

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS
SUBSIDIARY**

*SEPTEMBER 30, 2021 CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS*

(ENGLISH CONVENIENCE TRANSLATION OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH)

This report has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this report, the Turkish version shall prevail.

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ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2021

(Amounts expressed in TL unless otherwise stated)

ASSETS	Notes	Not Reviewed Current Period September 30, 2021	Audited Previous Period December 31, 2020
Current Assets		386.478.548	342.644.554
Cash and Cash Equivalents	3	22.218.595	81.538.746
Trade Receivables		29.177.810	33.563.026
- Trade Receivables from Non-Related Parties	5	29.177.810	33.563.026
Other Receivables		110.630	114.878
- Other Receivables from Non-Related Parties	6	110.630	114.878
Contractual Assets Arising from Constructions in Progress	9	297.257.568	218.581.211
Inventories	7	27.567.597	6.326.794
Prepaid Expenses	8	2.900.260	2.070.694
Assets related to the current period tax		46.490	-
Other Current Assets		7.199.598	449.205
Non-Current Assets		61.033.792	56.059.263
Other Receivables		178.522	92.440
- Other Receivables from Non-Related Parties	6	178.522	92.440
Investment Property	10	40.885.000	40.885.000
Tangible Assets	11	8.417.325	7.870.926
Right of Use Assets		1.090.173	1.521.167
Intangible Assets	12	24.045	24.865
Assets related to the current period tax	20	10.286.456	5.664.865
Prepaid Expenses		152.271	-
Total Assets		447.512.340	398.703.817

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2021

(Amounts expressed in TL unless otherwise stated)

Liabilities	Notes	Not Reviewed	Audited
		Current Period	Previous Period
		September 30, 2021	December 31, 2020
Short Term Liabilities		89.123.862	106.731.599
Short-Term Financial Liabilities	4	11.565.490	49.224.676
Current Maturities of Long-Term Financial Liabilities	4	10.490.915	12.986.640
Trade Payables		49.960.364	17.685.286
-Trade Payables to Non-Related Parties	5	49.960.364	17.685.286
Liabilities Related with Employee Benefits	14	2.655.673	1.525.349
Other Payables		488.487	488.556
-Other Payables to Related Parties	22	19.155	19.155
-Other Payables to Non- Related Parties	6	469.332	469.401
Contractual Liabilities Arising from Constructions in Progress	9	13.407.733	23.255.694
Current Income Tax Liability	20	126.151	1.193.677
Short Term Provisions		429.049	371.721
-Short Term Provisions Related with Employee Benefits	14	185.617	136.963
-Other Short-Term Provisions	13	243.432	234.758
Long-Term Liabilities		62.255.190	50.568.213
Long Term Financial Liabilities	4	5.537.785	13.557.942
Other Payables		2.057.053	-
-Other Payables to Non- Related Parties	6	2.057.053	-
Long Term Provisions		1.382.278	1.196.701
-Long Term Provisions Related with Employee Benefits	14	1.382.278	1.196.701
Deferred Tax Liabilities	20	53.278.074	35.813.570
Shareholders' Equity		296.133.312	241.404.027
Paid in Capital	15	80.000.000	50.000.000
Treasury Shares (-)	15	(537.530)	(355.250)
Share Premium (Discount)	15	2.098.440	2.098.440
Other Accumulated Comprehensive Income (Loss) That Will Not Be Reclassified in Profit Or Loss		204.369	355.840
-Tangible Fixed Assets Revaluation Gain / (Loss)	15	456.520	456.520
-Loss / Gain Due to Defined Benefit Plans	15	(252.151)	(100.680)
Restricted Reserves Set Aside from Profit	15	4.594.022	3.702.140
Profit / Loss of Previous Years	15	154.710.975	131.024.719
Net Profit / Loss for The Year		55.063.036	54.578.138
Non-Controlling Interests	15	(24)	(22)
Total of Liabilities and Shareholders' Equity		447.512.340	398.703.817

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOT REVIEWED
CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD BETWEEN JANUARY 01,2021 - SEPTEMBER 30,2021
(Amounts expressed in TL unless otherwise stated)

Profit/Loss Section	Notes	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Continuing Operations					
Revenue	16	194.486.910	118.081.096	82.545.603	44.803.744
Cost of Sales (-)	16	(118.870.589)	(75.460.976)	(43.289.608)	(27.251.957)
Gross Operating Profit / Loss		75.616.321	42.620.120	39.255.995	17.551.787
General Administration Expenses (-)		(6.363.367)	(6.036.773)	(1.711.014)	(2.491.429)
Other Income from Operating Activities	17	7.462.490	8.862.897	2.283.214	5.456.796
Other Expense from Operating Activities (-)	17	(8.026.319)	(6.183.477)	(1.384.277)	(4.871.048)
Net Operating Profit / Loss		68.689.125	39.262.767	38.443.918	15.646.106
Income from Investment Activities	18	1.674.738	2.097.869	195.201	1.082.677
Loss from Investment Activities	18	-	(918.856)	-	(360.287)
Operating Income / Loss Before Financing Expenses		70.363.863	40.441.780	38.639.119	16.368.496
Financial Incomes	19	10.139.520	9.405.618	428.166	5.535.660
Financial Expenses (-)	19	(7.139.708)	(7.408.608)	(2.573.046)	(2.696.377)
Continuing Operations' Profit/Loss Before Tax For The Year		73.363.675	42.438.790	36.494.239	19.207.779
Continuing Operations' Tax Income/Expense					
Current Period Tax Income/ Loss	20	(18.300.641)	(9.557.115)	(7.818.873)	(4.305.239)
Deferred Tax Income/ Loss	20	(798.269)	(2.071.797)	(553.162)	(1.559.021)
		(17.502.372)	(7.485.318)	(7.265.711)	(2.746.218)
Continuing Operations' Profit/Loss for The Year		55.063.034	32.881.675	28.675.366	14.902.540
Profit/Loss for The Year		55.063.034	32.881.675	28.675.366	14.902.540
Distribution of Total Comprehensive Incomes		55.063.034	32.881.675	28.675.366	14.902.540
Non-Controlling Interests		(2)	(2)	(1)	(1)
Equity Holders of The Company		55.063.036	32.881.677	28.675.367	14.902.541
Earnings Per Share					
Earnings Per Share from Continuing Activities	21	0,688	0,658	0,358	0,298

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOT REVIEWED
CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD BETWEEN JANUARY 01,2021 - SEPTEMBER 30,2021
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Profit/Loss for The Year		55.063.034	32.881.675	28.675.366	14.902.540
Other Comprehensive Income					
Other Comprehensive Income That Will Not Be Reclassified To Profit or Loss					
Gains (Losses) On Remeasurements Of Defined Benefit Plans	13	(189.339)	106.765	(189.339)	119.132
Taxes Relating with Loss / Gain on Defined Benefit Plans' Remeasurement	20	37.868	(21.353)	37.868	(23.826)
Other Comprehensive Income (Loss)		(151.471)	85.412	(151.471)	95.306
Total Comprehensive Income		54.911.563	32.967.087	28.523.895	14.997.846
Distribution of Total Comprehensive Incomes					
Non-Controlling Interests		(2)	(2)	(1)	(1)
Equity Holders of The Company		54.911.565	32.967.089	28.523.896	14.997.847

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOT REVIEWED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Paid in Capital	Treasury Shares (-)	Share Premium (Discount)	Other Accumulated Comprehensive Income (Loss) That Will Not Be Reclassified In Profit or Loss		Legal Reserves	Retained Earnings		Shareholders' Equity	Non-Controlling Interest	Total Equity
					Increase / (Decrease) From Revolution Of Tangible Fixed Assets	Defined Benefit Plans Remeasurement Gains / Losses		Profit/Loss of Previous Years	Net Profit / Loss for The Current Period			
Balance as Of January 1, 2020	15	50.000.000	-	1.310.410	-	(210.444)	5.236.867	84.182.247	45.307.745	185.826.825	(20)	185.826.805
Transfers		-	-	-	-	-	(1.889.977)	47.197.722	(45.307.745)	-	-	-
Total Comprehensive Income		-	-	-	-	85.412	-	-	32.881.677	32.967.089	(2)	32.967.087
<i>Period Profit (Loss)</i>		-	-	-	-	-	-	-	32.881.677	32.881.677	(2)	32.881.675
<i>Other Comprehensive Income (Loss)</i>		-	-	-	-	85.412	-	-	-	85.412	-	85.412
Increase (Decrease) Due to Increase / (Decrease) Arising from Treasury Shares		-	788.030	-	-	-	-	-	-	788.030	-	788.030
Balance as Of September 30, 2020	15	50.000.000	788.030	1.310.410	-	(125.032)	3.346.890	131.379.969	32.881.677	219.581.944	(22)	219.581.922
Balance as Of January 1, 2021	15	50.000.000	(355.250)	2.098.440	456.520	(100.680)	3.702.140	131.024.719	54.578.138	241.404.027	(22)	241.404.005
Transfers		-	-	-	-	-	891.882	53.686.256	(54.578.138)	-	-	-
Capital Increase		30.000.000	-	-	-	-	-	(30.000.000)	-	-	-	-
Total Comprehensive Income		-	-	-	-	(151.471)	-	-	55.063.036	54.911.565	(2)	54.911.563
<i>Period Profit (Loss)</i>		-	-	-	-	-	-	-	55.063.036	55.063.036	(2)	55.063.034
<i>Other Comprehensive Income (Loss)</i>		-	-	-	-	(151.471)	-	-	-	(151.471)	-	(151.471)
Increase (Decrease) Due to Increase / (Decrease) Arising from Treasury Shares		-	(182.280)	-	-	-	-	-	-	(182.280)	-	(182.280)
Balance as Of September 30, 2021	15	80.000.000	(537.530)	2.098.440	456.520	(252.151)	4.594.022	154.710.975	55.063.036	296.133.312	(24)	296.133.288

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOT REVIEWED
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30,2021
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	January 1,2021- September 30, 2021	January 1,2020- September 30, 2020
Cash Flows from Operating Activities		(10.287.034)	9.986.683
Profit (Loss)		55.063.034	32.881.675
Profit (Loss) from Continuing Operations		55.063.034	32.881.675
Adjustments to Reconcile Profit (Loss)		18.960.375	10.138.065
Adjustments for depreciation and amortisation expense	11,12	1.095.269	718.403
Adjustments for Provisions		91.434	185.307
<i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>	14	82.760	185.307
<i>Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions</i>	13	8.674	-
Adjustments for Interest (Income) Expenses		363.418	186.425
<i>Adjustments for Interest Expenses</i>	4	(525.994)	-
<i>Deferred Financing Expense Due to Futures</i>	5	623.522	402.308
<i>Unearned Financing Income Resulted from Forward Sales</i>	5	265.890	(215.883)
Adjustments for Tax (Income) Expenses	20	17.464.504	7.515.777
Adjustments for losses (gains) on disposal of non-current assets	11	(54.250)	1.532.153
Changes in Working Capital		(78.574.836)	(33.033.057)
Adjustments for Decrease (Increase) In Trade Accounts Receivable		4.119.326	(19.586.806)
<i>Adjustments for Decrease (Increase) In Non- Related Trade Receivable</i>	5	4.119.326	(19.586.806)
Adjustments for Decrease (Increase) In Other Receivables Related with Operations		(81.834)	17.709
<i>Adjustments for Decrease (Increase) In Other Receivables Non-Related Parties with Operations</i>	6	(81.834)	17.709
Increase (Decrease) In Contract Liabilities From Ongoing Construction Contracts	9	(88.524.318)	(19.918.548)
Adjustments for Decrease (Increase) In Inventories	7	(21.240.803)	3.706.730
Decrease (Increase) In Prepaid Expenses	8	(981.837)	2.474.494
Adjustments for Increase (Decrease) In Trade Accounts Payable		31.651.556	(1.360.435)
<i>Increase (Decrease) In Trade Payables to Unrelated Parties</i>	5	31.651.556	(1.360.435)
Increase (Decrease) In Employee Benefit Liabilities	14	1.130.324	1.625.284
Adjustments for Increase (Decrease) In Other Operating Payables		2.056.984	1.298.890
<i>Increase (Decrease) In Other Operating Payables to Unrelated Parties</i>	6	2.056.984	1.298.890
<i>Adjustments for Other Increase (Decrease) In Working Capital</i>		(6.704.234)	(1.290.375)
Decrease (Increase) In Other Assets Related to Activities		(6.704.234)	(1.290.375)
Cash Flows from Operating Activities		(4.551.427)	9.986.683
Income Taxes Paid	20	(5.735.607)	-
Cash Flows From (Used In) Investing Activities		(1.201.763)	7.297.588
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets	11,12		
Purchase of Property, Plant, Equipment and Intangible Assets	11,12	86.450	104.612
Cash Inflows from Sale of Investment Property		(1.288.213)	(284.871)
Cash Flows From (Used In) Financing Activities		(47.831.354)	38.999.737
Payments to Acquire Entity's Shares or Other Equity Instruments	15	(182.280)	788.030
Proceeds from Borrowings	4	-	38.073.928
Repayments of borrowings	4	(47.298.141)	-
Payments of Lease Liabilities	4	(350.933)	137.779
Net Increase (Decrease) In Cash and Cash Equivalents Before Effect of Exchange Rate Changes		(59.320.151)	56.284.008
Effect of exchange rate changes on cash and cash equivalents		-	-
Net Increase (Decrease) In Cash and Cash Equivalents	3	(59.320.151)	56.284.008
Cash and Cash Equivalents at The Beginning of The Period	3	81.538.746	34.494.610
Cash and Cash Equivalents at The End of The Period		22.218.595	90.778.618

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

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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

1. GROUP’S ORGANIZATION AND NATURE OF OPERATIONS

Orge Enerji Elektrik Taahhüt A.Ş. (“Company”) was established in 1998. The main activity of the Company and its subsidiary (“Group”) is to undertake electricity contracting works of residential and business construction works.

The company was established as the name of Orge Enerji Sistemleri İnşaat Metal Ticaret ve Taahhüt A.Ş., trade name was changed and registered to Orge Enerji Elektrik Taahhüt A.Ş. at 30.06.2010.

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa Istanbul (“BIST”) since 15.02.2012.

The Group’s head office is located at Kozyatağı Mahallesi Değirmen Sokak Nida Kule No: 18 Kat: 18 34742 Kadıköy, İstanbul and there is no any branch offices.

As of 30 September 2021 average number of personnel is 465 (31 December 2020: 447). As the date of balance sheet, there are no employees in the subsidiary. The group also employs personnel through subcontractors. The average number of subcontracted personnel employed as of 30 September 2021 is 9. (31 December 2020: 11)

As of 30 September 2021, the share capital of the company is TRY 80.000.000 (December 31, 2020: TRY 50.000.000), the publicly listed shares are 48.71% of the total shares. Gündüz Family members are main shareholders of the company and has control in the management (Note 15).

The subsidiary is consolidated to financial statements by using fully consolidation method.

<u>Subsidiary</u>	<u>Nature of Business</u>	<u>Proportion of Effective Interest (%)</u>	<u>Country of Incorporation</u>
And İnşaat Ticaret A.Ş.	Construction Equipment	99,96	Turkey

The Group does not have any subsidiaries traded on the stock exchange.

The Group, within the framework of the profit distribution policies to be determined by the general assembly and the relevant, distributes in accordance with the provisions of the legislation by the decision of the general assembly As of the report date, there is no profit distribution decision taken by the Group.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of Presentation

Basis of Presentation of Consolidated Financial Statements

The Group registered in Turkey maintains their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and Tax Legislation.

The financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, (“TFRS”) and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) in line with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board of Turkey (“CMB”) on June 13, 2013 which is published on Official Gazette numbered 28676. The financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

For the period ended September 30, 2021, the Group prepared its condensed interim consolidated financial statements in accordance with the Turkish Accounting Standard No.34 Interim Financial Reporting.

Condensed interim consolidated financial statements of the Group do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Group’s annual financial statements as of December 31, 2020.

The functional currency of the Group is determined as Turkish Lira (“TRY”). Group kept books of account in TRY in accordance with the Turkish Commercial Code, and the Uniform Chart of Accounts issued by the Ministry of Finance.

According to TFRS, the preparation of consolidated financial statements requires estimates and assumptions regarding the amounts for the assets and liabilities at the balance sheet date, explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. Although these estimates and assumptions are based on the best information held by the Group management, actual results may differ from these. The accounting policies used in the preparation of these consolidated financial statements as of December 31, 2020 are consistent with those used in the preparation of previous year’s financial statements.

There are no seasonal and periodical changes that will significantly affect the Group's activities.

The consolidated financial statements are prepared on historical cost basis, except for the financial instruments and investment properties carried at fair value.

Approval of Consolidated Financial Statement

Financial statement for the year ended 30 September 2021 had been approved in the Board of Directors meeting dated 8 November 2021 and subject to Final approval in General Assembly of the Company.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

A. Basis of Presentation (cont’d)

Financial Reporting in Hyperinflationary Economies

With the decision taken on March 17, 2005 and numbered 11/367, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their consolidated financial statements in accordance with the financial reporting standards accepted by the CMB. Accordingly, Turkish Accounting Standards 29, “Financial Reporting in Hyperinflationary Economies”, issued by the POA, has not been applied in the consolidated financial statements for the accounting year commencing January 1, 2005.

Comparative information and restatement of prior year financial statements

Consolidated financial statements of the Group have been prepared comparatively with the prior year in order to give accurate trend analysis regarding financial position and performance. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed where necessary.

Going Concern

The financial statements of the Company are prepared on the basis of a going concern assumption.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

New and Amended Turkish Financial Reporting Standards

Amendments in Turkish Financial Reporting Standards

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

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

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

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

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d) New and Amended Turkish Financial Reporting Standards (cont’d)

b) Standards issued but not yet effective and not early adopted

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

- TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- TFRS 17 - The new Standard for Insurance Contracts
- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 3 – Reference to the Conceptual Framework
- Amendments to TAS 16 – Proceeds Before Intended Use
- Amendments to TAS 37 – Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to TFRS 16 – Covid-19 Rent Related Concessions

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

Consolidation principles

As at September 30, 2021, the consolidated financial statements include the financial results of the Company and its subsidiary that are listed at Note 1.

Control is normally evidenced when the Group controls an investee if and only if the company has all the following; a) power over the investee b) exposure, or rights, to variable returns from its involvement in the investee and c) the ability to use its power over the investee to affect the amount of company’s returns. The results of subsidiaries acquired during the year are included in the consolidated statements of income from the effective date of acquisition as appropriate.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with those used by other Group Companies. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and events and are prepared for the same chart of accounts of the Group.

All intra-group transactions and balances including intra-group unrealized profits and losses are eliminated.

Non-controlling interest in the net assets of consolidated subsidiary is identified separately from the Group’s equity therein. Non-controlling interest consists of the amount of those interests at the date of the original acquisition and the minority’s share of changes in equity since the date of the acquisition.

Losses within a subsidiary are attributed to non-controlling interest even if that result is in deficit balance.

Changes in shareholding rate that does not change control power of the Company are accounted under “Adjustment differences due to changes in shareholding rate”.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd) Consolidation principles (cont'd)

Information on the subsidiary within the scope of consolidation is as follows:

<u>Subsidiary</u>	<u>Capital</u>	<u>Capital of Acquired (TRY)</u>	<u>Effective Interest (%)</u>
And İnşaat Ticaret A.Ş.	250.000	249.900	99,96

B. Changes in accounting policy

There has been no significant change in the accounting policies announced for the period ended on 31 December 2020.

3. CASH AND CASH EQUIVALENTS

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Cash in hand	29.366	40.710
Cash at banks		
- Demand deposits	11.674.749	4.278.594
- Time deposits (with maturities of three months or less)	10.514.480	77.219.442
Total	22.218.595	81.538.746

As of 30.09.2021 and 31.12.2020, the time deposit details are as follows:

<u>Currency type</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>September 30, 2021</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>December 31, 2020</u>
TRY	2%-19,50%	20.07.2021	1.318.451	6,50%-18,75%	15.02.2021	27.295.542
EUR	0,1%-1,34%	11.07.2021	6.249	1,50%-2,90%	22.02.2021	34.948.667
USD	0,85%-1,75%	16.07.2021	9.189.780	0,39%-2,00%	22.02.2021	14.975.233
Total			10.514.480			77.219.442

TRY 1.581.995 of time deposits consist of profit share participation partnership accounts of participation banks. (31 December 2020: TRY 27.607.599)

Foreign currency distribution of deposit accounts are as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
TRY	2.012.500	28.426.933
EUR	7.903.603	15.019.274
USD	12.273.126	38.051.829
Total	22.189.229	81.498.036

There is no blockage on deposits (31 December 2020: None).

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4. FINANCIAL LIABILITIES

Financial liabilities	September 30, 2021	December 31, 2020
Short term financial liabilities	11.565.490	49.224.676
a) Bank Loans	9.818.868	48.274.314
b) Liabilities from Operating Leases	433.962	283.328
c) Credit Cards	1.312.660	667.034
Short-term current portion of long-term financial liabilities	10.490.915	12.986.640
a) Bank Loans	10.490.915	12.986.640
Total	22.056.405	62.211.316

Long term financial liabilities	September 30, 2021	December 31, 2020
a) Bank Loans	4.464.096	12.213.945
b) Liabilities from Operating Leases	1.073.689	1.343.997
Total	5.537.785	13.557.942

a) Bank Loans

September 30, 2021				
<u>Currency</u>	<u>Effective Interest Rate (%)</u>	<u>Short-term</u>	<u>Short-term portion of long-term loans</u>	<u>Long-term</u>
TRY	7,50% -19,08%	9.818.868	10.490.915	4.464.096
Total		9.818.868	10.490.915	4.464.096

December 31, 2020				
<u>Currency</u>	<u>Effective Interest Rate (%)</u>	<u>Short-term</u>	<u>Short-term portion of long-term loans</u>	<u>Long-term</u>
TRY	0,95% -19,08%	48.274.314	12.986.640	12.213.945
Total		48.274.314	12.986.640	12.213.945

	September 30, 2021	December 31, 2020
Less than 1 year	20.309.783	61.260.954
1 - 5 years	4.464.096	12.213.945
Total	24.773.879	73.474.899

There is no participation bank loan. (31 December 2020: TRY 12.431.095)

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

5. TRADE RECEIVABLES AND PAYABLES**a) Trade Receivables:**

Details of Group’s trade receivables as of balance sheet date:

Short-term trade receivables	September 30, 2021	December 31, 2020
Trade receivables (*)	15.051.139	28.398.406
Notes receivables (*)	14.493.760	5.265.819
Unearned credit finance income (-)	(265.890)	-
Doubtful receivables (**)	1.015.425	1.015.425
Provision for doubtful receivables (-)	(1.015.425)	(1.015.425)
IFRS 9 Doubtful	(101.199)	(101.199)
Total	29.177.810	33.563.026

(*)Trade and Notes Receivables

	September 30, 2021	December 31, 2020
1-3 Months	26.798.339	33.579.225
3-6 Months	2.746.560	85.000
Total	29.544.899	33.664.225

As of 30 September 2021, amount of TRY 1.116.624 (31 December 2020: TRY 1.116.624) of trade receivables are doubtful receivables. Doubtful receivables consist of uncollected receivables which are due from completed projects. In 2020, provision for doubtful receivables of TRY 25.462 was reserved.

(**)The movements of provision for doubtful receivables are as follows:

Doubtful receivables	September 30, 2021	December 31, 2020
As of January 1	1.116.624	1.091.162
Period Charge	-	25.462
As of December 31	1.116.624	1.116.624

Long-term trade receivables

None (December, 31 2020 None).

b) Short-term Trade Payables:

Details of Group’s trade payables as of balance sheet date:

Short-term Trade Payables	September 30, 2021	December 31, 2020
Trade payables (*)	43.865.864	16.313.197
Notes payables (*)	6.718.022	1.372.089
Unearned credit finance charges (-)	(623.522)	-
Total	49.960.364	17.685.286

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5. TRADE RECEIVABLES AND PAYABLES (Cont’d)

(*)Trade and Notes Payables	<u>September 30, 2021</u>	<u>December 31, 2020</u>
1-3 Months	20.654.069	17.685.286
3-6 Months	29.929.817	-
Total	50.583.886	17.685.286

Long-term Trade Payables

None (December, 31 2020: None).

6. OTHER RECEIVABLES AND PAYABLES

Other short-term receivables	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Due From Tax Authorities	110.630	114.878
Total	110.630	114.878

Other long-term receivables	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Deposits and Guarantees Given	178.522	92.440
Total	178.522	92.440

Other short-term payables	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Taxes And Funds Payable	387.119	300.325
Payable Other Liabilities	22.459	7.970
Other Miscellaneous Debts	59.754	161.106
<i>Sub-Total</i>	469.332	469.401
Due To Related Parties (Note 22)	19.155	19.155
Total	488.487	488.556

Other long-term payables	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Deposit and Guarantees Received	2.057.053	-
Toplam	2.057.053	-

7. INVENTORIES

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Raw materials and Supplies	25.913.022	6.326.794
Trade Goods	1.654.575	-
Total	27.567.597	6.326.794

As of the balance sheet date, the Group does not have any stocks with a net realizable value less than its cost. (December, 31 2020: None).

Group does not have any pledged inventory in return for loans as at September 30, 2021 (December, 31 2020: None).

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8. PREPAID EXPENSES AND DEFERRED INCOME

Current Prepaid Expenses	September 30, 2021	December 31, 2020
Advances Given for Inventories	2.749.176	1.321.998
Short-term Prepaid Expenses	84.784	2.665
Work Advances	66.300	746.031
Toplam	2.900.260	2.070.694

Non Current Prepaid Expenses

None (December, 31 2020: None).

Short-term and Long-term Deferred Income

None (December, 31 2020: None)

9. CONSTRUCTION CONTRACTS

	September 30, 2021	December 31, 2020
Assets Related to Ongoing Construction Contracts	297.257.568	218.581.211
Total	297.257.568	218.581.211

The details of assets related to ongoing construction contracts are as follows:

	September 30, 2021	December 31,2020
Receivables Arising from Customer Contracts	297.257.568	218.581.211
- Assets relating with domestic construction contracts	-	-
- Assets not yet acquired relating with domestic construction contracts (*)	297.257.568	218.581.211

(*) Since there is no possible doubt about whether the group will meet the requirements for the acquisition of unearned assets, costs of the unearned assets are reflected in the financial statements on an accrual basis at fair value.

Liabilities Arising from Customer Contracts	September 30, 2021	December 31,2020
Advances received	13.407.733	23.255.694
Total	13.407.733	23.255.694

10. INVESTMENT PROPERTIES

As of 30 September 2021, there are investment properties in the portfolio of the Group in the amount of TRY 40.885.000. (31.12.2020: TRY 40.885.000).

The Group did not purchase or sell investment property during the interim period.

As of September 30, 2021 there is insurance coverage on investment properties amounting TRY 8.447.260 (31 December 2020 TRY 8.087.364).

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11. TANGIBLE FIXED ASSETS

Tangible Fixed Assets	01 January 2021	Additions	Disposals	Transfer	30 September 2021
Buildings	5.764.091	-	-	-	5.764.091
Vehicles	1.979.811	325.448	(42.000)	-	2.263.259
Fixtures	2.429.237	773.544	-	-	3.202.781
Leasehold improvements	171.719	189.220	-	-	360.939
Other Tangible Fixed Assets	189.988	-	-	-	189.988
Total	10.534.846	1.288.212	(42.000)	-	11.781.058

Accumulated depreciation	01 January 2021	Additions	Disposals	Transfer	30 September 2021
Buildings	461.127	86.461	-	-	547.588
Vehicles	770.527	251.500	(9.800)	-	1.012.227
Fixtures	1.083.774	245.866	-	-	1.329.640
Leasehold improvements	158.504	125.786	-	-	284.290
Other Tangible Fixed Assets	189.988	-	-	-	189.988
Total	2.663.920	709.613	(9.800)	-	3.363.733

Net amount	7.870.926				8.417.325
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The total of the current period depreciation expenses is TRY 709.613 (31 December 2020: TRY 704.281).

There is no mortgage on investment tangible fixed assets as of 30 September 2021 (31 December 2020: None).

As of 31 December 2021, there is insurance coverage on tangible assets amounting to TRY 7.463.785 (31 December 2020: 6.406.689)

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11. TANGIBLE FIXED ASSETS (cont’d)

Tangible Fixed Assets	01 January 2020	Additions	Disposals	Transfer	31 December 2020
Buildings	15.400.799	-	-	(9.636.708)(*)	5.764.091
Vehicles	1.961.173	303.312	(284.674)	-	1.979.811
Fixtures	2.022.641	421.091	(14.495)	-	2.429.237
Leasehold improvements	161.220	10.499	-	-	171.719
Other Tangible Fixed Assets	189.988	-	-	-	189.988
Total	19.735.821	734.902	(299.169)	(9.636.708)	10.534.846
	01 January 2020	Additions	Disposals	Transfer	31 December 2020
Accumulated depreciation	804.798	115.282	-	(458.953)	461.127
Vehicles	635.563	281.938	-	(146.974)	770.527
Fixtures	843.585	240.189	-	-	1.083.774
Leasehold improvements	144.714	13.790	-	-	158.504
Other Tangible Fixed Assets	136.906	53.082	-	-	189.988
Total	2.565.566	704.281	-	(605.927)	2.663.920
Net amount	17.170.255				7.870.926

(*) The building in Maltepe, which was previously included in tangible fixed assets, has been transferred to investment properties as of 31.12.2020.

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11. TANGIBLE FIXED ASSETS (cont’d)

The group uses the straight-line method. Depreciation periods for tangible assets are as follows:

	Useful Life
Buildings	50 years
Vehicles	4 - 5 years
Fixtures	3- 20 years
Leasehold Improvements	5 years
Other Tangible Fixed Assets	3 years

12. INTANGIBLE FIXED ASSETS

The Group does not have any intangible asset purchases during the interim period (31 December 2020: None).

The Group does not have any intangible asset sales during the interim period (31 December 2020: None).

The total of the current period depreciation expenses is TRY 824 (31 December 2020: TRY 31.736).

13. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	September 30, 2021	December 31, 2020
Provision for lawsuits	243.432	234.758
Total	243.432	234.758

Provisions for lawsuits relate to labor claims received by workers.

Long-Term Provisions

None (December, 31 2020: None).

Conditional Assets

None (December, 31 2020: None)

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13. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Cont’d)

Collaterals, Pledges, Mortgages:

Collaterals/pledges/mortgages (“CPM”) position of the Group as of September 30, 2021 and December 31, 2020 is as follows:

<u>CPM’s given by the Company (Collaterals, Pledges, Mortgages)</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>
1. CPM’s given for Company’s own legal personality	113.282.112	81.189.470
2. CPM’s given on behalf of fully consolidated companies	-	-
3. CPM’s given on behalf of third parties for ordinary course of business	-	-
4. Total amount of other CPM’s	-	-
- Total amount of CPM’s given on behalf of the majority shareholder	-	-
- Total amount of CPM’s given on behalf of other Group companies which are not in scope of 2 and 3	-	-
- Total amount of CPM’s given on behalf of third parties which are not in scope of 3	-	-
Total	113.282.112	81.189.470

TRY equivalents of collaterals, pledges and mortgages give as of September 30, 2021 and December 31, 2020 are as follows on original currency basis are as follows:

<u>CPM’s given by the Company</u>	<u>September 30, 2021</u>			
	<u>TRY Equivalents</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Coverages	113.282.112	-	8.799.372	22.529.788
Total	113.282.112	-	8.799.372	22.529.788

<u>CPM’s given by the Company</u>	<u>December 31, 2020</u>			
	<u>TRY Equivalents</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Coverages	81.189.470	172.706	6.311.821	23.065.469
Total	81.189.470	172.706	6.311.821	23.065.469

All letters of guarantee have been given for the electrical contracting project works of the Group (31 December 2020: all).

The ratio of other CPM’s given by the Group to the equities of Group is 0% as of September 30, 2021 (December 31, 2020: 0%).

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14. EMPLOYEE BENEFITS

Liabilities Within The Scope of Employee Benefits	September 30, 2021	December 31, 2020
Payables to employees	1.699.432	880.315
Social security deductions to be paid	956.241	645.034
Total	2.655.673	1.525.349

Short-term Provision for Employee Benefits	September 30, 2021	December 31, 2020
Provision for vacation pay liability	185.617	136.963
Total	185.617	136.963

Long-term Provision for Employee Benefits	September 30, 2021	December 31, 2020
Provision for employment termination benefits	1.382.278	1.196.701
Total	1.382.278	1.196.701

Under the Turkish Legislations, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 (“Employee Benefits”) stipulates the development of Company’s liabilities by using actuarial valuation methods under defined benefit plans.

As at balance sheet date, provisions calculated according to assumption 8,50% expected salary increasing rate and 12,80% discount rate and about 3,96 % real discount rate and retiring assumption as follows (31.12.2020: % 8,5 % 12,80 and % 3,96).

	September 30, 2021	December 31, 2020
Annual discount rate (%)	4,67	3,96
Retirement probability (%)	97,23	96,01

Main assumption is that maximum liability amount increases parallel to inflation rate for every service year. Therefore, discount rate used is the expected real rate adjusted for the future inflationary effects. Because of this, provisions in the accompanying financial statements as of December 31, 2020 are calculated by estimating present value of probable liabilities arising due to retirement of employees.

TRY 8.284 (December 31, 2020 TRY 7.639) maximum amount used on calculation of retirement pay provision with effect from 01 January 2021.

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14. EMPLOYEE BENEFITS (Cont’d)

Movements of severance pay provisions during the year are as follows:

	September 30, 2021	December 31, 2020
As of January 1	1.196.701	1.052.232
Service cost	238.275	580.717
Interest expense	37.682	44.374
Actuarial gain / losses (*)	189.339	(137.205)
Reversals of provisions	(279.719)	(343.417)
As of December 31/December 31	1.382.278	1.196.701

(*) As of September 30, 2021, TRY 189.339 (December 31, 2020: TRY 137.205) Actuarial Income/Loss booked in the statement of comprehensive income.

15. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid in Capital:

The capital structure as of September 30, 2021 and December 31, 2020 is as follows:

Capital Structure	September 30, 2021		December 31, 2020	
	Amount (TRY)	Share (%)	Amount (TRY)	Share (%)
Nevhan Gündüz	16.152.033	20%	10.157.505	20%
Mahmut Gündüz	800	0%	500	0%
Orhan Gündüz	24.843.109	31%	15.748.750	31%
Nevin Gündüz	800	0%	500	0%
Murat Kartaloğlu	24.400	0%	250	0%
Quated shares	38.978.858	49%	24.092.495	48%
Paid-in share capital	80.000.000	100%	50.000.000	100%

Company has accepted the authorised capital system. Current authorised capital ceiling of the Company is TRY 80.000.000 and the issued capital is TRY 80.000.000 (31.12.2020: TRY 50.000.000). Capital of the Company consists of 80.000.000 shares, none of which has any privillages.

In the General Assembly held on 12 April 2021 30.000.000 TL was added to share capital and it was decided to distribute as share. Capital increase was announced in Trade Registry Gazette No. 10359 dated 29 June 2021.

b) Share premium (discount)

	September 30, 2021	December 31, 2020
Share premium (discount)	2.098.440	2.098.440
Total	2.098.440	2.098.440

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15. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont’d)

c) Treasury Shares	September 30, 2021	December 31, 2020
Treasury Shares	(537.530)	(355.250)
Total	(537.530)	(355.250)

Considering the Repurchased Shares Communiqué published by the Capital Markets Board and the announcements made on July 21, 2016 and July 25, 2016, the Company has purchased TRY 536.334 nominal value and TRY 486.334 nominal value shares during the prior period. The Company recently repurchased its shares with a nominal value of TRY 50.000 at an average price of TRY 7,1085 on October 26, 2020, and the balance at the end of current period consists of TRY 355.250 shares with a nominal value of TRY 80.000. Repurchased shares are shown over the acquisition value in equity.

The company also classifies the shares acquired within the scope of liquidity provision transaction within the shares bought back at the end of the period, and as of 30 September 2021, The company has a share of TRY 182.280 with a nominal value of TRY 31.000 under the liquidity provider. (31 December 2020: None).

d) Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	September 30, 2021	December 31, 2020
Revaluation and recognition gain/(Loss)	456.520	456.520
Other gains (Losses)	(252.151)	(100.680)
Total	204.369	355.840

e) Restricted Reserves Appropriated From Profits	September 30, 2021	December 31, 2020
1st order reserve fund	4.056.492	3.346.890
Treasury share reserves	537.530	355.250
Total	4.594.022	3.702.140

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. Dividend distributions are made in TRY in accordance with its Articles of Association, after deducting taxes and setting aside the legal reserves as discussed above.

In accordance with Article 520 of the Law No. 6102 published in 2014, a reserve fund of 537.530 TL has been set aside for the repurchased shares.

f) Prior Year’s Profit	September 30, 2021	December 31, 2020
Opening balance	131.024.719	84.182.247
Transfers	53.686.256	46.842.472
Capital Increase	(30.000.000)	-
Total	154.710.975	131.024.719

g) Change in non-controlling interests	September 30, 2021	December 31, 2020
Opening balance	(22)	(20)
Profit for the year attributable to non-controlling interest portion	(2)	(2)
Total	(24)	(22)

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16. REVENUE AND COST OF SALE

Revenue	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Contracting sales	176.905.753	114.267.939	73.535.283	41.119.890
Materials sales	17.581.157	3.813.157	9.010.320	3.683.854
Total Income	194.486.910	118.081.096	82.545.603	44.803.744
Cost of Sales (-)	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
- Cost of services given (-)	(103.100.750)	(73.480.742)	(37.720.309)	(25.307.457)
- Cost of trade goods sold (-)	(15.769.839)	(1.980.234)	(5.569.299)	(1.944.500)
Cost of Sales (-)	(118.870.589)	(75.460.976)	(43.289.608)	(27.251.957)
Gross Profit	75.616.321	42.620.120	39.255.995	17.551.787

17. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Foreign exchange gains	2.226.341	6.209.083	712.852	4.537.409
Provisions no longer required	-	300.222	-	72.901
Government grants income	983.945	810.079	371.838	120.521
Unearned credit finance charges	623.522	215.883	270.104	68.601
Maturity difference income	216.223	-	3.776	-
Fixed asset sales revenues	54.250	-	(2.617)	-
Scrap sales revenues	213.703	479.192	-	361.788
Price difference income	76.190	50.546	49.145	10.880
Other income and profits	3.068.316	797.892	878.116	284.696
Total	7.462.490	8.862.897	2.283.214	5.456.796
Other expense from operating activities(-)	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Foreign exchange loss	6.146.730	5.312.476	206.018	4.406.473
Unearned credit finance charges	265.890	402.308	87.227	199.936
Construction penalty expenses	-	128.215	-	45.721
Doubtful receivables provision	8.674	64.158	-	59.342
Other expenses	1.605.025	276.320	1.091.032	159.576
Total	8.026.319	6.183.477	1.384.277	4.871.048

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18. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investment activities	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Interest income	1.451.207	2.036.852	59.568	1.062.338
Rent Income	223.531	61.017	135.633	20.339
Total	1.674.738	2.097.869	195.201	1.082.677

Other Expenses From Investment Activities (-)	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Loss on investment property sales (-)	-	918.856	-	360.287
Total	-	918.856	-	360.287

19. FINANCIAL INCOME AND EXPENSES

Financial Income	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Foreign exchange gains	10.139.520	9.405.618	428.166	5.535.660
Total	10.139.520	9.405.618	428.166	5.535.660

Financial Expense	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Interest and commission expense (-)	5.344.931	7.230.554	1.558.385	2.662.279
Foreign exchange losses(-)	1.794.777	178.054	1.014.661	34.098
Total	7.139.708	7.408.608	2.573.046	2.696.377

20. INCOME TAX

	September 30, 2021	December 31, 2020
Current year corporation tax expense	798.269	1.193.677
Prepaid taxes and withholding taxes (-)	(672.118)	-
Current income tax liability	126.151	1.193.677

Tax Income / (Expense)	January 01 - 30 September 2021	January 01 - 30 September 2020
Current Period Income Tax Provision (-)	(798.269)	(2.071.797)
Deferred Tax Income / (Expense)	(17.502.372)	(7.485.318)
Total	(18.300.641)	(9.557.115)

Non - current income tax assets	September 30, 2021	December 31, 2020
Prepaid taxes and withholding taxes	10.286.456	5.664.865
Total	10.286.456	5.664.865

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20. INCOME TAX (cont'd)

Corporate Tax

The Group is subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying 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.

The tax legislation provides for a temporary tax (prepaid tax) of 25% (23% for taxation period of 2022, 20% for taxation period of 2023 and after) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

In addition, temporary taxes are levied at a rate of 25% (23% for taxation period of 2022, 20% for taxation period of 2023 and after) over the bases declared in interim periods during the year to be deducted from the corporation tax. The temporary taxes paid within the year will be offset against the final corporate tax liability for the year. The temporary tax can be offset against any other financial liability against the state.

Tax losses that are reported in the Corporation tax return may be carried forward and deducted from the corporation tax base for a maximum period of five years following the year in which the losses were incurred.

Income Tax Withholding

In addition to corporate taxes, their share of the profit from the distribution of dividends in the event of the company's income in the statements, including non-resident institutions and branches of foreign companies in Turkey on any dividends distributed, except for the calculation of income tax withholding is required. Income tax 24 April 2003 - 22 July 2006 was 10% in all companies. This rate is from 22 July 2006 2006/10731 15% by the Council of Ministers. Undistributed dividends incorporated in share capital are not subject to income tax withholding.

Deferred Tax:

The Group accounts for deferred tax assets and deferred tax liabilities for temporary timing differences arising from differences between its tax base legal financial statements and financial statements prepared in accordance with TFRS. The aforementioned differences are generally due to the fact that some income and expense items take place in different periods in financial statements prepared in accordance with the taxable financial statements and TFRS, and these differences are stated below.

As the corporate tax rate, which was 20% as of 31 March 2021, has changed to 25% for 2021 corporate earnings and 23% for 2022 corporate earnings, for temporary differences expected to be realized/closed in 2021 in the deferred tax calculation as of 30 September 2021. A tax rate of 25% is used for temporary differences that are expected to be realized/closed in 2022, and 20% for temporary differences that are expected to be realized/closed in 2022 and after.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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20. INCOME TAX (Cont’d)

	Temporary Differences		Deferred Tax Assets / (Liabilities)	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Deferred Tax Assets :				
Doubtful receivables provision	1.116.624	1.116.624	223.325	223.325
Lawsuit provision	243.432	234.758	48.686	46.952
Cost adjustment of long term construction project	348.605.217	241.431.912	76.568.339	48.286.382
Loan interest accruals	2.042.442	1.223.040	436.497	244.608
Unused vacation provision	185.617	136.963	42.692	27.393
Employee termination benefit	1.382.278	1.196.701	275.407	239.340
Other	285.600	16.332	65.097	3.266
Total	353.861.210	245.356.330	77.660.043	49.071.266
Deferred Tax Liabilities :				
Difference between registered values of investment properties and tax bases	(21.661.499)	(21.661.499)	(2.166.150)	(2.166.150)
Book value and tax basis difference of tangible and intangible assets	(3.165.851)	(1.697.881)	(653.683)	(339.576)
Construction projects revenue adjustments	(588.760.837)	(411.855.084)	(127.972.799)	(82.371.017)
Deposit interest accrual	(9.019)	(150.137)	(2.074)	(30.027)
Other	(623.522)	109.669	(143.411)	21.934
Total	(614.220.728)	(435.254.932)	(130.938.117)	(84.884.836)
Deferred Tax Asset / (Liability), net	(260.359.518)	(189.898.602)	(53.278.074)	(35.813.570)
Deferred Tax Expense / (Revenue)			(17.464.504)	(6.781.615)
Included in the actuarial (Profit) / Loss Fund			(37.868)	27.441
Amount Deducted from the Valuation Increase Fund			-	50.725
Deferred tax expense / (income) for the period			(17.502.372)	(6.703.449)

Deferred tax movement is as follows:

Deferred Tax Asset / (Liability) Movements	September 30, 2021	December 31, 2020
Opening Balance	(35.813.570)	(29.031.955)
Current year deferred tax (expense) / benefit	(17.502.372)	(6.703.449)
Deferred tax liability accounted under equity resulting from actuarial gain / loss	37.868	(27.441)
Deduction from revaluated assets held for sale	-	(50.725)
Total	(53.278.074)	(35.813.570)

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21. EARNINGS PER SHARE

	January 01 - 30 September 2021	January 01 - 30 September 2020	July 01 - 30 September 2021	July 01 - 30 September 2020
Net Profit / (Loss) for the Period	55.063.034	32.881.675	28.675.366	14.902.540
Weighted Average Number of Shares	80.000.000	50.000.000	80.000.000	50.000.000
Profit / (Loss) Per Share from Ongoing Activities	0,688	0,658	0,358	0,298

22. RELATED PARTY TRANSACTIONS

September 30, 2021

	Receivables	Payables
	Short Term	Short Term
	Non commercial	Non commercial
Balances with related parties		
<u>Shareholders</u>		
Orhan Gündüz	-	19.155
Total	-	19.155

December 31, 2020

	Receivables	Payables
	Short Term	Short Term
	Non commercial	Non commercial
Balances with related parties		
<u>Shareholders</u>		
Orhan Gündüz	-	19.155
Total	-	19.155

The transactions of the Group with the related parties in the periods 01.01.- 30.09.2021 and 01.01.- 30.09.2020 are as follows:

	January 01- September 30, 2021	January 01- September 30, 2020
Transactions with related parties		
Rent Income		
Orhan Gündüz	61.017	61.017
Total	61.017	61.017

The Group has determined key management personnel as board members, group presidents, vice - presidents. Benefits provided to key management personnel as January 1, 2020 – September 30, 2021 and January 1, 2020 – September 30, 2020 is as follows:

	January 1- September 30, 2021	January 1- September 30, 2020
Short term benefits provided to key management personnel		
Short term benefits provided to key management personnel	283.500	283.500
Total	283.500	283.500

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23. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and equity items including the previous year earnings as specified in note 15.

Board of Directors of the Group periodically examines its capital structure. The board evaluates the risks associated with each capital class together with the capital cost. Based on the recommendations of the board, the Group aims to balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt on the redemption of existing debt.

The Group uses Liabilities / Equity rate while they follow capital sufficiency. This rate is found by net liabilities divided by total equity. Net liabilities are counted by cash and cash equivalents minus total liabilities which appear in balance sheet.

b) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

b.1) Credit Risk

Financial losses due to Group's receivables and financial assets which could result from not implementing agreement clauses related to financial assets by a customer or other party constitutes credit risk. Group tries to decrease credit risk by conducting operations with confidential parties and attaining enough collateral. Trade receivables are due from a wide range of customers rather than a narrow customer portfolio.

In order to minimize credit risk, the Group has made credit ratings considering the default risks of counterparties and categorized the relevant parties. The Company's current credit risk rating methodology includes the following categories:

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23. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont’d)

b) Financial Risk Factors (Cont’d)

b.1) Credit Risk (Cont’d)

Details of credit and receivable risk are as follows:

September 30, 2021	Receivables				Assets related to ongoing construction contracts	Cash and Cash Equivalents Deposit in bank
	Current Period	Trade receivables from Related parties	Other parties	Other receivables from Related parties		
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (1)	-	29.076.611	-	289.152	297.257.568	22.189.229
- Secured portion of the maximum credit risk by guarantees, etc. (*)	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (2)	-	29.177.810	-	289.152	297.257.568	22.189.229
B. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-
C. Net book value of the impaired assets (3)	-	-	-	-	-	-
- Past due (gross carrying amount)	-	1.015.425	-	-	-	-
- Impairment (-)	-	(1.015.425)	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc.	-	-	-	-	-	-
- Not overdue (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	(101.199)	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc.	-	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-	-

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23. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont’d)

b) Financial Risk Factors (Cont’d)

b.1) Credit Risk (Cont’d)

December 31, 2020	Receivables				Assets related to ongoing construction contracts	Cash and Cash Equivalents Deposit in bank
	Trade receivables from	Other receivables from				
Prior Period	Related parties	Other parties	Related parties	Other parties		
Maximum credit risk exposed as of balance sheet date						
(A+B+C+D) ⁽¹⁾	-	33.461.827	-	207.318	218.581.211	81.498.036
- Secured portion of the maximum credit risk by guarantees, etc. (*)	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired ⁽²⁾	-	33.563.026	-	207.318	218.581.211	81.498.036
B. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-
C. Net book value of the impaired assets ⁽³⁾	-	-	-	-	-	-
- Past due (gross carrying amount)	-	1.015.425	-	-	-	-
- Impairment (-)	-	(1.015.425)	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc.	-	-	-	-	-	-
- Not overdue (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	(101.199)	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc.	-	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-	-

⁽¹⁾ In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.

⁽²⁾ Trade receivables consist of note receivables and account receivables from customer. The management of the Group foresees that no problems will be encountered in collecting the relevant amounts, considering its past experience.

⁽³⁾ Impairment tests have been conducted within the framework of the suspicious receivable policy determined by the management regarding the receivables of the Group from its customers.

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23. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont’d)

b) Financial Risk Factors (Cont’d)

a.2) Market Risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Any changes did not occur in the current year in the methods of management and measurement of market risk exposed by the Group and the risks exposed compare to the previous year.

a.2.1) Foreign Exchange Risk Management

Foreign currency denominated transactions cause foreign currency risk. Foreign exchange risk is managed with currency purchase/sale contracts which are based on approved policy.

Group’s foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities at the balance sheet date is as follows:

	Foreign Currency Position			December 31, 2020		
	September 30, 2021			TRY	USD	EUR
	TRY	USD	EUR	TRY	USD	EUR
1. Trade receivables	11.400.172	5.684	1.100.490	10.309.271	-	1.144.470
2a. Monetary financial assets (Includes cash in hand and bank accounts)	20.167.747	1.386.829	766.336	53.071.101	2.046.083	4.224.273
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	31.567.919	1.392.513	1.866.826	63.380.372	2.046.083	5.368.743
5. Trade receivables	-	-	-	-	-	-
6- Other	-	-	-	-	-	-
7. Non-current assets	-	-	-	-	-	-
8. Total assets (4+5+6)	31.567.919	1.392.513	1.866.826	63.380.372	2.046.083	5.368.743
9. Trade payables	23.726.161	174.824	2.150.593	3.867.839	-	429.383
10. Financial liabilities	-	-	-	-	-	-
11- Monetary other liabilities	-	-	-	-	-	-
12. Non-monetary financial liabilities	-	-	-	-	-	-
13. Other	-	-	-	-	-	-
14. Short-term Liabilities	23.726.161	174.824	2.150.593	3.867.839	-	429.383
15. Financial liabilities	-	-	-	-	-	-
16. Long-term Liabilities	-	-	-	-	-	-
17. Total Liabilities	23.726.161	174.824	2.150.593	3.867.839	-	429.383
18. Net Foreign Currency Asset / (Liability) Position (8-17)	7.841.758	1.217.689	(283.767)	59.512.533	2.046.083	4.939.360

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30 September 2021

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**23. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Cont’d)**

a) Financial Risk Factors (Cont’d)

a.2.1) Foreign Exchange Risk Management (Cont’d)

The Group is mainly exposed to Euro and US Dollars risks.

The table below presents the Group’s sensitivity to a 10% deviation in foreign exchange rates especially US dollars and Euro. 10% is the rate used by the Group when generating its report on exchange rate risk; the related rate stands for the presumed possible change in the foreign currency rates by the Group’s management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit / loss or equity.

Exchange Rate Sensitivity Analysis Table

	Current Year		Equities	
	Profit/Loss			
	Foreign currency Appreciation	Foreign currency Depreciation	Foreign currency Appreciation	Foreign currency Depreciation
If USD changes by 10% against TRY				
1- US Dollars net assets / liabilities	1.076.839	(1.076.839)	-	-
2- US Dollars hedged from risks (-)	-	-	-	-
3- US Dollars net effect (1+2)	1.076.839	(1.076.839)	-	-
If USD changes by 10% against TRY				
4- Euro net assets / liabilities	(292.663)	292.663	-	-
5- Euro hedged from risks (-)	-	-	-	-
6- Euro net effect (4+5)	(292.663)	292.663	-	-
Total (3+6)	784.176	(784.176)	-	-

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30 September 2021***(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)***23. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Cont’d)****a) Financial Risk Factors (Cont’d)****a.2.1) Foreign Exchange Risk Management (Cont’d)****Exchange Rate Sensitivity Analysis Table**

	Prior Year		Equities	
	Profit/Loss			
	Foreign currency Appreciation	Foreign currency Depreciation	Foreign currency Appreciation	Foreign currency Depreciation
	If USD changes by 10% against TRY			
1- US Dollars net assets / liabilities	1.501.927	(1.501.927)	-	-
2-US Dollars hedged from risks (-)	-	-	-	-
3- US Dollars net effect (1+2)	1.501.927	(1.501.927)	-	-
	If EUR changes by 10% against TRY			
4- Euro net assets / liabilities	4.449.326	(4.449.326)	-	-
5- Euro hedged from risks (-)	-	-	-	-
6- Euro net effect (4+5)	4.449.326	(4.449.326)	-	-
Total (3+6)	5.951.253	(5.951.253)	-	-

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24. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

September 30, 2021	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Measured at amortized cost	Book Value	Note
Financial Assets					
Cash and cash equivalents	-	-	22.218.595	22.218.595	3
Trade receivable	-	-	29.177.810	29.177.810	5
Financial liabilities					
Financial liabilities	-	-	27.594.189	27.594.189	4
Trade Payables	-	-	49.960.364	49.960.364	5
Other Financial Liabilities	-	-	185.617	185.617	20
December 31, 2020					
Financial Assets					
Cash and cash equivalents	-	-	81.538.746	81.538.746	3
Trade receivable	-	-	33.563.026	33.563.026	5
Financial liabilities					
Financial liabilities	-	-	12.986.640	12.986.640	4
Trade Payables	-	-	17.685.286	17.685.286	5
Other Financial Liabilities	-	-	136.963	136.963	20

Group management considers that the recorded values of financial instruments reflect their reasonable values.

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24. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)(Cont’d)

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

- Category 1: Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.
- Category 2: Implies that in determining the fair values of assets and liabilities, should other market price be observed other than first degree market prices, then observed market price is used for valuation purposes.
- Category 3: Implies that in determining the fair values of assets and liabilities, data not based on market observation is used for valuation purposes.

As of September 30, 2021 and December 31, 2020, the Group does not have any financial assets with their fair values.

25. MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

None. (December 31, 2020: None)

26. OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER MATTERS REQUIRED FOR CLEAR UNDERSTANDING OF FINANCIAL STATEMENT

None. (December 31, 2020: None)