BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI ANONİM ŞİRKETİ
CONSOLIDATED FINANCIAL STATEMENTS AND
NOTES FOR THE PERIOD ENDED
31 MARCH 2022

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

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

		Non-Audited	**Audited**
ASSETS	**Note**	**31.03.2022**	**31.12.2021**
CURRENT ASSETS			
Cash and Cash Equivalents	4	106.069.338	170.866.301
Trade Receivables		208.914.271	104.369.768
From Non-Related Parties	7	208.914.271	104.369.768
Other Receivables		20.475.097	22.933.570
From Related Parties	5,8	13.038.744	16.610.581
From Non-Related Parties	8	7.436.353	6.322.989
Inventories	9	73.811.884	63.659.533
Prepaid Expenses		171.554.062	242.689.444
To Related Parties	10	171.554.062	242.689.444
Current period tax assets	27	3.174.702	2.366.103
Other current assets	18	92.238.838	76.041.490
SUBTOTAL		**676.238.192**	**682.926.209**
Fixed Assets Available for Sale	11	--	--
TOTAL CURRENT ASSETS		**676.238.192**	**682.926.209**
NON-CURRENTS ASSETS			
Investment Properties	12	3.291.856	3.291.856
Investments Accounted for Using Equity Method	31	53.798.175	51.044.936
Tangible Fixed Assets	13	986.712.635	894.311.146
Right of Use Assets	26	72.531.463	73.882.229
Intangible Assets		60.098.307	61.126.543
Goodwill	15	6.532.000	6.532.000
Other Intangible Assets	14	53.566.307	54.594.543
Other Non-Current Assets	18	66.277.958	59.500.988
TOTAL NON-CURRENT ASSETS		**1.242.710.394**	**1.143.157.698**
TOTAL ASSETS		**1.918.948.586**	**1.826.083.907**

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

BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

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

		Non-Audited	Audited
LIABILITIES	**Note**	**31.03.2022**	**31.12.2021**
SHORT TERM LIABILITIES			
Short Term Borrowings	6	--	66.178
Short Term Portion of Long Term Borrowings		232.239.903	191.402.452
Bank Loans	6	230.133.402	189.146.497
Lease Payables	26	2.106.501	2.255.955
Trade Payables		240.043.642	217.675.441
To Related Parties	7	240.043.642	217.675.441
Liabilities due to Employee Benefits	17	7.233.371	3.950.585
Other Payables		46.403.407	44.104.344
To Related Parties	5,8	39.754.170	37.815.183
To Non-Related Parties	8	6.649.237	6.289.161
Deferred Income	10	2.111.235	2.732.268
Current Tax Liabilities	27	--	3.271.570
Short Term Provisions		12.927.576	10.579.929
Short Term Provisions For Employee Benefits	16	3.456.701	1.109.054
Other Short Term Liabilities	16	9.470.875	9.470.875
SUBTOTAL		**540.959.134**	**473.782.767**
Liabilities Regarding Asset Groups for Sale	11	--	--
TOTAL CURRENT LIABILITIES		**540.959.134**	**473.782.767**
LONG TERM LIABILITIES			
Long Term Borrowings		829.140.219	778.336.078
Bank Loans	6	756.650.803	705.384.525
Lease Payables	26	72.489.416	72.951.553
Other Payables	8	1.767.621	2.651.429
Long Term Provisions		2.630.876	1.742.951
Long Term Provisions For Employee Benefits	17	2.630.876	1.742.951
Deferred Tax Liabilities	27	12.223.124	16.268.502
TOTAL LONG TERM LIABILITIES		**845.761.840**	**798.998.960**
TOTAL LIABILITIES		**1.386.720.974**	**1.272.781.727**

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

BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THREE MONTH PERIOD ENDED 1 JANUARY 2022 – 31 MARCH 2022
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

		Non-Audited	**Audited**
	Note	**31.03.2022**	**31.12.2021**
EQUITY			
Equity Attributable to Equity Holders of the Parent		**536.445.075**	**556.022.699**
Paid in Capital	19	500.000.000	500.000.000
Premiums Related to Interests (Discounts)	19	26.541.373	26.541.373
Effect of Mergers Involving Enterprises or Businesses Under Common Control	3	(21.579.143)	(21.579.143)
Comprehensive income and expenses of Profit and Loss		72.211.554	72.659.400
Increases (Decreases) in Revaluation of Tangible and Intangible Fixed Assets	19	73.067.800	73.067.800
Remeasurement of profit ot loss of defined benefit plans	19	(856.246)	(408.400)
Comprehensive Income or Expenses to be Reclassified to Profit or Loss		(92.160.202)	(62.903.286)
Hedging Gains/Losses		(92.160.202)	(62.903.286)
Retained Profits	19	41.304.355	37.517.917
Net profit of the year	28	10.127.138	3.786.438
Non-controlling interests	**19**	**(4.217.463)**	**(2.720.519)**
TOTAL EQUITY		**532.227.612**	**553.302.180**
TOTAL LIABILITIES AND EQUITY		**1.918.948.586**	**1.826.083.907**

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

BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED 1 JANUARY 2022 - 31 MARCH 2022
(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

		Non-Audited	**Non-Audited**
	Notes	**01.01-31.03.2022**	**01.01-31.03.2021**
Revenue	20	236.427.646	66.915.701
Cost of Sales	20	(168.294.766)	(50.093.727)
GROSS PROFIT		**68.132.880**	**16.821.974**
General Administrative Expenses	21	(16.173.752)	(5.800.703)
Marketing Expenses	21	(474.200)	(983.663)
Other Operating Income	23	17.219.590	16.709.069
Other Operating Expenses	23	(28.973.325)	(10.117.379)
OPERATING PROFIT		**39.731.193**	**16.629.298**
Income from Investing Activities	24	621.033	621.033
Share of Investments' Profit Valued by Using The Equity Method	31	2.753.239	4.983.758
OPERATING PROFIT BEFORE FINANCIAL INCOME (EXPENSES)		**43.105.465**	**22.234.089**
Financial Income	25	31.111.842	1.988.841
Financial Expenses	25	(62.004.911)	(12.337.623)
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		**12.212.396**	**11.885.307**
Tax income/(expense), continuing operations		**(3.582.202)**	**(4.519.730)**
Deferred tax income (expenses)	27	(3.582.202)	(4.519.730)
PROFIT FROM CONTINUING OPERATIONS		**8.630.194**	**7.365.577**
PROFIT FROM DISCONTINUED OPERATIONS	**11**	--	--
NET PROFIT FOR THE PERIOD		**8.630.194**	**7.365.577**
Distribution of the period’s profit/loss			
Non-controlling interest		(1.496.944)	262.224
Equity holders of the parent		10.127.138	7.103.353
Earning per share	28	0,020	0,055

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

BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED 1 JANUARY 2022 - 31 MARCH 2022
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

		Non-Audited	Non-Audited
	Notes	**01.01-31.03.2022**	**01.01-31.03.2021**
PROFIT FOR THE PERIOD		**8.630.194**	**7.365.577**
Other Comprehensive Income			
Not to be reclassified subsequently to profit or loss		**(447.846)**	**35.418.756**
-Increase/decrease in Revaluation Reserve of Tangible Assets	29	--	44.101.674
-Increase/ decrease of deferred tax in Revaluation Reserve of Tangible Assets	29	--	(8.820.335)
-Remeasurement Gains/Losses of Defined Benefit Plans	29	(559.808)	171.771
- Defined Benefit Plans Remeasurement Gains/Losses Deferred Tax Expenses/Income	29	111.962	(34.354)
Be Reclassified to Profit or Loss		**(29.256.916)**	**--**
- Hedging gains/losses		(36.772.534)	--
-Hedging gains/losses deferred tax		7.515.618	--
TOTAL COMPREHENSIVE INCOME		**(21.074.568)**	**42.784.333**
The Distribution of total comprehensive income			
Non-controlling Interests		(1.496.944)	262.224
Equity Holders of the Parent		(19.577.624)	42.522.109

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

BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED 1 JANUARY 2022 - 31 MARCH 2022
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

				Other accumulated comprehensive income or expenses that will not be reclassified to profit or loss		Other Accumulated Comprehensive Income or Expenses to be Reclassified to Profit or Loss					
	Paid in capital	**Share Issue Premium (Discounts)**	**The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control**	**Revaluation Reserve of Tangible Assets**	**Defined Benefit Plans Remeasurement Gains (Losses)**	**Hedging gains/losses**	**Profit/Loss of previous years**	**Net Period Profit or Loss**	**Equity Attributable to the Parent**	**Non-controlling Interests**	**Total Shareholders' Equity**
Balances as of 01.01.2021	**128.000.000**	**--**	**(21.579.143)**	**37.786.461**	**(284.644)**	**--**	**5.761.975**	**50.474.315**	**200.158.964**	**(173.609)**	**199.985.355**
Transfers	--	--	--	--	--	--	50.474.315	(50.474.315)	**--**	--	**--**
Total comprehensive income	--	--	--	35.281.339	137.417	--	--	7.103.353	**42.522.109**	262.224	**42.784.333**
Balances as of 31.03.2021	**128.000.000**	**--**	**(21.579.143)**	**73.067.800**	**(147.227)**	**--**	**56.236.290**	**7.103.353**	**242.681.073**	**88.615**	**242.769.688**
Balances as of 01.01.2022	**500.000.000**	**26.541.373**	**(21.579.143)**	**73.067.800**	**(408.400)**	**(62.903.286)**	**37.517.917**	**3.786.438**	**556.022.699**	**(2.720.519)**	**553.302.180**
Transfers	--	--	--	--	--	--	3.786.438	(3.786.438)	**--**	--	**--**
total comprehensive income (expenses)	--	--	--	--	(447.846)	(29.256.916)	--	10.127.138	**(19.577.624)**	(1.496.944)	**(21.074.568)**
Balances as of 31.03.2022	**500.000.000**	**26.541.373**	**(21.579.143)**	**73.067.800**	**(856.246)**	**(92.160.202)**	**41.304.355**	**10.127.138**	**536.445.075**	**(4.217.463)**	**532.227.612**

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

BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE MONTH PERIOD ENDED 1 JANUARY 2022 - 31 MARCH 2022
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Note	Non-Audited 01.01-31.03.2022	Non-Audited 01.01-31.03.2021
CASH FLOWS FROM OPERATING ACTIVITIES		**(31.951.211)**	**(7.329.804)**
Profit (Loss) for The Period	28	**8.630.194**	**7.365.577**
Adjustments to Reconcile Profit (Loss)		**10.728.574**	**15.719.769**
Adjustments for Depreciation and Amortization Expenses	22	22.358.652	6.507.766
Adjustments Regarding Provisions (Cancellation) for Employee Benefits	17	2.675.764	467.804
Corrections Regarding Litigation and/or Penalty Provisions (Cancellation)	16	--	--
Adjustments Regarding Interest (Income) and Expenses	25	12.661.060	1.646.823
Adjustments for Unrealized Currency Conversion Differences	18	9.597.702	8.182.437
Adjustments Regarding Retained Earnings of Investments Valued by Equity Method	31	(2.753.239)	(4.983.758)
Adjustments Regarding Tax (Income) Expense	27	3.582.202	4.519.730
Adjustments for hedge gains/losses		(36.772.534)	--
Adjustments for Losses (Gains) on Disposal of Fixed Assets	24	(621.033)	(621.033)
Changes in Working Capital		**(48.038.409)**	**(25.382.842)**
Adjustments Regarding Decrease (Increase) in Trade Receivables	7	(104.544.503)	(1.243.419)
Adjustments Regarding the Decrease (Increase) in Other Receivables Related to Operations	8	2.458.473	(6.549.594)
Adjustments Regarding Decreases (Increases) in Inventories	9	(10.152.351)	(1.446.299)
Decrease (Increase) in Prepaid Expenses	10	71.135.382	(42.316.857)
Adjustments Related to Increase (Decrease) in Trade Payables	7	22.368.201	50.357.718
Increase (Decrease) in Payables within the Scope of Employee Benefits	17	3.282.786	(95.610)
Adjustments Regarding the Increase (Decrease) in Other Operating Payables	8	1.415.255	5.431.012
Increase (Decrease) in Deferred Income	10	(621.033)	(5.328.060)
Adjustments Regarding Other Increase (Decrease) in Working Capital		(33.380.619)	(24.191.733)
Cash Flows from Operations		**(28.679.641)**	**(2.297.496)**
Tax Payments/Refunds	27	(3.271.570)	(5.032.308)
CASH FLOWS FROM INVESTMENT ACTIVITIES		**(113.110.872)**	**(119.778.811)**
Subsidiary Acquisition or Disposal		--	998.663
Investments Valued by the Equity Method	13,14	(113.110.872)	(120.777.474)
Cash Inflows from Sales of Tangible and Intangible Assets		**80.265.120**	**51.205.397**
Cash Inflows from Borrowing	6,26	92.926.180	52.852.220
Paid/Received İnterest	25	(12.661.060)	(1.646.823)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(64.796.963)**	**(75.903.218)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4**	**170.866.301**	**101.809.923**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4**	**106.069.338**	**25.906.705**

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

NOTE 1 – GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Biotrend Çevre ve Enerji Yatırımları A.Ş ("Company" or "Biotrend") was established on 5 May 2017 and its main activity is biomass resources; production of energy using fermentation, gasification, incineration technologies and operation of solid waste storage areas, mechanical separation facility in these areas, ATY (waste-derived fuel) preparation facility, leachate treatment facility, biological treatment (compost, biomethanization) facility, LFG (Landfill Gas)) Performing the installation and operation of power generation plants, as well as providing engineering, contracting and consultancy services in these areas.

Across Turkey; Biotrend, which has investments in biomass, domestic solid waste separation, gasification - incineration and ADF production, biomethanization, landfill operation, biomass incineration plant and waste heat, biological waste fuel and supply facilities, 15 biogas, 2 biomass and 1 waste fuel preparation and supply facility operates with a total of 18 active facilities.

The Company and its subsidiaries will be collectively referred to as the "Group". Group companies are registered in Turkey. The main shareholders of Biotrend are Doğanlar Yatırım Holding A.Ş. and Maven Energy Electricity Generation Inc. The head office of the Group is located in Kavacık Mah. Erturk Sk. No: 3/1 Kapı No: 1 Beykoz/Istanbul.

The Company is registered with the Capital Markets Board ("CMB") and its shares are traded on Borsa Istanbul A.Ş. ("BIST") (formerly "Istanbul Stock Exchange") under the name BIOEN since 28.04.2021. As of 31 March 2022, the Company's free float rate is 27,78%. (31 December 2021: 21.25%)

As of 31 March 2022, the number of Biotrend personnel is 77 (31 December 2021: 50) and the number of personnel employed within the Group is 493. (31 December 2021: 428).

Its Subsidiaries:

The details of the Company's subsidiaries are given below:

Doğu Star Elektrik Üretim A.Ş. (Doğu Star):

Doğu Star was acquired on 17.10.2017. Its main field of activity is the electrical energy production. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. It has 2 production facilities in Malatya and 1 production facility in Bursa İnegöl.

Nov Enerji Elektrik Üretim A.Ş. (Nov Enerji):

Nov Enerji was acquired on 17.10.2017. Its main field of activity is the electrical energy production. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul, It has a production facility in Sivas.

Novtek Enerji Elektrik Üretim A.Ş. (Novtek Enerji):

Novtek Enerji was acquired on 17.10.2017. Its main field of activity is the electrical energy production. İts head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. It has production facilities in Bursa İnegöl and Hatay İskenderun.

Mersin Elektrik Üretim ve Enerji Yatırımları A.Ş. (Mersin):

Mersin was acquired on 17.10.2017. Its main field of activity is the electrical energy production. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul.
The production facility is under construction is located in Çanakkale Ezine.

NOTE 1 – GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Yılbatu Elektrik Üretim A.Ş. (Yılbatu):

Yılbatu was acquired on 17.10.2017. Its main field of activity is the electrical energy production. Its head office is located in Remzi Oğuz Arık Mah. Atatürk Bulvarı No:211/22 Çankaya/Ankara. The production facility is under construction is located is located in İzmir Menderes.

İlda Elektrik Üretim A.Ş. (İlda):

Ilda was acquired on 16.10.2018. Its main field of activity is the electrical energy production. Its head office is located in Kavacik Mah. Erturk Sk. No: 3/1 iç kapı No: 1 Beykoz/Istanbul.
It does not have a production facility and owns 50% of Landfill (Balıkesir).

Ulubey Elektrik Üretim Ve Enerji Yatırımları A.Ş. (Ulubey):

Ulubey was acquired on 15.05.2018. Its main field of activity is the electrical energy production. İts head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. Its production facility is located in Aydın Çine.

İzmir Novtek Enerji Elektrik Üretim A.Ş. (İzmir Novtek):

İzmir Novtek was founded on 30.05.2018. Its main field of activity is the electrical energy production. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. It has a production facility in İzmir- Harmandalı.

Uşak Yenilenebilir Enerji Elektrik Üretim A.Ş. (Uşak):

Uşak was founded on 06.07.2018. Its main field of activity is the electrical energy production. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. Uşak has a production facility in Ovademirler.

Biyomek Elektrik Enerjisi Üretim San. Ve Tic. A.S. (Biyomek):

Biyomek was acquired on 16.04.2019 Its main field of activity is the electrical energy production. Its head office is located in Remzi Oğuz Arık Mah. Atatürk Bulvarı No:211/22 Çankaya/Ankara. It has a production facility in Aydın Çine.

MD Biyokütle Enerji Üretim A.Ş. (MD Biyokütle):

MD Biyokütle was founded on 27.09.2019 Its main field of activity is electrical energy production. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. The production facility is under construction is located is located in Aksaray.

İzmir Doğu Star Elektrik Üretim A.Ş. (İzmir Doğu Star):

İzmir Doğu Star was founded on 18.09.2019. Its main field of activity is electrical energy production. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. It has a production facility in İzmir-Bergama.

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

NOTE 1 – GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Karya Yenilenebilir Kaynaklar Elektrik Üret.San.Tic. Ltd. Şti. (Karya):

Karya was acquired on 01.07.2020. Its main field of activity is the electrical energy production. İts head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. It doesn't own any production facility.

Serenti Enerji A.Ş. (Serenti):

Serenti was founded on 13.08.2020. Its main field of activity is the electrical energy production. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. The production facility is under construction is located is located in Giresun.

Maven Tarım Seracılık ve Hayvancılık San. Ve Tic. A.Ş. (Maven Tarım):

Maven Tarım was acquired on 16.01.2019. Its main field of activity is vegetable seedlings, fruit seedlings, etc. for planting and upbringing. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. Although the production facility is not active yet, its location is in Sivas.

Biotrend Ayvacık Yenilenebilir Kaynaklar Elektrik Üret.San.Tic. Ltd. Şti. (Biotrend Ayvacık):

Biotrend Ayvacık was founded on 29.04.2021. Its main field of activity is the electrical energy production. Its head office is located in Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul. The production facility is under construction is located is located Çanakkale.

The number of employees is given below:

Company	**Emplyee Information**		
	31 March 2022	**31 March 2021**	**31 March 2020**
Doğu Star	82	77	51
Nov Enerji	13	13	12
Novtek	19	19	23
Mersin	15	14	1
Yılbatu	2	2	4
İlda	--	--	--
Ulubey	29	14	--
İzmir Novtek	67	67	57
Uşak	41	36	15
Biyomek	42	39	13
Maven Tarım	--	--	--
MD Biyokütle	6	7	1
İzmir Doğu Star.	58	51	19
Karya	--	--	--
Serenti	16	14	--
Landfill	24	23	21
Biotrend	77	50	24
Biotrend Ayvacık	2	2	--
Total	**493**	**428**	**241**

BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2022
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 1 – GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Its subsidiaries	Main activity	Date of purchase	License Power	Installed Power	Total Installed Power	Facility
Doğu Star Elektrik Üretim A.Ş. (*)	Electrical Energy Production	17.10.2017	-	2,464 MWm / 2,400 MWe	10,736 MWm / 10,428 MWe	Malatya Lisanssız
	Electrical Energy Production		2,464 MWm / 2,400 MWe	2,464 MWm / 2,400 MWe		Malatya-1 (licensed)
	Electrical Energy Production		4,359 MWm / 4,242 MWe	2,906 MWm / 2,828 Mwe		Malatya-2 (licensed)
	Electrical Energy Production		14,51 MWm / 14,14 MWe	2,902 MWm / 2,800 MWe		İnegöl-2 Biyogaz
Nov Enerji Elektrik Üretim A.Ş. (*)	Electrical Energy Production	17.10.2017	2,902 MWm /2,826 MWe	2,902 MWm /2,826 MWe	2,902 MWm /2,826 MWe	Sivas Garbage Gas
Novtek Enerji Elektrik Üretim A.Ş. (*)	Electrical Energy Production	17.10.2017	4,353 MWm / 4,242 MWe	4,353 MWm / 4,239 MWe	6,817 MWm / 6,639 MWe	İskenderun Garbage Gas
	Electrical Energy Production		2,464 MWm / 2,400 MWe	2,464 MWm / 2,400 MWe		İnegöl Garbage Gas
Mersin Elektrik Üretim ve Enerji Yatırımları A.Ş(*)	Electrical Energy Production	17.10.2017	31,058 MWm / 30,00 MWe	1,030 MWm / 1,00 MWe	1,030 MWm / 1,00 Mwe	Ezine Biyokütle
Yılbatu Elektrik Üretim A.Ş.(*)	Electrical Energy Production	17.10.2017	-	-	-	Menderes Biyogaz
İlda Elektrik Üretim A.Ş. (*)	Electrical Energy Production	16.10.2018	-	-	-	Landfıll % 50 Ortağı
Ulubey Elektrik Üretim Ve Enerji Yatırımları A.Ş. (*)	Electrical Energy Production	15.05.2018	-	-	-	Çine Gasoline Preparation
İzmir Novtek Enerji Elektrik Üretim A.Ş. (*)	Electrical Energy Production	30.05.2018	40,716 MWm /39,690 MWe	33,176 MWm /32,340 MWe	33,176 MWm /32,340 Mwe	İzmir Harmandalı Garbage Gas
Uşak Yenılenebılır Enerjı Elektrık Üretım A. Ş. (*)	Electrical Energy Production	6.07.2018	5,655 MWm /5,498 MWe	4,200 MWm /4,084 Mwe	4,200 MWm /4,084 MWe	Uşak Garbage Gas
Biyomek Elektrik Enerjisi Üretimi San. Ve Tic. A.Ş. (*)	Electrical Energy Production	16.04.2019	14,20 MWm / 13,60 MWe	14,20 MWm / 13,60 MWe	14,20 MWm / 13,60 MWe	Çine Biyokütle Enr. Sant.
Maven Tarım Seracılık ve Hayvancılık San. Ve Tic. A.Ş. (*)	Agriculture, Greenhouse and Livestock	16.01.2019	-	-	-	Sivas Greenhouse Constitue-Business
MD Biyokütle Enerji Üretim A.Ş. (*)	Electrical Energy Production	27.09.2019	5,804 MWm/5,656 Mwe	1,451 MWm /1,414 MWe	1,451 MWm /1,414 Mwe	Aksaray Garbage Gas
İzmir Doğu Star Elektrik Üretim A.Ş. (*).	Electrical Energy Production	18.09.2019	10,157 MWm / 9,898 MWe	4,353 MWm /4,242 MWe	4,353 MWm /4,242 MWe	İzmir Bergama Garbage Gas
Karya Yenılenebılır Kaynaklar Elektrık Üret.San.Tıc.Ltd.Stı. (*)	Electrical Energy Production	1.07.2020	-	-.	-	Ankara
Serenti Enerji A.Ş. (*)	Electrical Energy Production	13.08.2020	4,353 MWm / 4,242 MWe	1,451 MWm /1,414 MWe	1,451 MWm /1,414 MWe	Giresun Garbage Gas
Biotrend Ayvacık Yenilenebilir Enerji Elektrik Üretim A.Ş.(*)	Electrical Energy Production	29.04.2021	4,365 MWm / 4,242 Mwe	-	-	Çanakkale Garbage Gas

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 1 – GROUP’S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

(*) There are consolidated using the full consolidation method.

Financial Investments Valued by Equity Method

Financial Investments Valued by Equity Method	Main activity	Date of Asquisition	License Power	Installed Power	Total Installed Power	Facility
Landfıll Enerji A.Ş.	Electrical energy production	16.10.2018	14,51 MWm / 14,14 MWe	11,608 MWm / 11,312 MWe	11,608 MWm / 11,312 MWe	Balıkesir Garbage Gas

Landfill Enerji A.Ş. (Landfill):

The company was acquired on 16.10.2018. Its main field of activity is electrical energy production. Its head office is located in Remzi Oğuz Arık Mah. Atatürk Bulvarı No:211/22 Çankaya/Ankara. Its production facility is located in Balıkesir.

Approval of consolidated financial statements

Consolidated financial statements for the accounting period 1 January - 31 March 2022 were approved at the Board of Directors meeting dated 9 May 2022. Consolidated financial statements will become final after their approval at the General Assembly.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Fundamentals of Presentation

The accompanying financial statements are in accordance with the provisions of the Capital Markets Board (“CMB”), Serial II, No. 14.1 “Principles of Financial Reporting in the Capital Markets” (“Communiqué”) published in the Official Gazette dated 13 June 2013 and numbered 28676. It has been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS), which was put into effect by the Accounting and Auditing Standards Authority (“POA”), and their annexes and comments.

Functional and presentation currency

The Group keeps its accounting records in TL in accordance with the commercial legislation, financial legislation and the Uniform Chart of Accounts published by the Ministry of Finance. The financial statements are based on legal records and expressed in TL, and have been prepared by subjecting to some adjustments and classification changes in order to adequately present the status of the Group in accordance with the Turkish Accounting Standards published by POA.

The functional and reporting currency of the Company and its subsidiaries is Turkish Lira (“TRY”), and all financial information is presented in TL unless otherwise stated.

Adjustment of Financial Statements in High Inflation Periods

In accordance with the CMB's decision dated 17 March 2005 and numbered 11/367, the application of inflation accounting was terminated, effective from 1 January 2005, for companies operating in Turkey and preparing financial statements in accordance with CMB Accounting Standards. Therefore, starting from January 1st, 2005, the standard No. 29 "Financial Reporting in High Inflation Economies" (IAS 29) published by the IASB has not been applied in the financial statements.

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Consolidation Principles

Consolidated financial statements include the Company, its subsidiaries and associates accounted for using the equity method. The control is achieved by having control over the financial and operational policies of an enterprise in order to derive benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement after the acquisition date or up to the date of disposal.

If necessary, accounting policies have been adjusted in the financial statements of subsidiaries in order to match the accounting policies followed by the Group. All intra-Group transactions, balances, income and expenses have been adjusted in the records during consolidation.

The Company accounts for its investments in its subsidiaries, in which it directly or indirectly owns more than 20% of its shares and has significant influence, according to the equity method. These investments are shown in the consolidated balance sheet by adding or subtracting the post-acquisition changes to the Company's share of the net assets of the subsidiary on top of the acquisition cost and deducting the provision for impairment, if any. The consolidated statement of comprehensive income reflects the Company's share in the results of the activities of the Company's subsidiaries. Changes in the equity of the associate by the amounts that have not yet been reflected in the profit or loss of the associate may also require an adjustment in the book value of the associate in proportion to the Company's share in the associate. The Company's share of these changes is directly accounted for in the Company's own equity.

Subsidiaries are consolidated using the full consolidation method.

Subsidiaries	**Group's shareholding in subsidiary (%)**			
	31 March 2022	**31 December 2021**	**31 December 2020**	**31 December 2019**
Doğu Star	100%	100%	100%	100%
Nov Enerji	100%	100%	100%	100%
Novtek	100%	100%	100%	100%
Mersin	100%	100%	100%	100%
Yılbatu	100%	100%	100%	100%
İlda	100%	100%	100%	100%
Ulubey	100%	100%	100%	100%
İzmir Novtek	100%	100%	100%	100%
Uşak	100%	100%	100%	100%
Biyomek	85%	85%	85%	85%
Maven Tarım	100%	100%	100%	100%
MD Biyokütle	100%	100%	100%	100%
İzmir Doğu Star.	100%	100%	100%	100%
Karya	100%	100%	100%	100%
Serenti	100%	100%	100%	100%
Biotrend Ayvacık	100%	100%	100%	-

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Financial Investments Valued by Equity Method	Group's shareholding in subsidiary (%)			
	31 March 2022	31 December 2021	31 December 2020	31 December 2019
Landfill	50%	50%	50%	35%

Business continuity

The Group has prepared its financial statements in accordance with the going concern principle.

Comparative information and restatement of previous period's financial statements

The accompanying financial statements are prepared in comparison with the previous period in order to determine the financial position, performance and cash flow trends of the Company. When the presentation or classification of the items of the financial statements changes, in order to ensure comparability, the financial statements of the previous period are reclassified accordingly and explanations are made regarding these issues.

The accounting policies used in the preparation of the consolidated financial statements are the same as the accounting policies used in the most recent annual financial statements.

Changes in Turkish Financial Reporting Standards

New and revised standards and interpretations

The accounting policies used in the preparation of the consolidated financial statements for the accounting period ending on 31 March 2022 have been applied consistently with those used in the previous year, except for the new and amended TFRS standards and TFRYK interpretations valid as of 1 January 2022, which are summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

i) New standards, amendments and interpretations effective as of 1 January 2021

Benchmark Interest Rate Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, POA introduced the Benchmark Rate Reform – Phase 2- TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, which introduced temporary exemptions in order to eliminate the effects on Financial reporting of replacing the benchmark interest rate (IBOR) with an alternative reference interest rate. It has published its changes. Businesses will apply these changes for annual accounting periods beginning on or after 1 January 2021. Early application is permitted. The changes cover the following topics:

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

The changes include a facilitating practice to treat contractual changes or changes in cash flows directly required by the reform as changes in a floating interest rate equivalent to a move in the market rate. Under this facilitating practice, if the interest rates applicable to financial instruments change as a result of the interest rate reform, the situation is not considered as a derecognition or contract change; instead, cash flows are expected to continue to be determined using the original interest rates of the financial instrument.

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

Privileges on termination of the hedge accounting relationship

- The amendments allow revisions to the hedge accounting setup and documentation required due to the IBOR reform, without terminating the hedging relationship.
- The accumulated amount in the cash flow hedge fund is assumed to be based on the alternative reference interest rate.
- In the alternative interest rate transition period, companies may choose to reset the accumulated fair value changes in each hedging relationship when evaluating retrospective effectiveness tests in accordance with TAS 39.
- The amendments provide an exemption from changing the items identified as the subject of the grouping approach (for example, those that are part of the macro hedging strategy) due to the revisions required by the IBOR reform. The relevant exemption allows the hedging strategy to be maintained and continued uninterrupted.
- In the alternative reference interest rate pass, the hedging relationship may be revised more than once. Phase 2 exemptions apply to all revisions to the hedging relationship resulting from the IBOR reform.

Separate identification of risk components

The amendments provide companies with a temporary exemption to meet the criterion that risk components must be defined separately where the alternative reference interest rate is determined as a risk component in the hedging relationship.

Additional Remarks

Changes Within the scope of TFRS 7 Disclosures on Financial Instruments standard; requires additional footnote obligations, such as the entity's transition to alternative reference interest rates and how it manages the risks arising from the transition, quantitative information about the financial instruments that will be affected by the IBOR transition, even if the transition has not yet occurred, and disclosure of this change if the IBOR reform has led to any change in the risk management strategy.

These changes are mandatory and early implementation is permitted. While the practice is retrospective, companies are not required to restate past periods.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Changes in Concessions Granted in Rent Payments Related to Covid-19 (TFRS 16 Amendments)

On 5 June 2020, POA has amended the TFRS 16 Leases standard to exempt the lease concessions granted to lessees due to the COVID-19 outbreak to evaluate whether there has been a change in the lease.7 April 2021, POA made an amendment to extend the exemption to include concessions that cause a decrease in rental payments due on or before 30 June 2022.

Tenants will apply this change in annual accounting periods beginning on or after 1 April 2021. Early application is permitted.

The effects of the said change on the financial position and performance of the Group are being evaluated.

ii) Standards published but not yet effective and not early adopted

The new standards, interpretations and amendments published as of the approval date of the consolidated financial statements but not yet effective for the current reporting period and not early adopted by the Group are as follows. Unless stated otherwise, the Group will make the necessary changes that will affect its consolidated financial statements and footnotes after the new standards and interpretations become effective.

TFRS 10 and TAS 28: Asset Sales or Contributions by Investor Entity to Associates or Joint Ventures – Amendment

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

Changes to TFRS 3 – Change to References to the Conceptual Framework

POA made changes to the TFRS Business Combinations standard in July 2020. The change was made with the intention of replacing the reference to the old version of the Conceptual Framework (the 1989 Framework) with a reference to the current version (Conceptual Framework) released in March 2018, without materially changing the requirements of TFRS 3. However, a new paragraph has been added to TFRS 3 to define contingent assets that do not meet the recognition criteria at the acquisition date. The amendment will be applied prospectively for annual accounting periods beginning on or after 1 January 2022. Early application is permitted if the entity implements all changes in IFRS standards that refer to the Conceptual Framework (March 2018) at the same time or earlier.

The effects of the said change on the financial position and performance of the Group are being evaluated.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Changes in TAS 16 - Adaptation for intended use

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

The effects of the said change on the financial position and performance of the Group are being evaluated.

Amendments to TAS 37 - Disadvantageous contracts - Costs to fulfill the contract

In July 2020, POA made amendments to TAS 37 Provisions, Contingent Liabilities and Contingent Assets. The amendment made in TAS 37, which will be applied for annual accounting periods beginning on or after 1 January 2022, has been made to determine the costs to be taken into account when assessing whether a contract is "disadvantaged" or "disadvantaged" from an economic point of view, and includes "directly related costs". includes the implementation of the approach. Changes should be applied retrospectively for contracts for which the entity has not fulfilled all of its obligations at the beginning of the annual reporting period (first application date) in which the changes will be applied for the first time. Early application is permitted.

The effects of the said change on the financial position and performance of the Group are being evaluated.

TFRS 17 – New Insurance Contracts Standard

In February 2019, POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance contracts with current balance sheet values and the recognition of profit over the period in which the services are provided. TFRS 17, 1 January 2023. Early application is permitted.

The standard does not apply to the Group and will not have an impact on the Group's financial position or performance.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

TAS 1 Amendments - Classification of liabilities as short-term and long-term

In January 2021, POA made changes to the “TAS 1 Presentation of Financial Statements” standard. These amendments, which are effective for the annual reporting periods beginning on or after 1 January 2023, clarify the criteria for long and short term classification of liabilities. Changes made should be applied retrospectively according to TAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. Early application is permitted.

The effects of the said change on the financial position and performance of the Group are being evaluated.

TAS 8 Amendments – Definition of Accounting Estimates

In August 2021, POA published amendments to TAS 8 that introduce a new definition for "accounting forecasts". The amendments published for TAS 8 are valid for annual accounting periods beginning on or after January 1st, 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, the amended standard clarifies that the effects of a change in input or a change in a measurement technique on the accounting estimate are changes in accounting estimates unless they result from a correction for prior period errors. The previous definition of change in accounting estimate indicated that changes in accounting estimates could result from new information or new developments. Therefore, such changes are not considered as corrections of errors. This aspect of the definition has been preserved by the UPS. Changes will apply to accounting estimates or accounting policy changes that occur on or after the effective date, with early application permitted.

The amendment does not apply to the Group and has no impact on its financial position or performance.

TAS 1 Amendments – Disclosure of Accounting Policies

In August 2021, POA published amendments to TAS 1 where it provides guidance and examples to help businesses apply materiality estimates to accounting policy disclosures. The amendments published in TAS 1 are valid for annual accounting periods beginning on or after 1 January 2023. Due to the lack of a definition of the term "significant" in TFRS, POA has decided to replace this term with "significant" in the context of disclosing accounting policy information. 'Significant' is a term defined in TFRS and is widely understood by users of financial statements according to POA. In assessing the materiality of accounting policy information, entities need to consider both the size of transactions, other events or conditions, and their nature. In addition, examples of situations in which the entity may consider accounting policy information to be important are included.

The amendment does not apply to the Group and has no impact on its financial position or performance.

TAS 12 Amendments – Deferred Tax on assets and liabilities arising from a single transaction

In August 2021, POA published amendments to TAS 12 that narrows the scope of the initial recognition exemption and thus ensures that the exemption is not applied to transactions that result in equal taxable and deductible temporary differences. Amendments to TAS 12 are valid for annual accounting periods beginning on or after 1 January 2023. Changes require a judgment (given applicable tax law) whether such deductions are attributable for tax purposes to the recognized liability (and interest expense) or related asset component (and interest expense) where payments made on a liability are tax deductible. clarifies that it is an issue. This judgment is important in determining whether there is any temporary difference in initial recognition of the asset and liability. Changes apply to transactions that occur at or after the beginning of the earliest period presented comparatively. In addition, at the beginning of the earliest comparative period presented, deferred tax asset (provided there is sufficient taxable income) and deferred tax liability are recognized for all deductible and taxable temporary differences related to leases and decommissioning, restoration and similar liabilities.

The effects of the said change on the financial position and performance of the Group are being evaluated.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Annual Improvements between 2018-2020.

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

- *TFRS 1- First Adoption of International Financial Reporting Standards – Associate as First Adoptive: The amendment allows a subsidiary to measure accumulated currency translation differences using amounts reported by the parent. The amendment also applies to the subsidiary or joint venture.*
- *- TFRS 9 Financial Instruments - Fees taken into account in the '10% test for derecognition of financial liabilities: The amendment clarifies the fees that an entity considers when assessing whether the terms of a new or modified financial liability differ materially from the terms of the original financial liability. These fees include only fees paid or received between the borrower and the lender, including fees paid by the parties on behalf of each other.*
- *TAS 41 Agricultural Activities – Taxes in determining fair value: With the amendment made, the provision in TAS 41 paragraph 22 that the cash flows made for taxation are not taken into account in determining the fair value of companies' assets within the scope of TAS 41 has been removed.*

All of the improvements made will be applied for annual accounting periods beginning on or after 1 January 2022. Early application is permitted.

The impact of these improvements on the Group's value is being evaluated.

Netting/Offseting

Financial assets and liabilities are shown with their net values in the balance sheet if there is a legal right to set off, they can be paid or collected on a net basis, or the acquisition of the asset and the fulfillment of the obligation can occur simultaneously.

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied prospectively in the current period when the change is made, if the change is related to future periods, both in the period in which the change is made and in the future period. If the rearrangement of the information causes an excessive cost, the comparative information for the previous periods is not rearranged, and the retained earnings account of the next period is rearranged with the cumulative effect of the error before the said period starts.

Summary of Significant Accounting Policies

Significant accounting policies applied during the preparation of the accompanying financial statements are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and investments with a short-term and high liquidity that are easily convertible into cash, with an insignificant risk of change in value and with a maturity of less than three months.

Trade Receivables

Trade receivables are recorded with their invoiced amounts and are carried with their net value discounted using the effective interest rate method and after deducting the doubtful receivable provision, if any.

Promissory notes and post-dated checks classified as trade receivables are rediscounted using the effective interest rate method and carried with their discounted values.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Trade Receivables (Continued)

Provision for doubtful receivables is recorded as expense. If there is a concrete indication that the overdue receivables cannot be collected, provision for doubtful receivables is set aside by taking into account the guarantees received from the customer. The Company uses the simplified approach in TFRS 9 to calculate the expected credit losses of these financial assets. This method requires the recognition of lifetime expected credit losses for all trade receivables.

Trade Payables

Trade payables are recorded at reduced cost representing their fair value. The financial income included in the debts is calculated by considering the maturity of the related debt and the interest rate for the government domestic debt securities in the stock exchanges or other organized markets, and the amounts found are shown in financial income in the financial statements.

Inventories

Inventories are valued at the lower of cost or net realizable value. Inventory costs are determined using the "first-in, first-out cost method". Cost of inventories; It includes all acquisition costs, conversion costs, and other costs incurred to bring inventories to their current state and location. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs required to make the sale.

Inventories are reflected by deducting the financing costs included due to forward purchases.

Investment properties

Instead of being used in the production, supply of goods and services, for administrative purposes innated of being sold in the normal course of business, lands or building are held (by the owner or rather by the lessee according to the financial leasing agreement) to earn rental income alternatively for capital appreciation or both. some or both are classified as investment property.

An investment property is recognized as an asset if it is probable that future economic benefits associated with the property will flow to the business and the cost of the investment property can be measured reliably.

Tnagible fixed assest

Tangible fixed assets excluding machinery, plant and equipment are presented at cost less accumulated depreciation and provision for impairment. When tangible fixed assets are sold, the income or expense incurred after deducting the cost and accumulated depreciation from the related accounts is included in the income statement.

Cost value of property, plant and devices; The purchase price consists of import duties and non-refundable fixed assets and expenses incurred to prepare the property, plant and devices for use.

Cost amounts of tangible fixed assets, excluding investments in progress and land, are depreciated over their expected useful lives using the straight-line method. The expected useful life, residual value and depreciation method are reviewed annually for the possible effects of changes in estimates, and if there is a change in estimates, they are accounted for prospectively.

Depreciation is calculated on a pro-rata basis according to the straight-line depreciation method, taking into account the economic lives of tangible fixed assets. The amortization periods are as follows:

Buildings	10-50 years
Property, plant and devices	10 years
Motor Vehicles	4-5 years
Fixtures	3-10 years
Leasehold improvements	5 years

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Usual maintenance and repair expenses incurred on a property, tangible fixed assests are recognized as expenses. Investment expenditures that increase the capacity of the tangible fixed asset and increase the future benefit from it are added to the cost of the tangible fixed asset and depreciated over the remaining estimated useful life of the tangible fixed asset.

The profit or loss resulting from the disposal of tangible fixed assets is determined by comparing the net balance sheet value with the collected amounts and is shown under the “income/expenses from investment activities” account in the current period.

Revaluation Model

Machinery, plant and devices are presented at fair value less accumulated depreciation. The difference between the cost value and the fair value, net of deferred tax, is followed in the “value increase funds” account under shareholders' equity. As long as the revalued asset is used, the difference between the depreciation calculated over the revalued amount and the depreciation calculated over the initial cost value is deducted from the revaluation fund after deducting the deferred tax effect and followed by crediting the retained earnings account.

The frequency of revaluation depends on fluctuations in the fair value of the tangible asset subject to revaluation. If the fair value of the revalued asset differs significantly from its carrying value, the asset is revalued. When tangible asset is revalued, the accumulated depreciation amount on the revaluation date is increased in proportion to the change in the gross carrying value of the asset, so that the carrying value of the asset after revaluation equals its revalued amount.

The Group has valued machinery, facilities and devices based on the report dated 01.03.2021 prepared by Lal Gayrimenkul Değerleme ve Müşavirlik A.Ş.

Intangible Assets

Intangible assets consist of EPDK license rights and software rights. Intangible assets are recorded at their acquisition cost. EPDK licenses are amortized on a pro-rata basis using the straight-line depreciation method between 12-49 years and software rights between 3-15 years.

The carrying values of intangible assets are reviewed and the necessary provision is made in case changes in conditions and events give rise to an indication that the carrying value may decrease.

Impairment of Assets

For each asset other than deferred tax assets, the Group evaluates at each balance sheet date whether there is any indication that the asset is impaired. If such an indicator exists, the recoverable amount of that asset is estimated. For intangible assets that are not suitable for use, the recoverable amount is estimated at each balance sheet date. If the carrying value of the asset or any cash generating unit of that asset is higher than the amount to be recovered through use or sale, an impairment has occurred. Impairment losses are recognized in the income statement.

An impairment loss on an asset is reversed up to a level that does not exceed the carrying amount of the asset if the subsequent increase in its recoverable amount can be attributed to an event that occurred in the periods following the recognition of the impairment.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Credits obtained and borrowing costs

Bank loans are recorded with their values after the transaction costs are deducted from the loan amount on the received date. Bank loans are shown over the cost value, which is discounted using the effective interest method in the following periods. The difference between the amount remaining after deducting the transaction costs and the discounted cost value is reflected in the income statement as the financing cost during the loan period. Financing costs arising from loans, if they are associated with the acquisition or construction of qualifying assets, are included in the cost value of qualifying assets. Qualified assets are assets that take a long time to be ready for use or sale as intended. Other loan costs are recorded in the income statement in the period in which they occur.

Fixed assets held for sale

Assets held for sale are classified as held for sale mainly when their carrying amount is recovered in a sale transaction and sale is probable. Assets are classified as held for sale when the carrying amount is considered to be recovered through a sale transaction rather than use.

Assets can be a business unit, sales group, or a separate tangible asset. The sale of assets held for sale is expected to occur within 12 months after the balance sheet date. Various events or circumstances may extend the completion time by more than one year. There is insufficient evidence to support that the delay was beyond the control of the entity and the sale of the assets (or group of assets) proceeds on the plan of sale; The delay does not preclude the classification of assets (or disposal groups) as held-for-sale assets.

Assets held for sale are valued at the lower of book value and fair value. The impairment loss is recognized as an expense in the consolidated income statement for the period, at which date its carrying amount is less than its fair value. There is no amortization for these assets.

Financial Instruments

TFRS 9 regulates the provisions regarding the recognition and measurement of financial assets and financial liabilities. This standard replaces TAS 39 Financial Instruments: Recognition and Measurement.

The applications related to the recognition, classification, measurement and derecognition of financial instruments in TAS 39 are now carried over to TFRS 9. The latest version of TFRS 9 includes applications published in previous versions of TFRS 9, which were released in phases, including a new expected credit loss model for calculating impairment of financial assets, as well as updated applications for new general hedge accounting requirements.TFRS 9 is valid for annual accounting periods beginning on or after 1 January 2018.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Classification of financial assets and liabilities

TFRS 9 largely retains the existing provisions in TAS 39 for the classification and measurement of financial liabilities. However, the previous TAS 39 classification categories for financial assets held to maturity, loans and receivables and financial assets available for sale have been removed.

The implementation of TFRS 9 did not have a significant impact on the Company's accounting policies regarding its financial liabilities and derivative financial instruments. The impact of TFRS 9 on the classification and measurement of financial assets is given below.

According to TFRS 9, when a financial asset is recognized for the first time; measured at amortized cost; fair value ("VAR") measured at fair value through other comprehensive income – debt instruments; FPV difference measured through other comprehensive income – equity instruments or the FPV difference measured through profit or loss is classified as. Classification of financial assets within the scope of TFRS 9 is generally based on the business model the entity uses to manage financial assets and the characteristics of the financial asset's contractual cash flows. Within the scope of the standard, the obligation to separate the embedded derivatives from the financial asset has been eliminated, and it should be evaluated how a hybrid contract will be classified as a whole.

A financial asset is recognized if both of the following conditions are met and the fair value difference is recognized in profit or loss.
If it's not classified at the measured cost, it is calculated at the amortized cost:
- Holding the financial asset under a business model aimed at collecting contractual cash flows; and
- The contractual terms of the financial asset arise to cash flows on certain dates that include only payments of principal and interest on the principal balance.

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met and it is not classified as at fair value through profit or loss:
- Holding the financial asset under a business model aimed at collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset arise to cash flows on certain dates that include only payments of principal and interest on the principal balance.

In the initial recognition of investments in equity instruments that are not held for trading, an irrevocable choice may be made to present subsequent changes in fair value in other comprehensive income. The choice of this preference can be made on the basis of each investment. All financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. These include all derivative financial assets. At initial recognition of financial assets, a financial asset is irrevocably recognized at fair value through profit or loss, provided that it eliminates or significantly reduces an accounting mismatch that would result from different measurement of financial assets and related gains or losses. can be defined as measured by reflection.

In the initial measurement of financial assets other than those at fair value through profit or loss (except for trade receivables that are measured at transaction price at initial recognition and do not have a significant financing component), the transaction costs directly attributable to their acquisition or issuance are added to the fair value.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Impairment of financial assets

With the implementation of TFRS 9, the "Expected Credit Loss" (EXP) model has replaced the "Actual Loss" model in TAS 39. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt instruments measured at fair value through other comprehensive income, but not for investments in equity instruments. In accordance with TFRS 9, credit losses are recognized earlier than TAS 39. Financial assets measured at amortized cost consist of trade receivables, cash and cash equivalents and private sector debt instruments.

Under TFRS 9, loss allowances are measured on any of the following bases:

- 12-month ECLs: the portion that represents expected credit losses arising from possible default events on the financial instrument within 12 months of the reporting date; and
- Lifetime ECLs: are expected credit losses arising from all possible default events over the expected life of the financial instrument.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating its ECAs, the Company considers reasonable and supportable information available without undue cost or effort regarding the estimation of expected credit losses, including the effects of expected prepayments. This information includes quantitative and qualitative information and analysis based on the Company's past credit loss experiences and forward-looking information.

Financial Liabilities

A financial liability is measured at fair value at initial recognition. During the initial recognition of financial liabilities whose fair value difference is not recognized in profit or loss, the transaction costs directly attributable to the underwriting of the related financial liability are added to the said fair value. Financial liabilities are accounted for at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate in the following periods.
Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are recognized at fair value and revalued at their fair value at the reporting date in each reporting period. The change in their fair value is recognized in the income statement. The net gain or loss recognized in the profit or loss statement also includes the interest paid on the financial liability.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Other Financial Liabilities

Other financial liabilities, including financial liabilities, are initially recognized at fair value net of transaction costs.

Other financial liabilities are subsequently accounted for at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate.

The effective interest method is the method of calculating the amortized costs of the financial liability and allocating the related interest expense to the related period. Effective interest rate; The rate that exactly discounts estimated future cash payments over the expected life of the financial instrument or, where appropriate, a shorter period of time, to the net present value of the financial liability.

Revenue recognition

When the Group fulfills or fulfills a performance obligation by transferring a promised good or service to its customer, it records the revenue in its financial statements. An asset is transferred when (or when) control of an asset is acquired by the customer.

The Group recognized revenue in its financial statements in line with the following basic principles:
(a) Determining contracts with customers
(b) Determining performance obligations in the contract
(c) Determining the transaction price in the contract
(d) Allocating the transaction price to the performance obligations in the contract
(e) Recognition of revenue when each performance obligation is satisfied

Sales revenues are recognized on an accrual basis over the fair value of the consideration received or receivable when the product is delivered or the service is rendered, the significant risks and rewards associated with the product have been transferred to the buyer, the amount of revenue can be measured reliably and it is highly probable that the Group will derive economic benefits associated with the transaction. Net sales represent the invoiced value of the product sold or completed service, excluding sales tax, less any discounts and discounts.

Interest income from other incomes obtained by the Group is calculated over the effective interest income method and income is recorded on an accrual basis.

Currency Transactions

Transactions in foreign currencies during the period are converted at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted using the exchange rates prevailing at the balance sheet date. Exchange rate difference income and expenses arising from the convertion of monetary assets and liabilities based on foreign currency are reflected in the income statement.

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Currency Transactions (Continued)

As of 31 March 2022, 31 December 2021 and 31 December 2020, the buying rates determined by the Central Bank of the Republic of Turkey are as follows:

	31 March 2022	31 December 2021	31 December 2020
USD/TL	14,6371	13,3290	7,3405
EURO/TL	16,2855	15,0867	9,0079

Earning per share

Earnings per share stated in the consolidated income statement is determined by dividing the consolidated net profit of the main company by the weighted average number of shares available during the relevant period.

Companies in Turkey can increase their capital by distributing shares to existing shareholders from retained earnings and equity inflation adjustment differences in proportion to their shares ("bonus shares"). When calculating earnings per share, this bonus issue is counted as issued shares. Therefore, the weighted average number of shares used in the calculation of earnings per share is obtained by applying the issue of bonus shares retrospectively from the beginning of the previous reporting period.

Events that occured after the balance sheet date

In the event of an adjustment after the balance sheet date, the Group adjusts the amounts included in the consolidated financial statements in accordance with this new situation. If non-adjusting matters after the balance sheet date affect the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

Provisions, contingent liabilities and assets

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle this obligation, and the amount to be paid can be reliably estimated. It is determined as a contingent liability if there is a possibility of disposal of resources that provide economic benefits. For contingent liabilities where it is probable that sources of economic interest will be disposed of, contingent liabilities are recognized in the period when the probability changes, unless a reliable estimate can be made.

For contingent liabilities where sources of economic interest are probable, where a reliable estimate cannot be made, the Group discloses this in the footnotes.

The amount recognized as a provision is the best estimate of the provision that should settle the present obligation as of the balance sheet date, taking into account the risks and uncertainties of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is reflected at the discounted value of those cash flows at the balance sheet date.
Where all the economic benefits required to settle a provision are expected to be received from a third party, the receivable is accounted for as an asset if it is observably certain that the refund will be received and the amount of the receivable can be measured reliably.

Dividends

Dividend payables are recognized as a liability in the separate financial statements in the period in which they are declared as part of the profit distribution.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Rental Transactions

Financial leases, which envisage the transfer of all risks and benefits of ownership of the leased asset to the Group, are reflected at the commencement date of the lease based on the lower of the fair value of the leased asset and the present value of the lease payments. Financial lease payments are allocated as principal and finance expense throughout the lease term, generating a fixed periodic interest rate for the remaining debt balance for each period. Financial expenses are reflected directly to the income statement as of periods. Capitalized leased assets are depreciated over the estimated life of the asset.

Variable lease payments

Lease payments arising from some of the Group's lease agreements consist of variable lease payments. These variable lease payments, which are not within the scope of TFRS 16 standard, are recorded as rental expense in the income statement in the relevant period.

Facilitating applications

Short-term lease contracts with a lease term of 12 months or less and contracts for information technology equipment leases determined by the Group as low value have been evaluated within the scope of the exception granted by TFRS 16, "Leases" standard, and payments for these contracts continue to be accounted for as expense in the period in which they are incurred. A single discount rate is applied to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar asset class in a similar economic environment).

Operational Leases

The Group has reflected a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease. The right-of-use asset is calculated initially at cost and subsequently less accumulated depreciation and impairment losses and adjusted for remeasurements of the finance lease liability. At the commencement date of the lease, the lease liability is measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Group's alternative borrowing rate, if the implied interest rate in the lease can be easily determined, if not easily determined.

Cash flow statement

Cash and cash equivalents in the consolidated statement of cash flows include cash on hand and in banks, highly liquid investments with original maturities of 3 months or less, and non-collateral deposits.

In the cash flow statement, cash flows for the period are classified and reported based on operating, investing and financing activities.

Cash flows from operating activities represent the cash flows from the Group's main activities.

Cash flows from investing activities represent the cash flows that the Group uses and receives from its investing activities (asset investments and financial investments).

Cash flows from financing activities show the resources used by the Group in financing activities and the repayments of these resources.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Related parties

A party is considered to be related to the Group if one of the following criteria is met:

(a) Directly or indirectly through one or more of the intermediaries of that party:
(i) Controls, is controlled by, or is under common control with the Group (including parents, subsidiaries and subsidiaries in the same line of business);
(ii) has an interest that will enable it to have significant influence over the Group; or
(ii) has joint control over the Group;
(b) the party is an affiliate of the Group;
(c) the party is a joint venture in which the Group is a venturer;
(d) The party is a member of the key management personnel of the Group or its parent;
(e) the party is a close family member of any individual mentioned in (a) or (d);
(f) the Party; is an entity that is controlled, jointly controlled, or under significant influence or in which any individual referred to in (d) or (e) has a significant voting right, directly or indirectly; or
(g) The party must have post-employment benefit plans for employees of the entity or an entity that is a related party.

Transaction with related parties is the transfer of resources, services or obligations between related parties, regardless of whether they are paid for.

Taxes calculated based on corporate income

Corporate tax

Corporate tax is calculated over the taxable portion of the profit for the period. Taxable profit differs from profit reported in the income statement because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Group's corporate tax liability consists of the sum of the tax provisions of the companies included in the consolidation, calculated using the tax rate enacted as of the balance sheet date.

Deffered tax

Deferred tax liability or assets are determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. The mentioned assets and liabilities are not recognized if they arise from the initial recognition of goodwill or other assets and liabilities (other than business combinations) related to the temporary difference related to the transaction that does not affect the commercial or financial profit/loss.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, unless the Group is able to control the disappearance of temporary differences and it is unlikely that the difference will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that the said differences will be benefited from by earning sufficient taxable profit in the near future and it is probable that the related differences will disappear in the future.

The book value of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of the deferred tax asset is reduced to the extent that it is not likely to generate a financial profit sufficient to allow some or all of the benefits to be obtained.

Deferred tax assets and liabilities are calculated over tax rates (tax regulations) that are expected to be valid in the period when the assets will be realized or the liabilities will be fulfilled and that have been enacted or substantially enacted as of the balance sheet date. During the calculation of deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the balance sheet date are taken into account.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Taxes calculated based on corporate income (Continued)

Deferred tax assets and liabilities are deducted if there is a legal right to set off current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority, or if the Group intends to settle current tax assets and liabilities on a net basis.

Corporate tax and deferred tax for the period are recognized as expense or income in the income statement, excluding those associated with items credited or debited directly in equity (in which case deferred tax is also recognized directly in equity) or arising from the initial recognition of business combinations. In business combinations, the tax effect is taken into account when calculating goodwill or determining the portion of the purchaser's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary exceeding the acquisition cost.

Employee benefits

Defined benefit plan:

In accordance with the current labor law in Turkey, the Group is obliged to pay a certain amount of severance pay to the personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and misbehavior.

The group uses the "projection" in the attached place according to the table, and the goals of benefiting from the government agencies and calculated from the past, from the references that have passed the evaluation of the personal service uses and evaluations of the people who use it.

Defined contribution plan

The Group pays compulsory social security premiums to the Social Security Institution in Turkey. The Group has no other obligations as long as it pays these premiums. These premiums are reflected in personnel expenses in the period they are accrued.

Unused leave liability

The Turkish Labor Law requires companies to pay their employees who have completed one year of service, and to meet their unused leave rights in case the employees' relationship with the company is terminated. The unused leave entitlement liability includes an estimated maximum wage applied to employees' unused leave.

Business combinations

Business combinations are accounted for using the purchase method within the scope of TFRS 3.The acquirer (acquirer/acquirer) accounts for the identifiable assets, liabilities and contingent liabilities of the acquiree (acquired/acquired) at their fair values at the date of acquisition (merger).

Goodwill arising from business combinations is not amortized, but is instead tested for impairment annually or more frequently when impairment is detected.

In a business combination realized in stages, the Group's previously held equity interest in the acquired business is remeasured to its fair value at the acquisition date (the date the Group takes control) and the resulting gain/loss, if any, is included in the profit/loss statement. Amounts arising from the share of the acquired business recognized in other comprehensive income before the acquisition date are transferred to profit/loss under the assumption that the said interests are disposed of.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Acquisitions from business interests under common control

Business combinations resulting from the transfer of shares of companies controlled by the stakeholder controlling the Group are accounted for as if they had occurred at the beginning of the earliest comparative period presented, if later, on the date of joint control. The acquired assets and liabilities are recorded at the book value previously recorded in the consolidated financial statements of the stakeholders under the control of the Group. Equity items of the acquired companies are added to the same items in the Group's equity, except for the capital, and the resulting profit or loss is recognized in equity.

Accounting estimates and assumptions

In the preparation of the consolidated financial statements, the Group management is required to make assessments, assumptions and estimations that will affect the reported amounts of assets and liabilities, determine the possible liabilities and commitments as of the balance sheet date and the amounts of income and expense as of the reporting period. Actual results may differ from estimates. Estimates are reviewed regularly, necessary adjustments are made and reflected in the consolidated income statement in the period they are realized.

The main assumptions made by considering the main sources of the existing or future estimates that may have a material impact on the amounts reflected in the consolidated financial statements are as follows:

Predictions:

Deffered tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. These differences are generally due to the tax base amounts of some income and expense items and the different periods in the financial statements prepared in accordance with TFRS. The Group has deferred tax assets consisting of unused tax losses and other deductible temporary differences that can be deducted from future profits. The partially or wholly recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, future profit projections, losses in current periods, expiry dates of unused losses and other tax assets, and tax planning strategies that can be used when necessary are taken into consideration. As a result of the studies, the Group has recognized the deferred tax assets of its subsidiaries due to the belief that the deferred tax can be recovered.

Economic life

Tangible fixed and intangible assets are subject to depreciation and amortization over their estimated economic lives.

Provision for severance pay

Provision for severance pay, has been discounted to its value at the balance sheet date considering the personnel turnover rate, previous years' experiences and expectations.

Lawsuits

While provisions are made for lawsuits, the probability of loss of the relevant lawsuits and the consequences to be incurred in case of loss are evaluated in line with the opinions of the Group's legal advisors, and the Group Management makes provision using the data in its possession.

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

NOTE 3 – BUSINESS COMBINATIONS

2020:

-Karya and Serenti are included in the consolidation in 2020.

-Karya has been included in the consolidation in 2020 within the scope of the merger of enterprises or enterprises subject to common control. It was established by Serenti subsidiary in 2020 and included in the consolidation.

-Boğazköy, Yarcan, Afyon and Ordu were sold in 2020 and are excluded from the scope of consolidation.

2021:

None.

2022:

None.

NOTE 4 – CASH AND CASH EQUIVALENTS

	31 March 2022	**31 December 2021**
Cash on hand	167.256	3.854
Cash at banks	105.900.912	170.861.277
- Demand deposit (*)	105.304.912	170.541.277
- Time deposit (**)	596.000	320.000
Liquid funds	1.170	1.170
	106.069.338	**170.866.301**

(*) As of 31 March 2022, there is a blockage in demand deposits against loans received in the amount of TL 22.392.836 (31 December 2021: 24.073.233 TL).

(**) Interest rates are vary between 12.00% and 15.50% and maturities are between 1 and 34 days. (31 December 2021: 13.00% and 17.60%).

Explanations on the nature and level of risks in cash and cash equivalents are explained in Note 30.

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

NOTE 5 – RELATED PARTIES DISCLOSURES

a) Receivables/payables from related parties:

Other receivables from related parties	**31 March 2022**	**31 December 2021**
Doğ-Yap İnşaat Tur. Enerji Üretim San. Ve Tic. A.Ş	3.391.129	9.594.734
Doğanlar Yatırım Holding A.Ş.	--	3.759.411
Doğu Star Elektrik Üretim A.Ş. - Mimsan Endüstri Kazanları A.Ş. Adi Ortaklığı	--	54.401
Taş Maden Grup Yapı A.Ş.	650.000	650.000
Korad Gayrimenkul Yatırım İnşaat Anonim Şirketi	22.906	22.906
Maven Enerji Elektrik Üretim San. Ve Tic.A.Ş.	1.151.027	1.129.804
Doğanlar Mobilya Grubu İmalat ve San. Tic. A.Ş.	25.155	25.155
Başköy Enerji Elektrik Üretim A.Ş.	64.842	--
Landfill Enerji Sanayi Ticaret A.Ş.	5.916.521	--
İlhan Doğan	1.092.490	774.010
Adnan Doğan	--	160
Doruk Doğan	34.180	--
Murat Doğan	42.550	--
Ogün Doğan	39.009	--
Osman Nuri Vardı	608.935	600.000
	13.038.744	**16.610.581**

Other payables to related parties	**31 March 2022**	**31 December 2021**
Doğ-Yap İnşaat Tur. Enerji Üretim San. Ve Tic. A.Ş	6.476.245	11.825.151
Landfill Enerji Sanayi Ticaret A.Ş.	12.866.257	2.919.271
Doğanlar Yatırım Holding A.Ş.	18.862.463	21.661.042
Maven Enerji Elektrik Üretim San. Ve Tic.A.Ş.	600	--
Doğanlar Mobilya Grubu İmalat ve San. Tic. A.Ş.	237.054	155.144
Korad Gayrimenkul Yatırım İnşaat Anonim Şirketi	22.906	22.906
Başköy Enerji Elektrik Üretim A.Ş.	64.842	--
İlhan Doğan	901.803	901.803
Ogün Doğan	1.000	--
Doğan Ali Doğan	--	8.866
Ertegün Ünal	107.000	107.000
Mustafa Abak	107.000	107.000
Mustafa Üretmen	107.000	107.000
	39.754.170	**37.815.183**

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 5 – RELATED PARTIES DISCLOSURES (Continued)

b) Goods and Services Purchases/Sales:

Purchases from Related Parties	**01 January– 31 March 2022**	**01 January– 31 March 2021**
Doğ-Yap İnşaat Tur. Enerji Üretim San. Ve Tic. A.Ş	750.432	5.307.203
Doğanlar Yatırım Holding A.Ş.	1.862.358	1.320.392
	2.612.790	**6.627.595**

Sales to Related Parties	**01 January– 31 March 2022**	**01 January– 31 March 2021**
Doğ-Yap İnşaat Tur. Enerji Üretim San. Ve Tic. A.Ş	10.800	16.249
Doğanlar Yatırım Holding A.Ş.	--	54.756
Doğanlar Mobilya Grubu	58.340	--
Korad Gayrimenkul Yatırım İnşaat Anonim Şirketi	--	14.714
Landfill Enerji Sanayi Ticaret A.Ş.	178.046	150.000
Başköy Enerji Elektrik Üretim A.Ş.	--	14.022
	247.186	**249.741**

c) The details of remuneration and similar benefits paid to the top management are as follows:

	01 January– 31 March 2022	**01 January– 31 March 2021**	**01 January– March 2021**
Remuneration and similar benefits paid to senior management	3.358.364	1.239.860	7.055.362
	3.358.364	**1.239.860**	**7.055.362**

Collateral, pledge, mortgage and guarantees are explained in Note 16.

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

NOTE 6 – FINANCIAL BORROWINGS

	31 March 2022	31 December 2021
Short term borrowings		
TL denominated bank borrowings	--	66.178
	--	**66.178**

	31 March 2022	31 December 2021
Short term portion of long term borrowings		
TL denominated bank borrowings	31.222.414	21.306.709
USD denominated bank borrowings	99.324.056	80.097.038
EUR denominated bank borrowings	85.263.482	83.000.635
TL denominated lease payables	2.769.095	1.779.219
EUR denominated leases payables	11.554.355	2.962.896
	230.133.402	**189.146.497**

	31 March 2022	31 December 2021
Long term credits		
TL denominated bank borrowings	48.142.662	39.437.714
USD denominated bank borrowings	359.706.055	347.818.402
EUR denominated bank borrowings	322.702.262	309.308.644
TL denominated leases payables	7.933.144	5.523.492
EUR denominated leases payables	18.166.680	3.296.273
	756.650.803	**705.384.525**

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

NOTE 6 – FINANCIAL BORROWINGS (Continued)

Information on interest rates	31 March 2022	31 December 2021
TL denominated bank borrowings	14,75 – 27,48	17,35 – 27,48
USD denominated bank borrowings	5,00 – 7,25	5,00 – 7,25
EUR denominated bank borrowings	3,75 – 6,50	4,35 – 6,50

The maturity breakdown of the loans is as follows:

	31 March 2022	31 December 2021
0-3 months	51.481.204	43.404.357
3-12 months	164.328.748	141.066.204
1-5 years	598.443.127	555.675.480
More than 5 years	132.107.852	140.889.279
	946.360.931	**881.035.320**

The maturity breakdown of leases payables is as follows:

	31 March 2022	31 December 2021
0-3 months	3.445.392	1.784.021
3-12 months	10.878.058	2.958.094
1-5 years	26.099.824	8.819.765
	40.423.274	**13.561.880**

CPMs given for financial liabilities are disclosed in Note 16.

NOTE 7 – TRADE RECEIVABLES AND PAYABLES

	31 March 2022	31 December 2021
Short term trade receivables		
Customers' current accounts	208.914.271	103.958.591
Cheques received and notes receivable	--	411.177
Total trade receivables	**208.914.271**	**104.369.768**

The Group's trade receivables consist of receivables from the facilities covered by the Electricity Market Renewable Energy Resources Support Mechanism (RESSUM) following the agreements made with the municipalities, and the maturity periods for these receivables vary between 7 and 30 days (2021: 7 and 30). The maturities of the checks and bills received are between 3 and 6 months (2021: 3 and 6 months).

The risks to which the Group's receivables are exposed and the level of risks are explained in Note 30.

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

NOTE 7 – TRADE RECEIVABLES AND PAYABLES (Continued)

Foreign currency balances of trade receivables and payables are disclosed in Note 30 currency risk.

Aging of trade receivables	31 March 2022	31 December 2021
Undue	208.914.271	104.369.768
	208.914.271	**104.369.768**

	31 March 2022	31 December 2021
Short term trade payables		
Suppliers' current accounts	239.285.541	216.642.967
Notes payable	758.101	1.032.474
Total short term trade payables	**240.043.642**	**217.675.441**

A part of the Group's trade payables consist of the rental fees arising from the agreements with the municipalities, The remainder consist of payments made to suppliers and the average maturity period for its trade payables is 45 days (2021: 45).

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

Other receivables	31 March 2022	31 December 2021
Other receivables from related parties (Note: 5)	13.038.744	16.610.581
Deposits and guarantees given	1.458.588	1.013.039
Other	5.977.765	5.309.950
	20.475.097	**22.933.570**

Other short term payables	31 March 2022	31 December 2021
Other payables to related parties (Note: 5)	39.754.170	37.815.183
Taxes, duties and fees payable	3.901.234	2.613.032
Restructured tax obligations	1.777.816	2.193.969
Other payables	970.187	1.482.160
	46.403.407	**44.104.344**

Other long term payables	31 March 2022	31 December 2021
Restructured tax liabilities	1.767.621	2.651.429
	1.767.621	**2.651.429**

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

NOTE 9 –INVENTORIES

	31 March 2022	31 December 2021
Raw material and supplies (*)	28.169.546	27.277.724
Other inventories	45.642.338	36.381.809
	73.811.884	**63.659.533**

(*) The raw material stocks will be used for production at the facility owned by Mersin, Ulubey and Biomek.

NOTE 10 – PREPAID EXPENSES AND DEFERRED INCOME

Prepaid expenses	31 March 2022	31 December 2021
Advances given (*)	168.604.964	240.194.554
Prepaid expenses	2.949.098	2.494.890
	171.554.062	**242.689.444**

(*) Most of the related amount consists of advances given for electricity generation facilities.

Short-term deferred income	31 March 2022	31 December 2021
Advances received	248.137	248.137
Deferred income (*)	1.863.098	2.484.131
	2.111.235	**2.732.268**

(*) The sale of Novtek İskenderun is due to the leaseback transaction.

NOTE 11 – ASSETS/LIABILITIES RELATED TO FIXED ASSETS AVAILABLE FOR SALE

None (31 December 2021: None).

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

NOTE 12 – INVESTMENT PROPERTIES

	01 January 2022	Additions	31 March 2022
Çanakkale lands	2.381.356	--	2.381.356
Sivas lands	910.500	--	910.500
Net book value	**3.291.856**	**--**	**3.291.856**

	01 January 2021	Additions	31 December 2021
Çanakkale lands	2.381.356	--	2.381.356
Sivas lands	910.500	--	910.500
Net book value	**3.291.856**	**--**	**3.291.856**

Collateral, pledge, mortgage and guarantees are explained in Note 16.

NOTE 13 – TANGIBLE FIXED ASSETS

	01 January 2022	Additions	Disposals	Valuation	31 March 2022
Costs					
Lands	32.000	--	--	--	32.000
Land improvements	15.421.050	--	--	--	15.421.050
Buildings	64.261.210	465.000	--	--	64.726.210
Machinery, plant and devices	767.912.358	3.269.658	--	--	771.182.016
Motor vehicles	18.532.589	20.630.645	--	--	39.163.234
Fixtures	12.889.104	35.370.908	--	--	48.260.012
Construction in progress	70.601.134	52.359.054	--	--	122.960.189
	949.649.445	**112.095.265**	**--**	**--**	**1.061.744.711**
Accumulated depreciation					
Land improvements	68.504	205.509	--	--	274.013
Buildings	1.001.344	789.941	--	--	1.791.285
Machinery, plant and devices	48.698.815	15.933.273	--	--	64.632.088
Motor vehicles	3.194.777	1.921.993	--	--	5.116.770
Fixtures	2.374.860	843.060	--	--	3.217.920
	55.338.300	**19.693.776**	**--**	**--**	**75.032.076**
Net book value	**894.311.146**				**986.712.635**

59 million TL of the ongoing investments belong to Mersin, 10 millions to İzmir Novtek, 14 millions to Doğustar, 14 millions to İzmir Doğustar, 10 millions to Biotrend Ayvacık and the remaining balance is set to be done by 2022 Biyomek, Novtek, Ulubey, Uşak, Maven Tarım and Serenti.

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 13 – TANGIBLE ASSETS (Continued)

	1 January 2021	Additions	Transfer	Valuation	31 December 2021
Costs					
Lands	32.000	--	--	--	32.000
Land improvements	--	15.421.050	--	--	15.421.050
Buildings	5.486.403	58.774.807	--	--	64.261.210
Machinery, plant and devices	234.017.131	489.793.552	--	44.101.675	767.912.358
Motor vehicles	3.805.468	14.780.454	(53.333)	--	18.532.589
Fixtures	6.446.944	6.454.740	(12.580)	--	12.889.104
Construction in progress	214.483.544	53.023.509	(196.905.919)	--	70.601.134
	464.271.490	**638.248.112**	**(196.971.832)**	**44.101.675**	**949.649.445**
Accumulated depreciation					
Land improvements	--	68.504	--	--	68.504
Buildings	324.795	676.549	--	--	1.001.344
Machinery, plant and devices	25.592.809	23.106.006	--	--	48.698.815
Motor vehicles	1.404.091	1.836.908	(46.222)	--	3.194.777
Fixtures	866.696	1.510.755	(2.591)	--	2.374.860
	28.188.391	**27.198.722**	**(48.813)**	**--**	**55.338.300**
Net book value	**436.083.099**				**894.311.146**

Of the ongoing investments, 44 million TL is related with Mersin, 8 Million TL to Doğu Star, 9 Million TL to Biotrend Ayvacık, 5 Million TL to Biyomek and the remaining balance belongs to Ulubey, İzmir Doğustar, Serenti, Maven Tarım and İzmir Novtek. The constructions are planned to be completed in 2022.

As of 31 March 2022, the Group has operational pledges on its tangible fixed assets (31 December 2021: Operating pledge and mortgage).

Collateral, pledge, mortgage and surety information are explained in Note 16.

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

NOTE 14 – INTANGIBLE ASSETS

	01 January 2022	Additions	Disposals	Transfers	31 March 2022
Costs					
Rights	1.174.479	14.716	--	--	1.189.195
Licenses	75.745.889	--	--	--	75.745.889
	76.920.368	**14.716**	**--**	**--**	**76.935.084**
Accumulated amortization					
Rights	759.310	94.351	--	--	853.661
Licenses	21.566.515	948.601	--	--	22.515.116
	22.325.825	**1.042.952**	**--**	**--**	**23.368.777**
Net book value	**54.594.543**				**53.566.307**

	1 January 2021	Additions	Disposals	Transfers	31 December 2021
Costs					
Rights	801.273	373.206	--	--	1.174.479
Licenses	75.745.889	--	--	--	75.745.889
	76.547.162	**373.206**	**--**	**--**	**76.920.368**
Accumulated amortization					
Rights	239.741	519.569	--	--	759.310
Licenses	17.930.629	3.635.886	--	--	21.566.515
	18.170.369	**4.155.455**	**--**	**--**	**22.325.825**
Net book value	**58.376.793**				**54.594.543**

NOTE 15 – GOODWILL

Boğazköy Enerji Elektrik Üretim Ticaret Ltd. Şti, Doğu Star Elektrik Üretim A.Ş., Novtek Enerji Elektrik Üretim A.Ş. , Nov Enerji Elektrik Üretim A.Ş. ("Purchased"), Biotrend Çevre ve Enerji Yatırımları A.Ş. ("The Purchaser") as of 17 October 2017, a valuation report has been prepared by an independent institution in order to determine the value of the intangible assets ("These Assets"), whose ownership has been indirectly transferred to the Purchaser. Prior to this acquisition, all of the shares of the acquiree were held by Maven Enerji ("Seller").

Fair value calculations for Tangible Fixed Assets (land-lands, buildings and other tangible fixed assets) are based on Eva Gayrimenkul Değerleme Danışmanlık A.Ş. ("Eva").

Purpose of the Purchase Price Distribution Study, Biotrend Environment and Energy Investments A.Ş. To assist the Board of Directors in allocating the purchase price to the purchased assets, taking into account their fair value, for the purposes of TCC reporting.

Calculations have been made according to the following TFRS guidelines and communiqués:
Turkish Financial Reporting Standard No.3 and 3R, Mergers
Turkish Accounting Standards No. 36, Impairment of Assets
Turkish Accounting Standards No.38, Intangible Assets

For the purposes of TFRS reporting standards, Fair Value of an asset or liability is the value at which that asset or liability can be exchanged between two willing parties and for which it can be settled in full under reasonable market conditions.

Some of the calculations are as follows:

• The valuation transaction (PPA) was made on the balance sheet dated September 30th,2017 provided by the Company Management.
• All studies in this calculation (due to data quality and accessibility) were made on 30 September 2017. Although the transaction date is 17 October 2017, September 30th, 2017 has been determined as the technical valuation date. It has been concluded that between 17 October 2017 and 30 September 2017, there were no significant events that would affect the value of the Companies.
• The goodwill amount arising from the acquisition is calculated as the difference between the fair values of the assets subject to the valuation reports, the total payment amount foreseen for the sale and the total equity of the acquired company as of 30 September 2017.

Goodwill breakdown, total purchase price and net assets purchased figures for the Group are as follows:

NOTE 15 – GOODWILL (CONTINUED)

	Boğazköy	**Doğu Star**	**Novenerji**	**Total**
Advance payment	1.886.000	28.713.000	35.348.000	65.947.000
Money payable within 12 months after purchase	396.000	6.032.000	7.427.000	13.855.000
Share purchase price (100%)	2.282.000	34.745.000	42.775.000	79.802.000
Total fair values of these assets in question	(4.405.000)	(32.214.000)	(38.774.000)	(75.393.000)
Goodwill	**(2.123.000)**	**2.531.000**	**4.001.000**	**4.409.000**

Goodwill	6.532.000
Negative Goodwill	(2.123.000)
	4.409.000

The fair values of the Group's identifiable assets and liabilities after the acquisition, calculated according to TFRS 3, are as follows:

			(TL '000)
Balance sheet dated 30 September 2017	**Before PPA correction**	**PPA correction**	**After PPA correction**
Cash and cash equivalents	1.151	--	1.151
Trade receivables	3.172	--	3.172
Other receivables	5.858	--	5.858
Other current assets	760	--	760
Tangible fixed assets	29.614	10.104	39.718
Intangible assets	573	74.712	75.285
Other non-current assets	560	--	560
Total assets	**41.688**	**84.816**	**126.504**
Financial liabilities	21.639	--	21.639
Trade payables	3.609	--	3.609
Provisions	329	--	329
Other obligations	8.495	--	8.495
Deferred tax liability	76	16.963	17.039
Total Liabilities	**34.148**	**16.963**	**51.111**
Total Equity	**7.540**	**67.853**	**75.393**
Total Debts and Equity	**41.688**	**84.816**	**126.504**
Fair value of net asset acquired			**75.393**

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 15 – GOODWILL (CONTINUED)

Biotrend Çevre ve Enerji Yatırımları A.Ş and its subsidiaries received services from independent valuation firms to determine the fair values of tangible and intangible assets. Assets, liabilities and contingent liabilities determined in accordance with TFRS 3 are recorded at fair value on the day of purchase.

The Group will perform impairment tests annually or more frequently when there is any evidence of impairment. The recoverable value is found by the usable value calculation. Primary estimations such as discount rate, growth rate, selling prices and direct selling expenses for the calculation period are taken into account in the usable value calculations. The discount rate indicates the prevailing market conditions that affect the time value of money and the specific risks associated with the asset. The Group uses the Weighted Average Cost of Capital as the discount rate. The growth rate is calculated by considering the growth rate of the sector. Sales prices and direct costs are determined by past experience and future projections.

NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term debt provisions

Other Short Term Provisions	**31 March 2022**	**31 December 2021**
Provisions for lawsuits	9.470.873	9.470.873
	9.470.873	**9.470.873**

Short-Term Provisions for Employee Benefits	**31 March 2022**	**31 December 2021**
Provision for unused vacation	3.456.701	1.109.054
	3.456.701	**1.109.054**

Controversy and litigation

Lawsuits and enforcement proceedings filed by the Group:

The total amount of lawsuit filed by the Group is 6.047.891 TL. (31 December 2021: 6.047.665).

Lawsuits filed and continuing against the company:

The total amount of lawsuit filed against the Group is 22.608.665 TL. (31 December 2021: 22.608.665 TL)

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

NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees and warranties given/received:

The Group's collateral/mortgage/pledge (CPM) position is as follows :

Given CPMs by the company	31 March 2022	31 December 2021
A. Total Amount of CPMs Given on behalf of His Own Legal Entity	585.116.929	528.212.766
B. Total Amount of CPMs Given in Favor of Partnerships Included in the Scope of Full Consolidation	27.320.250	27.320.250
C. Total Amount of CPM's Given by Other 3rd Parties regarding Ordinary Commercial Activities	--	--
D. Total Amount of Other CPMs Given	254.250.000	254.250.000
i. Total Amount of CPM's Given in Favor of the Parent Partner	254.250.000	254.250.000
ii. Total Amount of CPMs Given in Favor of Other Group Companies that are not in the Scope of B and C	--	--
iii. Total Amount of CPMs Given to Third Parties Not Covered by Article C	--	--
Total	**866.687.179**	**809.783.016**

Type	To	31 March 2022	31 December 2021
Share Transfer	To Banks	154.271.796	154.271.796
Pleadings of Mercantile Business	To Banks	366.576.958	338.310.330
Assignment of Claims	To Banks	254.250.000	254.250.000
Letter of Guarantee	To suppliers	42.623.783	16.953.337
Letter of Guarantee	To municipalities	48.964.642	45.997.553
Total		**866.687.179**	**809.783.016**

Type	To	31 March 2022	31 December 2021
Guarantees	To banks	1.747.998.888	1.671.192.489
Total		**1.747.998.888**	**1.671.192.489**

The ratio of other CPMs given by the Group to the Group's equity is 48% as of 31 March 2022 (31 December 2021: 46%).

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

NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

There are bank blockages, business pledges, share pledges, assignment of receivables on real estates for the loans taken. In addition, Doğan family, sole proprietorships, Doğanlar Yatırım Holding A.Ş., KTS İnşaat Ltd. Sti. and all subsidiaries have sureties.

For the loans used by Doğanlar Yatırım Holding A.Ş., the parent company of the Group, , Novtek Enerji Elektrik Üretim A.Ş., which is a subsidiary, has a receivable assignment of 254.250.000 TL on EPİAŞ receivables from Halkbank in 2021.

As of 31 March 2022, the Group has operational pledges on its tangible assets (31 December 2021: Operating pledge and mortgage).

All electricity shares from the Group's companies Nov Enerji, Novtek Enerji, Doğustar, İzmir Doğustar, MD Biyokütle and Mersin Elektrik are pledged to TSKB, all of the shares of Biyomek company's to Halbank, Uşak and İzmir Novtek's shares to Denizbank. 165,555,555 TL of the shares of Biotrend company were pledged to TSKB and 59,149,419 TL to the European Bank for Reconstruction and Development.

31 March 2022

Type	Period	For	To	Amount
Letter Of Guarantee	Indefinite	Usage of the distribution system	Gdz Elektrik	3.608.349
Letter Of Guarantee	Indefinite	Security deposit	Epdk	7.022.823
Letter Of Guarantee	Indefinite	Security deposit	Fırat Edaş	1.203.545
Letter Of Guarantee	Indefinite	Security deposit	Çedaş	19.068
Letter Of Guarantee	Indefinite	Security deposit	Oepsaş	309.695
Letter Of Guarantee	Indefinite	Solid waste management	İzmir Büyükşehir Belediyesi	31.187.667
Letter Of Guarantee	Indefinite	Field Management	Bursa Büyükşehir Belediyesi	17.680.450
Letter Of Guarantee	Indefinite	Security deposit	Uludağ Elektrik	892.527
Letter Of Guarantee	Indefinite	Security deposit	Sivas Belediye Başkanlığı	64.524
Letter Of Guarantee	Indefinite	Solid waste management	Uşak Çevre Birliği Başkanlığı	835.618
Letter Of Guarantee	Indefinite	Solid waste management	Aksaray İli Mahalli İdari Hizmetler	3.457.500
Letter Of Guarantee	Indefinite	Security deposit	Elazığ Orman Bölge Müdürlüğü	28.842
Letter Of Guarantee	Indefinite	Security deposit	Malatya Belediyesi Başkanlığı	32.000
Letter Of Guarantee	Indefinite	Establishment of a production facility	Giresun İli Katı Atık Ve İçme Suları Birliği Başkanlığı	1.171.665
Letter Of Guarantee	Indefinite	Security deposit	Orman Bölge Müdürlüğü	19.890
Letter Of Guarantee	Indefinite	Security deposit	Toroslar Elektrik Dağıtım	143.783
Letter Of Guarantee	Indefinite	Usage of the distribution system	Takasbank	3.381.581
Letter Of Guarantee	Indefinite	Executives	Otokoç Otomotiv	60.000
Letter Of Guarantee	Indefinite	Other	Turbo Systems	19.953.898
Letter Of Guarantee	Indefinite	C/H	Troas Bölgesi	285.000
Letter Of Guarantee	Indefinite	Other	Meram Elektrik	230.000
				91.588.425

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

31 December 2021

Type	Period	For	To	Amount
Letter Of Guarantee	Indefinite	Usage of the distribution system	Gdz Elektrik	3.608.349
Letter Of Guarantee	Indefinite	Security deposit	Epdk	7.022.823
Letter Of Guarantee	Indefinite	Security deposit	Fırat Edaş	813.832
Letter Of Guarantee	Indefinite	Security deposit	Çedaş	19.068
Letter Of Guarantee	Indefinite	Security deposit	Oepsaş	12.720
Letter Of Guarantee	Indefinite	Solid waste management	İzmir Büyükşehir Belediyesi	31.187.666
Letter Of Guarantee	Indefinite	Field Management	Bursa Büyükşehir Belediyesi	9.975.270
Letter Of Guarantee	Indefinite	Security deposit	Uludağ Elektrik	1.054.015
Letter Of Guarantee	Indefinite	Security deposit	Sivas Belediye Başkanlığı	64.524
Letter Of Guarantee	Indefinite	Solid waste management	Uşak Çevre Birliği Başkanlığı	725.549
Letter Of Guarantee	Indefinite	Solid waste management	Aksaray İli Mahalli İdari Hizmetler	3.457.500
Letter Of Guarantee	Indefinite	Security deposit	Elazığ Orman Bölge Müdürlüğü	28.842
Letter Of Guarantee	Indefinite	Security deposit	Malatya Belediyesi Başkanlığı	32.000
Letter Of Guarantee	Indefinite	Establishment of a production facility	Giresun İli Katı Atık Ve İçme Suları Birliği Başkanlığı	1.171.663
Letter Of Guarantee	Indefinite	Security deposit	Orman Bölge Müdürlüğü	144.612
Letter Of Guarantee	Indefinite	Security deposit	Enerjisa	759.674
Letter Of Guarantee	Indefinite	Usage of the distribution system	Toroslar Elektrik Dağıtım	166.644
Letter Of Guarantee	Indefinite	Executives	İcra Dairesi	1.320.000
Letter Of Guarantee	Indefinite	Other	Takasbank	270.219
Letter Of Guarantee	Indefinite	C/H	Otokoç Otomotiv	60.000
Letter Of Guarantee	Indefinite	Other	Diğer	245.946
Letter Of Guarantee	Indefinite	Security deposit	Oedaş	294.974
Letter Of Guarantee	Indefinite	Security deposit	Troas Bölgesi	285.000
Letter Of Guarantee	Indefinite	Usage of the distribution system	Meram Elektrik	230.000
Letter Of Guarantee	Indefinite	Usage of the distribution system		
				62.950.890

The guarantees received by the Group from its customers are as follows;

Type	31 March 2022	31 December 2021
Letters of guarantee	116.286.920	96.259.994
Promissory notes	3.862.660	3.649.660
Promissory checks	80.384.607	71.429.144
Total	**200.534.187**	**171.338.798**

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

NOTE 17 – EMPLOYEE BENEFITS

Short Term	**31 March 2022**	**31 December 2021**
Tax payable	637.568	471.663
Wages payables to staff	4.933.344	2.892.824
Social security premiums payable	1.662.459	586.098
	7.233.371	**3.950.585**

Benefits provided to long-term employees (Provision for severance pay)

Pursuant to provisions of the Labor Law in force, employees whose employment contracts are terminated to qualify for severance pay are obliged to pay the legal severance pay they are entitled to. In addition, in accordance with the provision of Article 60 of the Social Insurance Law No. 506, which is still in effect, as amended by the Laws No. 2422 of March 6, 1981 and Law No. 4447 of 25 August 1999, those who receive the severance pay and have the right to leave the job are obliged to pay the statutory severance pay.

The severance pay to be paid as of 31 March 2022 has been calculated from the ceiling of 10.849 TL (31 December 2021: 8,285 TL). Severance pay liability is not subject to any funding.

Severance pay liability is calculated by estimating the present value of the Group's possible future obligation arising from the retirement of employees. In accordance with TAS 19, "Employee Benefits", the company's obligations are to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

	31 March 2022	**31 December 2021**
Annual discount rate (%)	3,42%	3,42%
Probability of retirement (%)	100,00%	100,00%

Transactions concerning the provision for severance pay during the year are as follows:

Severance Pay	**31 March 2022**	**31 December 2021**
Balance at the beginning of the period / year	1.742.951	764.132
Interest cost	14.188	25.002
Current service cost	313.930	809.532
Actuarial (gain) /loss	559.807	144.285
	2.630.876	**1.742.951**

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

NOTE 18 – OTHER ASSETS AND LIABILITIES

Other current assets	**31 March 2022**	**31 December 2021**
Deferred VAT	70.564.956	58.035.176
Work advances	854.223	573.711
Strict commitment positive differences (*)	19.608.115	16.787.383
Other	1.211.544	645.220
	92.238.838	**76.041.490**

Other non-current assets	**31 March 2022**	**31 December 2021**
Strict commitment positive differences (*)	66.277.958	59.500.988
	66.277.958	**59.500.988**

(*) The related balance consists of fair value hedge accounting.

The Group provides hedging on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts to be realized in the future within the scope of the agreements it has made.

In this context, repayments of foreign currency borrowings, which are subject to hedge accounting and determined as hedging instrument, are made with foreign currency sales cash flows, which are realized on close dates and determined as hedged item within the scope of hedge accounting.

Within the scope of currency risk management strategy that it has determined, the Group applies hedge accounting for the purpose of hedging the foreign currency risk component of the unrecorded firm commitment fair value risk and provides a healthier income statement presentation by netting out the foreign exchange rate fluctuations that have occurred on the hedged item and the hedging instrument and have not yet been realized. aims.

The Group pays attention to maintain a 100% hedging ratio and a hedging efficiency between 70% and 130% within the scope of the hedge accounting it has established. As of 30 June 2022, hedging ratio was calculated as 107% and hedging efficiency as 96%. (2021: 101%; 101%).

The Group uses USD investment loans as a hedging instrument against the exchange rate risk exposed due to USD indexed sales revenues made within the scope of RESSUM with a high probability of realization, and as a result of the effectiveness tests conducted within this scope, hedge accounting is applied for sales of RESSUM with a high probability of realization

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

NOTE 19 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Group's capital consists of TL 500.000.000 and it is divided into 500.000.000 registered shares each with a nominal value of TL 1 and one voting right (31 December 2020: 128.000.000 units). The application to increase the Group's paid-in capital from TL 150.000.000 to TL 500.000.000 was approved by the Capital Markets Board's decision dated 11.11.2021 and numbered 59/1641 and announced with the Turkish Trade Registry Gazette dated 24.11.2021 and numbered 10458. after it entered into force.

The Group started to be traded in Borsa Istanbul on 28.04.2021. As of 31.03.2022, the free float rate of the company was 27,78% (31.12.2021: %21,25).

The Group has increased its capital in 2020, of which TL 43.387.800 is from the shareholders' current account, of which TL 83.462.200 is the remaining portion from the premiums (discounts) account related to the shares. The capital increase has been registered in the Turkish Trade Registry Gazette dated 30 December 2020.

In 2021, the Group made a capital increase of TL 22.000.000 in cash and TL 18.718.373 from retained earnings, TL 331,281,627 from the premiums (discounts) account related to the shares.

	31 March 2022		31 December 2021	
	%	**Amount**	**Ratio**	**Amount**
Doğanlar Yatırım Holding A.Ş.	30,20	150.980.862	33,39	166.939.195
Maven Enerji Elektrik Üretim San. Ve Tic A.Ş.	36,11	180.555.555	39,45	197.268.658
European Bank For Reconsrtruction And Development	5,91	29.574.693	5,91	29.574.693
Others	27,78	138.888.890	21,25	106.217.454
	100%	**500.000.000**	**100%**	**500.000.000**

<u>Profit Distribution</u>

Partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assembly and in accordance with the provisions of the relevant legislation, with the decision of the general assembly.

The Group did not pay dividends in 2022 (2021: None).

Profit/Loss On Previous Years

The Group has retained earnings of 41.304.355 TL (31 December 2021: TL 40,130,076).

Defined Benefit Plans Remeasurement Gains (Losses)

The Group has remeasurement losses of defined benefit plans amounting to 856.246 TL (31 December 2021: TL 408.400).

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 19 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

With the change in TAS-19 “Employee Benefits” standard, actuarial loss and gains, which are taken into account in the calculation of the provision for severance pay, do not allow to be recognized in the income statement. Losses and gains resulting from changes in actuarial assumptions are accounted for under equity.

Severance pay provision actuarial loss/gain fund is not reclassified to profit or loss.

Premiums on Shares (Discounts)

	31 March 2022	31 December 2021
Premiums on shares / (discounts)	42.718.373	374.000.000
Expenses of public offering transactions	(16.177.000)	(16.177.000)
Amount added to capital	--	(331.281.627)
	26.541.373	**26.541.373**

Biotrend earned 331.281.627 TL, which is the amount of premiums related to shares, to the capital in 2021. The relevant amount is due to the 2021 public offering.

Biotrend earned 43.387.800 TL, which is the amount of premiums related to shares, to the capital in 2020. The related amount consists of the amount added to the equity during the acquisition of Boğazköy, Doğu Star, Novtek and Nov Enerji on 17 October 2017.

Increases (Decreases) in Revaluation of Tangible and Intangible Assets

The Group has tangible and intangible assets revaluation increases amounting to TL 73.067.800 (31 December 2021: 73.067.800 TL).

Non-controlling interests

	31 March 2022	31 December 2021
Beginning of the term	(2.720.519)	(173.609)
Net profit/loss for the period	(1.496.944)	(2.546.910)
	(4.217.463)	**(2.720.519)**

NOTE 20 – REVENUE AND COST OF SALES

Sales	**01.01-31.03.2022**	**01.01-31.03.2021**
Electricity production and wholesale revenue	228.834.994	67.077.448
Gas engine sales revenue	10.013.109	--
Decomposition revenues	1.605.525	1.787.567
Waste disposal revenues	4.754.251	--
Other	(8.780.233)	(1.949.314)
	236.427.646	**66.915.701**

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

NOTE 20 – REVENUE AND COST OF SALES (Continued)

Cost of sales	**01.01-31.03.2022**	**01.01-31.03.2021**
Cost of sales	168.294.766	50.093.727
	168.294.766	**50.093.727**

	01.01-31.03.2022	**01.01-31.03.2021**
Rental expenses (*)	80.597.413	31.264.503
Depreciation and amortization expenses	21.669.832	6.117.199
Personnel expenses	16.732.135	4.188.139
Maintenance and repair expenses	10.520.253	2.486.913
Fuel expenses	8.623.346	1.952.227
Consulting expenses	1.191.079	524.866
Electricity expenses	3.800.011	445.000
Security service expenses	1.770.252	640.296
Insurance expenses	642.914	112.537
System usage fee	2.177.060	612.803
Shipping Costs	3.946.716	--
Burned Product Costs	10.805.312	--
Material Expenses	1.105.873	570.173
Costs of goods sold	1.631.109	--
Others	3.081.461	1.179.071
	168.294.766	**50.093.727**

(*) Lease expenses consist of excluded lease payments due to variable lease liabilities within the scope of TFRS 16 "Leases" standard.

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

NOTE 21 - OPERATING EXPENSES

General administrative expenses	01.01-31.03.2022	01.01-31.03.2021
Personnel expenses	8.251.451	1.625.392
Consulting expenses	1.936.905	1.508.156
Legal and consultancy expenses	162.158	201.158
Representation and hospitality expenses	463.882	319.631
Vehicle Rental expenses	349.830	62.841
Depreciation expenses	688.820	390.567
Travel expenses	718.142	557.919
Chamber and subscription expenses	185.293	34.656
Notary expenses	9.174	29.981
Taxes and fees	400.565	20.315
Rent expenses	345.000	221.117
Fuel expenses	826.319	51.455
Communication expenses	374.775	69.538
Other	1.461.438	707.977
	16.173.752	**5.800.703**

Marketing expenses	01.01-31.03.2022	01.01-31.03.2021
Advertising and marketing expenses	367.683	983.663
Other	106.517	--
	474.200	**983.663**

NOTE 22 – EXPENSES ACCORDING TO THEIR QUALITIES

Personnel expenses	01.01-31.03.2022	01.01-31.03.2021
Cost of sales	16.732.135	4.188.139
General administrative expenses	8.251.451	1.625.392
	24.983.586	**5.813.531**

Depreciation expenses	01.01-31.03.2022	01.01-31.03.2021
Cost of sales	21.669.832	6.117.199
General administrative expenses	688.820	390.567
	22.358.652	**6.507.766**

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

NOTE 23 - OTHER INCOME AND EXPENSES FROM OPERATING OPERATIONS

Income from operating operations	**01.01-31.03.2022**	**01.01-31.03.2021**
Unearned interest income	--	1.962.674
Foreign exchange gains	16.756.773	14.628.141
Other	462.817	118.254
	17.219.590	**16.709.069**

Expenses from operating operations	**01.01-31.03.2022**	**01.01-31.03.2021**
Unearned interest expense	--	(552.200)
Foreign exchange losses	(28.586.558)	(9.565.179)
Other	(386.767)	--
	(28.973.325)	**(10.117.379)**

NOTE 24 – INCOME/EXPENSES FROM INVESTMENT ACTIVITIES

Income from investment activities	**01.01-31.03.2022**	**01.01-31.03.2021**
Profit on sale of fixed assets (*)	621.033	621.033
	621.033	**621.033**

(*) 621,033 TL of the related amount is due to the sale and lease back transaction of Novtek İskenderun. (31 March 2021: 621.033 TL).

There are no expenses from investment activities.

NOTE 25 - FINANCIAL INCOME AND EXPENSES

Financial Income	**01.01-31.03.2022**	**01.01-31.03.2021**
Foreign exchange gains	27.172.656	1.113.167
Interest income	642.074	875.674
Interest income from relaited parties	3.297.112	--
	31.111.842	**1.988.841**

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

NOTE 25 - FINANCIAL INCOME AND EXPENSES (Continued)

Financial Expenses	**01.01-31.03.2022**	**01.01-31.03.2021**
Foreign exchange losses	(44.618.259)	(9.018.120)
Interest expenses	(13.303.134)	(2.522.497)
Bank and letter of guarantee commissions	(1.315.563)	(235.137)
Interest expenses on lease payables	(2.767.955)	(561.869)
	(62.004.911)	**(12.337.623)**

NOTE 26 – RENTAL TRANSACTIONS

Right of Use Assets

	1.01.2022	**Additions**	**Disposals**	**31.03.2022**
Electricity Generation Facility	70.666.237	111.632	--	70.777.869
Motor Vehicles	6.385.048	159.525	--	6.544.573
	77.051.284	**271.157**	**--**	**77.322.442**

Minus : Accumulated amortization

	1.01.2022	**Additions**	**Disposals**	**31.03.2022**
Electricity Generation Facility	(1.434.061)	(777.039)	--	(2.211.100)
Motor Vehicles	(1.734.994)	(844.885)	--	(2.579.879)
	(3.169.055)	**(1.621.924)**	**--**	**(4.790.979)**
Net book value	**73.882.229**			**72.531.463**

Right of Use Assets

	1.01.2021	**Additions**	**Disposals**	**31.12.2021**
Electricity Generation Facility	36.108.115	34.558.122	--	70.666.237
Motor Vehicles	2.891.092	3.493.956	--	6.385.048
	38.999.207	**38.052.078**	**--**	**77.051.284**

Right of Use Assets

	1.01.2021	**Additions**	**Disposals**	**31.12.2021**
Electricity Generation Facility	(840.952)	(593.109)	--	(1.434.061)
Motor Vehicles	(715.337)	(1.019.658)	--	(1.734.994)
	(1.556.289)	**(1.612.766)**	**--**	**(3.169.055)**
	37.442.918			**73.882.229**
Net book value				

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

NOTE 26 – RENTAL TRANSACTIONS (Continued)

Liabilities Arising from Leasing Transactions	**31 March 2022**	**31 December 2021**
Short Term Lease Obligation	2.106.501	2.255.955
Long Term Lease Obligation	72.489.416	72.951.553
	74.595.917	**75.207.508**

NOTE 27 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Corporation tax

Necessary provisions have been made in the accompanying consolidated financial statements for the estimated tax liabilities of the Group regarding the current period operating results.

The corporate tax rate to be accrued on taxable corporate income is over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial income and deducting the tax-exempt gains, non-taxable incomes and other deductions (if any, previous year losses and investment allowances used if preferred) is calculated.

In Turkey, provisional tax is calculated and accrued on a quarterly basis. The provisional tax rate that should be calculated on corporate earnings during the taxation of 2022 corporate earnings as of the temporary tax periods is 23% (in 2021: 25%). Losses can be carried forward for a maximum of 5 years, to be deducted from the taxable profits that will arise in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the 25th day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change.

In addition to corporate tax, income tax withholding must be calculated separately on dividends, excluding those distributed to full-fledged corporations and foreign companies' branches in Turkey, which receive dividends in case of distribution and declare these dividends by including them in corporate income. Income tax withholding is applied as 10%.

Corporate tax liabilities reflected in the balance sheet are as follows:

Current tax liability	**31 March 2022**	**31 December 2021**
Corporation tax	--	11.392.504
Prepaid tax and fund amount	--	(8.120.934)
Corporate tax payable	**--**	**3.271.570**

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 27 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

The tax income/(expenses) reflected in the income statement of the Group are as follows;

Tax expenses/(income)	1 January - 31 March 2022	1 January- 31 March 2021
Current corporate tax	--	--
Deferred tax (income) / expenses	(3.582.202)	(4.519.730)
	(3.582.202)	**(4.519.730)**

Assets related to current period tax consist of prepaid taxes and funds. The balance on 31 March 2022 was 3.174.702 TL (31 December 2021: 2.366.103 TL).

Deferred taxes

The Group calculates the planned tax for the timing basis that can be taken into account in relation to taxable local currency tables and tables prepared in accordance with TAS/TFRS. The income and expense items related to themain table are different from the basis of financial statements and the relative table in TFRS.

The tax rate used in the calculation of deferred tax assets and liabilities is about 20% (in 2021: 20%).

The transactions of the Group's deferred tax assets/liabilities are as follows;

	31 March 2022	31 December 2021
Tangible fixed / intangible asset adjustments	(18.227.169)	(16.455.898)
Unused leave liability	691.341	181.853
Adjustments for financial liabilities	4.227.201	4.540.615
Severance pay	526.175	348.590
Lease payables	614.161	610.312
Provision for litigation	1.887.176	1.887.176
Hedge accounting adjustment	(17.472.753)	(15.761.296)
Accumulated losses deductible	15.672.453	8.455.131
Other	(141.709)	(74.985)
	(12.223.124)	**(16.268.502)**

Transaction table:	31 March 2022	31 December 2021
As of January 1	(16.268.502)	(16.330.801)
Deferred tax expense / (income) recognized in the statement of profit or loss	(3.582.202)	(7.728.410)
Reflected in Equity	7.627.580	7.790.709
	(12.223.124)	**(16.268.502)**

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

NOTE 28 – EARNINGS PER SHARE

	01.01-31.03.2022	01.01-31.03.2021
Average number (full value) of shares available during the period	500.000.000	128.000.000
Net profit / (loss) for the parent company shareholders	10.127.138	7.103.353
Earning per share	**0,020**	**0,055**

NOTE 29 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ELEMENTS

Other Comprehensive Income	**01.01-31.03.2022**	**01.01-31.03.2021**
Not to be reclassified in profit or loss	**(447.846)**	**35.418.756**
- Increase/decrease in value of tangible and intangible assets	--	44.101.674
-Deferred tax on tangible and intangible assets value increase/decrease	--	(8.820.335)
-Remeasurement Gains/Losses of Defined Benefit Plans	(559.808)	171.771
- Defined Benefit Plans Remeasurement Gains/Losses Deferred Tax Expenses/Income	111.962	(34.354)
To be reclassified in profit or loss	**(29.256.916)**	**--**
-Hedging gains/losses	(36.772.534)	--
-Hedging gains/losses deferred tax	7.515.618	--

NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group is exposed to various financial risks, including the effects of changes in debt and equity market prices, exchange rates and interest rates. The Group's wholesale risk management program focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on the Group's financial performance.

Credit risk

Credit risk consists of cash and cash equivalents, deposits held with banks and customers exposed to credit risk including uncollectible receivables.

Holding financial instruments also carries the risk that the other party will not be able to fulfill the requirements of the agreement. The Group management covers these risks by limiting the average risk for the counterparty in each agreement and by taking collateral if necessary.

Credit risk consists of customers exposed to credit risk, including uncollectible receivables. Holding financial instruments also carries the risk that the other party will not be able to fulfill the requirements of the agreement. The Group management monitors the credibility of its customers by taking into account their financial positions (maturity risk, check risk). The Group has policies adopted for the sale of goods and services to its customers with certain credit limits. The Group constantly monitors the status of its financial assets in order to determine the losses arising from the collection problem.

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

NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The financial instruments that the Group is exposed to credit risk and their amounts are as follows;

	Trade Payables		**Other Receivables**		**Bank**	**Other**
31 March 2022	**Other**	**Related**	**Other**	**Related**	**Deposit**	
Maximum exposure to credit risk as of reporting date (A+B+C+D) (1)	**208.914.271**	**--**	**7.436.353**	**13.038.744**	**105.900.912**	**168.604.964**
The part of the maximum risk that is secured with collateral etc.	--	--	--	--	--	--
A. Net book value of financial assets that are not overdue or impaired (2)	208.914.271	--	7.436.353	13.038.744	105.900.912	168.604.964
B. Net book value of assets that are overdue but not impaired (3)	--	--	--	--	--	--
- Part secured by collateral, etc.	--	--	--	--	--	--
C. Net book values of impaired assets	--	--	--	--	--	--
- Overdue (gross book value)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
D. Elements involving off-balance sheet credit risk	--	--	--	--	--	--

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

NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(1) In determining the amounts, factors that increase credit reliability, such as guarantees received, are not taken into account.
(2) Trade receivables that are not overdue and not impaired consist of customer balances with which the Group currently has commercial relations and does not have any collection problems.
(3) It consists of the balances of customers with whom commercial relations are currently in progress, who do not have any collection problems, but who make their payments at regular intervals.

	Trade Receivables		**Other Receivables**		**Bank**	**Other**
31 December 2021	**Other**	**Related**	**Other**	**Related**	**Deposit**	
Maximum exposure to credit risk as of reporting date (A+B+C+D) (1)	**104.369.768**	**--**	**6.322.989**	**16.610.581**	**170.861.277**	**240.194.554**
The part of the maximum risk that is secured with collateral etc.	--	--	--	--	--	--
A. Net book value of financial assets that are not overdue or impaired (2)	104.369.768	--	6.322.989	16.610.581	170.861.277	240.194.554
B. Net book value of assets that are not overdue but not impaired (3)	--	--	--	--	--	--
- Part secured by collateral, etc.	--	--	--	--	--	--
C. Net book values of impaired assets	--	--	--	--	--	--
- Overdue (gross book value)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
D. Elements involving off-balance sheet credit risk	--	--	--	--	--	--

(1) In determining the amounts, factors that increase credit reliability, such as guarantees received, are not taken into account.
(2) Trade receivables that are not overdue and not impaired consist of customer balances with which the Group currently has commercial relations and does not have any collection problems.
(3) It consists of the balances of customers with whom commercial relations are currently in progress, who do not have any collection problems, but who make their payments at regular intervals.

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

NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk

Prudent liquidity risk management consists of providing sufficient cash and securities, enabling funding through adequate credit facilities, and the ability to close short positions. Due to the dynamic nature of the business environment, the Group aimed for flexibility in funding by keeping credit lines ready. The Group's bank loans are provided by various financially strong financial institutions.

The distribution of the Group's financial liabilities according to their maturities is as follows:

31 March 2022

Terms in accordance with the contract	**Book value**	Cash in accordance with the contract sum of outputs (=I+II+III+IV+V)	Less than 3 months (I)	Between 3-12 months (III)	Between 1-5 years (IV)	More than 5 years (V)
Non-Derivative Financial Obligations	1.347.827.171	1.347.827.171	342.058.668	176.628.284	638.162.290	190.977.929
Financial liabilities	986.784.205	986.784.205	54.926.596	175.206.806	624.542.951	132.107.852
Lease payables	74.595.917	74.595.917	685.023	1.421.478	13.619.339	58.870.077
Trade payables	240.043.642	240.043.642	240.043.642	--	--	--
Other payables	46.403.407	46.403.407	46.403.407	--	--	--

31 December 2021

Terms in accordance with the contract	**Book value**	Cash in accordance with the contract sum of outputs (=I+II+III+IV+V)	Less than 3 months (I)	Between 3-12 months (III)	Between 1-5 years (IV)	More than 5 years (V)
Non-Derivative Financial Obligations	1.231.584.493	1.231.584.493	307.462.403	145.786.013	577.072.783	201.263.294
Financial liabilities	894.597.200	894.597.200	45.188.378	144.024.298	564.495.245	140.889.279
Lease payables	75.207.508	75.207.508	494.240	1.761.716	12.577.538	60.374.015
Trade payables	217.675.441	217.675.441	217.675.441	--	--	--
Other payables	44.104.344	44.104.344	44.104.344	--	--	--

Market Risk

Market risk is the changes that will occur in interest rates, exchange rates and the value of other financial contracts and affect the Group negatively. Fluctuations in the related instruments cause changes in the income statement and shareholders' equity of the Group.

NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

Currency Risk

The Group's financial instruments denominated in foreign currency are exposed to currency risk due to currency fluctuations.

			Currency position table	
	31 March 2022	**TL equivalent (functional currency unit)**	**USD**	**EURO**
1.	Trade receivables	--	--	--
2a.	Monetary financial assets (including cash, bank accounts)	47.520.241	1.943.589	1.171.086
2b.	Non-monetary financial assets	203.624.623	2.482.197	10.272.479
3.	Other	--	--	--
4.	**Current assets (1+2+3)**	**251.144.864**	**4.425.787**	**11.443.565**
5.	Trade receivables	--	--	--
6a.	Monetary financial assets (including cash, bank accounts)	--	--	--
6b.	Non-monetary financial assets	--	--	--
7.	Other	--	--	--
8.	**Fixed assets (5+6+7)**	**--**	**--**	**--**
9.	**Total assets (4+8)**	**251.144.864**	**4.425.787**	**11.443.565**
10.	Trade payables	(62.739.527)	(1.016.125)	(2.932.281)
11.	Financial liabilities	(196.141.893)	(6.773.557)	(5.934.356)
12.a	Other monetary financial assets	--	--	--
12b.	Non-monetary financial assets	--	--	--
13.	**Short term obligations (10+11+12)**	**(258.881.420)**	**(7.789.683)**	**(8.866.637)**
14.	Trade payables	--	--	--
15.	Financial liabilities	(700.574.997)	(24.530.709)	(20.893.234)
16a.	Other monetary financial assets	--	--	--
16b.	Non-monetary financial assets	--	--	--
17.	**Long term obligations (14+15+16)**	**(700.574.997)**	**(24.530.709)**	**(20.893.234)**
18.	**Total obligations (13+17)**	**(959.456.417)**	**(32.320.392)**	**(29.759.872)**
19.	Net asset/(liability) position of off-balance sheet foreign currency derivative instruments (19a-19b)	--	--	--
19a.	Amount of off-balance sheet foreign currency derivative products with active character	--	--	--
19b.	Amount of off-balance sheet foreign currency derivative products with passive character	--	--	--
20.	**Net foreign currency asset/(liability) position(9+18+19)**	**(708.311.553)**	**(27.894.605)**	**(18.316.306)**
21.	**Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)**	**(911.936.176)**	**(30.376.802)**	**(28.588.785)**
22.	Total fair value of financial instruments used for currency hedge	--	--	--
23.	Amount of hedged portion of foreign currency assets	--	--	--
24.	Amount of hedged portion of foreign currency liabilities	--	--	--
25.	Export	**--**	**--**	**--**
26.	Imports	**--**	**--**	**--**

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

NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

		Exchange rate sensitivity analysis table			
		31 March 2022			
		Profit/Loss before tax		Equities	
		Increase in foreign currency rate	Decrease in foreign currency rate	Increase in foreign currency rate	Decrease in foreign currency rate
	If the USD exchange rate changes by 10%:				
1-	USD net asset / liability	(40.903.254)	40.903.254	(32.722.603)	32.722.603
2-	USD hedged amount (-)	--	--	--	--
3-	**USD net effect (1+2)**	**(40.903.254)**	**40.903.254**	**(32.722.603)**	**32.722.603**
	If the EURO exchange rate changes by 10%:				
4-	EURO net asset / liability	(29.882.688)	29.882.688	(23.906.150)	23.906.150
5-	EURO hedged amount (-)	--	--	--	--
6-	**EURO net effect (1+2)**	**(29.882.688)**	**29.882.688**	**(23.906.150)**	**23.906.150**
	Total (3+6)	**(70.785.942)**	**70.785.942**	**(56.628.753)**	**56.628.753**

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

NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

				Currency position table
	31 December 2021	**TL equivalent (functional currency unit)**	**USD**	**EURO**
1.	Trade receivables	--	--	--
2a.	Monetary financial assets (including cash, bank accounts)	67.061.110	4.286.313	658.119
2b.	Non monteray financial assets	144.931.098	1.291.765	8.465.281
3.	Other	--	--	--
4.	**Current assets (1+2+3)**	**211.992.208**	**5.578.078**	**9.123.400**
5.	Trade receivables	--	--	--
6a.	Monetary financial assets	--	--	--
6b.	Non monteray financial assets	--	--	--
7.	Other	--	--	--
8.	**Fixed assets (5+6+7)**	**--**	**--**	**--**
9.	**Total assets (4+8)**	**211.992.208**	**5.578.078**	**9.123.400**
10.	Trade payables	(42.116.520)	(738.691)	(2.133.981)
11.	Financial liabilities	(166.060.569)	(5.998.430)	(5.687.713)
12.a	Other monetary obligations	--	--	--
12b.	Other non-monetary obligations	--	--	--
13.	**Short-term liabilities (10+11+12)**	**(208.177.089)**	**(6.737.121)**	**(7.821.694)**
14.	Trade payables	--	--	--
15.	Financial liabilities	(660.423.315)	(26.047.959)	(20.683.273)
16a.	Other monetary obligations	--	--	--
16b.	Other non-monetary obligations	--	--	--
17.	**Long-term liabilities (14+15+16)**	**(660.423.315)**	**(26.047.959)**	**(20.683.273)**
18.	**Total liabilities (13+17)**	**(868.600.404)**	**(32.785.080)**	**(28.504.967)**
19.	Net asset/(liability) position of off-balance sheet foreign currency derivative instruments (19a-19b)	--	--	--
19a.	Amount of off-balance sheet foreign currency derivative products with active character	--	--	--
19b.	Amount of derivative products denominated in off-balance sheet foreign currency with passive character	--	--	--
20.	**Net foreign currency asset/(liability) position(9+18+19)**	**(656.608.196)**	**(27.207.001)**	**(19.381.567)**
21.	**Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)**	**(801.539.294)**	**(28.498.767)**	**(27.846.849)**
22.	Total fair value of financial instruments used for hedged currency	--	--	--
23.	Amount of hedged foreign currency assets	--	--	--
24.	Amount of hedged foreign currency liabilities	--	--	--
25.	**Exports**	**--**	**--**	**--**
26.	**Imports**	**--**	**--**	**--**

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

NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

		Exchange rate sensitivity analysis table			
		31 December 2021			
		Profit/Loss before tax		Equities	
		Appreciation of foreign currency Appreciation	**Depreciation of foreign currency Depreciation**	**Appreciation of foreign currency Appreciation**	**Depreciation of foreign currency Depreciation**
	If the USD exchange rate changes by 10%:				
1-	USD net asset / liability	(36.329.509)	36.329.509	(29.063.607)	29.063.607
2-	USD hedged amount (-)	--	--	--	--
3-	**USD net effect (1+2)**	**(36.329.509)**	**36.329.509**	**(29.063.607)**	**29.063.607**
	If the EURO exchange rate changes by 10%:				
4-	EURO net asset / liability	(29.293.107)	29.293.107	(23.434.486)	23.434.486
5-	EURO hedged amount (-)	--	--	--	--
6-	**EURO net effect (1+2)**	**(29.293.107)**	**29.293.107**	**(23.434.486)**	**23.434.486**
	Total (3+6)	**(65.622.616)**	**65.622.616**	**(52.498.093)**	**52.498.093**

Interest Rate Risk

The Group is affected by the changes in the interest rate due to the variable interest rate bank loans and is exposed to interest rate risk. While there is no risk in fixed-rate bank loans and time deposits, they are affected by future interest rates for future loans and deposits for the continuation of their operations.

The interest position table is as follows;

	31 March 2022	31 December 2021
Fixed rate financial instruments		
Financial assets	596.000	320.000
Financial liabilities	(783.055.032)	(461.402.678)
Variable rate financial instruments		
Financial liabilities	(203.729.173)	(433.194.522)

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

NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Capital Risk Management

The Group's objectives when managing capital are to maintain the Group's ability to continue as a business in order to maintain an optimal capital structure to provide returns for shareholders, benefits for other shareholders, and to reduce the cost of capital.

In order to maintain or reorganize its capital structure, the Group determines the amount of dividend payable to shareholders, can issue new shares and sell assets to reduce borrowing.

The Group monitors capital using the debt-to-equity ratio. This ratio is found by dividing net debt by total capital. Net debt amount is calculated by deducting cash and cash equivalents from total liabilities (consisting of bank loans, financial leasing liabilities, trade payables and other payables that can be seen in the financial statements). Total equity is found by adding net debt to equity shown on the balance sheet.

	31 March 2022	**31 December 2021**
Total liabilities	1.386.720.974	1.272.781.727
Cash and cash equivalents	(106.069.338)	(170.866.301)
Net debt (A)	1.280.651.636	1.101.915.426
Equities	532.227.612	553.302.180
Equities + net debt (B)	1.812.879.248	1.655.217.606
Net debt / (Equities + net debt) ratio (A / B)	71%	67%

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

NOTE 31 – INVESTMENTS ACCOUNTED BY THE EQUITY METHOD

	31 March 2022		31 December 2021	
	Amount	**Ratio**	**Amount**	**Ratio**
Landfill	53.798.175	50%	51.044.936	50%
	53.798.175		**51.044.936**	

	31 March 2022	31 December 2021
As of January 1st	51.044.936	25.302.630
Profits / losses of shares	2.753.239	25.742.306
	53.798.175	**51.044.936**

	31 March 2022	31 December 2021
Total assets	112.421.087	115.328.187
Total liabilities	(13.784.656)	(22.198.233)
Net asset	**98.636.431**	**93.129.954**

	Marc 31st 2022	December 31st 2021
Total revenues	15.366.309	63.599.993
Net profit for the period	5.506.477	51.484.612

NOTE 32 - OTHER MATTERS THAT MAINLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.

NOTE 33 – EVENTS AFTER THE BALANCE SHEET DATE

-The Ordinary General Assembly Meeting, where Biotrend's operating accounts for 2021 will be discussed, was held on Friday, 29.04.2022 at 13.00 at the Group headquarters located at Kavacık Mahallesi Ertürk Sokak No:3/1 İç Kapı No:1 Beykoz/Istanbul.

- Partial acceptance was carried out by the Ministry of Energy and Natural Resources on 14.04.2022 in order to increase the installed power of the İnegöl Biogas Electricity Production Facility, which is operated by Doğu Star Elektrik Üretim A.Ş., the subsidiary of the Group, from 2,800 MWe to 4,242 MWe. Our facility, which currently has an installed power capacity of 2,800 MWe, has reached an installed power capacity of 4,242 MWe as a result of the acceptance process.

-Partial acceptance was carried out by the Ministry of Energy and Natural Resources on 15.04.2022 in order to increase the installed power of Bergama Garbage Gas Electricity Production Facility, operated by the Group's subsidiary İzmir Doğu Star Elektrik Üretim A.Ş., from 4,242 MWe to 5,656 MWe. Our facility, which currently has an installed power capacity of 4,242 MWe, has reached an installed power capacity of 5,656 MWe as a result of the acceptance process.