

Bilsev Enerji Üretim ve Tic. A.Ş.

**Interim condensed financial statements as at
and for the nine month ended September 30,
2021**

Bilsev Enerji Üretim ve Tic. A.Ş.

Index to the interim condensed financial statements

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Report on Review of Interim Condensed Financial Statements

To the Board of Directors of Bilsev Enerji Üretim ve Tic. A.Ş.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Bilsev Enerji Üretim ve Tic. A.Ş. ("the Company") as of September 30, 2021 and the interim condensed statement of profit or loss and other comprehensive income, interim statement of changes in equity and the interim statement of cash flows for the nine-month period then ended, and explanatory notes. The Company management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of Matter

We draw attention to footnote 2.6 explaining the reasons and effects of the restatements in the financial statements as of December 31, 2020. Our conclusion is not modified with respect to this matter.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Talga Kıreli, SMMM
Partner

16 December 2021
İstanbul, Turkey

Bilsev Enerji Üretim ve Tic. A.Ş.**Interim condensed statement of financial position****As at September 30, 2021 and December 31, 2020****(Amounts expressed in thousand Turkish Lira ("000 TRY"), unless otherwise indicated.)**

		Reviewed	Audited (Restated)
	Notes	September	December 31, 2020
		30,2021	
Assets			
Current assets			
Cash and cash equivalents	3	153.334	43.724
Trade and other receivables			
<i>Trade and other receivables from third parties</i>	4	4.491	54.577
<i>Trade and other receivables from related parties</i>	4,14	84	133
Current tax assets		-	43
Prepaid expenses		3.125	3.410
Other current assets	5	45.949	42.515
Total Current Assets		206.983	144.402
Non-current assets			
Other receivables			
<i>Other receivables from third parties</i>		948	567
Property, plant and equipment	6	1.450.882	1.403.265
Intangible assets		3.555	3.738
Right of use assets		69	190
Prepaid expenses		17.124	17.120
Other non-current assets	5	39	18.647
Total Non-Current Assets		1.472.617	1.443.527
Total Assets		1.679.600	1.587.929
Liabilities and equity			
Current liabilities			
Short term portion of the long – term borrowings	9	195.390	201.913
Lease liabilities		37	37
Trade and other payables			
<i>Trade and other payables to related parties</i>	7,14	105.500	60.722
<i>Trade and other payables to third parties</i>	7	42.896	59.067
Provisions related to employee benefits		105	121
Other current liabilities	8	505	3.738
Total Current Liabilities		344.433	325.598
Non-current liabilities			
Long term borrowings	9	927.584	784.519
Lease liabilities		54	189
Provisions			
<i>Provision for employee termination benefits</i>		128	151
<i>Other non – current provision</i>		590	210
Total Non-Current Liabilities		928.356	785.069
Equity			
Share capital		899.910	810.900
Capital advances		-	2.444
Accumulated losses		(336.082)	(81.147)
Net loss		(157.017)	(254.935)
Total equity		406.811	477.262
Total liabilities and equity		1.679.600	1.587.929

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

Bilsev Enerji Üretim ve Tic. A.Ş.**Interim condensed statement of profit and loss and other comprehensive income
For the nine month period ended September 30, 2021
(Amounts expressed in thousand Turkish Lira (“000 TRY”), unless otherwise indicated.)**

	Notes	Reviewed January 1 – September 30, 2021	January 1 - September 30, 2020
Sales of electricity	10	128.637	-
Total revenue		128.637	-
Services expenses (-)	11	(15.768)	(748)
Labour costs (-)		(4.171)	(78)
Other tax expenses (-)		(221)	(210)
Other income from operating activities		217	143
Other expense from operating activities (-)		(382)	(2)
Earnings before financial expenses, taxes, depreciation and amortisation (EBITDA)		108.312	(895)
Depreciation and amortization expense		(30.637)	(427)
Earnings before financial expenses and taxes (EBIT)		77.675	(1.322)
Financial income	12	89.535	278
Financial expense	12	(324.227)	(313.878)
Loss before taxation		(157.017)	(314.922)
Deferred tax (expense)/income		-	-
Total comprehensive loss for the period		(157.017)	(314.922)

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

Bilsev Enerji Üretim ve Tic. A.Ş.**Interim condensed statement of changes in equity
for the nine month period ended September 30, 2021****(Amounts expressed in thousand Turkish Lira ("000 TRY"), unless otherwise indicated.)**

	Share capital	Capital advances	Accumulated losses	Net (loss)/ income for the period	Total
Balances as of January 1, 2020	524.790	30.930	(125.724)	44.577	474.573
Capital advance	-	142.528	-	-	142.528
Transfers	146.070	(146.070)	44.577	(44.577)	-
Total comprehensive loss for the period	-	-	-	(314.923)	(314.923)
Balances as of September 30, 2020	670.860	27.388	(81.147)	(314.923)	302.178
Balances as of January 1, 2021 (as previously reported)	810.900	2.444	(81.147)	(415.761)	316.436
Restatement effect (Note 2.7)	-	-	-	160.826	160.826
Balances as of January 1, 2021 (as restated)	810.900	2.444	(81.147)	(254.935)	477.262
Transfers	89.010	(89.010)	(254.935)	254.935	-
Capital advance	-	86.566	-	-	86.566
Total comprehensive loss for the period	-	-	-	(157.017)	(157.017)
Balances as of September 30, 2021 (reviewed)	899.910	-	(336.082)	(157.017)	406.811

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

Bilsev Enerji Üretim ve Tic. A.Ş.**Interim condensed statement of cash flows
for the nine month period ended September 30, 2021
(Amounts expressed in thousand Turkish Lira ("000 TRY"), unless otherwise indicated.)**

	Note	Period	
		Reviewed January 1 - September 30, 2021	January 1 – September 30, 2020
Cash flows from operating activities			
Loss for period		(157.017)	(314.923)
Adjustments for:			
Depreciation and amortization		30.637	428
Interest income	12	(95)	(278)
Interest expenses	12	48.337	192.232
Exchange rate differences		196.941	130.372
Operating cash flows before working capital changes		118.803	7.831
Increase / (decrease) in trade and other receivables		50.134	(2.672)
Increase / (decrease) in current and non-current assets		15.119	65.160
Increase / (decrease) in trade and other payables		28.608	96.660
Increase / (decrease) in employee benefits		(40)	288
Increase / (decrease) in other liabilities		(2.989)	(21.830)
Changes in working capital		90.832	137.606
Net cash from operating activities		209.635	145.437
Cash flows from investing activities			
Purchases of intangibles and property, plant and equipment		(77.950)	(237.324)
Net cash used in investing activities		(77.950)	(237.324)
Cash flows from financing activities			
Cash inflow due to borrowings		-	42.344
Share capital advance		86.566	142.528
Interest payment	9	(43.060)	(44.799)
Cash outflow due to borrowings	9	(67.292)	-
Changes in restricted cash		(109.565)	10.679
Net cash used in financing activities		(133.351)	150.752
Unrealized foreign exchange gain/(loss) from cash and cash equivalents		1.756	1.062
Net change in cash and cash equivalents		90	59.927
Cash and cash equivalents at the beginning of the year		43.679	6.593
Cash and cash equivalents at the end of the year	3	43.769	66.520

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

Bilsev Enerji Üretim ve Tic. A.Ş.

Notes to the interim condensed financial statements for the nine month period ended September 30, 2021 (Amounts expressed in thousand Turkish Lira (“000 TRY”), unless otherwise indicated.)

1. Organization and operations of the Company

Bilsev Enerji Üretim ve Tic. A.Ş. (the “Company or “Bilsev”) was incorporated in Ankara, Turkey. The address of its registered office is Besa Kule,Çukurambar Mahallesi 1480. Sokak No:2/12 Çankaya,Ankara.

Bilsev is a company that started its fully operations in first quarter of 2021. The investment is the construction of Karakurt Dam which is located in Kars Sarıkamış with 99,5 Mwh installed power.

The immediate parent and ultimate controlling party of the Company is Energo-Pro Turkish Development s.r.o..

The number of employees of the Company as of September 30, 2021 is 27. (December 31, 2020: 35)

The financial statements of the Company were approved by the Company’s Management on December 16, 2021.

2. Basis of presentation of financial statements

2.1. Basis of preparation

The interim condensed financial statements for the nine months ended September 30, 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at December 31, 2020.

2.2 Seasonality

The Company’s business is not affected by seasonality. Karakurt HPP has a reservoir system and management has concluded that this is not highly seasonal in accordance with IAS 34.

2.3 Recent accounting pronouncements

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended December 31, 2020, except for the adoption of new standards effective as of January 1, 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed financial statements of the Company

**Notes to the interim condensed financial statements
for the nine month period ended September 30, 2021
(Amounts expressed in thousand Turkish Lira (“000 TRY”), unless otherwise indicated.)**

2. Basis of presentation of financial statements (continued)

2.4 Significant changes in accounting policies

Preparation of summarised financial statements and company management estimations and assumptions that will impact reported assets, liabilities, income and operating costs are required in this interim period. Actual results may differ from these estimations.

Important decisions made by management when preparing the interim period summarised consolidated financial statements comply with the Company’s accounting policies and estimations used when preparing consolidated financial statements for the financial year ending on December 31, 2020.

2.5 Going concern

Management prepared these financial statements on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of the business. As of September 30, 2021, the current liabilities exceed current assets by TRY 139.910. Moreover, the Company’s accumulated losses amounts to TRY 336.082 and current period losses amounts to TRY 160.729. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. The management is of the opinion that the Company will be able to generate adequate cash flows. Since operations and revenue generation started mainly in second quarter of 2021. In line with the repayment of borrowings, financial expenses are expected to decrease and profitability of the Company is expected to improve.

As stated in the Communique on the Principles and Procedures regarding the Implementation of Article 376 of the Turkish Commercial Code No.6102, published on September 15, 2018, if the foreign exchange losses due to the foreign currency liabilities which are not yet realized in the calculation of capital loss or technical bankruptcy, will not be taken into consideration until January 1, 2023. In this respect, as of December 31, 2021 the Company is not in capital loss or technical bankruptcy.

**Notes to the interim condensed financial statements
for the nine month period ended September 30, 2021
(Amounts expressed in thousand Turkish Lira (“000 TRY”), unless otherwise indicated.)**

2. Basis of presentation of financial statements (continued)

2.6 Comparative information and restatement of prior period financial statements

The financial statements of the Company are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance. In order to comply with the presentation of the current period financial statements, comparative information is reclassified when necessary and significant differences are disclosed.

The restatements made in the financial statements of the Company as of December 31, 2020 are as follows:

Statement of financial position	As previously reported	Restatement	As restated
Property, plant and equipment	1.242.486	160.779	1.403.265
Intangible Assets	3.691	47	3.738
Total non-current assets	1.246.177	160.826	1.407.003
Net loss for the period	(415.761)	160.826	(254.935)
Total equity	(415.761)	160.826	(254.935)
Statement of profit or loss and other comprehensive income	As previously reported	Restatement	As restated
Depreciation and amortization expenses	(9.426)	8.703	(723)
Finance income / (expense)	(396.809)	152.123	(244.686)
Profit for the year	(406.235)	160.826	(245.409)
Statement of cash flows	As previously reported	Restatement	As restated
Loss before income tax	(415.761)	160.826	(254.935)
Depreciation and amortization	9.426	(8.703)	723
Interest Expenses	216.216	(152.123)	64.093
Operating cash flows before working capital changes	(190.119)	-	(190.119)

- A.** In 2021, the Company has identified an error in the calculation of capitalized borrowing costs as of December 31, 2020. Related error was corrected by restating the prior year financial statements as detailed above.

Without any adjustment on past year financial statements, the reclassifications made in statement of financial position of the Company as of December 31, 2020 are as follows:

- Restricted cash amounting to TRY 45 was previously classified in other current asset, has been reclassified to cash and cash equivalents.
- VAT deductible amounting to TRY 41.472 was previously classified in other receivables, has been reclassified to other current asset.
- Advances given amounting to TRY 1.037 was previously classified in prepaid expenses, has been reclassified to other current asset.
- Tax payables amounting to TRY 2.355 was previously classified in Trade and other payables, has been reclassified to other liabilities.
- Long-term prepaid expenses previously included under in other non-current assets amounting to TRY 17.120 has been presented as a separate line item in the statement of financial position.

Bilsev Enerji Üretim ve Tic. A.Ş.

Notes to the interim condensed financial statements for the nine month period ended September 30, 2021 (Amounts expressed in thousand Turkish Lira ("000 TRY"), unless otherwise indicated.)

3. Cash and cash equivalents

	September 30, 2021	December 31, 2020
Cash in banks – demand deposits	153.334	43.723
	153.334	43.724
- of which USD denominated restricted cash (*)	109.564	45

(*) This amount consist of revenues from electricity sold and held in a segregated account of the Company with Akbank. In accordance with loan agreement, the release of this cash is subject to payment of the next loan installment and its use is restricted to payment of loan.

At September 30 2021, cash and cash equivalents included restricted cash amounting to TRY 109.564 (December 31, 2020: TRY 45) consequently, cash and cash equivalents as reported in the statement of cash flows amounted to TRY 43.769 (December 31, 2020: TRY 43.679).

As of September 30, 2021 and December 31, 2020 the details of currency position of the cash and cash equivalents are as follows:

	September 30, 2021	December 31, 2020
USD	146.383	44
EURO	83	154
TRY	6.868	43.526
Total	153.334	43.724

4. Trade and other receivables

	September 30, 2021	December 31, 2020
Trade receivables from third parties	4.359	6.476
VAT receivables	-	47.215
Other receivables from third parties	132	886
Other receivables from related parties	84	133
Total	4.575	54.710

5. Other current and non-current assets

	September 30, 2021	December 31, 2020
VAT deductible	45.638	41.472
Other	311	1.043
Total	45.949	42.515

	September 30, 2021	December 31, 2020
Advances given	39	141
VAT deductible	-	18.478
Other	-	28
Total	39	18.647

Bilsev Enerji Üretim ve Tic. A.Ş.**Notes to the interim condensed financial statements****for the nine month period ended September 30, 2021****(Amounts expressed in thousand Turkish Lira ("000 TRY"), unless otherwise indicated.)****6. Property, plant and equipment**

Movement of property, plant and equipment and accumulated depreciation between January 1 and September 30, 2021 are as follows:

	January 1, 2021	Additions (*)	Transfer	Disposal	September 30, 2021
Cost:					
Land improvements	906	504	-	-	1.410
Buildings	1.156.031	33.020	42.478	-	1.231.529
Machinery and equipment	245.467	57	1.316	-	246.842
Vehicles	1.011	9	-	-	1.020
Furniture and fixtures	929	322	-	-	1.251
Leasehold improvements	19	-	-	-	19
Construction in progress	-	44.024	(43.794)	-	230
Total costs	1.404.365	77.936	-	-	1.482.301
Accumulated depreciation:					
Land improvements	(55)	(56)	-	-	(111)
Buildings	(217)	(22.720)	-	-	(22.937)
Machinery and equipment	(133)	(7.212)	-	-	(7.345)
Vehicles	(386)	(176)	-	-	(562)
Furniture and fixtures	(290)	(155)	-	-	(445)
Leasehold improvements	(19)	-	-	-	(19)
Total depreciation	(1.100)	(30.319)	-	-	(31.419)
Net book value	1.403.265				1.450.882

As of September 30, 2021 the cumulative capitalized borrowing cost on property, plant and equipment amounts to TRY 376.963 (December 31, 2020: TRY 343.943).

Bilsev Enerji Üretim ve Tic. A.Ş.**Notes to the interim condensed financial statements
for the nine month period ended September 30, 2021
(Amounts expressed in thousand Turkish Lira (“000 TRY”), unless otherwise indicated.)****6. Property, plant and equipment (continued)**

Movement of property, plant and equipment and accumulated depreciation between January 1 and September 30, 2020 are as follows:

	January 1, 2020	Additions (*)	Transfer	Disposal	September 30, 2020
Cost:					
Land improvements	342	131	-	-	473
Buildings	439	-	-	-	439
Machinery and equipment	371	61	-	-	432
Vehicles	877	2	-	-	879
Furniture and fixtures	356	574	-	-	930
Leasehold improvements	18	-	-	-	18
Constructions in progress	1.084.766	236.556	-	-	1.321.322
Total costs	1.087.169	237.324	-	-	1.324.493
Accumulated depreciation:					
Land improvements	(23)	(19.285)	-	-	(19.308)
Buildings	(94)	(31.768)	-	-	(31.862)
Machinery and equipment	(56)	(37.226)	-	-	(37.282)
Vehicles	(177)	(151.725)	-	-	(151.902)
Furniture and fixtures	(189)	(51.579)	-	-	(51.768)
Leasehold improvements	(18)	-	-	-	(18)
Total depreciation	(557)	(291.583)	-	-	(292.140)
Net book value	1.086.612				1.032.353

7. Trade and other payables

	September 30, 2021	December 31, 2020
Trade payables to third parties	41.721	58.652
Trade payables to related party	23.074	-
Other payables to related parties	82.426	60.722
Deposits and guarantees received	171	286
Other payables to third parties	1.004	129
Total	148.396	119.789

On average, maturity for trade payables are 30 days (December 31, 2020: 30 Days).

Bilsev Enerji Üretim ve Tic. A.Ş.

Notes to the interim condensed financial statements
for the nine month period ended September 30, 2021
(Amounts expressed in thousand Turkish Lira ("000 TRY"), unless otherwise indicated.)

8. Other current liabilities

	September 30, 2021	December 31, 2020
Taxes and other payables	342	2.356
Due to personnel	146	499
Social security premium payable	16	92
Other	1	791
Total	505	3.738

9. Borrowings

The details of bank loans as of September 30, 2021 is as follows:

Original Currency	Nominal Interest Rate	September 30, 2021	
		Short-term	Long-term
USD	6,75%+Libor	195.390	927.583
Total		195.390	927.583

The details of bank loans as of December 31, 2020 is as follows:

Original Currency	Nominal Interest Rate	December 31, 2020	
		Short-term	Long-term
USD	6,75%+Libor	201.913	784.519
Total		201.913	784.519

According to the loan agreement signed between the Company and Akbank, starting from commercial operation date and ending on the date falling three years after the commercial operation date, the Company is obliged to meet the minimum Debt Service Cover Ratio of 1,05. Starting from the date falling three years after the commercial operation date and ending on the date falling six years after the commercial operation date, the Company is obliged to meet the minimum Debt Service Cover Ratio of 1,1. After six years after the commercial operation date, the Company is obliged to meet the minimum Debt Service Cover Ratio of 1,15.

Energo-Pro A.S. is the guarantor of the 50 million USD portion of the loan obtained from Akbank.

Bilsev Enerji Üretim ve Tic. A.Ş.

Notes to the interim condensed financial statements for the nine month period ended September 30, 2021 (Amounts expressed in thousand Turkish Lira (“000 TRY”), unless otherwise indicated.)

9. Borrowings (continued)

Redemption schedule of the Company's bank loans according to original maturities are as follows:

	September 30, 2021	December 31, 2020
To be paid within 1 year	195.390	201.913
To be paid between 1-5 years	647.310	560.964
5 and more than 5 years	280.274	223.555
Total	1.122.974	986.432

As of December 31, 2021 and 2020 the movement for borrowings is as follows:

	2021	2020
Beginning of the period – January 1	986.432	796.716
Borrowings received	-	42.344
Change in interest accrual	47.082	66.677
Principal payment	(67.292)	-
Interest payment	(43.060)	(44.799)
Change in foreign exchange differences	199.812	264.731
Closing – September 30,	1.122.974	1.125.669

10. Sales of Electricity

	January 1 - September 30, 2021	January 1 - September 30, 2020
Sales of Electricity	128.637	-
End of the period – September 30	128.637	-

(*) Karakurt Dam has generated 165.255 MWh of electricity for the nine-month period ended September 30, 2021.

11. Services expenses

	January 1 - September 30, 2021	January 1 - September 30, 2020
Dispatch and transmission	(4.312)	-
Professional service fees	(5.515)	(343)
Insurance expense	(2.547)	-
Facility expense	(976)	(6)
Security expense	(623)	-
Repairs and maintenance	(438)	(1)
Rent expense	(9)	(5)
Other	(1.348)	(393)
Total	(15.768)	(748)

Bilsev Enerji Üretim ve Tic. A.Ş.

Notes to the interim condensed financial statements
for the nine month period ended September 30, 2021
(Amounts expressed in thousand Turkish Lira ("000 TRY"), unless otherwise indicated.)

12. Finance income/ (expenses)

	January 1 - September 30, 2021	January 1 - September 30, 2020
Finance income		
Interest income	95	277
Foreign exchange gains	89.440	-
Total	89.535	277
Finance expenses		
Interest expenses	(48.337)	(192.232)
Foreign exchange losses	(275.890)	(121.646)
Total	(324.227)	(313.878)
Net finance income/(loss)	(234.692)	(313.601)

13. Commitments, contingent assets and liabilities

	September 30, 2021	December 31, 2020
Letters of guarantee given	7.903	14.083
Total	7.903	14.083

AGE İnşaat ve Ticaret A.Ş. ("AGE İnşaat") undertook the construction of the Karakurt dam. In 2020, The Company terminated the contract of AGE İnşaat due to the problems in the construction. AGE İnşaat filed a lawsuit against the Company in April 2021. The relevant lawsuit includes a claim for compensation of 19.7 Million USD. The Company's lawyers consider the risk of losing the relevant case to be low. In addition, the Company has filed a counter-claim against AGE İnşaat with a compensation claim of 31 Million USD due to the problems in the construction. Accordingly no provision has been recognized in these financial statements in relation to this lawsuit since outflow of economic benefits is deemed to be unlikely.

14. Related parties

The Company has electricity trade transaction, financial activities and cost reflection activities with the related parties.

a) Other receivables from related parties

	September 30, 2021	December 31, 2020
Murat Nehri Enerji Üretim A.Ş. (**)	84	120
Berta Enerji Elektrik Üretim A.Ş. (**)	-	13
Total	84	133

Bilsev Enerji Üretim ve Tic. A.Ş.**Notes to the interim condensed financial statements****for the nine month period ended September 30, 2021****(Amounts expressed in thousand Turkish Lira ("000 TRY"), unless otherwise indicated.)****14. Related parties (continued)****b) Trade payables to related parties**

	September 30, 2021	December 31, 2020
Energo Pro İnşaat San. ve Tic. A.Ş. (**)	23.074	-
Total	23.074	-

c) Other payables to related parties

	September 30, 2021	December 31, 2020
Energo-Pro A.S. (**)	68.105	44.154
ÇKD Litostroj Turkey Türbin İmalatları A.Ş. (**)	4.804	6.228
Energo-Pro Güney Elektrik Toptan Satış Ve Tic. A.Ş. (**)	4.481	128
Reşadiye Hamzalı Elektrik Üretim Sanayi ve Tic. A.Ş. (**)	3.418	1.603
Litostroj Engineering S.R.O.	1.410	-
Berta Enerji Elk.Üretim San. ve Tic. A.Ş. (**)	208	362
Energo Pro İnşaat San. ve Tic. A.Ş. (**)	-	8.247
Total	82.426	60.722

d) Other income from related parties

	January 1- September 30, 2021	January 1- September 30, 2020
Reşadiye Hamzalı Elektrik Üretim San. ve Tic. A.Ş. (**)	44	58
Energo Pro İnşaat San. ve Tic. A.Ş. (**)	15	73
Energo-Pro Güney Elektrik Toptan Satış Ve Tic. A.Ş. (**)	14	21
Berta Enerji Elk.Üretim San. ve Tic. A.Ş. (**)	14	24
Murat Nehri Elektrik Üretim ve Ticaret A.Ş.	-	102
Total	87	278

e) Purchased services from related parties

	January 1- September 30, 2021	January 1- September 30, 2020
Reşadiye Hamzalı Elektrik Üretim San. ve Tic. A.Ş. (**)	2.182	216
Energo-Pro Güney Elektrik Toptan Satış Ve Tic. A.Ş. (**)	274	-
Total	2.456	216

**Notes to the interim condensed financial statements
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14. Related parties (continued)

f) Financial expenses from related parties

	January 1- September 30, 2021	January 1- September 30, 2020
Energo-Pro A.S. (**)	17.258	44.154
Reşadiye Hamzalı Elektrik Üretim San. ve Tic. A.Ş. (**)	246	-
Energo-Pro Güney Elektrik Toptan Satış Ve Tic. A.Ş. (**)	14	-
Berta Enerji Elk.Üretim San. ve Tic. A.Ş. (**)	12	-
Total	17.530	44.154

15. Financial Risk Management

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

Currency risk, Currency risk is the risk that the financial results of the Company will be adversely impacted by changes in exchange rates to which the Company is exposed. The Company undertakes certain transactions denominated in foreign currencies. The Company does not use any derivatives to manage foreign currency risk exposure, at the same time the management of the Company is trying to mitigate such risk by managing monetary assets and liabilities in foreign currency on Company level.

The table below summarises the Company’s exposure to foreign currency exchange rate risk at the end of the reporting period:

	September 30, 2021				December 31, 2020			
	Monetary financial assets	Monetary financial liabilities	Net balance sheet position	Net balance sheet position (TRY)	Monetary financial assets	Monetary financial liabilities	Net balance sheet position	Net balance sheet position (TRY)
USD	12.368	(117.221)	(104.853)	(927.247)	1	(132.651)	(132.650)	(973.717)
EURO	48	(566)	(518)	(5.342)	176	(19)	157	1.414
Total	12.416	(117.787)	(105.371)	(932.589)	177	(132.670)	(132.493)	(972.303)

The above analysis includes only monetary assets and liabilities. Investments in equities and non-monetary assets are not considered to give rise to any material currency risk.

**Notes to the interim condensed financial statements
for the nine month period ended September 30, 2021
(Amounts expressed in thousand Turkish Lira (“000 TRY”), unless otherwise indicated.)**

15. Financial Risk Management (continued)

The following table presents sensitivities of profit and loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the Company, with all other variables held constant:

	September 30, 2021	September 30, 2020
	Impact on profit or loss	Impact on profit or loss
In case 20% appreciation in US Dollar	(20.971)	(26.530)
In case 20% depreciation in US Dollar	20.971	26.530
In case 20% appreciation in EURO	(104)	(4)
In case 20% depreciation in EURO	104	4

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Company.

15. Subsequent events

On 14 October 2021, Energo-Pro A.S. and DK Holding Investments, s.r.o. signed a share purchase agreement whereby Energo-Pro A.S. agreed to acquire from DK Holding Investments, s.r.o. a 100 per cent of the Bilsev Enerji Üretim ve Ticaret A.Ş shares from the Company's current parent - Energo-pro Turkish Hydro Development s.r.o.