,000	18.44%	130,000,000	18.44%
Others	24,320	0.00%	24,990	0.00%
<b>Total</b>	<b>705,000,000</b>	<b>100%</b>	<b>705,000,000</b>	<b>100%</b>

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

The company has taken the Board of Directors decision dated August 4, 2020 and numbered 2020/29. The issued capital of the Company, which was 700,000,000 TL within the registered capital ceiling of 2,000,000,000 TL. The company has been decided to be increased by 5,000,000 TL to 705,000,000 TL. The Company has decided to issue 5,000,000 shares with a nominal value of 5,000,000 TL as Group B shares and to offer the said shares to the public. As of April 29, 2021, the company started to be traded on Borsa Istanbul - Yıldız Market.

**Approval of consolidated financial statements:**

Consolidated financial statements prepared as of 31 March 2022 were authorized for publication by the Board of Directors on 10 May 2022. The General Assembly have the right to amend the consolidated financial statements.

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**for the three – months period ended 31 March 2022**

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

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

**2.1 Basic principles of presentation**

Consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

The Group and its subsidiaries and associate maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. Consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions except for the revaluated power plants, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with IFRS.

**2.2 Functional and presentation currency**

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

*Transactions and balances*

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

**Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**for the three – months period ended 31 March 2022**

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

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

### **2.3 Basis of Consolidation**

Consolidated financial statements include the financial statements of the company and its subsidiaries as of 31 March 2022. Subsidiaries are companies over which the Group has direct or indirect control over their operations. Control is provided if the Group meets the following conditions:

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

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

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

**2.3 Basis of Consolidation (continued)**

*(i) Business combinations*

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

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

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

*ii) Subsidiaries:*

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

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

**2.3 Basis of consolidation (continued)**

*iii) Associates:*

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

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

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

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

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

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

*iv) Non-controlling interests*

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

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

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

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

**2.3 Basis of consolidation (continued)**

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

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

*vi) Acquisition of companies under common control*

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

*vii) Eliminations*

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

*viii) Loss of control*

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

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

### **2.4 Going Concern**

The Group prepares its consolidated financial statements on the assumption that the business will continue its operations in the foreseeable future. As of 31 March 2022, the Group has accumulated losses amounting to TL 1,121,436,666 and net income for the period of TL 308,137,673. On the other hand, the Group has operating profit amounting to TL 488,039,177, the Group has earned TL 349,445,323 cash and TL 682,658,835 of profit before interest, tax and depreciation from operating activities.

The Group generates electricity sales income and collects it in less than a month. On the other hand, all payables to be paid within one year are included in short term liabilities. The fact that the Group's receivables turnover rate is high provides an advantage in terms of paying its short-term liabilities on time. As a result of the USD indexed sales realized within the scope of the Group's Feed-in Tariff ("FIT"), the total revenue amount increased significantly.

The Group paid all of its domestic bank loans with the bond issuance on 2 August 2021, and accelerated its investments in line with the remaining fund. As a result of the completion of the investments, an increase in production is expected in the coming years, and it is expected that the income will increase in parallel with the investments. In addition, it is expected that the principal payments for the bond is going to start in 2025, which will enable the Group to realize its investment targets more quickly, and to make the principal payments of the bond without any problems with the funds obtained from the operations.

Group management made an assessment of the sustainability of operations and determined that it has sufficient resources to continue its operations in the near future, taking into account the Group's capacity to generate revenue, profit and liquidity. Group management believes that there is no uncertainty about the sustainability of its operations.

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

The accounting policies adopted in preparation of the consolidated financial statements as at 31 March 2022 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2022. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Proceeds before intended use
- Amendments to IAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- Annual Improvements – 2018–2020 Cycle

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



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

**2.5 The new standards, amendments and interpretations (continued)**

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

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

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IFRS 17 - The new Standard for insurance contracts
- Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

**2.6 Summary of significant accounting policies**

**Related Parties**

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

a) A person or a close member of that person's family is related to a reporting entity if that person:

- i. has control or joint control over the reporting entity,
- ii. has significant influence over the reporting entity,
- iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

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

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

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

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

**Property, plant and equipment**

*Accounting and measurement*

The Group, has adopted the revaluation method in accordance with IAS 16 for its entire power plants. Power plants are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Other tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Construction in progress is also stated at cost, net of accumulated impairment losses, if any.

The frequency of revaluations depends on the changes in the fair values of property, plant and equipment subject to revaluation. The Group revalued the property, plant and equipments consisting of the power plant as of 31 December 2021 and performed a detailed impairment analysis as of 31 March 2022. The Renewable Energy Group consist of power plants below:

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

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

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

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

The estimated useful lives of the significant property, plant and equipments as of 31 March 2022 are as follows:

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

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

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

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

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

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

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

**Intangible assets**

***Accounting and measurement***

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

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

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

*Right to Operate Licences*

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

*Computer Softwares*

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

*Subsequent costs*

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

*Amortization*

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

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

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

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

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

**Financial liabilities**

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

*i. Borrowings*

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

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

*ii. Borrowing costs*

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

*iii. Trade and other payables*

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

**2.7 Cash flow hedge transactions**

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

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

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

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

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

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

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

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

As of 31 March 2022, the amount of forecasted revenue under FIT is USD 674,208,645 whereas the total notional of the outstanding USD denominated loans is USD 750,000,000. The Group designates USD 650,000,000 of this amount as part of its hedge accounting relationship, per IFRS 9 6.2.4 (c). Due to under-hedged nature of the hedged-item, the Company achieves 1:1 hedge ratio with the hedging instrument at all times by way of re-balancing, in line with IFRS 9.6.4.1.c.iii.

The maturity breakdown of the designated layer of the hedging instrument notional as of 31 March 2022 is provided below;

<b>Payment Date</b>	<b>Principal Payment Amount</b>
February 2025	65,000,000
August 2025	65,000,000
February 2026	65,000,000
August 2026	65,000,000
February 2027	390,000,000
<b>Total</b>	<b>650,000,000</b>

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

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

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

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

As of 31 March 2022, the hedge relationship has been measured as %97.32 effective, Accordingly, the foreign exchange losses incurred between the designation date and the closing date amounting to TL TL 932,111,736 has been treated as follows:

<b>Foreign Exchange Loss relating to USD Loans</b>	<b>1 January – 31 March 2022</b>
<b>Recognized in OCI</b>	TL 905,940,970
<b>Recognized in profit or loss (ineffective portion)</b>	TL 26,170,766
<b>The amount reclassified from OCI to profit or loss as Finance expenses – Foreign Exchange losses transferred from equity (cash flow hedge)</b>	TL 43,321,569

As a result of the sensitivity analysis performed on the forecasted revenue figures, the Group concluded that the 10% increase / decrease in the forecasts do not have a significant effect on the evaluation of the hedge effectiveness tests.

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

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

**Judgements:**

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

- Note 5 – Trade receivables
- Note 9 – Property, plant and equipments
- Note 11 – Provisions

**3 Cash and Cash Equivalents**

	<b>31 March 2022</b>	<b>31 December 2021</b>
Cash	2,625	-
Cash at Banks	1,340,898,222	1,525,592,118
- Demand Deposits	131,764,705	1,399,667,661
- Time Deposits	1,209,133,517	125,924,457
	<b>1,340,900,847</b>	<b>1,525,592,118</b>

As of 31 March 2022, the interest rate of the Group’s term TL denominated time deposits amounting is between 12% to 17% (31 December 2021: between 12% to 15.41%); US Dollars denominated time deposits amounting interest rate is between 0.01% to 2.85% (31 December 2021: between 0.10% to 1.80%). Euro denominated time deposits amounting interest rate is between 0.01% to 1.40% (31 December 2021: -).



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**4 Segment reporting**  
**4.1 Statement of financial position**

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

The reportable segments of the Group are monitored based on the electricity generation type of power plants by the Group management. The decision making related to funding allocation and requirements are also managed based on these projects. Group management assesses segment performance over earnings before interest, tax, depreciation and amortization (“EBITDA”). EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

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

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**4 Segment reporting (continued)**

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

<b>31 March 2022</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>BIO Power Plant</b>	<b>Other (*)</b>	<b>Unallocated (**)</b>	<b>Consolidated</b>
Segment Assets	17,936,633,336	2,401,377,060	9,558,433	837,713	4,945,094	2,654,535,541	23,007,887,177
Segment Liabilities	10,913,145,422	828,512,440	1,049,065	5,932,208	6,679	1,899,604,043	13,648,249,857
<b>31 December 2021</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>BIO Power Plant</b>	<b>Other (*)</b>	<b>Unallocated (**)</b>	<b>Consolidated</b>
Segment Assets	18,077,351,085	2,251,001,000	11,730,000	1,457,794	4,964,905	2,184,852,103	22,531,356,887
Segment Liabilities	10,771,953,787	796,104,590	1,276,214	11,747,578	13,293	1,147,001,485	12,728,096,947

Segment assets are composed of its power plants and segment liabilities are composed of its financial liabilities and deferred tax liabilities related to power plants.

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

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

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**4 Segment reporting (continued)**

**4.2 Statement of profit or loss**

<b>1 January - 31 March 2022</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>BIO Power Plant</b>	<b>Total Renewable Energy</b>	<b>Unallocated (*)</b>	<b>Consolidated</b>
Revenues	674,006,875	167,534,441	5,606,735	677,183	847,825,234	993,655	848,818,889
- Revenues from Feed in Tariff (FIT)	479,386,735	167,534,441	-	677,183	647,598,359	-	647,598,359
- Other than FIT	194,620,140	-	5,606,735	-	200,226,875	993,655	201,220,530
Cost of Sales (-)	(224,298,957)	(89,780,115)	(4,802,642)	(1,179,194)	(320,060,908)	(409,279)	(320,470,187)
Operational Expenses (-) (including Other expense and income)	(576,257)	(666,187)	(23,166)	(26,063)	(1,291,673)	(39,017,852)	(40,309,525)
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>449,131,661</b>	<b>77,088,139</b>	<b>780,927</b>	<b>(528,074)</b>	<b>526,472,653</b>	<b>(38,433,476)</b>	<b>488,039,177</b>
Add-back, Depreciation & Amortization Expenses (-)	144,428,207	43,759,923	2,378,610	628,287	191,195,027	3,424,631	194,619,658
<b>Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (**)</b>	<b>593,559,868</b>	<b>120,848,062</b>	<b>3,159,537</b>	<b>100,213</b>	<b>717,667,680</b>	<b>(35,008,845)</b>	<b>682,658,835</b>
Gains from Investing Activities	-	-	-	-	-	3,860,147	3,860,147
Finance Income	-	-	-	-	-	196,030,901	196,030,901
Finance Expense (-)	-	-	-	-	-	(269,608,645)	(269,608,645)
Tax (Expense) / Income	-	-	-	-	-	(110,183,907)	(110,183,907)
Depreciation & Amortization Expenses (-)	(144,428,207)	(43,759,923)	(2,378,610)	(628,287)	(191,195,027)	(3,424,631)	(194,619,658)
<b>Net Profit for the Period</b>							<b>308,137,673</b>

(\*) Includes head office costs and expenses which is not attributable to a reportable segment. General administration expenses mainly consist of personel expenses, consultancy expenses and information technologies cyber security services and management fees.

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

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**4 Segment reporting (continued)**

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

<b>1 January - 31 March 2021</b>	<b>Hydro Power Plants</b>	<b>Wind Power Plants</b>	<b>Geothermal Power Plant</b>	<b>BIO Power Plant</b>	<b>Total Renewable Energy</b>	<b>Unallocated (*)</b>	<b>Consolidated</b>
Revenues	166,258,716	81,988,767	4,010,509	384,449	252,642,441	4,650,027	257,292,468
- Revenues from Feed in Tariff (FIT)	143,891,130	81,988,767	-	384,449	226,264,346	-	226,264,346
- Other than FIT	22,367,586	-	4,010,509	-	26,378,095	4,650,027	31,028,122
Cost of Sales (-)	(123,758,421)	(46,072,733)	(2,775,793)	(497,058)	(173,104,005)	(511,206)	(173,615,211)
Operational Expenses (-) (including Other expense and income)	(212,065)	593,638	(63,125)	2,166	320,614	(19,512,267)	(19,191,653)
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>42,288,230</b>	<b>36,509,672</b>	<b>1,171,591</b>	<b>(110,443)</b>	<b>79,859,050</b>	<b>(15,373,446)</b>	<b>64,485,604</b>
Add-back, Depreciation & Amortization Expenses (-)	81,967,863	21,661,304	1,126,042	127,421	104,882,630	2,118,664	107,001,294
<b>Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (**)</b>	<b>124,256,093</b>	<b>58,170,976</b>	<b>2,297,633</b>	<b>16,978</b>	<b>184,741,680</b>	<b>(13,254,782)</b>	<b>171,486,898</b>
Gains from Investing Activities	-	-	-	-	-	677,177	677,177
Finance Income	-	-	-	-	-	65,331,852	65,331,852
Finance Expense (-)	-	-	-	-	-	(103,922,204)	(103,922,204)
Tax Income / (Expense)	-	-	-	-	-	(3,665,154)	(3,665,154)
Depreciation & Amortization Expenses (-)	(81,967,863)	(21,661,304)	(1,126,042)	(127,421)	(104,882,630)	(2,118,664)	(107,001,294)
<b>Net Profit for the Period</b>							<b>22,907,275</b>

(\*) Includes head office costs and expenses which is not attributable to a reportable segment. General administration expenses mainly consist of personel expenses, consultancy expenses and information technologies cyber security services and management fees.

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

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**5 Related party disclosures**

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

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

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

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

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

Trade receivables from related parties generally arise from sale of electricity. Receivables are not collateralized. Trade payables to related parties generally arise from the electricity purchases and consultancy expenses.

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

**5.1 Related party balances**

As of 31 March 2022 and 31 December 2021, short-term trade receivables due from related parties are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") (1) (*)	783,551,546	116,683,426
Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") (1) (*)	64,269,876	10,227,070
ADM Elektrik Dağıtım A.Ş. ("Adm EDAŞ") (1)	3,095,776	-
Parla Solar Hucre ve Panel Üretim A.Ş. (Parla) (1)	840,973	-
Yatağan Termik Enerji Üretim A.Ş. ("Yatağan") (1)	98,888	245,826
Other	166,513	155,538
	<b>852,023,572</b>	<b>127,311,860</b>

(\*) Consists of receivables related to electricity trade.

As of 31 March 2022 and 31 December 2021, short-term other receivables due from related parties are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Aydem Holding A.Ş. ("Aydem Holding") (1) (***)	25,748,953	15,530,259
Aydem Enerji Yatırımları A.Ş. ("Holdco") (1)	10,273	-
	<b>25,759,226</b>	<b>15,530,259</b>

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

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**5 Related party disclosures (continued)**

**5.1 Related party balances (continued)**

As of 31 March 2022 and 31 December 2021, short-term trade payables due to related parties are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Aydem Holding (1) (****)	3,017,528	3,004,715
GDZ Enerji Yatırımları A.Ş. ("GDZ Enerji") (1)	705,399	647,430
YF Operasyonel Kiralama A.Ş. ("YF") (2)	70,575	137,806
Adm EDAŞ (1)	-	240,369
Parla Solar Hücre ve Panel Üretim A.Ş. ("Parla") (1)	-	78,869
Other	4,237	14,820
	<b>3,797,739</b>	<b>4,124,009</b>

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

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

	<b>31 March 2022</b>	<b>31 December 2021</b>
Aydem EPSAŞ (1) (*****)	39,030,302	37,092,472
	<b>39,030,302</b>	<b>37,092,472</b>

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

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**5 Related party disclosures (continued)**

**5.1 Related party balances (continued)**

**5.2 Related party transactions**

For the year ended 31 March 2022 and 2021, income and expense transactions with related parties are as follows:

<b>Electricity Sales and Other Sales</b>	<b>1 January - 31 March 2022</b>	<b>1 January - 31 March 2021</b>
Gediz EPSAŞ (1) (*)	775,164,219	6,084
Aydem EPSAŞ (1) (**)	92,418,272	5,259,758
Adm EDAŞ (1)	3,830,439	183,001
Yatağan Termik Enerji Üretim A.Ş. ("Yatağan") (1)	100,390	75,988
Other	212,326	514,981
	<b>871,725,646</b>	<b>6,039,812</b>

(\*) Consist of electricity sales within the bilateral agreements.

(\*\*) Consists of electricity sales invoices within bilateral contract, group savings income and imbalance income. Imbalance income is TL 23,170,795.

<b>Purchase of Electricity and Services</b>	<b>1 January - 31 March 2022</b>	<b>1 January - 31 March 2021</b>
Aydem Holding (1) (*)	15,663,628	10,171,396
GDZ Enerji (1) (**)	2,518,176	905,938
Adm EDAŞ (1) (***)	2,246,235	996,919
Aydem EPSAŞ (1)	1,411,148	6,225,627
Parla Solar Hücre ve Panel Üretim A.Ş. (Parla) (1)	418,586	-
Yeni Filo A.Ş.(2)	175,455	303,833
Holdco (1)	-	755,405
Other	7,137	6,468
	<b>22,440,365</b>	<b>19,365,586</b>

(\*) This amount consists of the management fee deduction reflected by Aydem Holding. It consists of personnel service and administrative service expense.

(\*\*) Consists of vehicle rent expense invoices and IT reflection invoices.

(\*\*\*) Consists of system usage fee invoices.

<b>Finance Income</b>	<b>1 January - 31 March 2022</b>	<b>1 January - 31 March 2021</b>
Gediz EPSAŞ (1) (*)	20,256,927	-
Aydem EPSAŞ (1) (*)	4,053,963	-
Parla Solar Hücre ve Panel Üretim A.Ş. ("Parla Solar") (1) (*)	956,333	1,039
Aydem Holding (1)	-	356,559
Other	4,428	1,146
	<b>25,271,651</b>	<b>358,744</b>

(\*) Consists of the effects of exchange rate differences on trade receivables.

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**5 Related party disclosures (continued)**

**5.2 Related party transactions (continued)**

<b>Finance Expenses</b>	<b>1 January - 31 March 2022</b>	<b>1 January - 31 March 2021</b>
Parla (1) (*)	1,428,550	-
Aydem Holding (1)	-	126,066
Other	5,672	-
	<b>1,434,222</b>	<b>126,066</b>

(\*) Consists of the effects of exchange rate differences on trade payables.

The executive management of the Group is comprised of general manager and directors. For the period ended 31 March 2022 and 2021, the sum of short-term benefits, such as remuneration and attendance fees, provided to key management executives personnel is as follows:

	<b>1 January - 31 March 2022</b>	<b>1 January - 31 March 2021</b>
Benefits to key management personnel	2,730,109	2,097,104
	<b>2,730,109</b>	<b>2,097,104</b>

**6 Trade receivables and payables**

**Short term trade receivables**

As of 31 March 2022 and 31 December 2021, the Group's short-term trade receivables are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Trade Receivables due from Related Parties (Note 5)	852,023,572	127,311,860
Trade Receivables due from Third Parties	23,856,074	26,934,695
	<b>875,879,646</b>	<b>154,246,555</b>
Less: Allowances for Doubtful Trade Receivables	(6,109,677)	(6,410,754)
	<b>869,769,969</b>	<b>147,835,801</b>

As of 31 March 2022 and 31 December 2021, short-term trade receivables consist of the following items:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Trade Receivables related to Electricity Sales (*)	867,292,196	133,771,113
Income Accruals related to Electricity Sales (**)	2,477,773	14,064,688
Doubtful Trade Receivables	6,109,677	6,410,754
Allowances for Doubtful Trade Receivables (-)	(6,109,677)	(6,410,754)
	<b>869,769,969</b>	<b>147,835,801</b>

(\*) Consist of electricity sales within the bilateral agreements.

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



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

**Short term trade receivables (continued)**

The movement of provisions for doubtful receivables for the period ended 31 March 2022 and 31 March 2021 are as follows:

<b>Provisions for Doubtful Trade Receivable</b>	<b>2022</b>	<b>2021</b>
<b>Opening Balance</b>	6,410,754	4,715,147
Current Provision	9,926	8,491
Provisions No Longer Required	(311,003)	(51,536)
<b>Closing Balance</b>	<b>6,109,677</b>	<b>4,672,102</b>

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

As of 31 March 2022 and 31 December 2021, The aging analysis of trade receivables are as follows:

	<b>Total</b>	<b>Neither past due nor impaired</b>	<b>Past due but not impaired</b>				<b>Total past due but not impaired</b>
			<b>&gt;30 days</b>	<b>30-60 days</b>	<b>60-90 days</b>	<b>&gt;90 days</b>	
31 Mart 2022	869,769,969	866,350,845	2,167,590	243,293	329,473	678,768	3,419,124
31 Aralık 2021	147,835,801	145,004,215	749,203	170,025	360,539	1,551,819	2,831,586

**Short term trade payables**

As of 31 March 2022 and 31 December 2021, the Group's short-term trade payables are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Trade Payables due from Related Parties (Note 5)	3,797,739	4,124,009
Trade Payables from Third Parties	186,502,653	64,023,907
	<b>190,300,392</b>	<b>68,147,916</b>

As of 31 March 2022 and 31 December 2021, short-term trade payables from third parties consist of the following items:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Trade Payables	94,155,038	54,690,827
Expense Accruals	92,347,615	9,329,223
Other Trade Payables	-	3,857
	<b>186,502,653</b>	<b>64,023,907</b>

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

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**7 Other receivables and payables**

**Other short-term receivables**

As of 31 March 2022 and 31 December 2021, the Group's short-term other receivables are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Other Receivables due from Related Parties (Note 5)	25,759,226	15,530,259
Other Receivables due from Third Parties	8,089,421	7,415,786
	<b>33,848,647</b>	<b>22,946,045</b>

As of 31 March 2022 and 31 December 2021, short-term other receivables from third parties consist of the following items:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Receivables from Tax Administration	7,405,244	6,513,821
Deposits & Guarantees Given	684,177	717,904
Other Receivables	-	184,061
	<b>8,089,421</b>	<b>7,415,786</b>

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

**Other short-term payables**

As of 31 March 2022 and 31 December 2021, the Group's short-term other payables are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Other Payables due to Third Parties	3,767,447	600,562
	<b>3,767,447</b>	<b>600,562</b>

As of 31 March 2022 and 31 December 2021, other short-term payables to third parties consist of the following items:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Deposits and Guarantees Taken	235,709	235,709
Other Payables	3,531,738	364,853
	<b>3,767,447</b>	<b>600,562</b>

**8 Inventories**

As of 31 March 2022 and 31 December 2021, inventories are composed of spare parts for property, plant and equipments:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Spare Parts (*)	8,656,877	8,556,333
Advances Given	971,436	1,778,367
	<b>9,628,313</b>	<b>10,334,700</b>

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

As of 31 December 2022, there is no insurance coverage on the Group's inventories (31 December 2021: None).

As of 31 December 2022, there are no inventories presented as collateral for liabilities (31 December 2021: None).

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

**9.1 Property, plant and equipments**

The ending 31 March 2022 and 31 March 2021, movements of property, plant and equipment are as follows:

	Land	Power Plants(*)	Construction in Progress (**)	Advances Given for Construction in Progress (***)	Other	Total
<b>Cost or Valuation as of 1 January 2022</b>	<b>13,023,687</b>	<b>27,629,016,119</b>	<b>214,362,885</b>	<b>160,945,092</b>	<b>28,667,515</b>	<b>28,046,015,298</b>
Additions	30,000	35,744,313	32,476,875	38,359,619	114,663	106,725,470
Disposals	-	(404,235)	-	-	(40,400)	(444,635)
Transfers	-	162,367,711	25,634,128	(188,001,839)	-	-
<b>Cost or Valuation as of 31 March 2022</b>	<b>13,053,687</b>	<b>27,826,723,908</b>	<b>272,473,888</b>	<b>11,302,872</b>	<b>28,741,778</b>	<b>28,152,296,133</b>
<b>Accumulated Depreciation as of 1 January 2022</b>	<b>-</b>	<b>(7,580,743,992)</b>	<b>-</b>	<b>-</b>	<b>(15,809,317)</b>	<b>(7,596,553,309)</b>
Additions	-	(189,540,956)	-	-	(706,524)	(190,247,480)
Disposals	-	355,568	-	-	36,174	391,742
<b>Accumulated Depreciation as of 31 March 2022</b>	<b>-</b>	<b>(7,769,929,380)</b>	<b>-</b>	<b>-</b>	<b>(16,479,667)</b>	<b>(7,786,409,047)</b>
<b>Net book value as of 31 March 2022</b>	<b>13,053,687</b>	<b>20,056,794,528</b>	<b>272,473,888</b>	<b>11,302,872</b>	<b>12,262,111</b>	<b>20,365,887,086</b>

	Land	Power Plants(*)	Construction in Progress (**)	Advances Given for Construction in Progress (***)	Other	Total
<b>Cost or Valuation as of 1 January 2021</b>	<b>12,983,687</b>	<b>15,095,201,257</b>	<b>123,107,545</b>	<b>-</b>	<b>24,629,419</b>	<b>15,255,921,908</b>
Additions	40,000	29,306,137	117,150	-	1,046,077	30,509,364
Disposals	-	(146,499)	-	-	-	(146,499)
Transfers	-	-	(457,198)	-	443,204	(13,994)
<b>Cost or Valuation as of 31 March 2021</b>	<b>13,023,687</b>	<b>15,124,360,895</b>	<b>122,767,497</b>	<b>-</b>	<b>26,118,700</b>	<b>15,286,270,779</b>
<b>Accumulated Depreciation as of 1 January 2021</b>	<b>-</b>	<b>(3,430,267,259)</b>	<b>-</b>	<b>-</b>	<b>(13,095,275)</b>	<b>(3,443,362,534)</b>
Additions	-	(103,228,892)	-	-	(1,183,596)	(104,412,488)
Disposals	-	104,276	-	-	-	104,276
<b>Accumulated Depreciation as of 31 March 2021</b>	<b>-</b>	<b>(3,533,391,875)</b>	<b>-</b>	<b>-</b>	<b>(14,278,871)</b>	<b>(3,547,670,746)</b>
<b>Net book value as of 31 March 2021</b>	<b>13,023,687</b>	<b>11,590,969,020</b>	<b>122,767,497</b>	<b>-</b>	<b>11,839,829</b>	<b>11,738,600,033</b>

(\*) In 2022, rehabilitation investments were made in order to increase the durability of the power plant structures, to maintain the operation and environmental safety, and to reduce the impact of possible efficiency losses, the powerhouse protection wall, transmission channel rehabilitation, river basin arrangement, spillway evacuation projects and hybrid project investments.

(\*\*) Mainly consists of raw material purchases for hybrid projects.

(\*\*\*) Consists of advances given to suppliers for investments.

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

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

As of 31 March 2022, there are pledges and mortgages on property, plant and equipments of the Group amounting to USD 1,248,750,000 in original currencies (31 December 2021: USD 1,248,750,000 in original currencies) in favor of lenders.

Total depreciation expense of property, plant and equipments amounting to TL 189,540,956 (31 March 2021: TL 103,228,892) has been reflected to cost of sales and amounting to TL 706,524 (31 March 2021: TL 1,183,596) has been reflected to general administration expense.

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

**9.2 Right of uses**

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

As of 31 March 2022, movements in right of use assets during the period are as follows:

<b>Cost as of 1 January 2022</b>	<b>35,251,135</b>
Additions	14,550,003
<b>Cost as of 31 March 2022</b>	<b>49,801,138</b>
<b>Accumulated Depreciation as of 1 January 2022</b>	<b>(7,448,596)</b>
Additions	(2,069,467)
<b>Accumulated Depreciation as of 31 March 2022</b>	<b>(9,518,063)</b>
<b>Net Book Value as of 31 March 2022</b>	<b>40,283,075</b>

As of 31 March 2021, movements in right of use assets during the period are as follows:

<b>Cost as of 1 January 2021</b>	<b>21,244,253</b>
Additions	3,308,828
<b>Cost as of 31 March 2021</b>	<b>24,553,081</b>
<b>Accumulated Depreciation as of 1 January 2021</b>	<b>(8,551,882)</b>
Additions	(499,283)
<b>Accumulated Depreciation as of 31 March 2021</b>	<b>(9,051,165)</b>
<b>Net Book Value as of 31 March 2021</b>	<b>15,501,916</b>

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**10. Other intangible assets**

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

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

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

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

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**10. Other intangible assets (continued)**

As of 31 March 2022 and 31 December 2021, movements of intangible assets are as follows

	<b>Licences</b>	<b>Operating rights</b>	<b>Softwares</b>	<b>Total</b>
<b>Cost as of 1 January 2022</b>	<b>5,959,379</b>	<b>324,100,000</b>	<b>3,992,066</b>	<b>334,051,445</b>
Additions	448,815	-	-	448,815
<b>Cost as of 31 March 2022</b>	<b>6,408,194</b>	<b>324,100,000</b>	<b>3,992,066</b>	<b>334,500,260</b>
<b>Accumulated Depreciation as of 1 January 2022</b>	<b>(1,772,050)</b>	<b>(30,833,915)</b>	<b>(2,545,470)</b>	<b>(35,151,435)</b>
Additions	(565,694)	(1,654,071)	(82,946)	(2,302,711)
<b>Accumulated Depreciation as of 31 March 2022</b>	<b>(2,337,744)</b>	<b>(32,487,986)</b>	<b>(2,628,416)</b>	<b>(37,454,146)</b>
<b>Net book value as of 31 March 2022</b>	<b>4,070,450</b>	<b>291,612,014</b>	<b>1,363,650</b>	<b>297,046,114</b>

	<b>Licences</b>	<b>Operating rights</b>	<b>Softwares</b>	<b>Total</b>
<b>Cost as of 1 January 2021</b>	<b>3,211,232</b>	<b>324,100,000</b>	<b>3,992,066</b>	<b>331,303,298</b>
Additions	380,686	-	-	380,686
Transfers	13,994	-	-	13,994
<b>Cost as of 31 March 2021</b>	<b>3,605,912</b>	<b>324,100,000</b>	<b>3,992,066</b>	<b>331,697,978</b>
<b>Accumulated Depreciation as of 1 January 2021</b>	<b>(717,449)</b>	<b>(24,217,962)</b>	<b>(2,213,440)</b>	<b>(27,148,851)</b>
Additions	(352,880)	(1,653,571)	(83,072)	(2,089,523)
<b>Accumulated Depreciation as of 31 March 2021</b>	<b>(1,070,329)</b>	<b>(25,871,533)</b>	<b>(2,296,512)</b>	<b>(29,238,374)</b>
<b>Net book value as of 31 March 2021</b>	<b>2,535,583</b>	<b>298,228,467</b>	<b>1,695,554</b>	<b>302,459,604</b>

Amortization expense of intangible assets amounting to TL 648,640 (31 March 2021: TL 435,952 has been reflected to cost of sales, amortization expense of intangible assets amounting to TL 1,654,071 (31 March 2021: TL 1,653,571) has been reflected to general administrative expenses.

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**11 Provisions, contingent assets and liabilities**

**11.1 Short-term provisions**

As of 31 March 2022 and 31 December 2021, the breakdown of short-term provisions are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Provision for Litigations	12,961,131	14,137,022
Short-term Provisions for Employee Benefits	7,294,815	6,506,072
	<b>20,255,946</b>	<b>20,643,094</b>

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

<b>Litigation Provisions Movement</b>	<b>2022</b>	<b>2021</b>
<b>Opening Balance</b>	14,137,022	13,064,328
Net change in provision within the period	(1,175,891)	(1,765,893)
<b>Closing Balance</b>	<b>12,961,131</b>	<b>11,298,435</b>

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

<b>Unused Vacation Provision Movement</b>	<b>2022</b>	<b>2021</b>
<b>Opening Balance</b>	3,586,337	3,188,285
Net change in provision within the period	1,975,110	1,124,648
<b>Closing Balance</b>	<b>5,561,447</b>	<b>4,312,933</b>

Movement of premium provisions for the current period as follows:

<b>Premium Provisions Movement</b>	<b>2022</b>	<b>2021</b>
<b>Opening Balance</b>	2,919,735	-
Net change in provision within the period	(1,186,367)	-
<b>Closing Balance</b>	<b>1,733,368</b>	-



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

**11.2 Contingent liabilities**

As of 31 March 2022 and 31 December 2021, the Group's collateral / pledge / mortgage (“CPM”) balances are as follows:

		31 March 2022	31 December 2021
	Currency	TL Amount	TL Amount
A. Guarantees given in the name of its own legal personality (*)	TL	-	-
	US Dollars	20,336,518,125	16,644,588,750
B. Guarantees given on behalf of the fully consolidated companies	TL	-	-
C. Total amount of CPM's given to other 3rd parties for the purpose of carrying out their ordinary commercial activities	TL	-	-
D. Other guarantees	TL	-	-
i. Guarantees given on behalf of the majority shareholder		-	-
ii. Guarantees given to on behalf of other group companies which are not in scope of B and C.	TL	-	-
iii. Guarantees given on behalf of third parties which are not in scope of C.		-	-
<b>Total</b>		<b>20,336,518,125</b>	<b>16,644,588,750</b>

(\*) Administrative fines and other administrative sanctions for all structures, with the decision of the Dalaman, Ortaca and Köyceğiz Municipal Committees, for alleged violation of the reconstruction legislation due to the absence of a building permit for Dalaman HEPP 1-2-3-4-5 and Gökyar HEPPs. Since these administrative actions are against the law and HEPPs are public investments, they are exempt from construction permits. For this reason, lawsuits have been filed by the Company to the Administrative Courts for the cancellation of the transactions. The court granted a stay of execution in the lawsuits filed. As a result of the trial process, the court decided to accept 85 cases. The court decided to cancel the administrative sanctions. The management of the company does not think that it will bear any liability or make any payments.

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

The Company are subject to litigation and regulatory proceedings in the normal course of the business. From time to time, The Company may be a party to legal proceedings, including, but not limited to, personal injury claims, commercial disputes, regulatory or administrative actions and employment matters. These proceedings may be brought by, among others, current, former or prospective employees, suppliers, governmental agencies or other third parties. For instance, The Company provided a guarantee to one of the affiliates, Yatağan Termik Enerji Üretim A.Ş., (“Yatağan”) a subsidiary of Aydem Holding, with respect to certain work that GE Enerji Endüstri Ticaret ve Servis A.Ş. (“GE”) had contracted to perform for Yatağan. A dispute has arisen between Yatağan and GE, and as a result GE has initiated a lawsuit against Yatağan and the Company, seeking EUR 9,7 million in damages. During the litigation process, petitions and evidence regarding the claims and defenses were submitted to the court by the parties. It was decided to examine the commercial books and records of the parties with the participation of expert experts on September 6, 2021, and to issue an expert report as a result of the review. Since the expert report has not been submitted to the file yet, it was decided to wait for the report and the next hearing date was determined as 2 June 2022. Even if the lawsuit is concluded against Yatağan, the management of the company does not think that it will bear any liability or make any payments due to being the guarantor of the Company.

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

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

		31 March 2022	31 December 2021
	Currency	TL Equivalent	TL Equivalent
Letters of Guarantees given (*)	TL	67,718,878	78,101,819
<b>Total</b>		<b>67,718,878</b>	<b>78,101,819</b>

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

		31 March 2022	31 December 2021
	Currency	TL Equivalent	TL Equivalent
Letters of Guarantees received (**)	TL	10,049,144	9,976,174
Letters of Guarantees received (**)	EURO	390,650	701,079
Guarantees received (***)	US Dollars	5,309,073	186,339,420
<b>Total</b>		<b>15,748,867</b>	<b>197,016,673</b>

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

(\*\*\*) The guarantees received from Aydem EPSAŞ and Gediz EPSAŞ due to electricity trade.

**11.4 Long term provisions**

As of 31 March 2022 and 31 December 2021, the long-term provisions are as follows:

	31 March 2022	31 December 2021
Provisions for Retirement Pay Liability	19,290,623	11,543,311
	<b>19,290,623</b>	<b>11,543,311</b>
<b>Provisions for Retirement Pay Liability</b>	<b>2022</b>	<b>2021</b>
<b>Opening Balance</b>	11,543,311	8,122,907
Service Cost	1,521,429	1,966,056
Interest Cost	2,470,269	1,096,592
Retirement Payments Paid	(55,729)	(366,530)
Actuarial Loss / (Gain)	3,811,343	(777,925)
<b>Closing Balance</b>	<b>19,290,623</b>	<b>10,041,100</b>

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

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

The main actuarial assumptions used as of 31 March 2022 and 31 December 2021 are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Expected interest in the coming years %	21.4	21.4
Expected inflation in the coming years %	17	17
Discount rate %	3.76	3.76

**12 Liabilities for employee benefits**

As of 31 March 2022 and 31 December 2021, short-term payables related to employee benefits are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Social Security Withholdings Payable	1,997,740	1,362,799
	<b>1,997,740</b>	<b>1,362,799</b>

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**13 Financial liabilities**

As of 31 March 2022 and 31 December 2021, the details of financial liabilities are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Current portion of issued debt instruments (*)	844,973,493	763,819,958
<b>Total Short-term Financial Liabilities</b>	<b>844,973,493</b>	<b>763,819,958</b>
Long term issued debt instruments (*)	10,012,712,780	9,292,574,451
<b>Total Long-term Financial Liabilities</b>	<b>10,012,712,780</b>	<b>9,292,574,451</b>
<b>Total Financial Liabilities</b>	<b>10,857,686,273</b>	<b>10,056,394,409</b>

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

The repayments of the loan and debt instruments agreements according to their original maturities as of 31 March 2022 and 31 December 2021 are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
To be paid within 3 months	-	392,990,197
To be paid within a 3-12 months	844,973,493	370,829,761
To be paid in 1-2 year	754,802,094	702,353,541
To be paid in 2-3 year	1,561,997,951	647,493,336
To be paid in 3-4 year	2,165,455,344	2,078,232,941
To be paid in 4-5 year	5,530,457,391	1,797,992,769
To be paid over 5 year	-	4,066,501,864
	<b>10,857,686,273</b>	<b>10,056,394,409</b>

The repayments of the lease liabilities according to their original maturities as of 31 March 2022 and 31 December 2021 are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
To be paid within a year	7,527,434	5,163,541
To be paid in 1-2 years	7,622,684	4,713,541
To be paid over 2 years	14,889,524	5,806,040
	<b>30,039,642</b>	<b>15,683,122</b>

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**13 Financial liabilities (continued)**

As of 31 March 2022 and 31 December 2021, terms and conditions of financial liabilities are as follows:

<b>31 March 2022</b>				
Currency	Interest Rate	Maturity for the latest payment	Short-term	Long-term
US Dollars	7.75%	2027	844,973,493	10,012,712,780
			<b>844,973,493</b>	<b>10,012,712,780</b>
<b>31 December 2021</b>				
Currency	Interest Rate	Maturity for the latest payment	Short-term	Long-term
US Dollars	7.75%	2027	763,819,958	9,292,574,451
			<b>763,819,958</b>	<b>9,292,574,451</b>

**Lease Liabilities**

	<b>2022</b>	<b>2021</b>
<b>Lease Liabilities - Opening</b>	<b>29,878,263</b>	<b>16,382,756</b>
Additions	14,550,003	3,308,828
Accretion of interest	1,597,461	777,499
Payments	(15,986,085)	(2,445,890)
<b>Lease Liabilities - Closing</b>	<b>30,039,642</b>	<b>18,023,193</b>
Current	7,527,434	7,053,612
Non-current	22,512,208	10,969,581
<b>Total Lease Liabilities</b>	<b>30,039,642</b>	<b>18,023,193</b>

The movement of financial liabilities for the period ended 31 March 2022 and 2021 is as follows:

	<b>2022</b>	<b>2021</b>
<b>1 January</b>	<b>10,056,394,409</b>	<b>4,928,941,332</b>
Interest accrual	210,182,450	96,376,624
Interest paid	(388,478,438)	-
Exchange rate differences accounted in profit or loss	73,646,882	(16,173,667)
Exchange rate differences subjected to cash flow hedge, accounted in OCI	905,940,970	674,026,610
<b>31 March</b>	<b>10,857,686,273</b>	<b>5,683,170,899</b>

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**14 Nature and level of risks arising from financial instruments**

**Financial instruments and financial risk management**

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

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

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

**Credit risk**

Credit risk is the risk that a customer or counterparty will fail to fulfill its obligations under the contract and is mainly attributable to customer receivables.

The carrying values of financial assets represent the maximum exposure to credit risk.

The maximum credit risk the Group is exposed to as of 31 March 2022 and 31 December 2021 are as follows:

31 March 2022	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
	Related Parties	Other Parties	Related Parties	Other Parties	
<b>Maximum Exposure to Credit Risk as of Reporting Date (A+B+C+D+E)</b>	852,023,572	17,746,397	25,759,226	10,994,786	1,340,900,847
- Secured part of the maximum credit risk exposures via collateral etc.	-	-	-	-	-
<b>A. Net Book Value of Financial Assets those are neither overdue nor Impaired</b>	852,023,572	14,327,273	25,759,226	10,994,786	1,340,900,847
<b>B. Net Book Value of Assets that are Overdue but not Impaired</b>	-	3,419,124	-	-	-
<b>C. Net Book Value of Impaired Financial Assets</b>	-	-	-	-	-
- Overdue (Gross Carrying Amount)	-	6,109,677	-	-	-
- Impairment Amount (-)	-	(6,109,677)	-	-	-
- Secured Portion Covered with Guarantees,etc	-	-	-	-	-
- Overdue (Gross Carrying Amount)	-	-	-	-	-
- Impairment Amount (-)	-	-	-	-	-
- Secured Portion Covered with Guarantees,etc	-	-	-	-	-
<b>D. Off-balance sheet items Including risk</b>	-	-	-	-	-

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

**Credit risk (continued)**

31 December 2021	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
	Parties	Other Parties	Parties	Other Parties	
<b>Maximum Exposure to Credit Risk as of Reporting Date (A+B+C+D+E)</b>	127,311,860	20,523,941	15,530,259	10,156,540	1,525,592,118
- Secured part of the maximum credit risk exposures via collateral etc.	-	-	-	-	-
<b>A. Net Book Value of Financial Assets those are neither overdue nor Impaired</b>	127,311,860	17,692,355	15,530,259	10,156,540	1,525,592,118
<b>B. Net Book Value of Assets that are Overdue but not Impaired</b>	-	2,831,586	-	-	-
<b>C. Net Book Value of Impaired Financial Assets</b>	-	-	-	-	-
- Overdue (Gross Carrying Amount)	-	6,410,754	-	-	-
- Impairment Amount (-)	-	(6,410,754)	-	-	-
- Secured Portion Covered with Guarantees, etc	-	-	-	-	-
- Overdue (Gross Carrying Amount)	-	-	-	-	-
- Impairment Amount (-)	-	-	-	-	-
- Secured Portion Covered with Guarantees, etc	-	-	-	-	-
<b>D. Off-balance sheet items Including risk</b>	-	-	-	-	-

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

**Liquidity risk**

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

As at 31 March 2022 and 31 December 2021, the maturity of financial liabilities including estimated interest payments according to the payment schedule is as follows:

<b>31 March 2022</b>	<b>Book Value</b>	<b>Contractual cash outflow</b>	<b>0-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>&gt; 5 Years</b>
<b>Non-derivative Financial Liabilities</b>						
Financial Liabilities	10,857,686,273	15,296,958,764	434,843,841	862,597,851	13,999,517,072	-
Financial Lease Liabilities (IFRS 16)	30,039,642	136,444,399	3,326,312	8,532,106	19,366,932	105,219,049
Other Long Term Payables to Related Parties	39,030,302	174,329,348	-	-	-	174,329,348
Trade Payables to Related Parties	3,797,739	3,797,739	3,797,739	-	-	-
Trade Payables to Third Parties	174,750,675	174,750,675	143,295,553	31,455,122	-	-
<b>Total</b>	<b>11,105,304,631</b>	<b>15,786,280,925</b>	<b>585,263,445</b>	<b>902,585,079</b>	<b>14,018,884,004</b>	<b>279,548,397</b>

<b>31 December 2021</b>	<b>Book Value</b>	<b>Contractual cash outflow</b>	<b>0-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>&gt; 5 Years</b>
<b>Non-derivative Financial Liabilities</b>						
Financial Liabilities	10,056,394,409	13,929,887,981	395,982,371	389,526,136	6,910,031,296	6,234,348,178
Financial Lease Liabilities (IFRS 16)	29,878,263	134,503,698	5,647,315	2,498,521	6,144,457	120,213,405
Other Long Term Payables to Related Parties	37,092,472	174,329,348	-	-	-	174,329,348
Trade Payables to Related Parties	4,124,009	4,124,009	4,124,009	-	-	-
Trade Payables to Third Parties	64,023,907	64,023,907	52,499,604	11,524,303	-	-
<b>Total</b>	<b>10,191,513,060</b>	<b>14,306,868,943</b>	<b>458,253,299</b>	<b>403,548,960</b>	<b>6,916,175,753</b>	<b>6,528,890,931</b>

**Market risk**

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

**Currency risk**

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

As of 31 March 2022 and 31 December 2021, the foreign currency position of the Group arises from foreign currency assets and liabilities stated in the table below.



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

	31 March 2022		
	Original Amounts		
	Total		
	TL Equivalent	US Dollars	EUR
<b>Assets</b>			
Cash and Cash Equivalents	1,328,183,469	90,115,856	561,768
Trade Receivables from Third Parties	374	20	5
Other Receivables from Related Parties	25,324,349	1,730,148	-
Trade Receivables from Third Parties	845,837,035	57,707,199	71,904
<b>Total Assets</b>	<b>2,199,345,227</b>	<b>149,553,223</b>	<b>633,677</b>
<b>Liabilities</b>			
Short-term and Long-term Financial Liabilities	(10,857,686,273)	(741,792,177)	-
Short-term Trade Payables to Third Parties	(56,784,124)	(3,637,994)	(217,030)
Short-term Other Payables to Third Parties	(282,101)	(19,273)	-
Short-term Trade Payables to Related Parties	(629)	(43)	-
<b>Total Liabilities</b>	<b>(10,914,753,127)</b>	<b>(745,449,487)</b>	<b>(217,030)</b>
<b>Foreign Currency Liability Position</b>	<b>(8,715,407,900)</b>	<b>(595,896,264)</b>	<b>416,647</b>
<b>Amounts subject to cash flow hedge accounting (*)</b>	<b>9,514,115,000</b>	<b>650,000,000</b>	<b>-</b>
<b>Net foreign currency position after cash flow hedge</b>	<b>798,707,100</b>	<b>54,103,736</b>	<b>416,647</b>
<b>31 December 2021</b>			
Original Amounts			
Total			
	TL Equivalent	US Dollars	EUR
<b>Assets</b>			
Cash and Cash Equivalents	1,521,432,531	114,092,615	45,872
Trade Receivables from Third Parties	333	19	5
Other Receivables from Related Parties	15,530,258	1,165,148	-
Trade Receivables from Related Parties	122,805,314	9,196,299	15,102
<b>Total Assets</b>	<b>1,659,768,436</b>	<b>124,454,082</b>	<b>60,979</b>
<b>Liabilities</b>			
Short-term and Long-term Financial Liabilities	(10,056,394,409)	(754,474,785)	-
Short-term Trade Payables to Third Parties	(19,289,712)	(866,421)	(513,113)
Short-term Other Payables to Third Parties	(256,890)	(19,273)	-
Short-term Trade Payables to Related Parties	(20,076)	-	(1,331)
<b>Total Liabilities</b>	<b>(10,075,961,087)</b>	<b>(755,360,479)</b>	<b>(514,444)</b>
<b>Foreign Currency Liability Position</b>	<b>(8,416,192,651)</b>	<b>(630,906,397)</b>	<b>(453,465)</b>
<b>Amounts subject to cash flow hedge accounting (*)</b>	<b>8,663,850,000</b>	<b>650,000,000</b>	<b>-</b>
<b>Net foreign currency position after cash flow hedge</b>	<b>247,657,349</b>	<b>19,093,603</b>	<b>(453,465)</b>

(\*) Please refer to Note 2.7.

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

Sensitivity analysis

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

<b>Exchange rate sensitivity analysis table</b>		
<b>31 March 2022</b>		
	<b>Increase in Value of foreign currency</b>	<b>Decrease in value of foreign currency</b>
If TL gains / loses 10% against US dollar		
1- TL net assets / liabilities	(872,219,320)	872,219,320
2- TL hedged portion (-)	951,411,500	(951,411,500)
<b>3- TL net effect (1 + 2)</b>	<b>79,192,180</b>	<b>(79,192,180)</b>
If the TL gains / loses 10% against the Euro	-	-
4- TL net assets / liabilities	678,530	(678,530)
5- TL hedged portion (-)	-	-
<b>6- Net effect of TL (4 + 5)</b>	<b>678,530</b>	<b>(678,530)</b>
<b>Total (3 + 6)</b>	<b>79,870,710</b>	<b>(79,870,710)</b>

<b>Exchange rate sensitivity analysis table</b>		
<b>31 December 2021</b>		
	<b>Increase in Value of foreign currency</b>	<b>Decrease in value of foreign currency</b>
If TL gains / loses 10% against US dollar		
1- TL net assets / liabilities	(840,935,137)	840,935,137
2- TL hedged portion (-)	866,385,000	(866,385,000)
<b>3- TL net effect (1 + 2)</b>	<b>25,449,863</b>	<b>(25,449,863)</b>
If the TL gains / loses 10% against the Euro	-	-
4- TL net assets / liabilities	(684,129)	684,129
5- TL hedged portion (-)	-	-
<b>6- Net effect of TL (4 + 5)</b>	<b>(684,129)</b>	<b>684,129</b>
<b>Total (3 + 6)</b>	<b>24,765,734</b>	<b>(24,765,734)</b>

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

**Capital risk managements**

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

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

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

As of 31 March 2022 and 31 December 2021 net financial liabilities / equity ratios are as follows:

	<b>31 March 2022</b>	<b>31 December 2020</b>
Total financial liabilities	10,857,686,273	10,056,394,409
Cash and Cash Equivalents	(1,342,580,813)	(1,525,592,118)
Net Financial Liabilities	9,515,105,460	8,530,802,291
Equity	9,359,637,320	9,803,259,940
Net Financial Liabilities / Equity Ratio	<b>101.66%</b>	<b>87.02%</b>

**Fair value of financial instruments**

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

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

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

*Financial assets*

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

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

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

*Financial liabilities*

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

**15 Earnings per share**

The calculation of basic and diluted Earnings per share for the year ended 31 March 2022; was based on the profit / (loss) attributable to ordinary shareholders of TL 308,137,673 (31 March 2021: TL 22,907,275 and a weighted average number of ordinary shares outstanding of 705,000,000 (year ended 31 March 2021: 700,000,000), as follows:

	<b>31 March 2022</b>	<b>31 March 2021</b>
Numerator:		
Profit / (Loss) for the period attributable to owners of the Company	308,137,673	22,907,275
Denominator:		
Weighted average number of shares	705,000,000	700,000,000
<b>Basic and diluted profit /(loss) per share (full TL)</b>	<b>0.44</b>	<b>0.03</b>

**16 Other current and other liabilities**

As of 31 March 2022 and 31 December 2021, other current assets are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Short-term Prepaid Expenses	20,662,873	22,768,765
Advances Given for Services	13,739,658	8,167,478
Advances to Personnel	215,263	27,130
Job Advances	46,100	100,453
Short-term Deferred Value Added Tax ("VAT")	2,093	1,287
	<b>34,665,987</b>	<b>31,065,113</b>

As of 31 March 2022 and 31 December 2021, other liabilities are as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Taxes and funds payable	67,312,106	6,440,398
Overdue Deferred or Installed Taxes and Other Payables	5,190,453	10,824,343
Other	35,473	59,364
	<b>72,538,032</b>	<b>17,324,105</b>

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**17 Events after the reporting period**

- The 'Environmental Impact Assessment Positive' decision was taken on 5 April 2022 by the Ministry of Environment, Urbanization and Climate Change for the Uşak WPP hybrid project with an installed capacity of 82.15 MWm, which was approved by EMRA on 30 December 2021.

- On 20 April 2022, Corporate Governance Rating Score of our Company has been identified as 9,48 (out of 10) by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., following initial performance appraisal measuring compliance with Corporate Governance Principles published by Capital Markets Board.

- 1,480,000 shares were purchased back at an average price of TL 9.13.